

THE CITY OF CALGARY

**TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS
TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY
ON MONDAY 2019 JANUARY 14**

BYLAW INFORMATION

Borrowing Bylaw Nos.	- 8B2018 and 9B2018
Purpose	- To finance One Calgary 2019–2022 service plans and budgets
Borrowing Authority	- \$569.724 million
Term	- 10 & 25 years
Type of Borrowing/Debenture	- Self-supported
Statutory References	- Municipal Government Act – Sections No.
Borrowing Authorization	- 251 & 258
Passing a bylaw	- 187

Enabling a borrowing:

Section 251(1) A municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw.

(2) A borrowing bylaw must set out

- (a) the amount of money to be borrowed and, in general terms, the purpose for which the money is borrowed;
- (b) the maximum rate of interest, the term and the terms of repayment of the borrowing;
- (c) the source or sources of money to be used to pay the principal and interest owing under the borrowing.

Purpose of a borrowing

Section 258(1) applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing exceeds 5 years. Borrowing bylaws authorized under this section require advertising.

Reading of Bylaw:

Section 187 stipulates every proposed bylaw must have 3 distinct and separate readings. The readings of a bylaw must follow the legislated procedures set out in the MGA.

THE CITY OF CALGARY

TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY ON MONDAY 2019 JANUARY 14

LOAN BYLAW INFORMATION

Loan Bylaw No.	- 63M2018
Loan made to Corporation	- Calgary Municipal Land Corporation (CMLC)
Purpose of loan	- To loan to CMLC working capital funds as interim financing for certain capital projects
Amount	- \$6 million
Repayment Terms	- CMLC will repay the Loan in full on the maturity date and all accrued interest owing on the Loan plus a basic fee of 0.25% per annum on the principal monthly outstanding loan from time to time, such fee to be calculated monthly
Statutory References Loans to a controlled corporation	- Municipal Government Act - Sections No. - 264(1)(b) & 265

Purpose of loans

Section 264(1)(b) of the MGA, as modified by Section 4(11)(a)(i) of the City of Calgary Charter, 2018 Regulation, Alta Reg 40/2018: The City may only lend money to one of its controlled corporations.

Loan Bylaw

Section 265(1) A municipality may only lend money to one of its controlled corporations if the loan is authorized by bylaw.

- (2) The bylaw authorizing the loan must set out;
 - (a) the amount of money to be loaned and, in general terms, the purpose for which the money that is loaned is to be used;
 - (b) the minimum rate of interest, the term and the terms of repayment of the loan;
 - (c) the source or sources of the money to be loaned.
- (3) The Bylaw that authorizes the loan must be advertised.

THE CITY OF CALGARY

TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY ON MONDAY 2019 JANUARY 14

CAPITAL PROGRAM INFORMATION

Council's Authorizing Document and
Approval Date

- One Calgary 2019-2022 service plans and budgets;
2018 November 30
- C2018-1441 New Municipal Loan to CMLC; 2018
December 17

Summary of Borrowing & Loan
Bylaws requiring approval

- per Attachment 1

AFFIRMATIVE VOTES REQUIRED - Majority of members present

ADMINISTRATIVE COMMENTS

Borrowing Bylaws 8B2018 and 9B2018 are for financing the approved One Calgary 2019-2022 service plans and budgets approved 2018 November 30.

Loan Bylaw 63M2018 is for providing interim working capital funds to CMLC as a short-term loan that will be subsequently repaid through long-term debenture funds provided by Alberta Capital Finance Authority.

On 2018 December 17, Council gave first reading to Borrowing Bylaws 8B2018, 9B2018 and Loan Bylaw 63M2018. Pursuant to Section 231 of the Municipal Government Act, Borrowing Bylaws 8B2018, 9B2018 and Loan Bylaw 63M2018 were advertised in the Calgary Herald on 2018 December 20 and 27. The 15-day statutory deadline for a petition asking for a vote on the bylaws was 2019 January 11. The City Clerk is requested to report the status of the petition. If a valid petition for the bylaw has been received, Finance requests that the bylaw be withdrawn from the agenda and be submitted to a vote of the electors.

FINANCIAL CAPACITY

Pursuant to Section 252 of the MGA and the associated regulations, The City cannot make a borrowing if the borrowing will cause the municipality to exceed its debt limit, unless the borrowing is approved by the Minister. The MGA debt limit and debt service limit reported in the audited consolidated financial statements for the year ended December 31, 2017 are 40.13% and 26.38% respectively. Any borrowing up to the authorized amount under Borrowing Bylaw

THE CITY OF CALGARY

TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY ON MONDAY 2019 JANUARY 14

Nos. 8B2018, 9B2018 and 63M2018 can be accommodated within the MGA debt limit and debt service limit forecasts which are based on current approved capital budgets and related financing. This analysis indicates that The City debt limit and debt service will remain below 80% of the Municipal Government allowable limits for 2019-2022.

OTHER LEGISLATIVE REQUIREMENTS

Pursuant to MGA Section 254 no municipality may acquire, remove, or start the construction or improvement of a capital property that is to be financed in whole or in part through a borrowing unless the borrowing bylaw that authorizes the borrowing is passed.

RECOMMENDATION

That Council give:

1. Borrowing Bylaw 8B2018 and 9B2018 second and three readings
2. Loan Bylaw 63M2018 second and third readings

ATTACHMENTS

1. Summary of Borrowing Bylaws requiring approval
2. Borrowing Bylaws 8B2018 and 9B2018
3. Loan Bylaw 63M2018