

## Bylaw 19584

**A Bylaw to amend Bylaw 18151, as amended by Bylaw 19239, to authorize the City of Edmonton to undertake, construct and finance The City of Edmonton Capital City Downtown and The Quarters Community Revitalization Levy Area Projects**

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### Purpose

To amend Bylaw 18151, as amended by Bylaw 19239, to replace the original Schedule “A” with a revised Schedule “A” related to a net zero swap of debt funding sources.

### Readings

Bylaw 19584 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 19584 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 replace the original Schedule “A” with a revised Schedule “A” to reflect a change in the debt funding sources with no net impact to the capital profile.

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**Report**

At the November 14, 2017 City Council meeting, Bylaw 18151 was passed.

At the May 11, 2020 City Council meeting, Bylaw 19239, amending Bylaw 18151, was passed.

On December 9/11, 2020, as part of the Fall 2020 Supplemental Capital Budget Adjustments, Council approved a change in the funding sources within the Profile 17-74-4103 Jasper Avenue New Vision Phase 2 swapping \$283,000 in CRL Downtown debt for CRL Quarters debt. CRL Downtown debt of \$283,000 will be swapped for CRL Quarters debt resulting in a net zero impact to the capital profile and net zero adjustment to the borrowing authority. This Bylaw amendment will replace the original Schedule “A” with a revised Schedule “A”.

**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 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.</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</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> .

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	Levy Revenues.		
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**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 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. 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 19584
2. Capital Profile 17-74-4103