



Village of Marwayne

Agenda

Regular Village Council Meeting
Monday, March 31, 2025 @ 7:00 PM
ATB Financial Boardroom

Page

1 CALL TO ORDER

2 ADOPTION OF AGENDA

2.1 March 31st, 2025 Special Council Meeting

Be it resolved that the March 31st, 2025 Special Village Council Meeting Agenda be approved as presented.

3 KEY STRATEGY: PLANNING FOR GROWTH & CHANGE

3.1 Borrowing Bylaw No. 605-25

2 - 19

Be it resolved that the Village of Marwayne give first reading to Bylaw No. 605-25, a bylaw of the Village of Marwayne to incur indebtedness by the issuance of a debenture in the amount of \$236,038 for the purpose of industrial park land development.

4 ADJOURNMENT

Village of Marwayne
Borrowing Bylaw No. 605-25**A BYLAW OF THE VILLAGE OF MARWAYNE TO INCUR INDEBTNESS BY THE ISSUANCE OF A DEBENTURE IN THE AMOUNT OF \$236,038 FOR THE PURPOSE OF INDUSTRIAL PARK LAND DEVELOPMENT.****WHEREAS**

the Council of the Village of Marwayne has decided to issue a bylaw pursuant to Section 258 of the Municipal Government Act to authorize the financing, undertaking and completion of the Industrial Park Land Development.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$772,236.95 and the Village of Marwayne estimates the following grants and contributions will be applied to the project:

GRANTS	\$265,266
RESERVES	\$270,932.95
DEBENTURE	\$236,038
TOTAL PROJECT COST	\$772,236.95

In order to complete the project it will be necessary for the Village of Marwayne to borrow the sum of \$236,038, for a period not to exceed fifteen (15) years, from the Province of Alberta, by the issuance of a debenture on the terms and conditions referred to in this bylaw.

The estimate lifetime of the project financed under this bylaw is equal to, or in excess of, seventy-five (75) years.

The principal amount of the outstanding debt of the Village of Marwayne at December 31, 2024 is \$1,585,150 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project is in compliance with all Acts and Regulations of the Province of Alberta.

NOW THEREFORE

under the authority of the *Municipal Government Act*, the Council of the Village of Marwayne, in the Province of Alberta, enacts as follows:

1. That for the purpose of constructing the Industrial Park the sum of TWO HUNDRED THIRTY SIX THOUSAND AND THIRTY EIGHT DOLLARS (\$236,038.00) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Village of Marwayne at large, of which amount the full sum of \$236,038 is to be paid by the Village of Marwayne at large.
2. The proper officers of the Village of Marwayne are hereby authorized to issue debenture(s) on behalf of the Village of Marwayne for the amount and purpose as authorized by this bylaw, namely the construction of the Reservoir Expansion.
3. The Village of Marwayne shall repay the indebtedness according to the repayment structure in effect, namely semi-annual equal payments of combined principal and interest instalments not to exceed Fifteen (15) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance

Village of Marwayne
Borrowing Bylaw No. 605-25



Authority, or another authorized financial institution, on the date of the borrowing, and not to exceed 6 (six) percent.

4. The Village of Marwayne shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Village of Marwayne.
6. The net amount borrowed under the bylaw shall be applied only to the project specified by this bylaw.

SHOULD any provision of this Bylaw be determined to be invalid, then such provisions shall be severed and the remaining bylaw shall be maintained.

This Bylaw shall come into force and effect upon receiving third and final reading and having been signed by the Mayor and Chief Administrative Officer for the Village of Marwayne.

READ A FIRST TIME IN COUNCIL THIS 31st DAY OF MARCH, 2025.

READ A SECOND TIME IN COUNCIL THIS ____ DAY OF APRIL, 2025.

READ A THIRD TIME IN COUNCIL AND FINALLY PASSED THIS ____ DAY OF APRIL, 2025.

Chris Neureuter, Mayor

Shannon Harrower, CAO



REQUEST FOR COUNCIL DECISION

SUBJECT

Borrowing Bylaw for the Development of the Area Structure Plan Land located along Highway 897

RECOMMENDATION

Be it resolved that the Village of Marwayne fund the Industrial Park Land Development through reserves, a portion of the 2025 Local Government Fiscal Framework allocation and by way of debenture.

LGFF Funding: \$265,266 (75% of 2025 allocation)

Debenture: \$236,038.27 (two (2) payments of \$11,067.88 annually - \$22,135.76)

Net proceeds from sale: \$170,932.68

Reserve withdrawal (water/wastewater): \$100,000 (\$50,000 each)

Total project cost: \$772,236.95

BACKGROUND

The Village of Marwayne currently has three (3) debentures as outlined below:

1. Debenture #4002476

- a. \$695,230 approved back in 2018 for the Water Reservoir Expansion.
- b. Annually, the Village pays \$58,107.12 towards the principal and interest (3.051%), in two equal payments of \$29,053.56.
- c. The amount of the debenture is recouped through general municipal taxation revenues.
- d. Last payment for this debt is scheduled for September 2033.

2. Debenture #4001556

- a. \$500,000 approved back in 2014 for the infrastructure improvements on Centre Street.
- b. Annually, the Village pays \$36,127.58 towards the principal and interest (3.866%), in two equal payments of \$18,063.79.
- c. The amount of the debenture is recouped through general municipal taxation revenues.
- d. Last payment for this debt is scheduled for September 2033.

3. Debenture #4001131

- a. \$300,000 approved back in 2010 for the construction of the Marwayne Community Hall.
- b. Annually, the Village pays \$22,454.10 towards the principal and interest (4.269%), in two equal payments of \$11,227.05.
- c. The amount of the debenture is recouped through municipal taxation via a local improvement levy for recreation in the amount of \$74.60.
- d. Last payment for this debt is scheduled for March 2031.

Our debt limit as per the 2024-year end financial statements is \$1,585,150.

The project budget for the development of the Industrial Park as provided by Bar Engineering is \$675,536.95, including the \$4,691.20 from Velocity Water Services for the water modeling to test the boundary conditions (flow and pressure). This amount does not include the \$96,700.00 for the buildout and preliminary design and servicing scheme, including tender preparation, previously approved by Council. The total project budget is \$772,236.95.

Based on the sale price and our land held for resale valuation, the net amount of the proceeds is \$170,932.68. This amount can be applied to the overall cost of the project, bringing the total down to \$601,304.27.

IMPLICATIONS

Under the Local Government Fiscal Framework, the Village has \$353,688.31 in 2025, including deferred revenues. Of this amount, \$96,700 has been committed to Bar Engineering as outlined above. \$256,988.31 remains to be allocated for 2025.

As per the 2025 budget, administration has several options for Council consideration.

Option 1:

- Allocate total LGFF capital (\$96,700 towards preliminary design) and (\$256,988.31 towards the land development) and borrow the remaining \$247,615.96 via debenture.
- This option would not allow for any road or water/sewer infrastructure upgrades to move forward this year (2025).
- 15 year term at an interest rate of 4.72%
 - Payment amount of \$11,610.73 twice annually for a total of \$22,221.46
 - Interest over the term of \$100,706.90
 - Equivalent to roughly \$75.00 per household

Option 2:

- Allocate a portion of the LGFF Capital Funding (\$353,688) towards the land development.

- 28%
 - \$99,032 towards design/development
 - \$254,655 towards infrastructure upgrades
 - \$502,272 debenture
- 50%
 - \$176,844 towards design/development
 - \$176,844 towards infrastructure upgrades
 - \$424,460 debenture
- 75%
 - \$265,266 towards design/development
 - \$88,422 towards infrastructure upgrades
 - \$336,038.27 debenture (roughly \$105.00 per household)
 - 20 year term at 4.94%
 - Payment amount of \$15,756.91 twice annually for a total of \$31,513.82
 - Interest over the term of \$136,669.30

Option 3:

- Allocate none of the LGFF capital towards the land development and debenture entire project.
- Debenture \$601,304.27 to cover the cost of the buildout/preliminary design as well as the development cost
- 20 year term at 4.72%
 - Payment amount of \$28,195.30 twice annually for a total of \$56,390.60
 - Interest over the term of \$244,555.00

Reserves

- We also have the option of drawing from our reserves to partially fund a portion of the project, in conjunction with one of the options above.
 - \$67,918.88 in our land reserve
 - ***This should be used towards the purchase of future land development***
 - \$106,464 in our water reserve
 - ***\$79,200 water main cost as per Bar Engineering***
 - \$116,979.64 in our wastewater reserve
 - ***\$77,125 sewer main cost as per Bar Engineering***
 - \$195,639 in our roads reserve
 - ***\$100,000 towards surface works as per Bar Engineering***

Ideally, we should have our bylaw passed by the end of April in order to meet the May 15th application deadline for a June 30th payment.

ATTACHMENTS

1. Construction Cost Estimate from Bar Engineering
2. Plan of subdivision
3. TCA Policy
4. Loan Calculator Worksheet

**POLICY – FN 06****TANGIBLE CAPITAL ASSETS**

APPROVAL DATE:	2008-01	CROSS-REFERENCE:	
RESPONSIBILITY:	Administration		
APPROVER:	Council	APPENDICES:	
REVISION DATE (s):	2021-12-13	REVIEW DATE:	2026

POLICY STATEMENT

To meet the requirements of the Public Section Accounting Handbook Section 3150 as it relates to the recognizing and recording of Village of Marwayne tangible capital assets.

BACKGROUND

The module for the recording of tangible capital assets has been integrated with the general ledger financial system of the Village of Marwayne. This policy and the Village's asset management plan serve to recognize the Village's investments and economic resources that are required to acquire and maintain the Village's assets.

OBJECTIVE

To prescribe the accounting for tangible capital assets.



DEFINITIONS

Betterment is the cost incurred to the tangible capital asset that increases previously assessed physical output or service capacity, lower associated operating costs, extends the useful life of the asset or improves the quality of the assets output. All other expenditures are considered a repair or maintenance and will be expensed.

CAO is the Chief Administrative Officer for the Village of Marwayne in the Province of Alberta.

Capital Threshold is the value of an expenditure for a tangible capital asset that is established as the base minimum amount for the recording of tangible capital assets.

Employee is a full-time permanent Employee of the Village of Marwayne in the Province of Alberta.

Employer is the Village of Marwayne in the Province of Alberta.

Pooled/Grouped Asset(s) are assets that have an individual unit value below the capitalization threshold but that as a group have a material value. These items are recorded as a single asset with a combined value where applicable.

Residual Value is the net amount that may be realized at the end of the useful life of an asset.

Tangible Capital Asset(s) or TCA are assets of a physical substance that:

1. Are used in the course of operations for the Village of Marwayne;
2. Have a useful life extending beyond an accounting period;
3. Are not held for resale in the ordinary course of operations; and
4. Meet both the criteria of a tangible capital asset and exceed the established capitalization thresholds.

Useful life is the shortest of the physical, legal, technological or commercial life of an asset as recorded in Schedule A attached hereto.

Village is the Village of Marwayne in the Province of Alberta.

GUIDING PRINCIPLES

- **Asset Classification**
 - The Village possesses a TCA register that contains accurate information about each asset, its history and its value.
 - TCA's are defined in two (2) classes: Major and Minor.



- **Major** – land, land improvements, buildings, engineered structures, machinery & equipment, vehicles and cultural & historical.
- **Minor** – roadway systems, water systems, wastewater systems and storm systems.

- **Capitalization Thresholds**

- Capitalization Thresholds have been established in order to ensure asset records meet materiality requirements proven for effective asset management practices.
- All initial expenditures that meet the requirements of a TCA and meet or exceed the minimum thresholds listed below in Table 1 are recorded as TCA's.

Asset	Class	Threshold
Roadway Systems	Minor	\$10,000
Water Systems	Minor	\$10,000
Wastewater Systems	Minor	\$10,000
Storm Systems	Minor	\$10,000
Land	Major	No Minimum
Land Improvements	Major	\$2,000
Buildings	Major	\$10,000
Engineered Structures	Major	\$10,000
Machinery & Equipment	Major	\$2,000
Vehicles	Major	\$2,000
Cultural & Historical	Major	N/A

- **Valuation**

- TCA's are recorded at historical cost. Should historical costs be unknown, a reasonable estimate of the value shall be made. In the absence of actual costs for roadways, assets shall be valued in accordance with the costing formulas provided by Alberta Municipal Affairs. In the absence of actual costs for bridges and



culverts, assets shall be valued in accordance with the costing formulas provided by Alberta Transportation.

- Land costs shall include the purchase price plus legal fees, registration costs, transfer taxes, out of pocket expenses, and any costs incurred to make the land suitable for use.
- Purchased assets are to include the costs plus all non-refundable taxes, duties, freight, delivery, installation and site preparation charges. Discounts and/or rebates are to be netted against the costs.
- Acquired, constructed or developed assets are to include the costs for the acquisition, development, construction, professional and architectural fees. Carrying costs may include internal design, inspection and administrative costs. Carrying costs may no longer be capitalized once the asset is ready for use or when no construction or development is taking place.
- Donated or contributed assets shall have their value estimated at fair market value upon receipt. Values may be estimated by replacement cost.
- Interest costs are to be capitalized from the start of the period where expenses were incurred or when activities take place that prepare the asset for its intended use. Capitalization of interest costs must cease during periods where no activity takes place and ends when substantially all of the activities to prepare the asset for use have been completed.
- Single purchases are to be allocated to each asset within the group when the purchased price is obtained for a group of assets. Each asset is to be valued at its fair value or some other reasonable basis if the fair value cannot be determined.

- **Amortization Methods and Rates**

- The cost of a TCA, less the residual value, is to be amortized over the useful life of the asset in a rational and systematic manner.
- Amortization is recorded the year following acquisition and in the year of disposal or in the year an asset was put into service.
- Assets, with the exception of land, is to be amortized in a straight line basis.



- **Review Schedule**

- The amortization method and estimate of the useful life of the remaining unamortized portion of a TCA should be reviewed as follows:
 - Every three (3) years:
 - Land Improvements
 - Machinery & Equipment
 - Vehicles
 - Every five (5) years:
 - Storm Systems
 - Wastewater Systems
 - Water Systems
 - Roadway Systems
 - Buildings
- When conditions indicate that a TCA is no longer contributing to the Village of Marwayne's ability to provide goods and/or services, or that the value of future economic benefits associated with the asset is less than its net book value, the cost of the asset should be reduced to reflect the decline in the asset's value.

- **Disposal**

- Disposals of TCA's may occur by sale, destruction, loss or abandonment. A gain or loss on disposal shall be recorded as revenue or expenses in the Village's statement of operations.



ROLES & RESPONSIBILITIES

ROLE/TASK	TITLE (s) OF PERSON RESPONSIBLE
HANDLING INQUIRIES & COMMUNICATING POLICY	Chief Administrative Officer
MONITORING REVIEWS AND REVISIONS	Administrative Assistant



SCHEDULE “A” – Useful Life

Asset	Class	Useful Life
Land <ul style="list-style-type: none"> • Right of way • Undeveloped right of way • Parks • General 	Major	N/A
Land Improvements <ul style="list-style-type: none"> • Gravel parking lot • Asphalt parking lot • Playground structures • Fences • Outdoor lighting • Landfill pits • Landfill pads • Transfer stations • Landscaping • Sprinkler systems • Soccer pitches • Bike/jogging paths asphalt 	Major	<ul style="list-style-type: none"> • 15 • 25 • 15 • 20 • 20 • 20 • Volume • Volume • 25 • 25 • 20 • 20
Cultural & Historical	Major	N/A
Buildings <ul style="list-style-type: none"> • Permanent structures <ul style="list-style-type: none"> <i>Frame</i> <i>Metal</i> <i>Concrete</i> • Portable structures <ul style="list-style-type: none"> <i>Metal</i> <i>Frame</i> 	Major	<ul style="list-style-type: none"> • 50 • 50 • 50 • 25 • 25
Roadway Systems <ul style="list-style-type: none"> • Bridges • Overpasses/interchanges • Curbs & gutters • Lanes/Alleys <ul style="list-style-type: none"> ACP hot mix Gravel Nonconforming • Local/Collector/Arterial <ul style="list-style-type: none"> ACP hot mix ACP cold mix 	Minor	<ul style="list-style-type: none"> • Variable • 60 • 30 • 20 • 15 • 20 • 30 • 20



<ul style="list-style-type: none"> Chip Seal Oil Gravel Subsurface • Road signs Traffic control Information • Lights Decorative Street Traffic • Guard rails • Ramps • Sidewalks 		<ul style="list-style-type: none"> • 10 • 5 • 25 • 40 • 30 • 30 • 30 • 30 • 30 • 30 • 30 • 30
Water Systems <ul style="list-style-type: none"> • Distribution system Mains Services • Pumps, lift & transfer stations • Plants and facilities Structures • Treatment equipment Mechanical Electrical General • Pumping equipment • Hydrants/fire protection • Reservoirs 	Minor	<ul style="list-style-type: none"> • 75 • 75 • 45 • 45 • 45 • 45 • 45 • 45 • 75 • 45
Storm Systems <ul style="list-style-type: none"> • Collection systems Mains Services • Pump, lift & transfer stations • Catch basins • Outfalls • Wetlands • Retention ponds • Treatment facility 	Minor	<ul style="list-style-type: none"> • 75 • 75 • 45 • 75 • 75 • 75 • 75 • 75 • 45
Wastewater Systems <ul style="list-style-type: none"> • Collection systems Mains Services 	Minor	<ul style="list-style-type: none"> • 75 • 75



<ul style="list-style-type: none"> • Pump, lift & transfer stations • Treatment equipment • Mechanical • Electrical • General • Pumping equipment • Lagoons 		<ul style="list-style-type: none"> • 45 • 45 • 45 • 45 • 45 • 45
Machinery & Equipment <ul style="list-style-type: none"> • Heavy construction equipment • Stores • Food services • Fire equipment • Control systems • Communication links • SCADA system • Radios • Telephone systems • Fueling stations • Meters • Electrical • Gas • Water • Office furniture • Office equipment • Computer systems • Hardware • Software 	Major	<ul style="list-style-type: none"> • Variable • 25 • 10 • 12 • 5 • 20 • 10 • 10 • 10 • 15 • 20 • 20 • 40 • 20 • 10 • 5 • 10
Vehicles <ul style="list-style-type: none"> • Light duty • Medium duty • Heavy duty • Fire trucks 	Major	<ul style="list-style-type: none"> • 10 • 10 • 10 • 25

Any assets not defined in the above table shall coincide with the TCA implementation toolkit from the Public Sector Accounting Handbook

Loan Calculator

Recalculation options

Type

Term

Deferment

Print

Calculations based on:

Principal is \$236,038.00

Term is 15 Years

Loan Type is Blended

Deferred payments NA

Interest rate of 4.72 %

Payment #	Payment	Principal	Interest	Balance
1	\$11,067.88	\$5,497.38	\$5,570.50	\$230,540.62
2	\$11,067.88	\$5,627.12	\$5,440.76	\$224,913.50
3	\$11,067.88	\$5,759.92	\$5,307.96	\$219,153.58
4	\$11,067.88	\$5,895.86	\$5,172.02	\$213,257.72
5	\$11,067.88	\$6,035.00	\$5,032.88	\$207,222.72
6	\$11,067.88	\$6,177.42	\$4,890.46	\$201,045.30
7	\$11,067.88	\$6,323.21	\$4,744.67	\$194,722.09
8	\$11,067.88	\$6,472.44	\$4,595.44	\$188,249.65
9	\$11,067.88	\$6,625.19	\$4,442.69	\$181,624.46
10	\$11,067.88	\$6,781.54	\$4,286.34	\$174,842.92
11	\$11,067.88	\$6,941.59	\$4,126.29	\$167,901.33
12	\$11,067.88	\$7,105.41	\$3,962.47	\$160,795.92
13	\$11,067.88	\$7,273.10	\$3,794.78	\$153,522.82
14	\$11,067.88	\$7,444.74	\$3,623.14	\$146,078.08
15	\$11,067.88	\$7,620.44	\$3,447.44	\$138,457.64
16	\$11,067.88	\$7,800.28	\$3,267.60	\$130,657.36
17	\$11,067.88	\$7,984.37	\$3,083.51	\$122,672.99
18	\$11,067.88	\$8,172.80	\$2,895.08	\$114,500.19
19	\$11,067.88	\$8,365.68	\$2,702.20	\$106,134.51
20	\$11,067.88	\$8,563.11	\$2,504.77	\$97,571.40
21	\$11,067.88	\$8,765.19	\$2,302.69	\$88,806.21
22	\$11,067.88	\$8,972.05	\$2,095.83	\$79,834.16
23	\$11,067.88	\$9,183.79	\$1,884.09	\$70,650.37
24	\$11,067.88	\$9,400.53	\$1,667.35	\$61,249.84
25	\$11,067.88	\$9,622.38	\$1,445.50	\$51,627.46
26	\$11,067.88	\$9,849.47	\$1,218.41	\$41,777.99
27	\$11,067.88	\$10,081.92	\$985.96	\$31,696.07
28	\$11,067.88	\$10,319.85	\$748.03	\$21,376.22
29	\$11,067.88	\$10,563.40	\$504.48	\$10,812.82
30	\$11,067.88	\$10,812.82	\$255.06	\$0.00
Totals:	\$332,036.40	\$236,038.00	\$95,998.40	



Construction Cost Estimate - Class "C" Summary

Owner: Village of Marwayne
Project: Business Park Sudvision - Lot 1
BAR Project No.: 24MU-651300

14-Mar-25

Item	Estimate
PART A: Miscellaneous	\$20,000.00
PART B-1: Water Main	\$79,200.00
PART B-2: Sanitary Sewer Main	\$77,125.00
PART B-3: Storm Sewer Main	\$53,500.00
PART B-4: Other Services	\$100,000.00
PART C: Surface Works	\$198,400.00
Subtotal	\$528,225.00
Engineering - 12%	\$63,387.00
Contingency - 15%	\$79,233.75
Total	\$670,845.75

Assumptions:
Topsoil stripping - 100mm depth
Rough grading - 350mm below finished grade
Approach off Railway Avenue - 40m from edge of Railway Avenue

