

## THE CITY OF CALGARY

**TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS FOR SILVERA  
FOR SENIORS TO BE PRESENTED TO THE COUNCIL OF THE CITY OF  
CALGARY ON TUESDAY 2022 May 10**

**BORROWING BYLAW INFORMATION**

Bylaw	-	5B2022
Purpose	-	To borrow for the refinancing of Silvera For Seniors' existing debt on Varsity Estates Village.
Borrowing authority	-	\$8.1 million
Term	-	5 years
Type of debt	-	Self-supported
Statutory references	-	<i>Municipal Government Act</i> - Section numbers
Borrowing authorization and advertising requirement	-	251 and 257
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.

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	- 7M2022
Loan made to	- Silvera For Seniors
Purpose of loan	- To fund the refinancing of Silvera For Seniors' existing debt on Varsity Estates Village
Amount	- \$8.1 million
Repayment terms	- Silvera For Seniors shall repay to The City of Calgary the indebtedness over a period not exceeding 5 years in one installment of principal on the maturity date of the borrowing, and a series of installments of interest as and when due throughout the term of the borrowing (such installments being no less often than semi-annual) with interest being calculated at the rate fixed by the Government of Alberta, or the most recent indicative interest rate posted by the Government of Alberta on the date of such borrowing if the loan funds are obtained from The City's internal sources, or at the interest rate set by another lender if applicable, on the date of the borrowing, up to a maximum rate of 8 per cent per annum.
Statutory references	- <i>Municipal Government Act</i> - Section numbers
Loans to a non-profit organization and advertising requirement	- 264 and 265
Passing a bylaw	- 187

Enabling a loan

Section 265(1) A municipality may only lend money to a non-profit organization 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(2)(a) stipulates that a municipality may only lend money to a non-profit organization if council considers that the money loaned will be used for a purpose that will benefit the municipality.

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#### 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 - EC2022-0137

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

#### **ADMINISTRATIVE COMMENTS**

Prior to any advance of funds pursuant to loan bylaw 7M2022 The City of Calgary ("The City") will enter into a Credit Agreement with Silvera For Seniors which will govern the terms of Silvera For Seniors' borrowing relationship with The City. Pursuant to the terms of the Credit Agreement, Silvera For Seniors will borrow funds from The City to fund the refinancing of Silvera For Seniors' existing debt on Varsity Estates Village and will repay the indebtedness over a period not exceeding 5 years in one installment of principal on the maturity date of the borrowing, and a series of installments of interest as and when due throughout the term of the borrowing (such installments being no less often than semi-annual) with interest being calculated at the rate fixed by the Government of Alberta, or the most recent indicative interest rate posted by the Government of Alberta on the date of such borrowing if the loan funds are obtained from The City's internal sources, or at the interest rate set by another lender if applicable, on the date of the borrowing, up to a maximum rate of 8 per cent per annum, plus a fee of 0.25 per cent per annum.

Borrowing Bylaw 5B2022 is for authorizing the borrowing of funds to finance the refinancing of Silvera For Seniors' existing debt on Varsity Estates Village.

Loan Bylaw number 7M2022 is for authorizing the loan of funds to Silvera For Seniors to refinance Silvera For Seniors' existing debt on Varsity Estates Village.

On 2022 March 30 Council gave first reading to Borrowing Bylaw 5B2022 and Loan Bylaw 7M2022. Pursuant to Section 231 of the *Municipal Government Act*, Borrowing Bylaw 5B2022 and Loan Bylaw 7M2022 were advertised in the Calgary Herald on 2022 April 7 and 2022 April 14. The 15-day statutory deadline for a petition asking for a vote on the bylaws was 2022 April 29. 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. The proposed borrowing is categorized as Self-Supported Debt as defined by The City's Debt Policy and will impact The City's debt limit.

#### **RECOMMENDATIONS**

That Council give:

1. Borrowing Bylaw 5B2022 second and third readings
2. Loan Bylaw 7M2022 second and third readings

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**ATTACHMENTS**

1. Borrowing Bylaw 5B2022
2. Loan Bylaw 7M2022