

Bylaw 19872

A Bylaw to amend Bylaw 17863, as amended by Bylaws 18857 and 19371, to authorize the City of Edmonton to undertake, construct and finance Yellowhead Trail Projects

Purpose

To amend Bylaw 17863, as amended by Bylaws 18857 and 19371, to include three additional capital profiles: 21-20-9301 Yellowhead Trail - 156 Street to St Albert Trail, 21-20-9302 Yellowhead Trail - Fort Road Widening and 21-24-9300 Yellowhead Trail - Noise Attenuation System (97 Street - Fort Road).

Readings

Bylaw 19872 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 19872 be considered for third reading.”

Advertising and Signing

This Bylaw does not require advertising and the Bylaw can be signed and thereby passed following third reading.

Section 258(5) of the *Municipal Government Act* states that “the borrowing bylaw that authorizes the borrowing of the increased cost does not have to be advertised” if “the increased cost does not exceed 15% of the original cost of the capital property.”

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment includes the addition of three standalone capital profiles that are transferred out of two previously approved composite profiles and one existing profile: 21-20-9301 Yellowhead Trail - 156 Street to St Albert Trail, 21-20-9302 Yellowhead Trail - Fort Road Widening and 21-24-9300 Yellowhead Trail - Noise

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Attenuation System (97 Street - Fort Road) as per the City's Project Development & Delivery Model (PDDM). Following this process, a total of \$190,902,340 is transferred from two previously approved composite profiles within the same bylaw to the new standalone profiles and one existing profile, 20-20-9201 Yellowhead Trail - 123 Avenue: 156 Street to 142 Street. This bylaw amendment does not result in any net new borrowing authority.

Report

The history of this borrowing bylaw is as follows:

- at the April 11, 2017 City Council meeting, Bylaw 17863 was passed;
- at the June 18, 2019 City Council meeting, Bylaw 18857, amending Bylaw 17863, was passed; and,
- at the August 31, 2020 City Council meeting, Bylaw 19371, amending Bylaw 17863, was passed.

During the Spring Supplemental Capital Budget Adjustment deliberations on June 7, 2021, Council approved three new standalone profiles 21-20-9301 Yellowhead Trail - 156 Street to St Albert Trail, 21-20-9302 Yellowhead Trail - Fort Road Widening and 21-24-9300 Yellowhead Trail - Noise Attenuation System (97 Street - Fort Road) as per Checkpoint 3 of the PDDMI. Following this process, tax supported debt budgets from two previously approved composite profiles were transferred to fund the new profiles and to increase one existing profile as outlined below:

Tax-Supported Debt - In Thousands (000's)

<u>Project Number</u>	<u>Project Name</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
<u>Transfer To:</u>						
21-20-9301	Yellowhead Trail - 156 Street to St Albert Trail	-	59,120	37,097	20,067	116,284
21-20-9302	Yellowhead Trail - Fort Road Widening	-	39,921	21,387	10,310	71,618
21-24-9300	Yellowhead Trail - Noise Attenuation System (97 Street - Fort Road)	-	1,559	1,441	-	3,000
20-20-9201	Yellowhead Trail - 123 Avenue: 156 Street to 142 Street	125	-	-	-	125
<u>Transfer From:</u>						
CM-99-0060	Yellowhead Trail Freeway Conversion: Project Development	(55,921)	(1,855)	(4,689)	(3,000)	(65,465)
CM-99-9600	Yellowhead Trail Freeway Conversion: Project Delivery	(10,806)	(32,143)	(55,236)	(27,377)	(125,562)
Net Impact		(66,602)	66,602	-	-	-

As these profiles are all included within a single bylaw, there is no net impact on the bylaw and the borrowing authority of \$510,793,000 will remain unchanged. This bylaw amends Schedule A of Attachment 1 to include the new profile additions.

Corporate Outcomes and Performance Management

Corporate Outcomes: The City of Edmonton has sustainable and accessible infrastructure and The City of Edmonton has a resilient financial position			
Outcomes	Measures	Results	Targets
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"> 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 Debt Management Fiscal Policy (C203C). <ul style="list-style-type: none"> The <i>Municipal Government Act</i> debt limit is two 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. The internal Debt Management Fiscal Policy (C203C) sets more conservative debt service limits at 22% (total debt) of City revenues and 15% (tax-supported debt) of Tax Levy Revenues. 	<ul style="list-style-type: none"> Based on the limits set under the <i>Municipal Government Act</i>, as of December 31, 2020, the City had used 58.2% of its debt limit and 30.6% of its debt servicing limit. Based on the limits under the Debt Management Fiscal Policy, as of December 31, 2020, the City had used 59.4% of its tax-supported debt servicing limit and 45.3% of its total debt servicing limit. 	Total debt and debt servicing are in line with the limits set by the <i>Municipal Government Act</i> and by the internal Debt Management Fiscal Policy (C203C).

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score	Current Mitigations	Potential Future Mitigations
Exceeding regulated debt and debt servicing limits.	Exceeding debt and debt servicing limits regulated by the <i>Municipal Government Act</i> and the internal Debt Management Fiscal Policy (C203C). Exceeding the <i>Debt Limit Regulation</i> requires approval from the minister. Failure by a municipality to fall within the <i>Debt Limit Regulation</i> or the City's internal debt policy, may	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> and the internal Debt Management Fiscal Policy (C203C). The City considers and models the impact to the debt position and debt	Long term forecasts are used to determine the impact of approved and potential future unapproved projects and their impact on debt limits.

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	result in the refusal of an application to the Provincial lender to purchase the City's debentures in order to finance a capital project.				servicing limits due to future unapproved borrowings and potential changes to interest rates.	
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Public Engagement

Borrowing bylaws reflect a legislative requirement of the borrowing process. 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 19872
2. Capital Profiles

Others Reviewing this Report

- K. Fallis-Howell, Acting City Solicitor