

BYLAW NUMBER 13B2025

**AUTHORIZATION OF THE CITY OF CALGARY
TO BORROW UP TO \$600,000,000 TO FINANCE
OPERATING EXPENDITURES**

WHEREAS The City's Debt Policy provides, among other things, that the City utilize debt in its commitment to manage its fiscal position in a prudent and sustainable manner;

AND WHEREAS short-term borrowing to finance operating expenditures enables The City to employ flexible, efficient, and cost-effective financial strategies to support ongoing operations and manage temporary cash flow needs;

AND WHEREAS to facilitate short-term borrowing, The City has established its Commercial Paper Program for the offering, sale and issuance of short-term, unsecured debt instruments through an issuing agent and securities dealers engaged from time to time;

AND WHEREAS in connection with such offering, sale and issuance, The City requires Council's authorization to enter into the Program Documents, among other agreements and instruments;

AND WHEREAS Section 251(1) of the MGA provides, among other matters, that The City may only make a borrowing if such borrowing is authorized by a borrowing bylaw;

AND WHEREAS The City has in place the Debt Policy, which requires, among other matters, that the issuance of any new debt by The City be approved by Council and authorized by adopting a borrowing bylaw;

AND WHEREAS Section 256(1) of the MGA permits borrowing for the purpose of financing operating expenditures provided that the amount to be borrowed, together with other borrowings made for the purpose of financing operating expenditures, does not exceed the amount The City estimates will be raised in taxes in the year the borrowing is made;

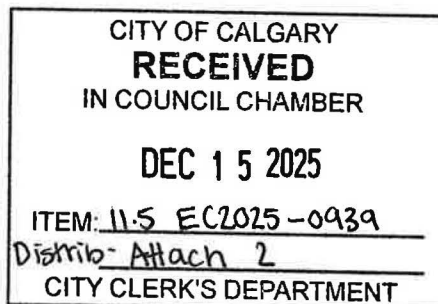
AND WHEREAS Council wishes to pass this Bylaw pursuant to Sections 251(1) and 256(1) of the MGA, and the Debt Policy, to authorize The City to borrow from time to time, by way of one or more of the Financing Options, for the purpose of financing operating expenditures from January 1, 2026 through to and including December 31, 2030, provided that the maximum principal amount outstanding from time to time does not exceed the Authorized Principal Amount;

AND WHEREAS The City is, as of the date hereof, within its Debt Limit, and the borrowing(s) contemplated in this Bylaw will not cause The City to exceed its Debt Limit.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CALGARY ENACTS AS FOLLOWS:

1. DEFINITIONS

In this Bylaw, including in the preamble, the following capitalized terms have the following meanings, respectively:



- (a) “*Authorized Principal Amount*” means the maximum principal amount that can be outstanding from time to time pursuant to borrowings under this Bylaw, being \$600,000,000 in lawful currency of Canada;
- (b) “*Authorized Representative*” means any one of the Chief Financial Officer, the City Treasurer, the Deputy Director – Corporate Finance, or the Mayor of The City, and their respective delegates, if applicable;
- (c) “*Bylaw*” means this borrowing bylaw number 13B2025;
- (d) “*Charter*” means the *City of Calgary Charter, 2018 Regulation*, Alta Reg 40/2018;
- (e) “*Commercial Paper Program*” means The City’s internal Commercial Paper Program as described in the Commercial Paper Program Policy, approved 2025 April 14;
- (f) “*Council*” means the municipal Council of The City;
- (g) “*Debt Limit*” means the debt limit of The City, as determined from time to time in accordance with the MGA and the Debt Policy;
- (h) “*Debt Policy*” means The City’s Debt Policy CP2020-05, as adopted by Council on 2020 November 02, and made effective on 2021 January 01;
- (i) “*Financing Options*” means the potential sources of financing for any borrowing made pursuant to this Bylaw, being (i) one or more chartered banks, and/or (ii) the offer, sale and issuance of Notes either directly or through one or more dealers, pursuant to the Program Documents and in accordance with the Commercial Paper Program;
- (j) “*MGA*” means the *Municipal Government Act*, R.S.A. 2000 c. M-26, as amended by the Charter;
- (k) “*Notes*” means promissory notes (whether or not issued in accordance with the *Depository Bills and Notes Act (Canada)*, SC 1998, c 13), commercial paper, or similar instruments representing indebtedness, whether or not negotiable;
- (l) “*Program Documents*” means the following documents and agreements necessary, appropriate or desirable to facilitate the offer, sale and issuance of Notes pursuant to the Commercial Paper Program: (i) an information memorandum, term sheet and/or other similar program document; (ii) engagement, dealer, agency, underwriting and/or commercial paper agreement; (iii) note issuance service agreement or paying agent agreement; and (iv) instruments or certificates representing the Notes; and
- (m) “*The City*” means the municipal corporation of The City of Calgary.

2. INTERPRETATION

In this Bylaw, any reference to a statute, rule, regulation, bylaw, policy or program means and includes that statute, rule, regulation, bylaw, policy or program, as may be amended, amended and restated, supplemented or replaced from time to time, and in the case of a statute, it includes any rules and regulations passed thereunder.

3. BORROWING

- (a) The City is hereby authorized to establish, form and implement the Commercial Paper Program.
- (b) The City is hereby authorized to borrow from time to time to finance its operating expenditures using any one or more of the Financing Options, provided that:
 - i. the aggregate principal amount outstanding from time to time does not exceed the Authorized Principal Amount;
 - ii. the amount to be borrowed from time to time, together with other borrowings made for the purpose of financing operating expenditures, does not exceed the amount The City estimates will be raised in taxes in the year the borrowing is made; and
 - iii. no borrowing made under the authority of this Bylaw is initiated after the 2030 calendar year.
- (c) The Information Memorandum, in the form attached as Schedule "A", is hereby authorized and approved, with such changes or modifications as are necessary or desirable from time to time as approved by any Authorized Representative.
- (d) Any Authorized Representative, acting alone, is hereby authorized, from time to time, to negotiate, finalize, approve (in content and form), execute and deliver the Program Documents, and any other agreements, instruments (including negotiable instruments), certificates and other documents, and any amendments or ratifications thereof, and do such further acts and things, as may be appropriate, necessary or as may be requested for the purpose of carrying out any borrowing contemplated in this Bylaw and for the purpose of performing The City's obligations under the Program Documents, and any other such agreements, instruments, certificates and other documents, as may be amended from time to time.
- (e) By way of an instrument in writing duly executed by any Authorized Representative, or in accordance with any applicable policy The City may have in effect from time to time, for so long as he or she continues to hold that office, such representative may authorize any one or more of his or her delegates to reproduce his or her signature from time to time on any Notes issued pursuant to any borrowing authorized under this Bylaw by any reasonable method described in such instrument, and such signature shall be valid and binding to the same extent as an original signature by that representative.
- (f) Any borrowing contemplated in this Bylaw shall be repayable in full over a term that will not exceed one (1) year.
- (g) Any borrowing contemplated in this Bylaw shall be repayable in accordance with one or more of the following repayment structures:
 - (i) as established in accordance with the Commercial Paper Program, which may include the issuance of Notes at a discount, with repayment at face value at maturity.

- (ii) installments of principal and interest, as and when due, throughout the term of the borrowing;
 - (iii) interest only installment payments, as and when due, followed by payment of outstanding principal at maturity; or
 - (iv) as and when required by the applicable lender or lenders.
- (h) Interest on outstanding amounts, or interest yield, as the case may be, shall not exceed 8% per annum (calculated on the basis of a 365 day year).
- (i) The source or sources of repayment of principal and interest and any other amounts incurred in connection with any borrowing made under this Bylaw shall be The City's revenues, taxes and other amounts levied by The City, user fees, the proceeds from the sale of any assets, and funds from other sources, if available. In the event of any deficiency, The City shall levy and raise municipal taxes sufficient to repay any such deficiency.
- (j) The net amount borrowed under this Bylaw shall be applied to the purposes specified in this Bylaw, which may also include repaying, redeeming, refinancing or restructuring any amounts previously borrowed under this Bylaw, or previously issued pursuant to the Commercial Paper Program.
- (k) In order for The City to continue to efficiently and effectively access the markets for the Financing Options from time to time in reliance on this Bylaw, the authority granted under this Bylaw shall last and remain in effect until December 31, 2030. For greater certainty, such authority allows any borrowing made pursuant to this Bylaw to have a maturity date of December 31, 2031 or earlier.

4. COMING INTO FORCE

This Bylaw comes into force on the day it is passed.

READ A FIRST TIME THIS ___ DAY OF _____, 2025.

READ A SECOND TIME THIS ___ DAY OF _____, 2025.

READ A THIRD TIME THIS ___ DAY OF _____, 2025.

MAYOR
SIGNED ON _____

CITY CLERK
SIGNED ON _____

Schedule "A"
FORM OF INFORMATION MEMORANDUM

The City of Calgary
Alberta

The City of Calgary is the third largest municipality in Canada, with a population of approximately 1.5 million people. It was officially incorporated as a municipal corporation and elected its first mayor in 1884. The City of Calgary was subsequently continued as a corporation under the *Municipal Government Act* (Alberta). The City of Calgary is divided into 14 wards and governed by a City Council consisting of 15 elected representatives – 14 Councilors and the Mayor. Each eligible voter is entitled to cast a vote for the Mayor, a Councilor from their ward and School Trustee (public or separate).

Moody's Investors Service, Dominion Bond Rating Service and S&P Global Ratings have assigned credit ratings to The City of Calgary.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. Investors may suffer losses if a credit rating assigned to a security does not reflect the then creditworthiness of such security.

The head office of The City of Calgary is located on 800 Macleod Trail S.E., Calgary AB, Canada, T2P 2M5. Detailed information on The City of Calgary, including annual reports can be found at www.calgary.ca. Information found on The City of Calgary's website does not form part of this Information Memorandum. All inquiries related to The City of Calgary's short-term promissory note program should be sent to treasury@calgary.ca.

DESCRIPTION OF THE SHORT TERM PROMISSORY NOTES

- Purpose:** The net proceeds from the sale of the short-term promissory notes (the **Notes**) will be used by The City of Calgary (the **City**) for general operating expenditures pursuant to the provisions of the *Municipal Government Act* (Alberta).
- Principal Amount:** The aggregate principal amount of Notes to be outstanding at any one time is \$500,000,000 in Canadian currency or the equivalent thereof in any other currencies determined at the time of issue.
- Denominations:** Multiples of \$1,000, subject to a minimum of \$100,000, in Canadian currency or its equivalent in other currencies on the date of issue.
- Issuing Agent:** Royal Bank of Canada (the **Issuing Agent**) pursuant to the Note Issuance Service Agreement dated February 27, 2017 between Issuer and Issuing Agent.
- Form of Notes:** The Notes will be issued “book entry only” form through participants (**Participants**) in CDS Clearing and Depository Services Inc. (**CDS**) debt clearing service, which Participants include securities brokers and dealers, and banks and trust companies. Indirect access to the CDS book entry system is also available to other institutions (**Indirect Participants**)

that maintain custodial relationships with a Participant, either directly or indirectly.

No physical Notes will be issued and no holder of a Note will be entitled to a certificate or other instrument from The City or CDS evidencing that person's interest in ownership of such Note, nor will such interest be shown on the records maintained by CDS except through an agent of the holder who is a Participant or an Indirect Participant of CDS.

The City will cause the Notes to be delivered to, and registered in the name of, CDS or its nominee. The City understands that each purchaser of a Note will receive a customer confirmation of purchase from the registered dealer from whom such Note is purchased in accordance with the practices and procedures of that registered dealer.

Neither The City nor the registered dealers will assume liability for: (a) any aspect of the records relating to the beneficial ownership of the Notes held by CDS or the payments relating thereto; (b) maintaining, supervising, or reviewing any records relating to the Notes; or (c) any advice or representation made by or with respect to CDS including those contained in this Information Memorandum and relating to the rules governing CDS or any action taken by CDS or at the direction of its Participants.

Maturities: Up to 365 days from issue date, but not to extend beyond December 31, 2031.

Rates of Interest: Available upon request.

Delivery: The Notes will be delivered to the Issuing Agent, as custodian for CDS.

Payment: At maturity, payment of principal and interest will be made in accordance with CDS procedures.

Liquidity: The City has established credit lines and large portfolio of liquid assets that are sufficient to meet payment of the maximum aggregate at maturity.

Eligibility: Eligibility of the Notes for investment by certain purchasers is governed by general restrictions and prudent investment standards set out in statutes or regulations applicable to those purchasers and, in certain cases, subject to additional requirements relating to investment policies or goals.

Restrictions: The Notes will not be sold outside Canada or to any person who is not resident in Canada, or to any person purchasing for resale to, or for the account or benefit of, any person who is not resident in Canada.

Rating: The following rating is given as of the date hereof and is subject to change without notice:

DBRS	R-1 (high) / AA(High)
Standard and Poor's	A-1+ / AA+
Moody's	Aa1