



CAPITAL COST SHARE POLICY

MARCH 2019

REALITIES

- In today's difficult economy, with competing priorities and financial pressures, it is crucial that we recognize the fact that there is one taxpayer.
- Parkland County supports the need for amenities in all regions of the County, from Entwistle and Tomahawk, to our borders with Devon, Leduc County and Edmonton.

REALITIES

- We are a vast County with a variety of needs and a very strong focus on a disciplined approach to solving our significant tax problem with the loss of coal.
 - Staying competitive allows us to entice business into our region. It is a very clear and simple proposition but we must stay diligent and focused.
- Bringing business does drive some need for amenities.
 - With new business comes new employees who will chose to live in the region.
- We drove and supported the need for a Regional Plan to ensure there is discipline around investment and in the best light of what can be considered a great return on investment.

THE PROBLEM AND OPPORTUNITY

- As Parkland County surrounds and is surrounded by multiple municipalities there is always a draw for funding.
 - The proposed policy provides a disciplined, consistent approach and drives specific due diligence. It defines the timelines and deliverables required for council to make a funding decision.
- The proposed policy puts the onus on the third party asking for money to engage with us early in their planning process.
- Capital is a finite commodity and there will always be more asks than the ability to fund. Liquidity and debt are valuable and must be used carefully.

THE PROBLEM AND OPPORTUNITY

- An idea without a comprehensive plan creates unrealistic expectations.
- It is only with all of the information that an idea becomes a real plan with the understanding of how to fund it and keep it sustainable, or if it is even feasible.
 - This is exactly why we are so adamant on a Regional Plan.
- Parkland County is not ready to engage our public until we get further details and can complete an analysis of **all** of the asks.
- Any public engagement will be done with all of the information, including tax increases, operating costs, return on investment and impacts to other operating areas if applicable.

CURRENT STATE

- For regional projects that have been reported on in the local media, we currently do not have sufficient information on these projects to be able to engage with our public.
- As there are multiple projects being proposed in the local region, we have no more information than what the public has.
 - There have been no formal materials presented to staff to provide advice to Council
- We find this disappointing, as it is always in our nature to communicate with our public as soon as possible to ensure full transparency with decision making.

CURRENT STATE

- There are projects proposed from all areas within the County, and we have read in the media that Parkland may be asked for financial contributions.
 - We believe that is inappropriate and our residents need to know we have made no decisions and no decisions would be imminent without their input and thorough reviews of the costing.
- As there are multiple competing projects being proposed by at least four municipalities, we need to have all of the information and thoroughly analyze it to advise Council on what we believe Parkland can afford to invest in, and what projects should be a priority, if any.
- From what we have gleaned and analyzed from the information in the media, we do not believe all of the projects are sustainable and our initial analysis on this shows significant burdens being put on Parkland County through tax and operating costs.
 - This does not align to our principle of remaining competitive.

THE POLICY

- Has three gates (stages) for Council to approve
- Gate one
 - Expected to be an executive summary style of document that would identify a need, and potential solutions that may be practical.
 - At the end of this it would essentially be identified as a potential regional project.
- Gate two
 - Essentially completes the front end engineering and design criteria and provides all of the necessary financial information required to understand how the project would be funded, and what operating costs would flow to the County.
 - At the end of this section it would be enough detail to go to the market and finalize the details required to sanction and fund the project. Often even if approved at this level, projects may not move forward.

THE POLICY

- Gate three
 - Tightens up the budget, defines project management criteria and further defines the enterprise risk. If approved the project is completed. It would be perfectly fine to say no to a project that does not meet the criteria at this point, versus building something that has a longer term impact.
- This whole process should take approximately one year if the information is readily available.
- If not administration and Council should be diligent and say no.

REPORTING

- The policy does not define what the reports look like, only what information and materials they need to contain.
- The policy also defines what reports need to be provided during the construction period.