

## THE CITY OF CALGARY

**TABULATION OF A CAPITAL BORROWING BYLAW TO AUTHORIZE  
BORROWING FROM THE CANADA INFRASTRUCTURE BANK TO BE  
PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY ON TUESDAY,  
2022 DECEMBER 6**

**BORROWING BYLAW INFORMATION**

Bylaw	-	8B2022
Purpose	-	To authorize The City of Calgary to incur indebtedness by the issuance of one or more credit facility documents for financing the acquisition of zero emission buses.
Borrowing authority	-	\$168 million
Term	-	20 years
Type of debt	-	Self-supported
Statutory references	-	<i>Municipal Government Act</i> - Section numbers
Borrowing authorization and advertising requirement	-	251 and 258
Passing a bylaw	-	187

Borrowing Authorization and Advertising Requirement:

## 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 258(1)

“This section applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing exceeds 5 years.”

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 *Municipal Government Act*.

Council’s Authorizing Document - EC2022-1159

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

**ADMINISTRATIVE COMMENTS**

Council of The City of Calgary ("The City") reviewed report EC2022-1159 which outlined The City's opportunity to leverage both federal grant and loan funding for the majority of the costs of incorporating zero emission bus technologies into Calgary Transit's existing fleet. Incorporating this technology contributes to The City's Climate Resilience Strategy by reducing greenhouse gas emissions and improves the quality of life for Calgarians by allowing for environmentally cleaner commutes.

The Canada Infrastructure Bank provides The City with a flexible source of long-term financing at below-market interest rates to facilitate investments in transit to help accomplish The City's climate goals. The proposed Borrowing Bylaw 8B2022 authorizes The City to incur indebtedness from the Canada Infrastructure Bank of up to \$168 million for partially financing the acquisition of a fleet of zero emission buses.

The difference between the expected operating costs for Calgary Transit's existing diesel buses and the reduced operating costs of new zero emission buses are anticipated to cover the interest and principal repayments of the Canada Infrastructure Bank financing.

Administration will return to Council to seek approval to enter into definitive agreements with the Canada Infrastructure Bank before signing any definitive agreements. At that time, Administration will provide Council with a report on the outcome of Administration's due diligence. No expenditures will be made under this program until final capital budget approval and definitive agreements are signed.

On 2022 November 1 Council gave first reading to Borrowing Bylaw 8B2022. Pursuant to Section 231 of the *Municipal Government Act*, Borrowing Bylaw 8B2022 was advertised in the Calgary Herald on 2022 November 3 and 2022 November 10. The 15-day statutory deadline for a petition asking for a vote on the bylaw was 2022 November 25. 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.

**RECOMMENDATION**

That Council give second and third readings to Proposed Bylaw 8B2022.

**ATTACHMENT**

1. Proposed Bylaw 8B2022