

## Request for Decision

<b>Title</b>	<b>Bylaw 1579/22 – Debenture for Coal Mine Road - First Reading</b>
<b>Proposed Motion</b>	That Council give first reading of Bylaw 1579/22.
<b>Administrative Recommendation</b>	Administration recommends that Council give first reading of Bylaw 1579/22 to authorize the use of long-term borrowing to fund the reconstruction and surfacing of Coal Mine Road from Township Road 544 to Range Road 252.
<b>Previous Council / Committee Direction</b>	<p><u>December 14, 2021 Regular Council Meeting</u>            Motion 548/21: That Council approve the amended Significant Tax Revenue Growth Policy as presented.</p> <p>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>
<b>Report</b>	<p><u>Background Information</u></p> <ul style="list-style-type: none"> <li>Coal Mine Road currently has an average daily traffic count of 782 vehicles.</li> <li>In conjunction with the proposed rebuild and paving of Coal Mine Road, Range Road 252 is scheduled to be paved in 2022 providing for improved connectivity into St. Albert.</li> <li>The Coal Mine Road 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.</li> </ul>

- The proposed Debenture Bylaw 1579/22 is for \$3,530,000, which is the full anticipated project cost. 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 \$917,187, and the annual payment is approximately \$296,480.
- 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 *Municipal Government Act* (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** – Reconstruction and surfacing of Coal Mine Road from Township Road 544 to Range Road 252 in conjunction with pavement of Range Road 252 will provide improved connectivity into St. Albert.

Organizational:

Administration will implement the Coal Mine Road project through the 2022 capital plan.

Financial:

- The Debenture Bylaw request is for \$3,530,000.
- 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)
Coal Mine Road	\$3,530,000	\$917,187	\$296,479

<b>Alternatives Considered</b>	Council may defeat the bylaw and not proceed with the reconstruction and surfacing of Coal Mine Road from Township Road 544 to Range Road 252 until alternative financing options can be explored.
<b>Implications of Alternatives</b>	<p><u>Strategic Alignment:</u></p> <p><b>Operational Excellence</b> – 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, delays would result in Coal Mine Road being unable to service the expected demand on the roadway, increase ongoing maintenance cost and not provide for improved connectivity into St. Albert.</p> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> <li>Administration would not implement the Coal Mine Road project through the 2022 capital plan.</li> </ul> <p><u>Financial:</u></p> <ul style="list-style-type: none"> <li>An alternative funding source, such as a draw from existing reserves, would be necessary if debt funding is not supported.</li> </ul>
<b>Follow up Action</b>	<ol style="list-style-type: none"> <li>1. Advertise the Bylaw in various media outlets and post on the Sturgeon County website (Financial Services, January 2022).</li> <li>2. Bring Bylaw 1579/22 back to Council for consideration of second and third reading (Financial Services, Q1 2022).</li> </ol>
<b>Attachment(s)</b>	1. Attachment 1: Bylaw 1579/22
<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 type="checkbox"/>	<input checked="" 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"/>