

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 JANUARY 26

BORROWING BYLAW INFORMATION

Borrowing Bylaws	- 21B2014, 22B2014, 23B2014
Purpose	- To finance the Action Plan 2015–2018 business plans and budgets
Borrowing Authority	- \$535.984 million
Term	- 10, 15 & 25 years
Type of Debenture	- Self-supported
Statutory References	- Municipal Government Act – Sections No.
Borrowing Authorization	- 251 & 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.

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.	- 76M2014
Loan made to	- Calgary Housing Company (CHC)
Purpose of loan	- To loan to CHC the funds to be raised under Borrowing Bylaw No. 22B2014
Amount	- \$16.925 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

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	- C2014-0863 Action Plan 2015-2018 business plans and budgets
Council's Approval Date	- 2014 December 1
Business Unit	- per Attachment 1
Capital Programs	- per Attachment 1

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AFFIRMATIVE VOTES REQUIRED - Majority of members present

ADMINISTRATIVE COMMENTS

Borrowing Bylaws 20B2014-23B2014 inclusive are for financing the approved Action Plan 2015-2018 business plans and budgets approved 2014 December 1.

Bylaw 20B2014 financing projects with a term of 5 years received three readings on December 15, 2014.

Bylaw 21B2014 was presented to Council on 2014 December 15 with a typographical error. The Bylaw is to be corrected before requesting second and third reading.

Pursuant to Section 231 of the Municipal Government Act, Borrowing Bylaws 21B2014–23B2014 inclusive and 76M2014 were advertised in the Calgary Herald on December 22 and 29. The 15-day statutory deadline for a petition asking for a vote on the Bylaws is 2015 January 13 and there were 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, 2013 are 54.56% and 72.59% respectively. Any borrowing up to the authorized amount under these Bylaws can be accommodated within the MGA debt limit and debt service limit forecasts which are based on current approved capital budgets and related financing. This analysis indicates that The City debt limit and debt service will remain below 80% of the Municipal Government allowable limits for the years 2014 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 21B2014 second and third reading
2. Borrowing Bylaws 22B2014 and 23B2014 second and third reading
3. Loan Bylaw 76M2014 second and third reading

ATTACHMENTS

1. Summary of Borrowing Bylaws requiring approval
2. Borrowing Bylaws 21B2014, 22B2014, 23B2014 and Loan Bylaw 76M2014