

Bylaw 18429

To amend Bylaw 15156, as amended by Bylaws 15978, 17075, 17638 and 17978, to authorize the City of Edmonton to undertake, construct and finance Integrated Infrastructure Services Project, Great Neighbourhoods Initiative

Purpose

To amend Bylaw 15156, as amended by Bylaws 15978, 17075, 17638 and 17978, to include one additional capital profile 15-21-7777 The Orange Hub.

Readings

Bylaw 18429 is ready for second and third readings.

Advertising and Signing

This Bylaw was advertised in the Edmonton Journal on Saturday, June 2, 2018, and Saturday, June 9, 2018. The Bylaw cannot be signed and thereby passed prior to Monday, June 25, 2018.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment includes the addition of a new capital profile 15-21-7777 The Orange Hub which reflects the transfer of \$2,000,000 of debt borrowing from the capital profile CM-21-5800 Great Neighbourhoods Initiative to the new capital profile.

Report

At the April 15, 2009, City Council meeting, Bylaw 15156 was passed.

At the January 18, 2012, City Council meeting, Bylaw 15978, amending Bylaw 15156, was passed.

At the March 3, 2015, City Council meeting, Bylaw 17075, amending Bylaw 15156 and 15978, was passed.

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At the May 3, 2016, City Council meeting, Bylaw 17638, amending Bylaw 15156, 15978 and 17075, was passed.

At the January 23, 2018, City Council meeting, Bylaw 17978, amending Bylaw 15156, 15978, 17075 and 17368, was passed.

At the May 29, 2018, City Council meeting, Bylaw 18429 received first reading.

The petition period expires on Monday, June 25, 2018. At the date of writing this report, no petition has been received and it is anticipated that none will be received by June 26, 2018. If, in fact, any are received, this will be reported at the June 26, 2018, City Council meeting. If none are received, this Bylaw may proceed.

On May 29, 2018, as part of the 2018 Spring Supplemental Capital Budget Adjustment, Council approved the transfer of \$2,000,000 of debt budget from composite profile CM-21-5800 Great Neighbourhoods Initiative to a new profile 15-21-7777 The Orange Hub with no net impact on the bylaw. The borrowing authority of \$149,966,000 will remain unchanged.

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 	<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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	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 18429
2. Capital Profiles