

## Bylaw 17718

To amend Bylaw 17257, to authorize the City of Edmonton to lend money to a non-profit organization, Francis Winspear Centre for Music

### Recommendation:

That the terms of the loan agreement between the City of Edmonton and the Francis Winspear Centre for Music as outlined in Attachment 2 of the August 23, 2016, Financial and Corporate Services report CR\_3817rev, be approved and that the loan agreement between the City of Edmonton and Francis Winspear Centre for Music, be in form and content acceptable to the City Manager.

### Purpose

To amend Bylaw 17257, to decrease the lending authority to a non-profit organization, the Francis Winspear Centre for Music by \$12,100,000 from \$25,000,000 to \$12,900,000.

### Readings

Bylaw 17718 is ready for second and third readings.

### Advertising and Signing

This Bylaw has been advertised in the Edmonton Journal on Saturday, July 16, 2016, and Saturday, July 23, 2016. This Bylaw cannot be signed and thereby passed prior to Tuesday, August 9, 2016.

### Position of Administration

Administration supports this Bylaw.

### Report Summary

**This Bylaw amendment will decrease the authority to lend money to Francis Winspear Centre for Music for the purposes of construction of a parking structure by \$12,100,000 from \$25,000,000 to \$12,900,000.**

### Previous Council/Committee Action

At the July 12, 2016, City Council meeting, Bylaw 17718 received first reading.

At the June 20, 2016, Community Services Committee meeting, the following motion was passed:

That Administration prepare an amended borrowing bylaw, amended loan bylaw and amended terms for the loan agreement with the Francis Winspear Centre for Music in accordance with the revised request, as outlined in the June 20, 2016, Financial and Corporate Services report CR\_3596.

## Bylaw 17718 - To amend Bylaw 17257, to authorize the City of Edmonton to lend money to a non-profit organization, Francis Winspear Centre for Music

### Report

The petition period expired on Monday, August 8, 2016. No petition has been received. This Bylaw may proceed.

The terms of the loan agreement between the City of Edmonton and the Francis Winspear Centre for Music has been developed in relation to this loan and its repayment. The terms of the loan agreement are provided in Attachment 2 to this report for approval along with the second and third readings of Bylaw 17718.

On July 12, 2016, the corresponding borrowing Bylaw 17717 to amend Bylaw 17256, to authorize the City of Edmonton to finance the Francis Winspear Centre for Music Construction Project was passed reducing the borrowing authority by \$12,100,000 from \$25,000,000 to \$12,900,000.

### Policy

The contents of this Bylaw are compliant with the City Policy C203C - *Debt Management Fiscal Policy*, 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</i> (C203C). Exceeding the Debt Limit Regulations	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	Consider monitoring the Debt Limit Regulations while taking into consideration external factors that may affect revenues.

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	<p>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.</p>			<p><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.</p>	
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**Metrics, Targets and Outcomes**

<p>Metrics</p>	<p>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></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 (C203C)</i> sets more conservative debt service limits at 22% (total debt) of City revenues and 15% (tax-supported debt) of Tax Levy Revenues</li> </ul>
<p>Targets</p>	<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 (C203C)</i></li> </ul>
<p>Outcomes</p>	<ul style="list-style-type: none"> <li>• 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</li> </ul>

**Attachments**

1. Bylaw 17718
2. Terms of the Loan Agreement between the City of Edmonton and the Francis Winspear Centre for Music