



## Legislation Details (With Text)

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**Title:** Municipal Utility Corporation  
Presented by: Kate Polkovsky, Director, Utilities and Environment

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12/16/2019	1	City Council		
12/16/2019	1	City Council	denied	Fail

**TAMRMS#: B06**

### Municipal Utility Corporation

Presented by: Kate Polkovsky, Director, Utilities and Environment

### RECOMMENDATION(S)

WHEREAS Council has received and considered a business plan prepared by the Grant Thornton financial consulting firm, dated October 28, 2019 (the "Business Plan") that addresses the matters set out in subsection 75.1(4) of the *Municipal Government Act* (the "Act") and in the *Municipally Controlled Corporations Regulation* (the "Regulation") for a proposed corporation to be controlled by the City of St. Albert;

AND WHEREAS the information required to be publicly disclosed in respect of the proposed controlled corporation has been disclosed in compliance with the Act and the Regulation;

AND WHEREAS a public hearing on the matter of the proposed controlled corporation has been advertised and held in compliance with the Act and the Regulation;

AND WHEREAS the Council is satisfied of the matters set out in clause 75.1(2)(b) of the Act;

NOW THEREFORE BE IT RESOLVED:

1. That the City of St. Albert is authorized to establish and control, or obtain control of, a corporation as described in the Business Plan;
2. That the Chief Administrative Officer is authorized to take or direct the taking of all

administrative and legal steps to cause the City to establish and control, or obtain control of, the said corporation;

3. That the Chief Administrative Officer is instructed to make further recommendations to Council in respect of the Unanimous Shareholder Agreement ("USA") required under the Act for the corporation, not later than March 30, 2020;
4. That a budget of \$60,000 be approved to support activities related to establishing and controlling the corporation until the end of 2020, funded from the Stabilization Reserve.

## BACKGROUND AND DISCUSSION

This matter was on the December 2, 2019 Council Agenda. On that date a public hearing was held in compliance with the *Municipal Government Act* and regulations. The public hearing was closed after all in attendance were given an opportunity to make submissions. The debate and vote on the recommended motions was postponed, by motion of Council, to the December 16 regular Council meeting.

This Report presents the same recommendations that were in the report to Council on December 2, 2019, together with copies of the same written material that Council received on December 2, consisting of Administration's Report and accompanying PowerPoint presentation, and all written submissions received by the City prior to the opening of the Public Hearing.

## ALTERNATIVE APPROACH

Since Council is legally required to adopt a unanimous shareholder agreement, and since the content of the unanimous shareholder agreement will be critical to the governance of the corporation because it will, among other things, set out the service delivery standards and decision-making structure of the corporation, Council may wish to review a proposed unanimous shareholder agreement before making the decision to authorize the City to control the corporation by becoming its sole shareholder, followed by adopting the unanimous shareholder agreement. If that is Council's wish, then the following resolution could be passed:

WHEREAS Council has received and considered a business plan prepared by the Grant Thornton financial consulting firm, dated October 28, 2019 (the "Business Plan") that addresses the matters set out in subsection 75.1(4) of the *Municipal Government Act* (the "Act") and in the *Municipally Controlled Corporations Regulation* (the "Regulation") for a proposed corporation to be controlled by the City of St. Albert;

AND WHEREAS the information required to be publicly disclosed in respect of the proposed controlled corporation has been disclosed in compliance with the Act and the Regulation;

AND WHEREAS a public hearing on the matter of the proposed controlled corporation has been advertised and held in compliance with the Act and the Regulation;

AND WHEREAS the Regulation specifies that the Council of a municipality that passes a resolution

authorizing the municipality to control a corporation must then pass a resolution adopting a Unanimous Shareholder Agreement;

AND WHEREAS a Unanimous Shareholder Agreement will deal with governance and service delivery matters that are critical for Council to consider in deciding whether to direct the City to control the corporation, including details of the corporation's dividend policy that Councillors may wish to examine before being fully satisfied (as they must be pursuant to clause 75.1(2)(b)(iii) of the Act) that the profits and dividends of the corporation will provide a direct benefit to residents of St. Albert;

NOW THEREFORE BE IT RESOLVED:

1. That the Chief Administrative Officer is directed to bring back to Council, not later than March 30, 2020, a Unanimous Shareholder Agreement that the CAO recommends for adoption by Council in conjunction with Council authorizing the City to control a corporation; and
2. That a budget of \$60,000 be approved, funded from the Stabilization Reserve, to support activities in 2020 related to preparing the Unanimous Shareholder Agreement and related to establishing and controlling the proposed corporation if Council passes a resolution to authorize that to occur.

Report Date: December 16, 2019

Author: Kate Polkovsky

Committee/Department: Utilities and Environment

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble