

Request for Decision

Title	Bylaw 1602/22 – Debenture for Trestle Ridge Water Utility Services – Three Readings
Proposed Motion	<ol style="list-style-type: none"> 1. That Council give first reading of Bylaw 1602/22. 2. That Council give second reading of Bylaw 1602/22. 3. That Council consider third reading of Bylaw 1602/22. 4. That Council give third reading of Bylaw 1602/22.
Administrative Recommendation	Administration recommends that Council give three readings of Bylaw 1602/22 to authorize the use of long-term borrowing to fund the installation of water utility services to the Trestle Ridge area.
Previous Council / Committee Direction	<p><u>May 24, 2022 Regular Council Meeting</u> Motion 200/22: That Council give third reading of Bylaw 1599/22.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • The Trestle Ridge subdivision is located within Sturgeon Valley. It is a community consisting of seven individual residences at Trestle Ridge Place on the end of Range Road 250, north of Township Road 544A. • In early January 2022, Sturgeon County was advised that a landowner was looking to subdivide their property and would require four additional connections. The addition of the four water connections would bring the total to 11 benefitting parcels. • Administration requested that qualified contractors provide pricing to complete the project. Based on lump sum pricing, the estimated project cost is \$232,772.00 (includes 20% contingency and 10% engineering). • At the May 24, 2022 Council meeting, Council passed Bylaw 1599/22 to create a local improvement tax to raise revenue for the purpose of the installation of water utility services in the Trestle Ridge Subdivision. • The proposed Debenture Bylaw 1602/22 is for \$232,772, which is the full anticipated project cost. Funds will be drawn in accordance with the Debt Management Policy. • The local improvement tax-supported debenture is a 15-year term with semi-annual interest payments. The total interest on the life of the

debenture is approximately \$90,939 and the annual payment is approximately \$21,581.

- Legal counsel has advised that since the entire cost of the project will be paid from revenue raised by the local improvement and the County will contribute no money to pay for the local improvement, the debenture bylaw does not need to be advertised. Therefore, Council may proceed with considering three readings of the Bylaw at the June 14, 2022 Council meeting.
- Sturgeon County’s debt limit as of December 31, 2021 per the *Municipal Government Act (MGA)* is \$156,146,502 (audited).
- The total outstanding debt principal as of December 31, 2021 is \$30,958,483 (audited).
- The 2022 projected debt limit available (total projected debt limit less debentures approved by Council for 2022) based on MGA regulations is \$100,491,933.

External Communication

- Trestle Ridge residents will be advised of the outcome of Council’s decision.

Relevant Policy/Legislation/Practices:

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

Implication of Administrative Recommendation

Strategic Alignment:

Thriving Communities – Council would demonstrate its commitment to improving residents’ quality of life through facilitating utility servicing in the area.

Organizational:

Administration would administer the local improvement over the life of the debenture.

Financial:

- The Debenture Bylaw request is for \$232,772.
- The current interest rate for a 15-year debenture is anticipated to be 4.55%.

Project	Debenture	Total Interest (15-Years)	Annual Payment (15-Years)
Trestle Ridge Water Utility Service	\$232,772	\$90,938.50	\$21,580.70

Alternatives Considered

Council may defeat the bylaw and not proceed with the Trestle Ridge Water Utility Services project until alternative financing options can be explored.

Implications of Alternatives	<p><u>Strategic Alignment:</u> Operational Excellence – Deferral of the project until alternative financing options can be explored would ensure the County’s available debt limit is accessible for other planned and emergent projects.</p> <p><u>Organizational:</u> Administration would not implement the Trestle Ridge Water Utility Services project through the 2022 Capital Plan.</p> <p><u>Financial:</u> Deferral of the project may result in increased future cost due to market pressure.</p>
Follow up Action	<ol style="list-style-type: none"> 1. Obtain Mayor and CAO signatures on Bylaw 1602/22 (Legislative Services, June 2022). 2. Proceed with the Trestle Ridge water utility services project (Utility & Waste Management Services, Q3 2022).
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: Bylaw 1602/22 2. Attachment 2: Bylaw 1599/22 3. Attachment 3: Debt Management Policy
Report Reviewed by:	<p>Sabrina Duquette, Manager, Corporate Finance & Treasury</p> <p>Andrew Hayes, General Manager, Financial Services & Chief Financial Officer</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
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> 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 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>