

THE CITY OF CALGARY

TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS FOR ENMAX CORPORATION TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY ON TUESDAY 2022 March 29

BORROWING BYLAW INFORMATION

Bylaw numbers	- 1B2022 - 4B2022 inclusive
Purpose	- To finance the 2022 Capital Budget of the regulated operations of ENMAX Corporation
Borrowing authority	- \$229.867 million
Term	- 5, 10, 20 and 25 years
Type of debt	- Self-supported
Statutory references	- <i>Municipal Government Act</i> - Section numbers
Borrowing authorization and advertising requirement	- 251, 257 and 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.

(3) A borrowing bylaw must be advertised.

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 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 *Municipal Government Act*.

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LOAN BYLAW INFORMATION

Bylaw number	- 1M2022
Loan made to	- ENMAX Corporation
Purpose of loan	- To loan to ENMAX Corporation the funds to be borrowed under Borrowing Bylaw numbers 1B2022 - 4B2022 inclusive
Amount	- \$229.867 million
Repayment terms	- ENMAX Corporation will repay the loans at the Government of Alberta debenture rates plus a fee of 0.25 per cent per annum on the average monthly outstanding debentures held by The City of Calgary on behalf of ENMAX Corporation
Statutory references	- <i>Municipal Government Act</i> - Section numbers
Loans to a controlled corporation and advertising requirement	- 264(1)(b) and 265
Passing a bylaw	- 187

Enabling a loan

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.

Purpose of a loan

Section 264(1)(b) stipulates that a municipality may only lend money if the loan is made to a controlled corporation or as otherwise set out in the *Municipal Government Act*.

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 *Municipal Government Act*.

Council's Authorizing Document - EC2022-0030

Date of Council's review, as sole shareholder, of ENMAX Corporation's 2022 Consolidated Operating and Capital Budget of the regulated operations of ENMAX Corporation
- 2021 December 3

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

ADMINISTRATIVE COMMENTS

The City of Calgary ("The City") has entered into a Credit Agreement with ENMAX Corporation dated February 8, 2021 which governs the terms of ENMAX Corporation's borrowing relationship with The City. Pursuant to the terms of the Credit Agreement, ENMAX Corporation borrows funds from The City to finance its regulated operations in Alberta and pays to The City semi-annual interest and principal when due and as required, plus a fee of 0.25 per cent per annum.

Borrowing Bylaw numbers 1B2022 - 4B2022 inclusive are for authorizing the borrowing of funds to finance ENMAX Corporation's 2022 Capital Budget.

Loan Bylaw number 1M2022 is for authorizing the loan of the borrowed funds to ENMAX Corporation.

On 2022 February 15, Council gave first reading to Borrowing Bylaws 1B2022, 2B2022, 3B2022, 4B2022 and Loan Bylaw 1M2022. Pursuant to Section 231 of the *Municipal Government Act*, Borrowing Bylaws 1B2022, 2B2022, 3B2022, 4B2022 and Loan Bylaw 1M2022 were advertised in the Calgary Herald on 2022 February 24 and 2022 March 3. The 15-day statutory deadline for a petition asking for a vote on the bylaws was 2022 March 18. There were 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.

RECOMMENDATIONS

That Council give:

1. Prior to second reading of Bylaw 2B2022, amend the bylaw in the third statement of the preamble to, after the figure "\$0.001" insert the word "million"
2. Borrowing Bylaw 2B2022, as amended, second and third readings
3. Borrowing Bylaws 1B2022, 3B2022 and 4B2022 second and third readings
4. Loan Bylaw 1M2022 second and third readings

ATTACHMENTS

1. Borrowing Bylaw 1B2022
2. Borrowing Bylaw 2B2022
3. Borrowing Bylaw 3B2022
4. Borrowing Bylaw 4B2022
5. Loan Bylaw 1M2022