

THE CITY OF CALGARY

**TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS
TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY
ON MONDAY 2020 FEBRUARY 24**

BORROWING BYLAW INFORMATION

Borrowing Bylaws	- 1B2020 - 4B2020 inclusive
Purpose	- To finance the 2020 Capital Budget of the regulated operations of ENMAX Corporation
Borrowing Authority	- \$164.914 million
Term	- 5, 10, 20 & 25 years
Type of Debenture	- Self-supported
Statutory References	- Municipal Government Act ("MGA") - Section Nos.
Borrowing Authorization	- 251, 257 & 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 257 applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing is 5 years or less. Borrowing bylaws authorized under this section do not have to be advertised.

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.

Passing a 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.

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LOAN BYLAW INFORMATION

Bylaw No.	- 6M2020
Loan made to	- ENMAX Corporation
Purpose of loan	- To loan to ENMAX Corporation the funds to be borrowed under Borrowing Bylaw Nos. 1B2020 - 4B2020 inclusive
Amount	- \$164.914 million
Repayment Terms	- ENMAX Corporation will repay the loans at Alberta Capital Finance Authority's ("ACFA") debenture rates plus a fee of 0.25% per annum on the average monthly outstanding debentures held by The City on behalf of ENMAX Corporation
Statutory References	- Municipal Government Act ("MGA") - Section Nos.
Loans to a controlled corporation	- 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 a controlled corporation.

Loan Bylaw

Section 265(1) - A municipality may only lend money to a controlled corporation 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.

Council's Authorizing Document (as Shareholder) - The 2020 Consolidated Operating and Capital Budget of the regulated operations of ENMAX Corporation

Council's Review Date (as Shareholder) - 2019 December 6

AFFIRMATIVE VOTES REQUIRED FOR PASSING OF LOAN BYLAW - Majority of members present

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ADMINISTRATIVE COMMENTS

The City has entered into a Debt Management Service Level Agreement with ENMAX Corporation to govern the issuance of debentures for its regulated operations. ENMAX Corporation shall pay to The City semi-annual interest and principal when due and as required, plus a fee of 0.25% as per its contractual agreements with The City.

Borrowing Bylaw Nos. 1B2020 - 4B2020 inclusive are for financing ENMAX Corporation's 2020 Capital Budget.

To loan the debenture funds to a controlled corporation pursuant to MGA sections 264 and 265, Loan Bylaw No. 6M2020 is also required.

Borrowing Bylaw No. 1B2020 financing capital projects with a borrowing term of 5 years does not require advertising.

Borrowing Bylaw Nos. 2B2020 - 4B2020 inclusive and Loan Bylaw No. 6M2020 require public notice after first reading by Council. The bylaws will be scheduled for second and third reading on 2020 April 6 provided there are no valid petitions received.

FINANCIAL CAPACITY

Pursuant to MGA section 252 and the associated regulations, The City cannot make a borrowing if the borrowing will cause the municipality to exceed its debt limit. Debt issued on behalf of ENMAX Corporation is excluded from the MGA debt and debt service limits and as such does not impact these limits. For reference on this exclusion see Section 6 of the Debt Limit Regulation, Alta Reg 255/2000 and Section 271(1)(d) MGA.

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 1B2020 first, second and third readings
2. Borrowing Bylaws 2B2020 to 4B2020 inclusive and Loan Bylaw 6M2020 first reading

ATTACHMENTS

1. Summary of Borrowing Bylaws Requiring Approval
2. Borrowing Bylaws 1B2020 - 4B2020 inclusive and Loan Bylaw 6M2020