

Chief Financial Officer's Report to
Combined Meeting of Council
2021 February 8

ISC: UNRESTRICTED
C2021-0124
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Correcting Borrowing Bylaws 8B2020 and 9B2020

RECOMMENDATION(S):

That Council:

1. Repeal Bylaws 8B2020 and 9B2020.
2. Give first readings to Bylaws 5B2021 and 6B2021 only.

HIGHLIGHTS

- This report seeks to correct an error made with respect to the bylaw readings for Bylaws 8B2020 and 9B2020. At the 2020 December 14 Combined Meeting of Council, Bylaws 8B2020 and 9B2020 were intended to only receive first readings as advertising is required prior to second and third readings of the Bylaws. However, three readings were given for Bylaws 8B2020 and 9B2020.
- What does this mean to Calgarians? The correction of an Administrative error provides clarity on the intent to finance the Capital Budget adjustment to Program 872 and allow for proper advertising of the Borrowing bylaws as stipulated in the *Municipal Government Act* (MGA) with no impact to citizens.
- Why does this matter? Pursuant to the *Municipal Government Act*, Borrowing Bylaws 8B2020 and 9B2020 require public notice activities after first reading by Council. In order to correct this oversight, Bylaws 8B2020 and 9B2020 should be repealed as they are invalid and the new Borrowing Bylaws 5B2021 and 6B2021 be given first reading and advertised pursuant to the *Municipal Government Act*.
- The oversight was discovered after the Bylaws were approved. No borrowings were made under the invalid bylaws.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

DISCUSSION

The purpose of Bylaw 5B2021 is to finance the Capital Budget adjustment to Program 872 and to repeal Bylaw 8B2020 which is no longer of any force or effect.

The purpose of Bylaw 6B2021 is to reduce the borrowing authority of Bylaw 9B2018 to offset increase in Bylaw 9B2020 and to repeal Bylaw 9B2020 which is no longer of any force or effect.

The contents of Bylaws 5B2021 and 6B2021 are essentially the same as those for 8B2020 and 9B2020 which Council reviewed and provided three reading on 2020 December 14:

- The Borrowing Authority additions/(reductions) is \$10.550 million, (\$10.550 million)
- The Term is 10-20 years.
- The Type of Debenture is Self supported
- The Statutory References are as follows:
 - Borrowing Authorization: *MGA* Sections 251 & 258
 - Amendment & Repeal: *MGA* Section 191
 - Passing a bylaw: *MGA* Section 187

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CAPITAL PROGRAM INFORMATION

Council's Authorizing Documents: C2020-1215

Business Unit/s and Capital Program/s: Fleet Services, Program 872

ADMINISTRATIVE COMMENTS

Bylaw 5B2021 is required for financing the Fleet Services capital budget adjustment for Program 872 "Support Facilities" \$10.550 million and Bylaw 6B2021 is required to approve the corresponding decrease to the original borrowing authority. As per C2020-1215, budget and funding for the facility is being transferred from Program 871 (Fleet Acquisitions) to Program 872 (Support Facilities). The approved combined budget requires a new borrowing bylaw for the revised borrowing purpose and term.

Bylaw 5B2021 and 6B2021 (reducing Bylaw 9B2018 financed capital projects with a borrowing term of 10 years) require public notice activities after first reading by Council. The bylaws will be scheduled for second and third readings on 2021 March 01 provided there are no valid petitions.

FINANCIAL CAPACITY

Pursuant to the City's Debt Policy, total debt will not exceed 1.6 times revenue. The total debt service will not exceed 0.28 times revenue.

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.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☒ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☐ Stakeholder or customer dialogue/relations were undertaken

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. As such, public engagement will be sought via newspaper advertising for both Bylaws 5B2021 and 6B2021.

IMPLICATIONS

Social

There are no social implications anticipated in association with implementing these recommendations.

Environmental

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There are no environmental implications anticipated in association with implementing these recommendations.

Economic

There are no economic implications anticipated in association with implementing these recommendations.

Service and Financial Implications

No anticipated financial impact

RISK

There were no risks identified.

ATTACHMENT(S)

1. Attachment 1 - Bylaw 5B2021
2. Attachment 2 - Bylaw 6B2021

Department Circulation

General Manager	Department	Approve/Consult/Inform
Carla Male	Finance	Approve