

## Bylaw 17684

To amend Bylaw 14893, as amended by Bylaw 16570, to authorize the City of Edmonton to undertake, construct and finance Utilities Infrastructure Projects - Drainage 25 Years

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### Purpose

To amend Bylaw 14893, as amended by Bylaw 16570, to increase the borrowing authority by \$11,078,000 from \$31,107,000 to \$42,185,000.

### Readings

Bylaw 17684 is ready for first reading only.

### Advertising and Signing

This Bylaw will be advertised in the Edmonton Journal on Saturday, September 24, 2016, and Saturday, October 1, 2016. This Bylaw cannot be signed and thereby passed prior to Tuesday, October 18, 2016.

### Position of Administration

Administration supports this Bylaw.

### Report Summary

**This Bylaw amendment will increase the borrowing authority for Utilities Infrastructure Projects by \$11,078,000 from \$31,107,000 to \$42,185,000 to reflect budget adjustments increasing the total cost of capital profiles 08-31-9202 and 08-23-9202.**

### Report

At the November 6, 2013, City Council meeting, Bylaw 16570, amending Bylaw 14893, was passed.

This Drainage Bylaw provides for self-liquidating debt financing for Utilities Infrastructure Projects – 25 years.

Since November 6, 2013, the date Bylaw 16570 was passed, the total cost of the Mill Woods Double Barrel project has increased from \$57,929,000 to \$96,577,000 as a result of a number of budget adjustments. These budget adjustments are detailed in report CR\_3326 Mill Woods Double Barrel - SESS SA1B/C Project that was presented to Utility Committee on February 26, 2016. This Bylaw amendment aligns the borrowing authority with approved capital profiles. In order to construct and complete these projects, it will be necessary to borrow an additional \$11,078,000. As a result, this bylaw amendment will increase the borrowing authority from \$31,107,000 to \$42,185,000.

Bylaw 17684 will be resubmitted for second and third readings after the expiration of the associated petition period.

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## Policy

The contents of this bylaw are compliant with the City of Edmonton's *Debt Management Fiscal Policy* (C203C), Master Loan Agreement between the 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 provided 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</i> (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.	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</i> (C203C). 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	<p>The City of Edmonton is subject to limits both for total debt and debt servicing by the <i>Municipal Government Act</i> which governs municipalities in Alberta and by the internal <i>Debt Management Fiscal Policy</i> (C203C)</p> <ul style="list-style-type: none"> <li>The <i>Municipal Government Act</i> debt servicing limit for 2016 is 35% of consolidated revenues net of capital government transfers and contributed tangible capital assets</li> <li>The internal <i>Debt Management Fiscal Policy</i> (C203C) sets more conservative debt service limits at 22% (total debt) of City revenues and 15% (tax-supported debt) of Tax Levy Revenues</li> </ul>
Targets	<ul style="list-style-type: none"> <li>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</i> (C203C)</li> </ul>
Outcomes	<ul style="list-style-type: none"> <li>Ensure transparent, conservative and reasonable debt financing as a source of funding to</li> </ul>

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	support the City's long-term capital plans and strategies while maintaining long-term financial affordability, flexibility and sustainability
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**Attachments**

1. Bylaw 17684
2. Capital Profiles