

THE CITY OF CALGARY

TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY ON MONDAY 2015 DECEMBER 7

BORROWING BYLAW INFORMATION

Borrowing Bylaw	- 9B2015
Purpose	- To finance a property acquisition for Calgary Housing Corporation
Borrowing Authority	- \$10 million
Term	- 20 years
Type of Debenture	- Self-supported
Statutory References	- Municipal Government Act – Sections No.
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.

Section 258(1) 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 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.

(4) A Proposed bylaw must not have more than 2 readings at a council meeting unless the councillors present unanimously agree to consider third reading.

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LOAN BYLAW INFORMATION

Bylaw No.	- 44M2015
Loan made to	- Calgary Housing Company (CHC)
Purpose of loan	- To loan to CHC the funds to be raised under Borrowing Bylaw No. 9B2015
Amount	- \$10 million
Repayment Terms	- CHC will repay the loans at Alberta Capital Finance Authority's (ACFA) debenture rates plus a basic fee of 0.25% per annum on the average monthly outstanding debenture held by The City on behalf of CHC
Statutory Reference	- MGA Sections No. 264(1)(b) & 265

MGA STATUTORY REFERENCES

Purpose of loans

Section 264(1)(b) A municipality may only lend money to one of its controlled corporations, if the council considers that the money loaned will be used for a purpose that will benefit the municipality.

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.

CAPITAL PROGRAM INFORMATION

Council's Authorizing Document (as Shareholder)	- CHC2015-D05 Acquisition Opportunity
Council's Approval Date (as Shareholder)	- 2015 May 22
Business Unit	- Calgary Housing Corporation

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AFFIRMATIVE VOTES REQUIRED - Majority of members present

ADMINISTRATIVE COMMENTS

Borrowing Bylaw 9B2015 is to finance a property acquisition for CHC approved in Report CHC2015-D05 2015 May 22.

Pursuant to Section 231 of the Municipal Government Act, Borrowing Bylaw 9B2015 and Loan Bylaw 44M2015 require public notice activities after first reading by Council. The Bylaws will be scheduled for second and third readings on 2016 January 11 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.

The MGA debt limit and debt service limit reported in the audited consolidated financial statements for the year ended December 31, 2014 are 52.37% and 62.58% 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 the years 2015 to 2020.

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 9B2015 first reading
2. Loan Bylaw 44M2015 first reading

ATTACHMENTS

Borrowing Bylaw 9B2015 and Loan Bylaw 44M2015