

Bylaw 18980

To amend Bylaw 18008, as amended by Bylaw 18481, to authorize the City of Edmonton to undertake, construct and finance Integrated Infrastructure Services Project - Lewis Farms Community Recreation Centre and Library

Purpose

To amend Bylaw 18008, as amended by Bylaw 18481, to increase the borrowing authority by \$272,871,000 from \$23,792,000 to \$296,663,000.

Readings

Bylaw 18980 is ready for second and third readings.

Advertising and Signing

This Bylaw was advertised in the Edmonton Journal on Saturday, September 14, 2019, and Saturday, September 21, 2019. The Bylaw cannot be signed and thereby passed prior to Monday, October 7, 2019.

Position of Administration

Administration supports this Bylaw.

Previous Council/Committee Action

At the November 5, 2019, City Council meeting, the following motion was passed:

That Bylaws 18980, 19045, 19046, 19047, 19048 and 19049, be postponed to the December 11, 2019, City Council Budget meeting.

Report Summary

This Bylaw amendment will increase the borrowing authority for Lewis Farms Community Recreation Centre and Library by \$272,871,000 from \$23,792,000 to \$296,663,000.

Report

At the June 27, 2017 City Council meeting, Bylaw 18008 was passed.

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At the August 21, 2018 City Council meeting, Bylaw 18481, amending Bylaw 18008, was passed.

At the September 10, 2019 City Council meeting, Bylaw 18980 received first reading.

The petition period expired on Monday, October 7, 2019. No petitions have been received, this Bylaw may proceed.

On June 4, 2019, as part of the 2019 Spring Supplemental Capital Budget Adjustment, Council approved an increase of \$292,871,000 to the capital budget for Profile 15-21-5785 Lewis Farms Community Recreation Centre and Library for a total project cost of \$321,291,000. In order to construct and complete this project, it will be necessary to borrow an additional \$272,871,000. As a result, this bylaw amendment will increase the borrowing authority from \$23,792,000 to \$296,663,000.

The total borrowing for the project will be \$296,663,000 of which \$290,978,867 will be new borrowing and \$5,684,133 will be the application of debentures previously borrowed under Bylaws 15238, 14472, 14226, 14481, and 14852.

Once Bylaw 18980 receives second and third readings, Bylaws 15238, 14472, 14226, 14481, and 14852 will be amended to reduce borrowing authority.

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. 	<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% 	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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	<ul style="list-style-type: none"> 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. 	of its total debt servicing limit.	
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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.

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Attachments

1. Bylaw 18980
2. Capital Profile 15-21-5785