

# Background

The City of Calgary's current debt limits are prescribed in the Municipal Government Act, RSA 2000, c M-26, as amended by the City of Calgary Charter, 2018 Regulation, Alta Reg 40/2018 (collectively, the "MGA"), the Debt Limit Regulation, Alta Reg 255/2000 and the City of Calgary Debt Service Limit Exception Regulation, Alta Reg 165/2011. The foregoing legislation allows The City to establish its own debt limit, provided The City of Calgary has obtained an external credit rating and established a debt limit policy and debt servicing policy pursuant to section 244.1 of the MGA. The MGA requires that a public hearing be held prior to establishing and approving such policies.

## Context

Administration made changes to the existing Debt Policy to align it with new policies and standards, to clarify roles and responsibilities between Council and Administration as the complexity for debt management increases, and to demonstrate the creation of a Debt Retirement Account per council report New Capital Debt Borrowing Option EC2023-0673.

## Previous Council Direction

### Council approvals of debt policy elements

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2/25/2002	FB2002-11	Tax-Supported Capital Financing Review This report contained several debt-related policies including the establishment of a maximum debt servicing target for tax supported debt of 10% of gross expenditures net of recoveries.
11/20/2006	FCS2006-42	Debt Financing Review This report outlined the categories of debt including the establishment and evaluation of self-sufficient tax-supported debt and further outlined the use of debt.
10/13/2020	PFC2020-1028	The City of Calgary Debt Policy A Debt Policy as required by the City of Calgary Charter that encapsulated previous Council approvals and debt processes was approved.