

Bylaw 19242

To amend Bylaw 18986, to authorize the City of Edmonton to undertake, construct and finance Integrated Infrastructure Services Project, Streetscape Improvements (97 Street: Jasper Avenue to 102 Avenue)

Purpose

To amend Bylaw 18986, to increase the borrowing authority \$1,968,032 from \$6,847,000 to \$8,815,032.

Readings

Bylaw 19242 is ready for first reading only.

Advertising and Signing

This Bylaw will be advertised in the Edmonton Journal on Saturday, March 14, 2020, and Saturday, March 21, 2020. The Bylaw cannot be signed and thereby passed prior to Monday, April 6, 2020.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment will increase the borrowing authority \$1,968,032 from \$6,847,000 to \$8,815,032.

Report

At the November 5, 2019 City Council meeting, Bylaw 18986 was passed.

The total cost of the capital budget profile 19-20-5001 Streetscape Improvements (97 Street: Jasper Avenue to 102 Avenue) has increased by \$1,968,032 from \$6,847,000 to \$8,815,032. As a result, this bylaw amendment will increase the borrowing authority by \$1,968,032 from \$6,847,000 to \$8,815,032.

The \$1,968,032 increase in the capital profile and corresponding debt was transferred from two profiles, 15-74-4109 - Future phase Green and Walkable - Other Streets and

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11-17-0407 - The Quarters - Phase 1, through the Fall 2019 Supplemental Capital Budget Adjustment. The increase in borrowing authority on this bylaw is offset by reductions in borrowing authority to the following bylaws:

- Bylaw 16846, as amended by Bylaw 17100, a Bylaw to authorize the City of Edmonton to undertake, construct and finance Capital City Downtown Community Revitalization Levy Area Projects and
- Bylaw 15977, as amended by Bylaws 17092, 17179 and 18217, to authorize the City of Edmonton to undertake, construct and finance The Quarters Downtown Community Revitalization Levy Areas Projects.

The decreases to these bylaws do not require advertising and will be brought forward for three readings along with the second and third readings of Bylaw 19242.

Bylaw 19242 will be submitted for second and third readings after the advertising and the expiration of the associated petition period.

The increase in funding is due to higher than expected bids for 97 Street, and for foundation and engineering costs for installation of the New Harbin Gate. Profile details are included in Attachment 2.

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			
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 	<ul style="list-style-type: none"> • Based on the limits set under the <i>Municipal Government Act</i>, as of December 31, 2018, the City had used 54.5% of its debt limit and 29.1% of its debt servicing limit. • Based on the limits under the <i>Debt Management Fiscal Policy</i>, as of December 31, 2018, the City had used 57.6% of its tax-supported debt servicing limit and 43.9% of its total debt servicing limit. 	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> .

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	Levy Revenues.	
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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 (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.	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 (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.	Long term forecasts are used to determine the impact of approved and potential future unapproved projects and their impact on debt limits.

Public Engagement

Borrowing bylaws reflect a legislative requirement of the borrowing process and as a result no public engagement is undertaken with respect to the borrowing bylaw process. Where required by the *Municipal Government Act* borrowing bylaws are advertised.

Attachments

1. Bylaw 19242
2. Capital Profile 19-20-5001