

THE CITY OF CALGARY

TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS FOR ENMAX CORPORATION TO BE PRESENTED TO COUNCIL OF THE CITY OF CALGARY ON TUESDAY 2024 March 19

BORROWING BYLAW INFORMATION

Bylaw Numbers	- 1B2024, 2B2024, 3B2024 and 4B2024
Purpose	- To finance the 2024 Capital Budget of the regulated operations of ENMAX Corporation
Borrowing authority	- \$254.923 million
Term	- 5, 10, 20 and 25 years
Type of debt	- Self-supported
Statutory references	- <i>Municipal Government Act</i> - Section numbers
Borrowing Authorization and Advertising Requirement	- 251, 257 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 257(1)

“This section 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.

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.’”

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The readings of a bylaw must follow the legislated procedures set out in the *Municipal Government Act*.

LOAN BYLAW INFORMATION

Bylaw Number	- 7M2024
Loan made to	- ENMAX Corporation
Purpose of loan	- To loan to ENMAX Corporation the funds to be borrowed under Borrowing Bylaw Numbers 1B2024, 2B2024, 3B2024 and 4B2024
Amount	- \$254.923 million
Repayment terms	- ENMAX Corporation will repay the loans at the rate prescribed by The City and set forth in the applicable promissory notes plus an administration fee of 0.25 per cent per annum on the basis of the number of days in the relevant period of determination.
Statutory references Loans to a Controlled Corporation and Advertising Requirement	- <i>Municipal Government Act</i> - Section numbers - 264(1)(b), as modified by subsection 4(11)(a)(i) of the <i>City of Calgary Charter, 2018 Regulation, Alta Reg 40/2018</i> and 265
Passing a Bylaw	- 187

Loan Authorization and Advertising Requirement

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.”

Purpose of a Loan

Section 264(1) “The City may only lend money if

(b) the loan is made to one of its controlled corporations”

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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 *Municipal Government Act*.

Council’s Authorizing Document - EC2024-0016

Date of Council’s review, as sole shareholder, of ENMAX Corporation’s 2024 Business Plan and Budget of the regulated operations of ENMAX Corporation.

- 2023 December 15

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

ADMINISTRATIVE COMMENTS

The City of Calgary (“**The City**”) has entered into an Amended and Restated Credit Agreement with ENMAX Corporation (“**ENMAX**”) dated December 14, 2023 which governs the terms of ENMAX’s borrowing relationship with The City. Pursuant to the terms of the Credit Agreement, ENMAX borrows funds from The City to finance its regulated operations in Alberta and pays to The City semi-annual interest and principal when due and as required, plus an administration fee of 0.25 per cent per annum.

Borrowing Bylaw Numbers 1B2024, 2B024 3B2024 and 4B2024 are for authorizing the borrowing of funds to finance ENMAX’s 2024 Capital Budget.

Loan Bylaw number 7M2024 is for authorizing the loan of the borrowed funds to ENMAX.

On 2024 January 30, Council gave first reading to Borrowing Bylaws 1B2024, 2B2024, 3B2024, 4B2024 and Loan Bylaw 7M2024. Pursuant to Section 231 of the *Municipal Government Act*, Borrowing Bylaws 1B2024, 2B2024, 3B2024, 4B2024 and Loan Bylaw 7M2024 were advertised in the Calgary Herald on 2024 February 15 and 2024 February 22. The 15-day statutory deadline for a petition asking for a vote on the bylaws was 2024 March 8. There were no valid petitions received.

FINANCIAL CAPACITY

Pursuant to The City’s Council approved Debt Policy (CP2020-05), the total debt shall not exceed 1.6 times revenue and the total debt service shall not exceed 0.28 times revenue. Further, it states that ENMAX is excluded from the debt limit calculation. Hence, debt originating from these bylaws will not impact The City’s debt limits.

RECOMMENDATIONS

That Council give:

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CORPORATION TO BE PRESENTED TO COUNCIL OF THE CITY OF CALGARY
ON TUESDAY 2024 March 19**

1. Borrowing Bylaws 1B2024, 2B2024, 3B2024 and 4B2024 second and third readings;
and
2. Loan Bylaw 7M2024 second and third readings.

ATTACHMENTS

1. Borrowing Bylaw 1B2024
2. Borrowing Bylaw 2B2024
3. Borrowing Bylaw 3B2024
4. Borrowing Bylaw 4B2024
5. Loan Bylaw 7M2024