

## Bylaw 19614

### A Bylaw to amend 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 amend Bylaw 18736, to decrease the borrowing authority by \$2,583,000 from \$18,446,000 to \$15,863,000.

#### Readings

Bylaw 19614 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 19614 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.

#### Report Summary

This Bylaw amendment will decrease the borrowing authority by \$2,583,000 from \$18,446,000 to \$15,863,000.

#### Report

At the April 16, 2019 City Council meeting, Bylaw 18736 was passed.

**Bylaw 19614 - A Bylaw to amend Bylaw 18736, to authorize the City of Edmonton to undertake, construct and finance City Operations Project, Waste Services Facilities & Infrastructure Project Delivery**

During the Waste Services 2020 Fall Supplemental Capital Budget Adjustment deliberations on October 19, 2020, Council approved a decrease of \$2,081,000 to profile CM-81-2047, Waste Service Facilities & Infrastructure Project Delivery bringing the profile from \$18,446,000 to \$16,365,000. Along with this decrease, \$502,000 of the profile is now expected to be funded with retained earnings of the Waste Utility. As a result, this bylaw amendment will decrease the borrowing authority by \$2,583,000 from \$18,446,000 to \$15,863,000.

This decrease is transferred to a new profile 20-81-2020 Materials Recovery Facility (MRF) Renewal, and the budget decrease is therefore offset by an increase in Bylaw 19586, a Bylaw to authorize the City of Edmonton to undertake, construct and finance Waste Services Project, Materials Recovery Facility (MRF) Renewal.

Second and third readings of Bylaw 19586 (Financial and Corporate Services report FCS00328rev) are also included on the April 6, 2021 City Council agenda.

**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, 2019, the City had used 54.8% of its debt limit and 29.5% of its debt servicing limit.</li> <li>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.</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

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 19614
2. Capital Profile CM-81-2047