

BYLAW 20068

A Bylaw to amend Bylaw 19756, to authorize the City of Edmonton to provide a guarantee on a line of credit for Edmonton Metropolitan Transit Services Commission (EMTSC)

RECOMMENDATION

1. That the terms of the guarantee agreement between the City of Edmonton and Edmonton Metropolitan Transit Services Commission, for an amount not to exceed \$4,633,333, as outlined in Attachment 3 of the April 19, 2022, Financial and Corporate Services report FCS01140, be approved, and that the agreement be in form and content acceptable to the Deputy City Manager.
2. That an additional \$1,333,333 be appropriated from the Financial Stabilization Reserve in the event that the guarantee is called upon.
3. That Bylaw 20068 be given first reading.

Purpose

To amend Bylaw 19756, to increase the guarantee line of credit for Edmonton Metropolitan Transit Services Commission (EMTSC) by \$1,333,333 from \$3,300,000 to \$4,633,333.

Readings

Bylaw 20068 is ready for first reading only.

Advertising and Signing

This Bylaw will be advertised in the Edmonton Journal on Thursday, April 21, 2022 and Thursday, April 28, 2022. The Bylaw cannot be signed and thereby passed prior to Monday, May 16, 2022.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment will increase the guarantee on a line of credit for Edmonton Metropolitan Transit Services Commission (EMTSC) by \$1,333,333 from \$3,300,000 to \$4,633,333 ending July 31, 2024.

Bylaw 20068 - A Bylaw to amend Bylaw 19756, to authorize the City of Edmonton to provide a guarantee on a line of credit for Edmonton Metropolitan Transit Services Commission (EMTSC)

REPORT

The history of this borrowing bylaw is as follows:

- at the July 5, 2021 City Council meeting, Bylaw 19756 was passed providing a guarantee to the EMTSC for \$3.3 million, or two-thirds of the original \$5,000,000 line of credit.

At the March 17, 2022 board meeting, the Edmonton Metropolitan Transit Services Commission (EMTSC) Board of Directors approved increasing the organization's line of credit by \$2,000,000 from \$5,000,000 to \$7,000,000 to provide integrated transit services for the member municipalities.

The EMTSC is requesting that the City of Edmonton provide additional security in the form of a guarantee to Toronto Dominion Bank at a value of two-thirds of the increase. Therefore, the guarantee on a line of credit for the EMTSC will be increased by \$1,333,333 from \$3,300,000 to \$4,633,333.

The City of St. Albert has been asked to provide security for the remaining one-third increase of \$666,667, increasing their total guarantee to \$2,366,667. The EMTSC has committed the Commission to reimburse the City of Edmonton and the City of St. Albert for any direct costs incurred to provide and maintain the security required.

Bylaw 20068 will be resubmitted for second and third readings after the advertising and the expiration of the associated petition period.

COMMUNITY INSIGHT

Guarantee bylaws reflect a legislative requirement of the guarantee process. As a result, no public engagement is sought with respect to the guarantee bylaw process. Where required by the *Municipal Government Act* guarantee bylaws are advertised.

ATTACHMENTS

1. Bylaw 20068
2. Bylaw 19756 Redline Version
3. Terms of Guarantee

OTHERS REVIEWING THIS REPORT

- M. Plouffe, City Solicitor