

TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS FOR ENMAX CORPORATION TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY ON MONDAY 2021 FEBRUARY 08

BORROWING BYLAW INFORMATION

Borrowing Bylaws	-	1B2021 - 4B2021 inclusive
Purpose	-	To finance the 2021 Capital Budget of the regulated operations of ENMAX Corporation
Borrowing Authority	-	\$166.603 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.	- 5M2021
Loan made to	- ENMAX Corporation
Purpose of loan	- To loan to ENMAX Corporation the funds to be borrowed under Borrowing Bylaw Nos. 1B2021 - 4B2021 inclusive
Amount	- \$166.603 million
Repayment Terms	- ENMAX Corporation will repay the loans at the Province of Alberta ("the "Province") 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 2021 Consolidated Operating and Capital Budget of the regulated operations of ENMAX Corporation
Council's Review Date (as Shareholder)	- 2020 December 4

AFFIRMATIVE VOTES REQUIRED FOR PASSING OF LOAN BYLAW

- Majority of members present

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ADMINISTRATIVE COMMENTS

The City is in the process of entering into a Credit 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. If the signed Credit Agreement is not received by 2021 February 5, Borrowing Bylaw Nos. 1B2021 - 4B2021 and Loan Bylaw No. 5M2021 should not receive first reading.

Borrowing Bylaw Nos. 1B2021 - 4B2021 inclusive are for financing ENMAX Corporation's 2021 Capital Budget.

To loan the debenture funds to a controlled corporation pursuant to MGA sections 264 and 265, Loan Bylaw No. 5M2021 is also required.

Borrowing Bylaw No. 1B2021 financing capital projects with a borrowing term of 5 years does not require advertising.

Borrowing Bylaw Nos. 2B2021 - 4B2021 inclusive and Loan Bylaw No. 5M2021 require public notice after first reading by Council. The bylaws will be scheduled for second and third reading on 2021 March 22 provided there are no valid petitions received.

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. ENMAX Corporation is excluded from the debt limit calculation so debt originated under these bylaws will not impact The City's debt limits.

RECOMMENDATION

That, provided a signed credit agreement is received by The City on or before 2021 February 5, Council give:

1. Borrowing Bylaw 1B2021 first, second and third readings
2. Borrowing Bylaws 2B2021 to 4B2021 inclusive and Loan Bylaw 5M2021 first reading

ATTACHMENTS

1. Borrowing Bylaw 1B2021
2. Borrowing Bylaw 2B2021
3. Borrowing Bylaw 3B2021
4. Borrowing Bylaw 4B2021
5. Loan Bylaw 5M2021