

Request for Decision

Title	Bylaw 1576/22 – Debenture for Range Road 234 Reconstruction – First Reading
Proposed Motion	That Council give first reading of Bylaw 1576/22.
Administrative Recommendation	Administration recommends that Council give first reading of Bylaw 1576/22 to authorize the use of long-term borrowing to fund the reconstruction of Range Road 234 from Township Road 560 to Highway 28.
Previous Council / Committee Direction	<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>December 8, 2020 Regular Council Meeting</u> Motion 579/20: That Council approve the 2021 Operating and Capital Budget as amended by motions passed on November 27, 2020 and represented by a 0% tax rate increase with \$8,932,886 Significant Tax Revenue Growth allocated to the policy priority reserves for Council consideration in early 2021.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none">• Range Road 234 is a collector road with connections to the Nywenning Subdivision and other area residents.• Range Road 234 was identified as the next candidate for reconstruction based on the collector reconstruction program prioritization criteria.• The Range Road 234 Reconstruction Project was first presented and approved as part of the 2021 Capital Budget, and later presented and approved again as part of the 2022 Capital Budget.• The full anticipated project cost for the Range Road 234 reconstruction project is \$5,232,000. The proposed Debenture Bylaw 1576/22 is for \$890,000, which is 17% of the anticipated project cost. \$3.87 million in municipal reserves and \$0.47 million in grant funding provide the remaining funds for the project.

- Debenture funds will be drawn in accordance with the Debt Management Policy.
- 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 \$231,246 and the annual payment is approximately \$74,750.
- 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

- 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.

Relevant Policy/Legislation/Practices:

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

Implication of Administrative Recommendation

Strategic Alignment:

Operational Excellence – Reconstructing Range Road 234 from Township Road 560 to Highway 28 will ensure travel is safe and services are easily accessible for residents of the Nywenning subdivision and surrounding area.

Organizational:

Administration will implement the Range Road 234 Reconstruction Project through the 2022 capital plan.

Financial:

- The Debenture Bylaw request is for \$890,000.
- 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)
Range Road 234	\$890,000	\$231,246	\$74,750

Alternatives Considered

Council may defeat the Bylaw and not proceed with the Range Road 234 reconstruction project until alternative financing options can be explored.

Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <p>Operational Excellence – Deferral of the project until alternative financing options can be explored would increase the County’s available debt limit, leaving room for other projects. However, delaying the rehabilitation may result in further deterioration and more expenses in the future.</p> <p><u>Organizational:</u></p> <p>Administration would not implement the Range Road 234 reconstruction project through the 2022 capital plan.</p> <p><u>Financial:</u></p> <p>An alternative funding source, such as a draw from existing reserves, would be necessary if debt funding is not supported.</p>
Follow up Action	<ol style="list-style-type: none"> 1. Advertise the Bylaw in various media outlets and post on the Sturgeon County website (Financial Services, January 2022). 2. Bring the Bylaw back to Council for consideration of second and third reading (Financial Services, Q1 2022).
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: Bylaw 1576/22
Report Reviewed by:	<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
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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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"/>