

Bylaw 17981

To amend Bylaw 16642, as amended by Bylaw 17637, to authorize the City of Edmonton to undertake, construct and finance Utility Infrastructure Project, High Solids Anaerobics Digestion Facility

Purpose

To amend Bylaw 16642, as amended by Bylaw 17637, to increase the borrowing authority by \$1,983,000 from \$26,151,000 to \$28,134,000.

Readings

Bylaw 17981 is ready for three readings.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 17981 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 the High Solids Anaerobics Digestion Facility by \$1,983,000 from \$26,151,000 to \$28,134,000.

Previous Council/Committee Action

At the December 11, 2013, City Council meeting, Bylaw 16642 was passed.

At the June 14, 2016, City Council meeting, Bylaw 17637 was passed.

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Report

This Bylaw provides for self-liquidating debt financing for Utility Infrastructure Project, High Solids Anaerobics Digestion Facility.

The total cost of this project has increased by \$1,983,000 from \$36,994,000 to \$38,977,000. In order to construct and complete this project, it will be necessary to borrow an additional \$1,983,000. As a result, this bylaw amendment will increase the borrowing authority from \$26,151,000 to \$28,134,000.

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	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	

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	project.				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.	
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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 (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 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. 	<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 long-term financial affordability, flexibility and sustainability

Attachments

1. Bylaw 17981
2. Capital Profile 13-33-2023