

Bylaw 19373

To amend Bylaw 15156, as amended by Bylaws 15978, 17075, 17638, 17978 and 18429, to authorize the City of Edmonton to undertake, construct and finance Integrated Infrastructure Services Project, Great Neighbourhoods Initiative

Purpose

To amend Bylaw 15156, as amended by Bylaws 15978, 17075, 17638, 17978 and 18429, to decrease the borrowing authority by \$5,775,062 from \$149,966,000 to \$144,190,938.

Readings

Bylaw 19373 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 19373 be considered for third reading.”

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw amendment includes a net transfer of \$5,775,062 of debt budget to other Great Neighbourhood Initiative and Neighbourhood Renewal Program profiles as approved in the 2019 and 2020 Spring Supplemental Capital Budget Adjustments (SCBA). The borrowing authority will decrease by \$5,775,062 from \$149,966,000 to \$144,190,938.

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Report

At the April 15, 2009, City Council meeting, Bylaw 15156 was passed.

At the January 18, 2012, City Council meeting, Bylaw 15978, amending Bylaw 15156, was passed.

At the March 3, 2015, City Council meeting, Bylaw 17075, amending Bylaws 15156 and 15978, was passed.

At the May 3, 2016, City Council meeting, Bylaw 17638, amending Bylaws 15156, 15978 and 17075, was passed.

At the January 23, 2018, City Council meeting, Bylaw 17978, amending Bylaws 15156, 15978, 17075 and 17368, was passed.

At the June 26, 2018, City Council meeting, Bylaw 18429, amending Bylaws 15156, 15978, 17075, 17638 and 17978, was passed.

During the 2019 Spring Supplemental Capital Budget Adjustment deliberations on May 25, 2020, Council approved various tax supported debt budget transfers between the Great Neighbourhood Initiative profiles and Neighbourhood Renewal Programs profiles for Alberta Avenue, Central McDougall, Highlands, Royal Gardens, and Inglewood.

During the 2020 Spring Supplemental Capital Budget Adjustment deliberations on May 25, 2020, Council approved a transfer of \$811,456 of debt budget from the capital profile 15-21-777 The Orange Hub to the capital profile 19-40-9013 NPR Reconstruction - Inglewood. In addition, debt transfers were completed between the Great Neighbourhood Initiative composite to the standalone profiles to align budget and actuals.

These changes to the borrowing authority by profile are summarized below:

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Project Number	Project Name	Current Borrowing Request	Previous Borrowing Request	Change in Borrowing Request	Change Description
09-21-5800	Great Neighbourhoods Initiative	\$ 72,882	\$ 72,707	\$ 175	Spring 2020 SCBA to transfer budget from CM-21-5800 to align budget and actuals.
12-21-5800	Great Neighbourhoods Initiative	11,462	17,259	(5,797)	Spring 2019 SCBA to transfer debt budget to CM-21-5800 for profile consolidation, offset by Spring 2020 SCBA transfer from the composite to align budget and actuals.
CM-21-5800	Great Neighbourhoods Initiative	52,659	52,000	659	Spring 2019 and 2020 SCBAs debt budget transfers as described above, offset by transfers to fund various Neighbourhood Renewal Program profiles. Spring 2020 SCBA to transfer budget to standalone profiles above to align budget and actuals.
18-66-1011	Engage 106 Street - 76 Avenue (Phase 2)	6,000	6,000	-	
15-21-7777	The Orange Hub	1,188	2,000	(812)	Spring 2020 SCBA to transfer debt budget to the Neighbourhood Renewal Program Reconstruction - Inglewood 19-40-9013
		\$ 144,191	\$ 149,966	\$ (5,775)	

As a result of the above adjustments, the overall borrowing authority will be decreased by \$5,775,062 from \$149,966,000 to \$144,190,938.

The decrease in borrowing authority on this bylaw is offset by an increase in borrowing authority in Bylaws 18987 (approved in 2019) and Bylaw 19368, a Bylaw to amend Bylaw 18987, to authorize the City of Edmonton to undertake, construct and finance Integrated Infrastructure Services Projects, Neighbourhood Renewal Program Reconstruction - Alberta Avenue, Central McDougall, Highlands, Inglewood and Royal Gardens (second and third reading on September 21, 2020).

Bylaw 19373 will be accompanied by the second and third readings of Bylaw 19368.

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

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<p>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.</p>	<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 two 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. 	<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. 	<p>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>.</p>
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Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score	Current Mitigations	Potential Future Mitigations
<p>Exceeding regulated debt and debt servicing limits.</p>	<p>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</p>	<p>1-Rare</p>	<p>4-Severe</p>	<p>4-Low</p>	<p>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</p>	<p>Long term forecasts are used to determine the impact of approved and potential future unapproved projects and their impact on debt limits.</p>

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	Finance Authority to purchase the City's debentures in order to finance a capital project.				unapproved borrowings and potential changes to interest rates.	
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Public Engagement

Borrowing bylaws reflect a legislative requirement of the borrowing process. 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 19373
2. Capital Profiles