

**TABULATION OF CAPITAL BORROWING BYLAW  
TO BE PRESENTED TO COUNCIL OF THE CITY OF CALGARY  
ON TUESDAY, 2023 OCTOBER 17**

**BORROWING BYLAW INFORMATION**

<b>Bylaw Number</b>	- <b>8B2023</b>
Purpose	- To borrow up to \$140,445,000 for financing the acquisition of vehicles and equipment, facility and equipment lifecycle requirements and critical data improvements and systems integration for Fleet Management
Amount	- \$140,445,000
Term	- 10 years
Type of Debt	- Self-sufficient
Statutory References	- <i>Municipal Government Act</i> ("MGA") 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; and
- (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.”

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.”

Borrowing bylaws authorized under this section require advertising.

Passing a Bylaw:

Section 187

“(1) 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.

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**Council's Authorizing Document** - C2023-0884

**AFFIRMATIVE VOTES REQUIRED** - Majority of members present

**ADMINISTRATIVE COMMENTS**

In the Council approved 2023-2026 Service Plans and Budgets, Council approved Fleet Management's capital investment plans of \$235.8 million. Fleet Management has proposed to fund its capital budget of \$235.8 million by using \$215.5 million of debt, with the balance of \$20.4 million to be funded from Pay-As-You-Go (\$1.8 million), Lifecycle Maintenance & Upgrade Reserve (\$3.6 million), and Municipal Sustainability Initiative for the Green Fleet Strategy (\$15.0 million)

On 2023 September 12, Council gave 3 readings and passed Borrowing Bylaw 7B2023 authorizing The City to borrow \$75 million to support Fleet Management's capital investment plans, a portion of the required \$215.5 million noted above, for a 5-year term.

Administration is seeking Council approval of Borrowing Bylaw 8B2023 to finance \$140.5 million for the remainder of the \$215.5 million required to fund a portion of Fleet Management's 2023-2026 capital investment plans, for a 10-year term.

The City shall charge user fees sufficient to repay the indebtedness over the estimated useful life of the assets to be procured.

On 2023 September 12, Council gave first reading to Borrowing Bylaw 8B2023. Pursuant to Section 231 of the MGA, Borrowing Bylaw 8B2023 was advertised in the Calgary Herald on 2023 September 21 and 2023 September 28. The 15-day statutory deadline for a petition asking for a vote on the bylaw was 2023 October 13. 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. This debt will be included in the total debt calculations for purpose of calculating The City's debt limit. The \$215.5 million of debt will not cause The City to exceed its debt limits.

**OTHER LEGISLATIVE REQUIREMENTS**

Section 254 of the MGA stipulates that 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 8B2023 second and third readings.

**ATTACHMENT**

1. Borrowing Bylaw 8B2023