

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

BORROWING BYLAW INFORMATION

Bylaw Number	- 9B2023
Purpose	- To borrow up to the maximum amount of \$665,970,000 to finance water treatment and supply, wastewater collection and treatment and stormwater management capital improvements for Water Lines of Service
Amount	- \$665,970,000
Term	- 10 up to 25 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 - C2023-0876

AFFIRMATIVE VOTES REQUIRED - Majority of members present

ADMINISTRATIVE COMMENTS

In the Council approved 2023-2026 Service Plans and Budgets, Water Lines of Service has an approved capital budget of \$1.42 billion, \$665.97 million of which requires Council approval to authorize borrowing to finance a portion of the capital improvements for the Water Lines of Service.

The requested borrowing authority will support: 1) Stormwater Management (\$110.48 million), 2) Wastewater Collection & Treatment (\$393.02 million), and 3) Water Treatment & Supply (\$162.47 million).

The proposed debt will be utilized to invest in critical water utility assets which will extend services to new communities, expand water treatment capacity, invest in necessary upgrades and address capital maintenance needs thereby ensuring a high quality of water services for residents.

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 9B2023. Pursuant to Section 231 of the MGA, Borrowing Bylaw 9B2023 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 \$665.97 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 9B2023 second and third readings.

ATTACHMENT

1. Borrowing Bylaw 9B2023