

Bylaw 19165

To amend Bylaw 18343, to authorize the City of Edmonton to construct, finance and assess Decorative Street Lights Local Improvement in the Virginia Park Neighbourhood

Purpose

To amend Bylaw 18343, by decreasing the unit rate per assessable metre by \$0.02 from \$0.64 to \$0.62 and by decreasing the interest rate by 0.428 percent from 3.466 percent to 3.038 percent.

Readings

Bylaw 19165 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 19165 be considered for third reading.”

Position of Administration

Administration supports this Bylaw.

Report Summary

Bylaw 19165 amends Bylaw 18343, to accurately reflect the actual unit rate per assessable metre and the actual interest rate on the borrowing for the project. Changes in the borrowing interest rate affect the amount per assessable meter.

Report

At the April 24, 2018, City Council meeting, Bylaw 18343 was passed.

Bylaw 19165 amends Bylaw 18343, Decorative Street Lights Local Improvement in the Virginia Park Neighbourhood to reflect the actual unit rate per assessable metre and adjusting the interest rate. Bylaw 19165 amends Bylaw 18343, by decreasing the unit rate per assessable metre by \$0.02 from \$0.64 to \$0.62, by decreasing the interest

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rate by 0.428 percent from 3.466 percent to 3.038 percent and by including a revised Schedule “A”.

Corporate Outcomes and Performance Management

| Corporate Outcomes: The City of Edmonton has sustainable and accessible infrastructure and The City of Edmonton has a resilient financial position | | | |
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| Outcomes | Measures | Results | Targets |
| 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. | <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 City revenues. For this calculation, revenues are net of capital government transfers and contributed tangible capital assets. 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. Debt financing preparation for Local Improvements is performed in accordance with internal policy <i>Financing of Local Improvements (C200B)</i>. | <ul style="list-style-type: none"> Based on the limits set under the <i>Municipal Government Act</i>, as of December 31, 2019, the City had used 54.8% of its debt limit and 29.5% of its debt servicing limit. Based on the limits under the <i>Debt Management Fiscal Policy</i>, as of December 31, 2019, the City had used 58.4% of its tax-supported debt servicing limit and 44.1% 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>. Debt financing preparation for Local Improvements is performed in accordance with internal policy <i>Financing of Local Improvements (C200B)</i>. |

Risk Assessment

| Risk Element | Risk Description | Likelihood | Impact | Risk Score (with current mitigations) | Current Mitigations | Potential Future Mitigations |
|---|---|-------------------|---------------|--|--|---|
| Exceeding regulated debt and debt servicing | The internal City policy <i>Financing of Local Improvements (C200B)</i> directs the | 1-Rare | 4-Severe | 4-Low | Quarterly monitoring of the City’s debt borrowings, debt positions | Long term forecasts are used to determine the impact of |

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| limits. | <p>City to obtain debt financing for Local Improvements in accordance with the <i>Debt Management Fiscal Policy (C203C)</i>. The description of risk includes 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 project.</p> | | | | <p>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 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> | <p>approved and potential future unapproved projects and their impact on debt limits.</p> |
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Public Engagement

The City engages with the public when a local improvement plan is proposed for the affected areas. When a local improvement is proposed, the City must prepare a local improvement plan and send notice to the property owners who will be liable to pay the local improvement. If the affected property owners are not in favour of this local improvement, the affected property owners may file a petition as set out in sections 222 to 226 and 392 of the *Municipal Government Act*. These petitions must be filed and received by the City's Chief Administrative Officer within 30 days from the notices being sent. If no sufficient petitions have been received, the City may proceed with the preparation of a local improvement bylaw. Council must pass a separate local improvement bylaw for each local improvement. Local improvement bylaws are prepared in accordance with sections 263, 397 and 398 of the *Municipal Government Act*. In the case that sufficient petitions are received, the City cannot proceed with the local improvement.

Attachment

1. Bylaw 19165