

**Debt Update - December 31, 2025**

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, 2025 debt update is provided through the following charts and tables in this attachment:

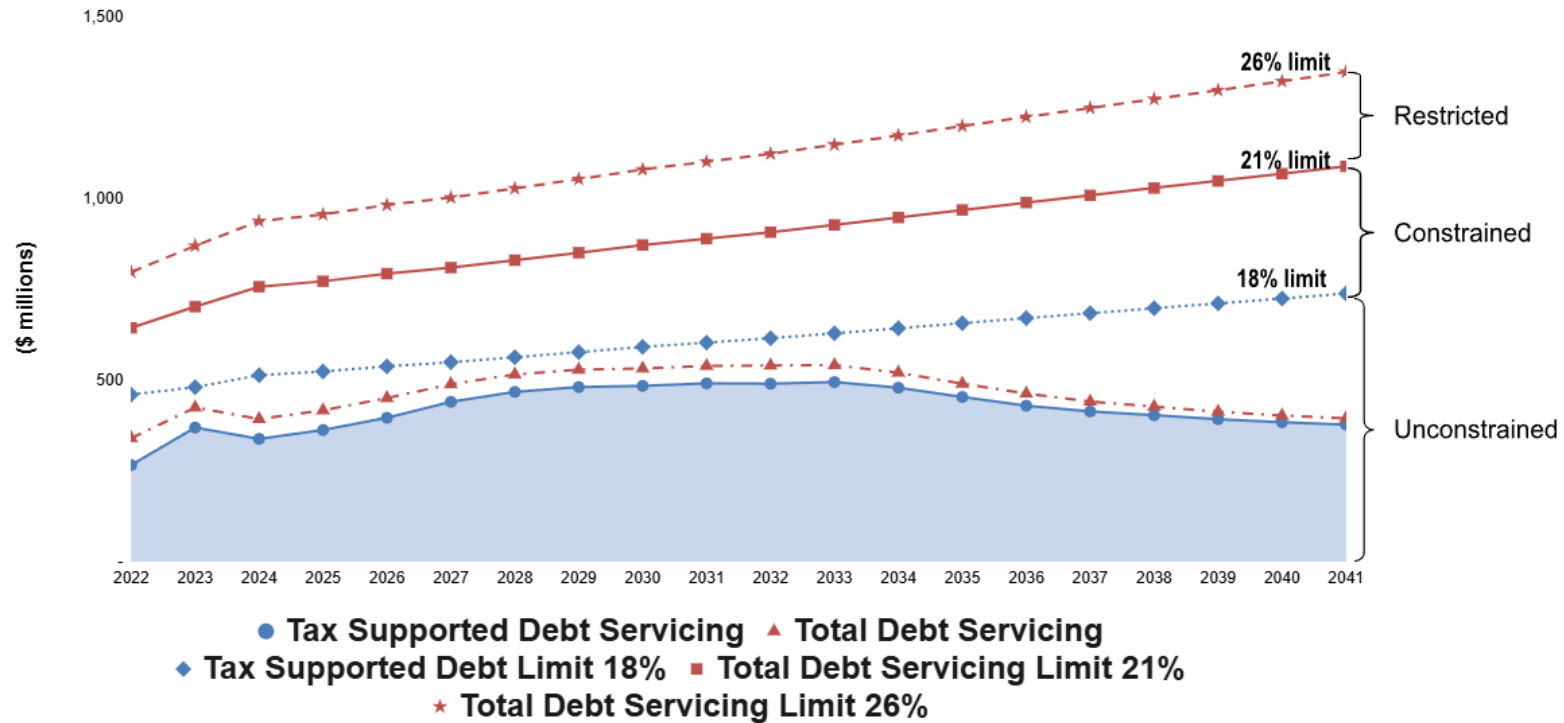
- Chart 1 - Debt Servicing Compared to Debt Servicing Limits (20 Years)
- Table 1 - Debt Servicing Forecasts Compared to Limits (10 Years)
- Table 2 - Debt Outstanding by Project
- Table 3 - Debt Servicing by Project

**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 has used 69.3 per cent of its tax-supported debt servicing limit and 54.0 per cent of its total debt servicing limit (21 per cent) at the end of 2025.
- The City is projected to reach its peak usage of the tax-supported debt servicing limit in 2029, with an anticipated utilization of 83.4 per cent of this limit. Based on this, tax-supported borrowing capacity of approximately \$1.4 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-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34
<b>Tax-Supported Debt</b>										
Long-Term (Note 1)	251	280	320	354	378	390	399	399	408	400
Self-Supporting Tax Guaranteed (Note 1)	113	117	121	115	104	96	94	92	88	80
	<u>364</u>	<u>397</u>	<u>441</u>	<u>469</u>	<u>482</u>	<u>485</u>	<u>492</u>	<u>491</u>	<u>496</u>	<u>480</u>
<b>Self-Liquidating Debt (net of EPCOR) (Note 1)</b>	54	54	49	48	48	48	48	50	47	41
<b>Total Debt Servicing (DMFP)</b>	<u>418</u>	<u>452</u>	<u>490</u>	<u>517</u>	<u>530</u>	<u>533</u>	<u>540</u>	<u>541</u>	<u>542</u>	<u>522</u>
<i>DMFP Tax-supported Debt Servicing Limit (18%)(Note 2)</i>	525	539	550	564	578	593	605	617	630	644
<i>% used</i>	69.3%	73.7%	80.2%	83.1%	83.4%	81.9%	81.4%	79.7%	78.7%	74.6%
<i>% available</i>	30.7%	26.3%	19.8%	16.9%	16.6%	18.1%	18.6%	20.3%	21.3%	25.4%
<i>DMFP Total Debt Servicing Limit (21%)(Note 2)</i>	774	795	811	832	852	874	891	909	929	949
<i>% used</i>	54.0%	56.8%	60.4%	62.1%	62.2%	61.0%	60.6%	59.6%	58.4%	54.9%
<i>% available</i>	46.0%	43.2%	39.6%	37.9%	37.8%	39.0%	39.4%	40.4%	41.6%	45.1%
<i>DMFP Total Debt Servicing Limit (26%)(Note 2)</i>	958	984	1,004	1,029	1,055	1,082	1,103	1,125	1,150	1,175
<i>% used</i>	43.6%	45.9%	48.8%	50.2%	50.2%	49.3%	49.0%	48.1%	47.2%	44.4%
<i>% available</i>	56.4%	54.1%	51.2%	49.8%	49.8%	50.7%	51.0%	51.9%	52.8%	55.6%

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 per cent and 26 per cent of consolidated City revenues and 18 per cent 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 2025 to 2041 assume annual increases to revenue and expenditures of approximately 2 per cent to 2.5 per cent until 2030, and 2 per cent 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:

December 31, 2025 Reporting	Projected Outstanding Debt Summary (\$ millions)					
	2025	2026	2027	2028	2029	2030
<b>Long-Term Tax-Supported</b>						
Valley Line Southeast	646	617	588	558	527	494
Multi-Purpose Recreation Centres	175	164	151	139	126	112
Kathleen Andrews Transit Garage	152	147	140	133	126	118
Valley Line LRT: Downtown to Lewis Farms	418	531	516	522	506	488
Walterdale Bridge	103	97	91	85	79	73
NLRT (Downtown to NAIT)	134	127	118	110	101	91
Yellowhead Trail Freeway Conversion	342	434	510	545	538	522
Whitemud Drive/Quesnell Bridge Rehab/Grw	73	67	60	53	46	38
Northwest Campus	79	76	72	68	65	61
Great Neighbourhoods	53	46	40	32	27	23
EPCOR debt on Downtown District Energy Initiative	5	5	5	5	5	5
Tervillegar Community Recreation Centre	54	50	45	40	34	29
Lewis Farms Community Recreation Centre and Library	182	244	277	278	272	264
Capital Line South LRT: Century Park to Ellersie Road	66	206	305	465	499	500
Coronation Park Sports and Recreation Centre	140	138	135	131	127	123
Tervillegar Drive Expressway Upgrades - Alternate Staging	122	139	145	143	139	135
50 Street CPR Grade Separation	24	23	23	22	21	20
Downtown District Energy Initiative	20	21	39	38	37	36
William Hawrelak Park Rehabilitation	110	115	115	112	107	103
New Transit Bus Garage	42	47	81	184	214	321
Active Transportation Implementation Acceleration - Approach 3	35	77	92	93	92	89
High Level Bridge Rehabilitation	7	7	80	101	104	102
Peter Hemingway Fitness & Leisure Centre Rehabilitation	6	6	6	6	5	5
LRV Replacements	0	28	48	96	207	225
Valley Zoo Animal Enclosure Renewal and Enhancement	1	10	20	23	23	23
LRT Prelim Design: Metro Line: Blatchford to Campbell Rd	4	6	11	17	19	18
Missing and Enhanced Sidewalk Connections	9	12	12	12	12	11
Balwin and Belvedere Revitalization	9	11	11	11	10	9
District Energy Network Strategy and District Energy Nodes	0	4	4	4	4	4
Climate Resilient City Facility Upgrades	8	16	27	28	28	27
Fire Station 7 (Highlands) Building Rehabilitation	0	1	2	2	1	1
Kinsmen Sports Centre Facility Rehabilitation	0	8	14	14	13	13
Facility: Service Support - Renewal	0	2	2	2	2	2
Growth Buses	0	0	20	25	24	24
137 Avenue and Anthony Henday Drive Ramps	0	8	15	14	14	14
Other	261	272	257	234	218	198
<b>Total Long-Term Tax-Supported</b>	<b>3,279</b>	<b>3,762</b>	<b>4,077</b>	<b>4,346</b>	<b>4,372</b>	<b>4,321</b>

## Attachment 3

December 31, 2025 Reporting	Projected Outstanding Debt Summary (\$ millions)					
	2025	2026	2027	2028	2029	2030
<b>Self-Supported Tax Guaranteed</b>						
Arena	381	363	341	318	295	271
Public Event Park	0.061	20	22	51	60	58
South LRT	112	73	36	10	1	0
Downtown Community Revitalization Levy	166	189	214	254	249	224
Quarters Community Revitalization Levy	59	52	45	38	30	23
Blatchford District Energy System [DES]	30	29	28	27	26	25
Energy Center #4 - Blatchford Renewable Energy	0	12	14	14	14	13
Other	45	90	95	99	103	107
<b>Total Self-Supported Tax Guaranteed</b>	<b>793</b>	<b>828</b>	<b>796</b>	<b>813</b>	<b>777</b>	<b>722</b>
<b>Total Tax Supported</b>	<b>4,072</b>	<b>4,589</b>	<b>4,873</b>	<b>5,159</b>	<b>5,150</b>	<b>5,043</b>
<b>Self Liquidating</b>						
Waste Management	176	154	140	127	115	103
Local Improvements Prop. Share	142	144	146	149	150	150
Blatchford Redevelopment Implementation	51	47	43	39	35	30
Clean Energy Improvement Program	6	5	5	5	4	4
Other	146	189	248	261	258	255
<b>Total Self Liquidating</b>	<b>520</b>	<b>539</b>	<b>582</b>	<b>581</b>	<b>562</b>	<b>543</b>
<b>Total Debt</b>	<b>4,592</b>	<b>5,129</b>	<b>5,455</b>	<b>5,740</b>	<b>5,711</b>	<b>5,586</b>

**Table 3: Debt Servicing by Project**

December 31, 2025 Reporting	Projected Debt Servicing Summary (\$ millions)					
	2025	2026	2027	2028	2029	2030
<b>Long-Term Tax-Supported</b>						
Valley Line Southeast	39	38	42	45	46	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	30	39	42	39	40	40
Walterdale Bridge	9	9	9	9	9	9
NLRT (Downtown to NAIT)	13	13	13	13	13	13
Yellowhead Trail Freeway Conversion	23	26	32	38	41	42
Whitemud Drive/Quesnell Bridge Rehab/Grw	10	10	10	10	9	9
Northwest Campus	6	6	6	6	6	6
Great Neighbourhoods	11	10	9	9	6	6
EPCOR debt on Downtown District Energy Initiative	0	1	0	1	1	1
Terwillegar Community Recreation Centre	7	7	7	7	7	7
Lewis Farms Community Recreation Centre and Library	8	13	18	20	20	21
Capital Line South LRT: Century Park to Ellersie Road	4	7	16	24	34	37
Coronation Park Sports and Recreation Centre	10	10	10	10	10	10
Terwillegar Drive Expressway Upgrades - Alternate Staging	7	9	10	11	11	11
50 Street CPR Grade Separation	2	2	2	2	2	2
Downtown District Energy Initiative	1	1	2	3	3	3
William Hawrelak Park Rehabilitation	7	9	9	10	10	10
New Transit Bus Garage	3	3	4	8	14	18
Active Transportation Implementation Acceleration - Approach 3	1	3	6	7	7	7
High Level Bridge Rehabilitation	0	0	2	6	7	8
Peter Hemingway Fitness & Leisure Centre Rehabilitation	0	0	0	0	0	0
LRV Replacements	0	0	2	4	9	16
Valley Zoo Animal Enclosure Renewal and Enhancement	0	0	1	1	2	2
LRT Prelim Design: Metro Line: Blatchford to Campbell Rd	0	0	1	1	1	1
Missing and Enhanced Sidewalk Connections	1	1	1	1	1	1
Balwin and Belvedere Revitalization	1	1	1	1	1	1
District Energy Network Strategy and District Energy Nodes	0	0	0	0	0	0
Climate Resilient City Facility Upgrades	0	1	1	2	2	2
Fire Station 7 (Highlands) Building Rehabilitation	0	0	0	0	0	0
Kinsmen Sports Centre Facility Rehabilitation	0	0	1	1	1	1
Facility: Service Support - Renewal	0	0	0	0	0	0
Growth Buses	0	0	0	1	2	2
137 Avenue and Anthony Henday Drive Ramps	0	0	1	1	1	1
Other	30	32	33	34	32	29
<b>Total Long-Term Tax-Supported</b>	<b>250</b>	<b>280</b>	<b>320</b>	<b>353</b>	<b>378</b>	<b>389</b>

### Attachment 3

December 31, 2025 Reporting	Projected Debt Servicing Summary (\$ millions)					
	2025	2026	2027	2028	2029	2030
<b>Self-Supported Tax Guaranteed</b>						
Arena	33	33	33	33	33	33
Public Event Park	0	0	1	2	4	4
South LRT	44	44	39	28	10	1
Downtown Community Revitalization Levy	18	22	26	30	34	35
Quarters Community Revitalization Levy	9	9	9	9	9	8
Blatchford District Energy System [DES]	2	2	2	2	2	2
Energy Center #4 - Blatchford Renewable Energy	0	0	1	1	1	1
Other	7	7	9	10	10	11
<b>Total Self-Supported Tax Guaranteed</b>	<b>113</b>	<b>117</b>	<b>121</b>	<b>115</b>	<b>104</b>	<b>96</b>
<b>Total Tax Supported</b>	<b>363</b>	<b>397</b>	<b>441</b>	<b>468</b>	<b>482</b>	<b>485</b>
<b>Self Liquidating</b>						
Waste Management	28	28	19	17	16	16
Local Improvements Prop. Share	16	15	16	16	17	17
Blatchford Redevelopment Implementation	5	5	5	5	5	5
Clean Energy Improvement Program	0	0	0	0	0	0
Other	5	6	8	9	9	9
<b>Total Self Liquidating</b>	<b>54</b>	<b>54</b>	<b>49</b>	<b>48</b>	<b>48</b>	<b>48</b>
<b>Total Debt</b>	<b>418</b>	<b>451</b>	<b>490</b>	<b>516</b>	<b>530</b>	<b>533</b>