

Corporate Planning & Financial Services Report to
Executive Committee
2025 December 09

ISC: UNRESTRICTED
EC2025-0939

Cash Management

PURPOSE

The purpose of this report is to seek Council approval of two proposed Bylaws that support the cash management activities within the Treasury division at The City of Calgary.

PREVIOUS COUNCIL DIRECTION

The City of Calgary ("The City") has had a short-term borrowing program since the 1990s. Beginning in 2006, the program was amended to extend the authorization over a multi-year period. The current three-year authority for The City to borrow up to \$600 million on a short-term basis to fund operating expenditures expires 2025 December 31.

Separately, Council approved Bylaw 34M2021 to update the banking governance at The City to align with the *Municipal Government Act* R.S.A. 2000, c. M-26 as well as reflect The City's governance practices at the time. Further enhancements have been identified since May 2021.

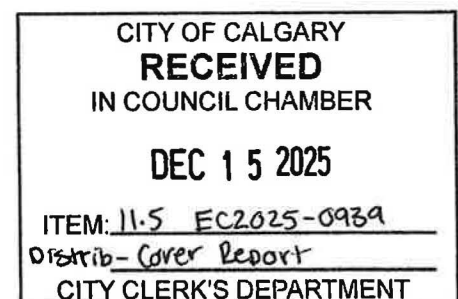
RECOMMENDATION(S):

That Executive Committee:

1. Forward this Report and Attachments to the 2025 December 15 Regular Meeting of Council; and

That Executive Committee recommend that Council:

2. Give three readings to Bylaw 13B2025 (Attachment 2), being the proposed bylaw authorizing The City to borrow for a maximum term of one year and to a cumulative maximum of \$600 million during the period 2026 January 01 to 2030 December 31 to fund operating expenditures on an as needed basis; and
3. Give three readings to Bylaw 59M2025 (Attachment 3), being the proposed bylaw that:
 - a. designates where uninvested City funds can be held on deposit;
 - b. specifies which designated officers are authorized by Council to sign negotiable instruments alone; and
 - c. specifies that cheques and negotiable instruments may be signed by electronic means.



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RECOMMENDATION OF THE EXECUTIVE COMMITTEE, 2025 DECEMBER 9:

That Council:

1. Give three readings to **Proposed Bylaw 13B2025** (Attachment 2), being the proposed bylaw authorizing The City to borrow for a maximum term of one year and to a cumulative maximum of \$600 million during the period 2026 January 01 to 2030 December 31 to fund operating expenditures on an as needed basis; and
2. Give three readings to **Proposed Bylaw 59M2025** (Attachment 3), being the proposed bylaw that:
 - a. designates where uninvested City funds can be held on deposit;
 - b. specifies which designated officers are authorized by Council to sign negotiable instruments alone; and
 - c. specifies that cheques and negotiable instruments may be signed by electronic means.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Les Tochor, Chief Financial Officer and General Manager of Corporate Planning and Financial Services concurs with this report.

HIGHLIGHTS

- Adequate and timely funding, and an ability to manage cash flows at The City is a prerequisite to ensure the services provided by The City are available to Calgarians. Part of managing cash outflows is ensuring The City has access to multiple sources of liquidity, including short-term financing. The City may occasionally require access to short-term borrowing when cash required for operating expenditures is not sufficient due to the variable timing of cash receipts versus cash disbursements.
- Bylaw 13B2025 provides authority for The City to access short-term borrowing for up to one year and to a cumulative maximum of \$600 million during the period 5-years beginning on 2026 January 01.
- Current sources of short-term borrowing include a bank line of credit and an active commercial paper issuance program.
- Bylaw 59M2025 is to further amend Bylaw 34M2021 to update it to align with the *Municipal Government Act* R.S.A. 2000, c. M-26 ("MGA") and to:
 - (i) designate where uninvested City funds can be held on deposit;
 - (ii) specify which designated officers are authorized by Council to sign negotiable instruments alone; and
 - (iii) specify that cheques and negotiable instruments may be signed by electronic means.

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DISCUSSION

Access to short-term financing is important to ensure The City can fund services and pay suppliers on time. The Treasury division manages The City's cash flows including optimizing cash balances, investing City funds, and raising additional funding and financing for The City while minimizing borrowing costs. To manage cash outflows, the Treasury division ensures The City has access to multiple sources of liquidity, including short-term financing. The occasional and unavoidable variability in cash outflows versus inflows may result in The City using short-term borrowing, prior to liquidating short-term assets held in high interest savings accounts or other short-term investments, or a combination.

The Treasury division primarily uses the short-term borrowing authority for The City's commercial paper program. This program enables The City to benefit from market scenarios that offer higher investment returns relative to the cost of its short-term borrowings. In such markets, The City favours short-term borrowing over liquidating higher return investment assets with no added risk to The City. Occasionally, The City may require access to short-term borrowing when cash available for operating expenditures is not sufficient nor the preferred source to address timing differences between cash receipts versus cash disbursements.

Approving proposed Bylaw 13B2025 will authorize The City to continue to use short-term borrowing for a term up to one year and to a cumulative maximum of \$600 million over a period of five years beginning on 2026 January 01 to fund operating expenditures on an as-needed basis. Experience suggests short-term borrowing capacity of \$600 million is an appropriate level of capacity for the next five years.

Separately, Bylaw 59M2025 proposes further enhancements to the cash management activities at The City . Bylaw 59M2025 will further amend Bylaw 34M2021 to align with the MGA, streamline administrative processes by formally designating where uninvested City funds can be held on deposit, specifying which designated officers of The City are authorized to sign negotiable instruments alone, and specifying that cheques and negotiable instruments may be signed by electronic means.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

Public communication and engagement was not required as part of this Council report, however through the bylaw approval process set out in the MGA, the proposed Bylaws will receive three public readings by Council.

IMPLICATIONS

Social

Not applicable

Cash Management

Environmental

Not applicable

Economic

Not applicable

Service and Financial Implications

Existing operating funding - base

The proposed borrowing authority does not increase The City's current borrowing authority.

Pursuant to The City's debt policy CP2020-05, as amended, The City cannot proceed to borrow if the borrowing will cause The City to exceed its debt limits. The proposed borrowing authority does not cause The City to exceed The City's debt limit.

RISK

Due to occasional and unavoidable variability in timing of cash outflows versus cash inflows, The City may not always have sufficient cash available to fund operating expenditures when required. This risk is mitigated by having multiple sources of liquidity available to ensure any cash flow variances from original forecasts can be managed using short-term borrowing, liquidating short-term assets held in high interest savings accounts or other short-term investments, or a combination of these. If the proposed Bylaw is not approved, The City will be less equipped to manage short-term cash flow requirements or unable to pursue market scenarios that provide additional income to The City.

The proposed Bylaw amendments to 34M2021 present minimal risk to The City. The changes are intended to create clarity, improve efficiency and enhance compliance with the sections 270(2), 213(4) and 213(5) of the MGA. If the proposed Bylaw is not approved, The City will be lacking the formal designation that section 270(2) of the MGA requires and there will be fewer operational efficiencies with respect to signing cheques and negotiable instruments.

ATTACHMENT(S)

1. Background and Previous Council Direction
2. **Proposed Bylaw 13B2025**
3. **Proposed Bylaw 59M2025**
4. Cash Management - Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor, CFO/GM	Corporate Planning & Financial Services	Approve
Aaron Brown, Director	Corporate Planning and Financial Services	Consult

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