

## **Bylaw 18654**

### **A Bylaw to authorize the City of Edmonton to undertake, construct and finance Citizen Services Project, Edmonton Soccer Association South Soccer Centre Expansion**

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#### **Purpose**

To authorize the City of Edmonton to borrow the sum of \$27,778,000 to undertake, construct and finance Citizen Services Project, Edmonton Soccer Association South Soccer Centre Expansion.

#### **Readings**

Bylaw 18654 is ready for first reading only.

#### **Advertising and Signing**

This Bylaw will be advertised in the Edmonton Journal on Saturday, December 22, 2018, and Saturday, December 29, 2018. The Bylaw cannot be signed, and thereby passed, prior to Monday, January 14, 2019.

#### **Position of Administration**

Administration supports this Bylaw.

#### **Report Summary**

This Bylaw provides debt financing for the Citizen Services Project, Edmonton Soccer Association South Soccer Centre Expansion.

#### **Report**

As part of the 2019 - 2022 Capital Budget deliberations, Council approved the capital budget for profile 17-21-1000 to construct the Edmonton Soccer Association South Soccer Centre Expansion with a total project cost of \$30,000,000. In order to construct and complete this project, it will be necessary to borrow \$27,778,000. Debt servicing on \$9,500,000 of the debt will be funded from lease revenues on the facility with the debt servicing on the remaining \$18,278,000 funded from tax levy.

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Bylaw 18654 will be re-submitted for second and third readings after the advertising and the expiration of the associated petition period.

**Corporate Outcomes and Performance Management**

<b>Corporate Outcomes: The City of Edmonton has sustainable and accessible infrastructure and The City of Edmonton has a resilient financial position</b>			
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>	<b>Targets</b>
Ensure transparent, conservative and reasonable debt financing as a source of funding to support the City's long-term capital plans and strategies while maintaining long-term financial affordability, flexibility and sustainability.	<ul style="list-style-type: none"> <li>The City of Edmonton is subject to limits both for total debt and debt servicing by the <i>Municipal Government Act</i> and by the City's internal <i>Debt Management Fiscal Policy (C203C)</i>.                             <ul style="list-style-type: none"> <li>The <i>Municipal Government Act</i> debt limit is 2 times the revenue of the City and the debt servicing limit is 35% of City revenues. For this calculation, revenues are net of capital government transfers and contributed tangible capital assets.</li> <li>The internal <i>Debt Management Fiscal Policy (C203C)</i> sets more conservative debt service limits at 22% (total debt) of City revenues and 15% (tax-supported debt) of Tax Levy Revenues.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Based on the limits set under the <i>Municipal Government Act</i>, as of December 31, 2017, the City had used 51.5% of its debt limit and 26.8% of its debt servicing limit. Based on the limits under the <i>Debt Management Fiscal Policy</i>, as of December 31, 2017, the City had used 73.0% of its tax-supported debt servicing limit and 53.6% of its total debt servicing limit.</li> </ul>	Total debt and debt servicing are in line with the limits set by the <i>Municipal Government Act</i> and by the internal <i>Debt Management Fiscal Policy (C203C)</i> .

**Risk Assessment**

<b>Risk Element</b>	<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score</b>	<b>Current Mitigations</b>	<b>Potential Future Mitigations</b>
Exceeding regulated debt and debt servicing limits.	Exceeding debt and debt servicing limits regulated by the <i>Municipal Government Act</i> and the internal <i>Debt Management Fiscal Policy (C203C)</i> . Exceeding the Debt Limit Regulations	1-Rare	4-Severe	4-Low	Quarterly monitor the City's debt borrowings, debt positions and debt servicing to ensure compliance with the debt and debt servicing limits regulated by the <i>Municipal Government Act</i>	Long term forecasts are used to determine the impact of approved and potential future unapproved projects and

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	requires approval from the minister. Failure by a municipality to fall within the Debt Limit Regulations may result in the refusal of an application to the Alberta Capital Finance Authority to purchase the City's debentures in order to finance a capital project.				and the internal <i>Debt Management Fiscal Policy (C203C)</i> . The City considers and models the impact to the debt position and debt servicing limits due to future unapproved borrowings and potential changes to interest rates.	their impact on debt limits.
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**Public Engagement**

Borrowing bylaws reflect a legislative requirement of the borrowing process and as a result no public engagement is undertaken with respect to the borrowing bylaw process. Where required by the *Municipal Government Act* borrowing bylaws are advertised.

**Attachments**

1. Bylaw 18654
2. Capital Profile 17-21-1000