

Bylaw 19045

To amend Bylaw 15238, to authorize the City of Edmonton to acquire, implement, and finance Transportation Project, LRT Signal System

Purpose

To amend Bylaw 15238, to decrease the borrowing authority by \$137,162 from \$9,934,000 to \$9,796,838.

Readings

Bylaw 19045 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 19045 be considered for third reading.”

Advertising and Signing

This Bylaw does not require advertising and the Bylaw can be signed and thereby passed following third reading.

Section 258(5) of the *Municipal Government Act* states that “the borrowing bylaw that authorizes the borrowing of the increased cost does not have to be advertised” if “the increased cost does not exceed 15% of the original cost of the property.”

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 decrease the borrowing authority by \$137,162 from \$9,934,000 to \$9,796,838.

Report

At the July 22, 2009 City Council meeting, Bylaw 15238 was passed.

Project 09-66-1296 LRT Signal System was originally budgeted to cost \$29,800,000 with \$9,934,000 of tax-supported debt as a financing source. This project is now complete with actual spending of \$30,963,612 and a total of \$9,796,838 in tax-supported debt applied to the project. A total of \$9,934,000 was actually borrowed under Bylaw 15238. The difference of \$137,162 in borrowing authority is being transferred to Bylaw 18980, a Bylaw 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. As a result, this bylaw amendment will reduce the borrowing authority by \$137,162 from \$9,934,000 to \$9,796,838.

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% 	<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> .

	(tax-supported debt) of Tax 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 19045
2. Capital Profile 09-66-1296