

## Request for Decision

<b>Title</b>	<b>Bylaw 1574/22 - Debenture for Meadowview Drive Phase 2 – Second and Third Reading</b>
<b>Proposed Motion</b>	<ol style="list-style-type: none"> <li>1. That Council give second reading of Bylaw 1574/22.</li> <li>2. That Council give third reading of Bylaw 1574/22.</li> </ol>
<b>Administrative Recommendation</b>	Administration recommends that Council give second and third readings of Bylaw 1574/22 to authorize the use of long-term borrowing to fund the reconstruction of Meadowview Drive Phase 2.
<b>Previous Council / Committee Direction</b>	<p><u>January 11, 2022 Regular Council Meeting</u> Motion 004/22: That Council give first reading of Bylaw 1574/22.</p> <p><u>December 14, 2021 Regular Council Meeting</u> Motion 549/21: That Council approve the proposed 2022 Operating and Capital Budget as amended by motions passed on November 30, 2021.</p> <p>Motion 550/21: That Council approve in principle the 2023-2025 Operating Financial Forecast and the 2023-2027 Capital Financial Forecast as presented in the consolidated Operating and Capital Budget and amended by motions passed on November 30, 2021.</p> <p><u>May 25, 2021 Regular Council Meeting</u> Motion 298/21: That Council authorize allotment of \$3,000,000 of Municipal Sustainability Initiative (MSI) funding for additional rehabilitation work for Meadowview Drive in 2021.</p>
<b>Report</b>	<p><u>Background Information</u></p> <ul style="list-style-type: none"> <li>• The Meadowview Drive Phase 2 project will complete the remainder of the rehabilitation started in 2021, by improving both eastern and western limits on Meadowview Drive.</li> <li>• Rehabilitation of the road is required due to its poor existing condition and weak road structure.</li> <li>• The Meadowview Drive Phase 2 project was presented and approved as part of the 2022 Capital Budget.</li> <li>• The proposed Debenture Bylaw 1574/22 is for \$8,000,000, which is the full anticipated project cost. Funds will be drawn in accordance with the Debt Management Policy.</li> </ul>

- The tax-supported debenture is a 15-year term with semi-annual interest payments. The total interest on the life of the debenture is approximately \$2,078,610 and the annual payment is approximately \$671,908.
- Sturgeon County's debt limit as of December 31, 2020 per the *Municipal Government Act* (MGA) is \$125,608,454.
- The total outstanding debt principal as of December 31, 2020 is \$34,229,692 (audited).
- Sturgeon County's debt limit as of December 31, 2021 per the MGA is projected to be \$145,594,196 (unaudited) with total long-term debt principal anticipated to be \$30,866,852 (unaudited).
- Based on the 2021 projected debt limit and debentures approved by Council for 2021, the debt limit available based on MGA regulations is \$107,427,344.

External Communication

- Following first reading of Bylaw 1574/22 on January 11, 2022, advertisements were placed in the *Morinville Free Press* and *Redwater Review* for two consecutive weeks starting January 19, 2022. There were no petitions of the electors for a vote on Bylaw 1574/22 during that time. The public notice was also posted on the Sturgeon County website.
- If Council passes Bylaw 1574/22, it will be published to the Sturgeon County website.

Relevant Policy/Legislation/Practices:

- *Municipal Government Act*, RSA 2000 c.M-26
- Debt Management Policy

**Implication of Administrative Recommendation**

Strategic Alignment:

**Planned Growth and Operational Excellence** – Completion of the remaining required improvements on Meadowview Drive will provide an improved and safer driving surface, reducing ongoing maintenance costs.

Organizational:

Administration will be rehabilitating Meadowview Drive Phase 2 through the 2022 capital plan.

Financial:

- The Debenture Bylaw request is for \$8,000,000.
- The current interest rate for a 15-year debenture is anticipated to be 3.12%.

Project	Debenture	Total Interest (15-Years)	Annual Payment (15-Years)
Meadowview Drive Phase 2	\$8,000,000	\$2,078,610	\$671,908

**Alternatives Considered**

Council may defeat the Bylaw and not proceed with the Meadowview Drive Phase 2 project until alternative financing options can be explored.

<b>Implications of Alternatives</b>	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> <li>Not proceeding with the project is inconsistent with the County's goal of ensuring reliable and effective infrastructure planning consistent with asset management practices.</li> </ul> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> <li>Administration would not implement the Meadowview Drive Phase 2 project through the 2022 capital plan.</li> </ul> <p><u>Financial:</u></p> <p>The debenture would not be pursued.</p>
<b>Follow up Action</b>	<ol style="list-style-type: none"> <li>Obtain Mayor and CAO signatures on the Bylaw (Legislative Services, March 2022).</li> <li>Post the Bylaw to the Sturgeon County website (Corporate Communications, March 2022).</li> </ol>
<b>Attachment(s)</b>	<ol style="list-style-type: none"> <li>Attachment 1: Bylaw 1574/22</li> <li>Attachment 2: Debt Management Policy</li> <li>Attachment 3: Reserve Policy</li> </ol>
<b>Report Reviewed by:</b>	<p>Gary Mayhew, Director, Transportation and Engineering Services</p> <p>Sabrina Duquette, Manager, Corporate Finance &amp; Treasury</p> <p>Andrew Hayes, General Manager, Financial Services, CFO</p> <p>Scott MacDougall, Chief Operating Officer – COO</p> <p>Reegan McCullough, County Commissioner – CAO</p>

## Strategic Alignment Checklist

**Vision:** *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

**Guiding Principles:** Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
<b>Planned Growth</b>			
<ul style="list-style-type: none"> <li>Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Modern broadband and digital capabilities</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Low cost, minimal red-tape regulations</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Thriving Communities</b>			
<ul style="list-style-type: none"> <li>Beautiful, surprising places with high standards; integrated natural spaces &amp; trail systems; healthy and resilient</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Engaging cultural, historical, and civic amenities; strong community identity and pride</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Environmental Stewardship</b>			
<ul style="list-style-type: none"> <li>Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Sustainable development; partnerships with industry and others to drive emission reductions</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Collaborative Governance</b>			
<ul style="list-style-type: none"> <li>Predictable and stable external relationships; volunteer partnerships</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Meaningful connections with Indigenous communities</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Respectful and informed debate; clear and supportive governance processes</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Operational Excellence</b>			
<ul style="list-style-type: none"> <li>Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Future focused thinking to proactively respond to emerging opportunities and challenges</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Alternative revenue generation and service delivery models integrated strategic and business planning</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>