



MACKENZIE COUNTY

REQUEST FOR DECISION

Meeting:	Regular Council Meeting
Meeting Date:	August 12, 2013
Presented By:	Alison Kilpatrick, Director of Corporate Services
Title:	La Crete Lagoon Project – Budget Amendment (ADDITION)

BACKGROUND / PROPOSAL:

In their July 16, 2013 meeting, Council approved an increase to the County's 2013 capital budget for the construction of the La Crete Lagoon Upgrades and Expansion project, bringing the total project cost to \$6,247,000.

A supplementary application was then submitted to Alberta Transportation (AT) under the Alberta Water and Waste Water Program (AMWWP). AT has approved awarding the contract to the lowest bidder, and will review the County's supplementary application for additional AMWWP funding in early 2014.

OPTIONS & BENEFITS:

AT has clarified the application of AMWWP funding, and as a result, Administration is submitting a request for amendment to the 2013 capital budget, as follows:

Funding	July 16, 2013 Approval	Proposed Amendment #1	Proposed Amendment #2
2012 Actual	\$ 466,440	\$ 466,440	\$ 466,440
2013 Budget:			
AMWWP grant	2,507,594	\$ 2,507,594	\$ 2,507,594
FGTF grant	1,409,880	1,272,482	1,272,482
MSI grant	1,095,792	1,099,793	1,099,793
Debenture	1,233,734	1,513,085	1,263,085
Reserves	--	133,396	383,397
Subtotal - 2013 Budget	\$ 5,630,083	\$ 6,247,000	\$ 6,247,000
Total Project Costs	\$ 6,247,000	\$ 6,713,440	\$ 6,713,440

Author: A. Kilpatrick Review by: _____ CAO _____

It is proposed that \$66,699 would be drawn from the Water Upgrading Reserve, \$66,698 from the Sewer Upgrading Reserve (total, \$133,397), and under Option #2, \$250,000 from the Drainage Reserve.

Please review the attached financial analysis.

Administration recommends Option #2, which facilitates work on the project during the 2013 season, while utilizing short-term borrowing in tandem with the County's municipal reserves.

COSTS & SOURCE OF FUNDING:

Capital Budget.

COMMUNICATION:

N/A.

RECOMMENDED ACTION:

That the 2013 Capital Budget for the La Crete Lagoon Upgrades and Expansion project be approved as presented under Option #2.

La Crete Lagoon Upgrades & Expansion Project (6-42-01)
 Incremental analysis of project costs and funding for a modified project

Revised 2013-08-09

Option 1: Short-term borrowing \$1,513,085, plus \$133,397 draws on Reserves:

Description	Current Approval	Proposed Budget Amendment (A)			Difference
	Total Budget	2012 Actual	2013 Additional	Total Budget	
Project cost	5,830,000	466,440	5,830,000	6,296,440	466,440
Engineering	417,000	-	417,000	417,000	-
Total Costs	6,247,000	466,440	6,247,000	6,713,440	466,440
Grant funding:					
AMWWP	2,507,594	279,351	2,228,243	2,507,594	-
FGTF	1,409,880	185,326	1,272,482	1,457,808	47,928
MSI	1,095,792	1,763	1,099,793	1,101,556	5,764
Debenture	1,233,734	-	1,513,085	1,513,085	279,351
Subtotal - Grants	6,247,000	466,440	6,113,603	6,580,043	333,043
Reserves:					
Water Upgrade	-	-	66,699	66,699	66,699
Sewer Upgrade	-	-	66,698	66,698	66,698
Subtotal - Reserves	-	-	133,397	133,397	133,397
Total Funding	6,247,000	466,440	6,247,000	6,713,440	466,440

Option 2: Short-term borrowing \$1,263,085, plus \$383,397 draws on Reserves:

Description	Current Approval	Proposed Budget Amendment (A)			Difference
	Total Budget	2012 Actual	2013 Additional	Total Budget	
Project cost	5,830,000	466,440	5,830,000	6,296,440	466,440
Engineering	417,000	-	417,000	417,000	-
Total Costs	6,247,000	466,440	6,247,000	6,713,440	466,440
Grant funding:					
AMWWP	2,507,594	279,351	2,228,243	2,507,594	-
FGTF	1,409,880	185,326	1,272,482	1,457,808	47,928
MSI	1,095,792	1,763	1,099,793	1,101,556	5,764
Debenture	1,233,734	-	1,263,085	1,263,085	29,351
Subtotal - Grants	6,247,000	466,440	5,863,603	6,330,043	83,043
Reserves:					
Water Upgrade	-	-	66,699	66,699	66,699
Sewer Upgrade	-	-	66,698	66,698	66,698
Drainage Reserve	-	-	250,000	250,000	250,000
Subtotal - Reserves	-	-	383,397	383,397	383,397
Total Funding	6,247,000	466,440	6,247,000	6,713,440	466,440