

Bylaw 18481

To amend Bylaw 18008, to authorize the City of Edmonton to undertake, construct and finance Citizen Services Project - Lewis Farms Community Recreation Centre and Library

Purpose

To amend Bylaw 18008, to increase the borrowing authority by \$7,000,000 from \$16,792,000 to \$23,792,000.

Readings

Bylaw 18481 is ready for first reading only.

Advertising and Signing

This Bylaw will be advertised in the Edmonton Journal on Saturday, July 14, 2018, and Saturday, July 21, 2018. The Bylaw cannot be signed and thereby passed prior to Tuesday, August 7, 2018.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment will increase the borrowing authority for Lewis Farms Community Recreation Centre and Library by \$7,000,000 from \$16,792,000 to \$23,792,000.

Report

At the June 27, 2017, City Council meeting, Bylaw 18008 was passed.

This Bylaw provides for debt financing for Integrated Infrastructure Services (formerly Citizen Services) Project - Lewis Farms Community Recreation Centre and Library.

On May 29, 2018, as part of the 2018 Spring Supplemental Capital Budget Adjustment, Council approved an increase of \$7,000,000 to the capital budget for Profile 15-21-5785 Lewis Farms Community Recreation Centre and Library for a total project cost of \$28,420,000. In order to construct and complete this project, it will be

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necessary to borrow an additional \$7,000,000. As a result, this bylaw amendment will increase the borrowing authority from \$16,792,000 to \$23,792,000.

Bylaw 18481 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

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 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, 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> .

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</i>	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	Long term forecasts are used to determine the impact of approved and potential future

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	(C203C). 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.				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.	unapproved projects and 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 18481
2. Capital Profile 15-21-5785