

## Bylaw 18736

### To authorize the City of Edmonton to undertake, construct and finance City Operations Project, Waste Services Facilities & Infrastructure Project Delivery

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#### Purpose

To authorize the City of Edmonton to borrow the sum of \$18,446,000 to undertake, construct and finance City Operations Project, Waste Services Facilities & Infrastructure Project Delivery.

#### Readings

Bylaw 18736 is ready for second and third readings.

#### Advertising and Signing

This Bylaw was advertised in the Edmonton Journal on Saturday, March 16, 2019, and Saturday, March 23, 2019. The Bylaw cannot be signed, and thereby passed, prior to Monday, April 8, 2019.

#### Position of Administration

Administration supports this Bylaw.

#### Report Summary

This Bylaw provides debt financing for the City Operations Project, Waste Services Facilities & Infrastructure Project Delivery.

#### Report

At the March 12, 2019, City Council meeting, Bylaw 18736 received first reading.

The petition period expired on Monday, April 8, 2019. No petitions have been received, therefore this Bylaw may proceed.

As part of the 2019 - 2022 Capital Budget deliberations, Council approved the capital budget for profile CM-81-2047 Waste Services Facilities & Infrastructure Project Delivery with a total project cost of \$18,446,000. In order to complete this project, it will be necessary to borrow \$18,446,000.

## Corporate Outcomes and Performance Management

<b>Corporate Outcomes: The City of Edmonton has sustainable and accessible infrastructure and The City of Edmonton has a resilient financial position</b>			
<b>Outcomes</b>	<b>Measures</b>	<b>Results</b>	<b>Targets</b>
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"> <li>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"> <li>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.</li> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Based on the limits set under the <i>Municipal Government Act</i>, as of December 31, 2017, the City had used 51.5% of its debt limit and 26.8% of its debt servicing limit. Based on the limits under the <i>Debt Management Fiscal Policy</i>, as of December 31, 2017, the City had used 73.0% of its tax-supported debt servicing limit and 53.6% of its total debt servicing limit.</li> </ul>	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> .

## Risk Assessment

<b>Risk Element</b>	<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score</b>	<b>Current Mitigations</b>	<b>Potential Future Mitigations</b>
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	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	Long term forecasts are used to determine the impact of approved and potential future unapproved projects and their impact on debt limits.

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	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.				models the impact to the debt position and debt servicing limits due to future unapproved borrowings and potential changes to interest rates.	
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**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 18736
2. Capital Profile CM-81-2047