

**Debt Update - December 31, 2024**

The following attachment provides an update on the City's debt and debt servicing.

The City's use of debt is guided through City Policy C203D - Debt Management Fiscal Policy (DMFP). Under the policy:

- Tax-supported debt servicing is limited to 18 per cent of tax-supported net operating expenditures. Tax-supported debt servicing can exceed the 18 per cent limit for the following reasons:
  - to provide City match-funding required to leverage external funds, where the external amounts fund at minimum one-third of total project costs,
  - where the debt is self-supporting tax guaranteed debt, or
  - where the tax-supported debt is required for emergency purposes.
- Total debt servicing is allowed up to 21 per cent of City revenues.
- Total debt servicing is permitted up to 26 per cent of City revenues, but only for emergency purposes as defined in Policy C203D.

The December 31, 2024 debt update is provided through the following charts and tables in this attachment:

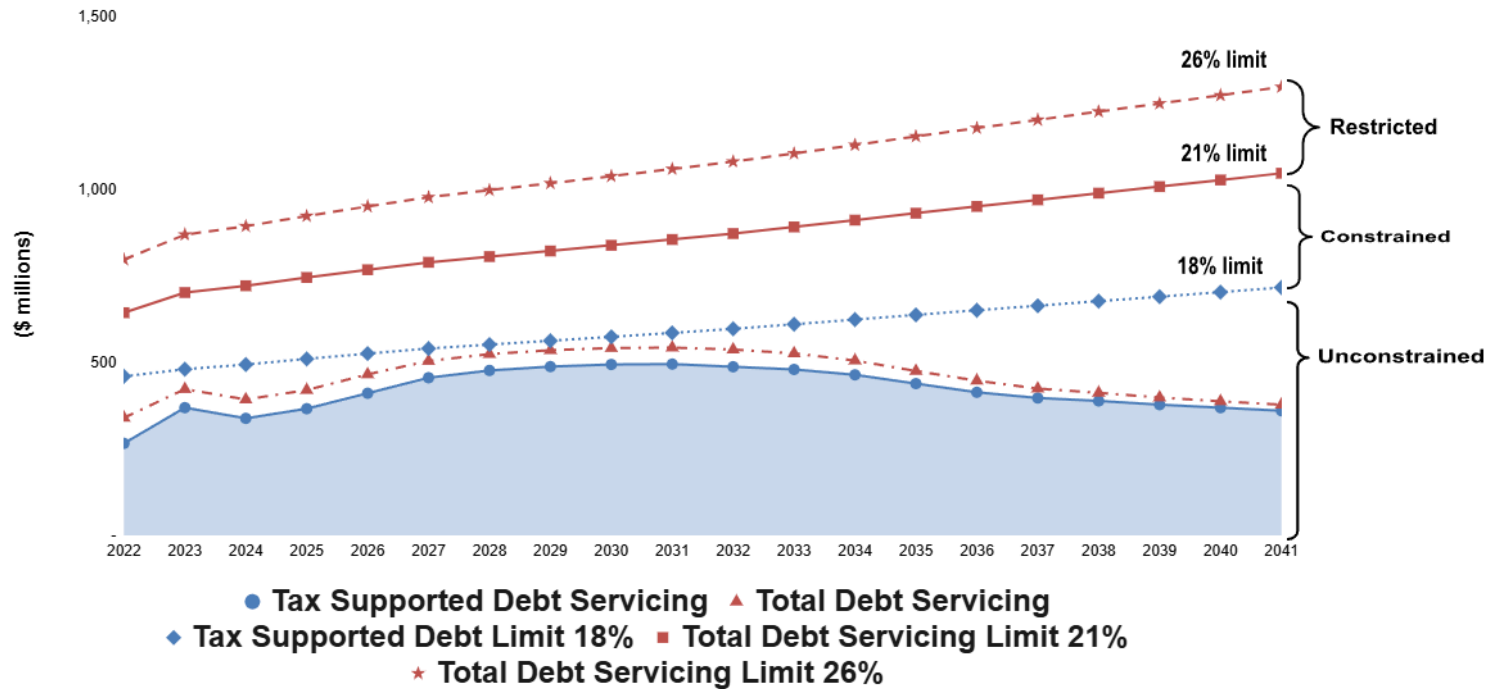
- Chart 1 - Debt Servicing Compared to Debt Servicing Limits (20 Years)
- Table 1 - Debt Servicing Forecasts Compared to Limits (10 Years)
- Table 2 - Debt Outstanding by Project
- Table 3 - Debt Servicing by Project

**Chart 1: Debt Servicing Compared to Debt Servicing Limits (20 Years)**

The DMFP sets total debt service limits at 21 per cent and 26 per cent of consolidated City revenues and tax-supported debt service limits at 18 percent of tax-supported net operating expenditures.

- The City is anticipated to use 68.5 per cent of its tax-supported debt servicing limit and 54.5 per cent of its total debt servicing limit (21 per cent) by the end of 2024.
- The City is projected to reach its peak usage of the tax-supported debt servicing limit in 2029, with an anticipated utilization of 86.7 per cent of this limit. Based on this, tax-supported borrowing capacity of approximately \$1.1 billion is currently available before the tax-supported debt servicing limit is reached in 2029.

### Debt Management Fiscal Policy - Debt Servicing Limits (\$M)



Unconstrained borrowing is related to when the City is under the tax-supported debt servicing limit. Constrained borrowing permits tax-supported borrowing when the 18 per cent tax-supported debt servicing limit has been exceeded, but is limited to projects with at least one-third funding from external sources, self-supported tax guaranteed debt, or borrowing for emergency purposes. Restricted borrowing is permitted only for emergency purposes as defined in the policy.

**Table 1: Debt Servicing Forecasts Compared to Limits (10 Years)**

The following table provides a forecast of debt servicing compared to the DMFP limits.

Debt Servicing (DMFP - Note 3)	Projections									
	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33
<b>Tax-Supported Debt</b>										
Long-Term (Note 1)	231	254	293	337	368	395	410	414	409	406
Self-Supporting Tax Guaranteed (Note 1)	108	113	119	120	110	94	86	83	79	75
	<b>339</b>	<b>367</b>	<b>412</b>	<b>457</b>	<b>478</b>	<b>489</b>	<b>495</b>	<b>497</b>	<b>489</b>	<b>481</b>
<b>Self-Liquidating Debt (net of EPCOR) (Note 1)</b>	55	54	55	49	47	47	48	48	50	46
<b>Total Debt Servicing (DMFP)</b>	<b>394</b>	<b>421</b>	<b>467</b>	<b>506</b>	<b>525</b>	<b>537</b>	<b>543</b>	<b>544</b>	<b>539</b>	<b>527</b>
<i>DMFP Tax-supported Debt Servicing Limit (18%)(Note 2)</i>	<b>495</b>	<b>512</b>	<b>527</b>	<b>542</b>	<b>553</b>	<b>564</b>	<b>575</b>	<b>587</b>	<b>599</b>	<b>612</b>
<i>% used</i>	<b>68.5%</b>	<b>71.8%</b>	<b>78.2%</b>	<b>84.4%</b>	<b>86.4%</b>	<b>86.7%</b>	<b>86.1%</b>	<b>84.6%</b>	<b>81.6%</b>	<b>78.6%</b>
<i>% available</i>	<b>31.5%</b>	<b>28.2%</b>	<b>21.8%</b>	<b>15.6%</b>	<b>13.6%</b>	<b>13.3%</b>	<b>13.9%</b>	<b>15.4%</b>	<b>18.4%</b>	<b>21.4%</b>
<i>DMFP Total Debt Servicing Limit (21%)(Note 2)</i>	<b>723</b>	<b>747</b>	<b>770</b>	<b>791</b>	<b>808</b>	<b>824</b>	<b>840</b>	<b>857</b>	<b>874</b>	<b>894</b>
<i>% used</i>	<b>54.5%</b>	<b>56.4%</b>	<b>60.6%</b>	<b>63.9%</b>	<b>65.0%</b>	<b>65.1%</b>	<b>64.6%</b>	<b>63.5%</b>	<b>61.6%</b>	<b>59.0%</b>
<i>% available</i>	<b>45.5%</b>	<b>43.6%</b>	<b>39.4%</b>	<b>36.1%</b>	<b>35.0%</b>	<b>34.9%</b>	<b>35.4%</b>	<b>36.5%</b>	<b>38.4%</b>	<b>41.0%</b>
<i>DMFP Total Debt Servicing Limit (26%)(Note 2)</i>	<b>896</b>	<b>925</b>	<b>953</b>	<b>980</b>	<b>1,000</b>	<b>1,020</b>	<b>1,041</b>	<b>1,061</b>	<b>1,083</b>	<b>1,106</b>
<i>% used</i>	<b>44.0%</b>	<b>45.5%</b>	<b>49.0%</b>	<b>51.6%</b>	<b>52.5%</b>	<b>52.6%</b>	<b>52.2%</b>	<b>51.3%</b>	<b>49.7%</b>	<b>47.7%</b>
<i>% available</i>	<b>56.0%</b>	<b>54.5%</b>	<b>51.0%</b>	<b>48.4%</b>	<b>47.5%</b>	<b>47.4%</b>	<b>47.8%</b>	<b>48.7%</b>	<b>50.3%</b>	<b>52.3%</b>

Notes:

1. **Long-Term Tax Supported Debt** debt is issued to fund capital expenditures for tax-supported operations funded by tax levy revenues. **Self-Supporting Tax Guaranteed** debt is issued to fund capital expenditures for tax-supported operations, with the debt obligation being repaid through other non-tax-levy revenue sources. Any funding shortfall to repay the debt will be funded through tax-levy revenues. Other Self-Supporting Tax Guaranteed debt includes debt to be repaid through user fees, reserves, property sales and community revitalization levies. **Self-Liquidating** debt is issued to fund capital expenditures for programs which are self-funded, including but not limited to Utilities and local improvements.
2. For purposes of calculating debt servicing limits, City Revenues are net of capital government transfers and developer contributed tangible capital assets as reported in the prior year audited financial statements. Tax-Supported Net Operating Expenditures are defined in the DMFP as expenditures for Tax-Supported Operations less amortization of tangible capital assets and loss (gain) on disposal, impairment and transfer of tangible capital assets as reflected in the most recent audited financial statements. The DMFP sets total debt service limits at 21% and 26% of consolidated City revenues and 18% of tax-supported net operating expenditures for tax-supported debt servicing as reported in the prior year audited financial statements. Debt and debt service limits for 2023 to 2041 assume annual increases to revenue and expenditures of approximately 3% until 2026, and 2% thereafter.
3. Forecasted debt servicing includes financing for capital projects approved by Council through the capital budget. Borrowing forecasts assume borrowing in the second and fourth quarters, using the approved term for the project and the assumed interest rates per term. For purposes of monitoring compliance with the DMFP, debt servicing is assumed to be actual debt principal and interest paid in the year.

**Table 2: Debt Outstanding by Project**

The following table provides a breakdown of projected outstanding debt by major project:

Dec 31, 2024 Reporting	Projected Outstanding Debt Summary (\$ millions)					
	2024	2025	2026	2027	2028	2029
<b>Tax supported</b>						
Valley Line Southeast	662	637	608	579	549	517
Multi-Purpose Recreation Centres	187	175	164	151	139	126
Kathleen Andrews Transit Garage	159	153	147	140	133	126
Valley Line LRT: Downtown to Lewis Farms	327	416	456	443	430	493
Walterdale Bridge	108	103	97	91	85	79
NLRT (Downtown to NAIT)	142	136	130	122	113	104
Yellowhead Trail Freeway Conversion	326	372	403	448	533	546
Whitemud Drive/Quesnell Bridge Rehab/Grw	79	73	67	60	53	46
Northwest Campus	83	79	76	72	68	64
Great Neighbourhoods	59	54	48	40	33	27
Terwillegar Community Recreation Centre	59	54	50	45	40	34
Lewis Farms Community Recreation Centre and Library	89	156	238	280	281	274
Capital Line South LRT: Century Park to Ellersie Road	55	110	307	339	452	460
Coronation Park Sports and Recreation Centre	130	136	137	135	132	128
Terwillegar Drive Expressway Upgrades - Alternate Staging	98	124	140	144	143	139
50 Street CPR Grade Separation	25	24	23	22	22	21
Downtown District Energy Initiative	14	18	20	20	20	19
William Hawrelak Park Rehabilitation	80	109	117	116	113	109
New Transit Bus Garage	43	49	75	168	306	341
Active Transportation Implementation Acceleration - Approach 3	14	52	81	92	94	92
High Level Bridge Rehabilitation	7	22	81	168	191	189
Peter Hemingway Fitness & Leisure Centre Rehabilitation	5	6	6	6	6	5
LRV Replacements	0	0	28	49	98	210
Valley Zoo Animal Enclosure Renewal and Enhancement	1	5	21	24	24	23
LRT Prelim Design: Metro Line: Blatchford to Campbell Rd	2	6	12	18	19	19
Missing and Enhanced Sidewalk Connections	7	10	12	12	12	12
Balwin and Belvedere Revitalization	4	14	19	20	19	18
District Energy Network Strategy and District Energy Nodes	0	5	19	22	22	21
Climate Resilient City Facility Upgrades	1	18	40	44	43	42
Kathleen Andrews Transit Garage Solar PV & Battery Projects	0	2	2	2	2	2
Fire Station 7 (Highlands) Building Rehabilitation	0	1	2	2	1	1
Other	247	269	278	261	239	216
<b>Total Tax-Supported</b>	<b>3,012</b>	<b>3,389</b>	<b>3,902</b>	<b>4,137</b>	<b>4,411</b>	<b>4,503</b>

## Attachment 3

Dec 31, 2024 Reporting	Projected Outstanding Debt Summary (\$ millions)					
	2024	2025	2026	2027	2028	2029
<b>Self-Supported Tax Guaranteed</b>						
Arena	402	383	363	341	318	295
South LRT	150	112	73	36	10	1
Downtown Community Revitalization Levy	142	186	206	193	174	152
Quarters Community Revitalization Levy	64	59	52	45	38	30
Blatchford District Energy System [DES]	28	27	26	25	24	23
Energy Center #4 - Blatchford Renewable Energy	0	5	13	14	14	14
Other	37	37	36	36	48	64
<b>Total Self-Supported Tax Guaranteed</b>	<b>823</b>	<b>808</b>	<b>770</b>	<b>692</b>	<b>626</b>	<b>579</b>
<b>Self Liquidating</b>						
Waste Management	188	166	145	131	119	107
Local Improvements Prop. Share	145	146	145	146	148	149
Blatchford Redevelopment Implementation	55	51	47	43	39	35
Clean Energy Improvement Program	6	6	5	5	5	4
<b>Other</b>						
Other	139	159	187	203	209	213
<b>Total Self Liquidating</b>	<b>533</b>	<b>527</b>	<b>529</b>	<b>529</b>	<b>519</b>	<b>507</b>
<b>Total Debt</b>	<b>4,368</b>	<b>4,724</b>	<b>5,201</b>	<b>5,357</b>	<b>5,557</b>	<b>5,590</b>

**Table 3: Debt Servicing by Project**

Dec 31, 2024 Reporting	Projected Debt Servicing Summary (\$ millions)					
	2024	2025	2026	2027	2028	2029
<b>Tax supported</b>						
Valley Line Southeast	40	39	39	42	44	46
Multi-Purpose Recreation Centres	18	18	18	18	18	18
Kathleen Andrews Transit Garage	11	11	11	11	11	11
Valley Line LRT: Downtown to Lewis Farms	24	31	37	38	35	35
Walterdale Bridge	9	9	9	9	9	9
NLRT (Downtown to NAIT)	13	13	13	13	13	13
Yellowhead Trail Freeway Conversion	21	23	27	30	35	42
Whitemud Drive/Quesnell Bridge Rehab/Grw	10	10	10	10	10	9
Northwest Campus	6	6	6	6	6	6
Great Neighbourhoods	11	11	10	9	9	6
Terwillegar Community Recreation Centre	7	7	7	7	7	7
Lewis Farms Community Recreation Centre and Library	5	7	12	18	21	22
Capital Line South LRT: Century Park to Ellersie Road	3	5	11	23	27	35
Coronation Park Sports and Recreation Centre	8	10	10	10	11	11
Terwillegar Drive Expressway Upgrades - Alternate Staging	5	7	9	11	11	11
50 Street CPR Grade Separation	2	2	2	2	2	2
Downtown District Energy Initiative	0	1	1	1	1	1
William Hawrelak Park Rehabilitation	4	7	9	9	10	10
New Transit Bus Garage	3	3	5	9	17	25
Active Transportation Implementation Acceleration - Approach 3	0	2	4	6	7	7
High Level Bridge Rehabilitation	0	1	2	7	13	15
Peter Hemingway Fitness & Leisure Centre Rehabilitation	0	0	0	0	0	0
LRV Replacements	0	0	0	2	4	9
Valley Zoo Animal Enclosure Renewal and Enhancement	0	0	1	2	2	2
LRT Prelim Design: Metro Line: Blatchford to Campbell Rd	0	0	1	1	1	1
Missing and Enhanced Sidewalk Connections	0	1	1	1	1	1
Balwin and Belvedere Revitalization	0	1	1	2	2	2
District Energy Network Strategy and District Energy Nodes	0	0	1	1	2	2
Climate Resilient City Facility Upgrades	0	0	2	3	3	3
Kathleen Andrews Transit Garage Solar PV & Battery Projects	0	0	0	0	0	0
Fire Station 7 (Highlands) Building Rehabilitation	0	0	0	0	0	0
Other	31	30	33	34	35	33
<b>Total Tax-Supported</b>	<b>231</b>	<b>254</b>	<b>292</b>	<b>337</b>	<b>368</b>	<b>395</b>



## Attachment 3

Dec 31, 2024 Reporting	Projected Debt Servicing Summary (\$ millions)					
	2024	2025	2026	2027	2028	2029
<b>Self-Supported Tax Guaranteed</b>						
Arena	33	33	33	34	34	33
South LRT	44	44	44	39	28	10
Downtown Community Revitalization Levy	14	18	24	28	28	29
Quarters Community Revitalization Levy	8	9	9	9	9	9
Blatchford District Energy System [DES]	2	2	2	2	2	2
Energy Center #4 - Blatchford Renewable Energy	0	0	0	1	1	1
Other	5	5	5	5	5	6
<b>Total Self-Supported Tax Guaranteed</b>	<b>107</b>	<b>112</b>	<b>118</b>	<b>117</b>	<b>106</b>	<b>89</b>
<b>Self Liquidating</b>						
Waste Management	28	28	27	18	16	16
Local Improvements Prop. Share	16	15	15	16	16	17
Blatchford Redevelopment Implementation	5	5	5	5	5	5
Clean Energy Improvement Program	0	0	0	0	0	0
<b>Other</b>						
Other	7	6	9	11	13	14
<b>Total Self Liquidating</b>	<b>56</b>	<b>55</b>	<b>56</b>	<b>51</b>	<b>51</b>	<b>52</b>
<b>Total Debt</b>	<b>394</b>	<b>421</b>	<b>466</b>	<b>505</b>	<b>525</b>	<b>536</b>