

Bylaw 17983

To authorize the City of Edmonton to undertake, construct and finance Utilities Infrastructure Project - Mill Creek Stormwater Management

Purpose

To authorize the City of Edmonton to borrow the sum of \$1,350,000 to undertake, construct and finance Capital Profile 17-23-9807 Utilities Infrastructure Project - Mill Creek Stormwater Management.

Readings

Bylaw 17983 is ready for first reading only.

Advertising and Signing

This Bylaw will be advertised in the Edmonton Journal on Saturday, May 13, 2017, and Saturday, May 20, 2017. This Bylaw cannot be signed and thereby passed prior to Monday, June 5, 2017.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw provides debt financing for Utilities Infrastructure Project - Mill Creek Stormwater Management.

Report

On May 9, 2017, as part of the 2017 Spring Supplemental Capital Budget Adjustment, Council is scheduled to approve the capital budget for profile 17-23-9807 Mill Creek Stormwater Management with a total project cost of \$2,250,000. In order to construct and complete this project, it will be necessary to borrow \$1,350,000.

Bylaw 17983 will be resubmitted for second and third readings after the advertising and the expiration of the associated petition period.

Policy

The contents of this bylaw are compliant with the City of Edmonton's *Debt Management Fiscal Policy* (C203C), Master Loan Agreement between City of Edmonton and Alberta Capital Finance Authority and applicable sections of the *Municipal Government Act*.

Corporate Outcomes

This report contributes to the corporate outcome “The City of Edmonton has sustainable and accessible infrastructure” as it provides essential funding for completion of the project.

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.	

Metrics, Targets and Outcomes

Metrics	Targets	Outcomes
<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</i> 	<ul style="list-style-type: none"> 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> 	<ul style="list-style-type: none"> 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

<p>(C203C)</p> <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 consolidated revenues. For this calculation, revenues are net of capital government transfers and contributed tangible capital assets. As of December 31, 2016, the City had used 59.3% of its debt limit and 34.6% of its debt servicing limit. • 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. As of December 31, 2016, the City had used 49.0% of its tax-supported debt servicing limit and 42.3% of its total debt servicing limit. 		<p>long-term financial affordability, flexibility and sustainability</p>
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Attachments

1. Bylaw 17983
2. Capital Profile 17-23-9807