



NOTICE OF MOTION

A Notice of Motion is the method used by members of Council that wish to introduce a new piece of business, propose an action of Administration, or propose amendments to current work plans for policies to better support the needs of their ratepayers.

Date Submitted: 2025-04-09

Council Meeting Date: 2025-04-16

Respectfully Submitted by:
Councillor Northcott - Division 6

Infrastructure Re-investment Potential for Non-Profit Associations with Built Communities relying on critical Water and Wastewater Treatment Facilities

Proposal

That Council direct Administration to report on the following items:

- 1. Confirm existence of an asset management study being completed for the Lake McGregor Country Estates Community Association, as well as information regarding how much they have in reserves and what is their current fee structure for homeowners.**
- 2. Report the number of vacant residential lots in the community compared to the number of developed residential lots, and report on their overall taxable assessment.**
- 3. Report how much taxable assessment is held by the non-profit association themselves and the annual revenue generated by it for general municipal taxes.**
- 4. Report what other municipalities have done to assist with infrastructure deficiencies when assets are held by non-profit associations with built communities relying on critical water and wastewater treatment facilities.**

Background

While the water and wastewater treatment facilities at Lake McGregor Country Estates are in working order, these systems require constant maintenance and rehabilitation. These

systems are aging and major repairs have been necessary in recent years. If not for the ability of the non-profit association to sell a parcel of land, a necessary overhaul of the main wastewater lift station would not have occurred in a timely manner.

The non-profit community association that looks after the water and wastewater systems has acquired ownership of all common property that used to be owned by the developer. While the developer still has some holdings, these holdings no longer include any of the common property that the community relies upon for servicing of traffic, stormwater, water and wastewater. The association is now responsible for paying taxes to Vulcan County for the lands that it owns, including all its built infrastructure. Given the underdeveloped nature of this community with aging infrastructure, these property taxes are an operating cost that might better serve the interests of everyone—especially Vulcan County—if they were held in a capital reserve fund and eventually re-invested into critical infrastructure for this community. Lake McGregor Country Estates Community Association is the only registered non-profit society in Vulcan County, for a country residential subdivision, that now owns a Level 2 Water Treatment Plant for communal potable water and corresponding wastewater infrastructure. To my knowledge, the Little Bow Resort Corporation is not a registered non-profit society and significant development thresholds have been met to ensure its sustainability over many years.

Since its recent acquisition of built infrastructure from the developer, I am told that Lake McGregor Country Estates Community Association has taken proactive measures to ensure the viability of its infrastructure and servicing capacity. These measures include:

1. Moving quickly towards collection on all unpaid fees payable to the association.
2. Increasing fees to ensure that funds are held in reserve to cover maintenance and upgrades.
3. Settlement of legal dispute with developer and transfer of community property and infrastructure to its ownership.
4. Hiring an engineering firm to complete an asset management study to assess the need for infrastructure rehabilitation and preliminary capital planning for it.

As Vulcan County knows from its experience with the Hamlet of Mossleigh, the Vulcan County Industrial Park, and soon the McGregor Regional Water Line, water and wastewater infrastructure comes with significant ongoing costs that requires intensive capital planning for rehabilitation and replacement. Lake McGregor Country Estates has been in operation for over twenty-five years and, while there is progress on new construction in the community, Phase One remains underdeveloped. As such, the revenue generating capacity of the community is limited relative to its overall need for infrastructure rehabilitation after twenty-five years; especially if it does not wish to price out new construction by being prohibitively expensive for owners to operate. Given the magnitude of the liability, I believe an assessment should be completed one way or another.

I would like Council to direct Administration on the above motion so that we can consider the potential for—or necessity of—an infrastructure re-investment program for Lake McGregor Country Estates. This program could be written as follows:

1. Funds raised from the municipal taxes paid by the non-profit homeowner's association (be it all or some of tax levies) would be invested into a reserve fund that could only be accessed by the association for critical infrastructure. This infrastructure could include water, wastewater, stormwater and road rehabilitation.
2. Access to funds held in the reserve would require an application by the homeowner's association to Vulcan County and would require a fifty-percent project cost-share except where circumstances were extraordinarily dire. We could also require a ten year capital plan based on an asset management study.
3. Administration may recommend other program criteria that they believe necessary or based on information gathered from other jurisdictions.

An infrastructure re-investment program based on the above criteria would assist with capital planning for critical infrastructure in Lake McGregor Country Estates. This would encourage successive boards of the non-profit association responsible for this infrastructure to raise the necessary capital in their own reserves, especially when they need to meet the matching grant criteria. For an underdeveloped community with aging infrastructure, this program could help Vulcan County address a liability that might otherwise be coming its direction regardless. Encouraging viability in this community would support continued growth in their taxable assessment and thereby increase tax revenue to Vulcan County from new development.

Financial/Policy Consideration

Based on a quick review, the 2024 taxable assessment of Lake McGregor Country Estates Community Association is \$1,789,430. The combined annual tax revenue generated in municipal taxes, not including the levies for recreation or fire, is \$9,877.49 (Based on the 2024 tax rates, and some properties would have the minimum tax applied of \$30.). The levies for fire and recreation would add an additional \$1,217.53. The total tax bill would be \$11,095.02, give or take.

For comparison, if we consider how much Vulcan County has subsidised the water service in Mossleigh, well-before it was clear that a regional water line had been approved, this has exceeded the amounts noted above. An infrastructure re-investment program would be a proactive response to a forthcoming liability rather than reactive.

Regardless, the primary financial implication of the above motion is administrative cost. I am asking Council to authorise Administration to dedicate resources and time to investigate and report back. Given the nature and scale of the liability, I believe this is necessary for good governance and responsible mitigation of significant liabilities for all ratepayers.

Strategic Plan Alignment

Increased & Diversified Economic Development
Foster a Collaborative Environment
Responsible & Transparent Leadership and Governance
Safe Communities

Implementation/Communication

Direct Administration to report to Council the items outlined in the resolution. This will require communication with stakeholders.