

## Request for Decision

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| <b>Title</b>                                  | <b>Bylaw 1574/22 - Debenture for Meadowview Drive Phase 2 - First Reading</b>   |
| <b>Proposed Motion</b>                        | That Council give first reading of Bylaw 1574/22.   |
| <b>Administrative Recommendation</b>          | Administration recommends that Council give first reading 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>December 14, 2021 Regular Council Meeting</u><br/>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><br/>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> <li>• 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.</li> </ul> |

|   | <ul style="list-style-type: none"><li>Sturgeon County’s debt limit as of December 31, 2020 per the <i>Municipal Government Act</i> (MGA) is \$125,608,454.</li><li>The total outstanding debt principal as of December 31, 2020 is \$34,229,692 (audited).</li><li>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).</li><li>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.</li></ul> <p><u>External Communication</u></p> <ul style="list-style-type: none"><li>The Bylaw will be advertised in various media outlets and posted on the Sturgeon County website to provide information to residents and to allow for petitions.</li></ul> <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"><li><i>Municipal Government Act</i>, RSA 2000 c.M-26</li><li>Debt Management Policy</li></ul> |                           |                           |                           |                           |                          |             |             |           |
|---|--|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------|-------------|-------------|-----------|
| <b>Implication of Administrative Recommendation</b> | <p><u>Strategic Alignment:</u></p> <p><b>Planned Growth and Operational Excellence</b> – Completion of the remaining required improvements on Meadowview Drive will provide an improved and safer driving surface, reducing ongoing maintenance costs.</p> <p><u>Organizational:</u></p> <p>Administration will be rehabilitating Meadowview Drive Phase 2 through the 2022 capital plan.</p> <p><u>Financial:</u></p> <ul style="list-style-type: none"><li>The Debenture Bylaw request is for \$8,000,000.</li><li>The current interest rate for a 15-year debenture is anticipated to be 3.12%.</li></ul> <table><tr><th>Project</th><th>Debenture</th><th>Total Interest (15-Years)</th><th>Annual Payment (15-Years)</th></tr><tr><td>Meadowview Drive Phase 2</td><td>\$8,000,000</td><td>\$2,078,610</td><td>\$671,908</td></tr></table>  | Project                   | Debenture                 | Total Interest (15-Years) | Annual Payment (15-Years) | Meadowview Drive Phase 2 | \$8,000,000 | \$2,078,610 | \$671,908 |
| Project   | Debenture  | Total Interest (15-Years) | Annual Payment (15-Years) |                           |                           |                          |             |             |           |
| Meadowview Drive Phase 2                            | \$8,000,000  | \$2,078,610               | \$671,908                 |                           |                           |                          |             |             |           |
| <b>Alternatives Considered</b>                      | Council may defeat the Bylaw and not proceed with the Meadowview Drive Phase 2 project until alternative financing options can be explored.  |                           |                           |                           |                           |                          |             |             |           |

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| <b>Implications of Alternatives</b> | <p><u>Strategic Alignment:</u></p> <p>Not proceeding with the project is inconsistent with the County's goal of ensuring reliable and effective infrastructure planning consistent with asset management practices.</p> <p><u>Organizational:</u></p> <p>Administration would not implement the Meadowview Drive Phase 2 project through the 2022 capital plan.</p> <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>1. Advertise the Debenture Bylaw in various media outlets and post on the Sturgeon County website (Financial Services, January 2022).</li> <li>2. Bring Bylaw 1574/22 back to Council for consideration of second and third reading (Financial Services, Q1 2022).</li> </ol>  |
| <b>Attachment(s)</b>                | <ol style="list-style-type: none"> <li>1. Attachment 1: Bylaw 1574/22</li> <li>2. Attachment 2: Debt Management Policy</li> <li>3. Attachment 3: Reserve Policy</li> </ol>  |
| <b>Report Reviewed by:</b>          | <p>Sabrina Duquette, Manager, Financial Services</p> <p>Andrew Hayes, Director, Financial, Assessment and Procurement Services</p> <p>Scott MacDougall, Acting 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"/> |