

Bylaw 18475

To amend Bylaw 17078, to authorize the City of Edmonton to undertake, construct and finance Transportation Project, Westwood Transit Garage Replacement

Purpose

To amend Bylaw 17078, to increase the borrowing authority by \$10,300,000 from \$186,527,000 to \$196,827,000.

Readings

Bylaw 18475 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 18475 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 property.”

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment will increase the borrowing authority for Kathleen Andrews Transit Garage by \$10,300,000 from \$186,527,000 to \$196,827,000.

Report

At the March 3, 2015, City Council meeting, Bylaw 17078 was passed.

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This Bylaw provides for debt financing for Integrated Infrastructure Services Project, Kathleen Andrews Transit Garage (formerly Transportation Project, Westwood Transit Garage Replacement).

On June 10, 2015, Council approved the Business Case for Workspace Enhancements, which included a reduction in the grant budget of \$570,000 due to a change in scope.

On May 3, 2016, as part of the 2016 Spring Supplemental Capital Budget Adjustment, Council approved a transfer of \$539,000 in the Pay-As-You-Go budget from the Capital Profile 12-66-1413 Kathleen Andrews Transit Garage to Operating to fund Percent for Art costs.

On May 29, 2018, as part of the 2018 Spring Supplemental Capital Budget Adjustment, Council approved an increase of \$10,300,000 to the capital budget for Profile 12-66-1413 Kathleen Andrews Transit Garage for a total project cost of \$210,709,000. The total of all above noted budget adjustments result in a total project increase of \$9,191,000. In order to construct and complete this project, it will be necessary to borrow an additional \$10,300,000. As a result, this bylaw amendment will increase the borrowing authority from \$186,527,000 to \$196,827,000.

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 <i>Debt Management Fiscal Policy (C203C)</i>. <ul style="list-style-type: none"> 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. The internal <i>Debt Management Fiscal Policy (C203C)</i> sets more conservative debt service 	<ul style="list-style-type: none"> 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. 	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> .

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	limits at 22% (total debt) of City revenues and 15% (tax-supported debt) of Tax Levy Revenues.		
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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 <i>Debt Management Fiscal Policy (C203C)</i> . Exceeding the Debt Limit Regulations 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.	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 <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.	Long term forecasts are used to determine the impact of approved and potential future unapproved projects and their impact on debt limits.

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 18475
2. Capital Profile 12-66-1413