

THE CITY OF CALGARY

TABULATION OF CAPITAL BORROWING BYLAW
TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY
ON MONDAY 2020 JULY 20

BORROWING BYLAW INFORMATION

Borrowing Bylaws	- 5B2020
Purpose	- To finance the construction of the first stage of the Green Line Light Rail Transit (LRT) Program, including the Stage 1 LRT project from 16 Avenue Southeast to 126 Avenue southeast, the purchase of light rail vehicles, as well as enabling works construction projects that facilitate the development and construction of the Stage 1 LRT project.
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p style="text-align: center;">CITY OF CALGARY RECEIVED IN COUNCIL CHAMBER JUL 21 2020 ITEM: <u>#13.4 C2020-0868</u> <u>PJoliz</u> CITY CLERK'S DEPARTMENT</p> </div>	
Borrowing Authority	- \$1,800 million
Term	- Not to exceed a period of 25 years
Type of Debenture	- Tax-supported
Statutory References	- Municipal Government Act ("MGA") - Section Nos.
Borrowing Authorization	- 251 & 258
Passing a bylaw	- 187

MGA STATUTORY REFERENCES

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.

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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CAPITAL PROGRAM INFORMATION

- | | |
|--------------------------------|--|
| Council's Authorizing Document | - GC2020-0616 Green Line Budget and Financing Approval |
| Business Unit | - Green Line (P869-000) |

AFFIRMATIVE VOTES REQUIRED FOR PASSING OF LOAN BYLAW

- Majority of members present

ADMINISTRATIVE COMMENTS

Bylaw 5B2020 is required for financing the construction of the first stage of the Green Line LRT program. On 2020 June 16 Council gave first reading to Bylaw 5B2020. Pursuant to Section 231 of the Municipal Government Act, Bylaw 5B2020 was advertised in the Calgary Herald on 2020 June 23 and 30. The 15-day statutory deadline for a petition asking for a vote on the bylaws was 2020 July 15 and no valid petition for the bylaw has been 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. The MGA debt limit and debt service limit ratios reported in the audited consolidated financial statements for the year ended December 31, 2019 are 35.76% and 25.49% respectively. Most recent forecasts reflecting approved capital budgets and associated debt financing indicate that The City debt limit and debt service will remain below 80% of the Municipal Government allowable limits for 2020-2022.

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 5B2020 second and third readings

ATTACHMENTS

1. Borrowing Bylaw 5B2020