THE CITY OF CALGARY

TABULATION OF CAPITAL BORROWING AND LOAN BYLAWS
TO BE PRESENTED TO THE COUNCIL OF THE CITY OF CALGARY
ON MONDAY 2018 DECEMBER 17

BORROWING BYLAW INFORMATION

<table>
<thead>
<tr>
<th>Borrowing Bylaws</th>
<th>3B2018 - 6B2018 inclusive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>To finance the 2019 Capital Budget of the regulated operations of ENMAX Corporation</td>
</tr>
<tr>
<td>Borrowing Authority</td>
<td>$172.415 million</td>
</tr>
<tr>
<td>Term</td>
<td>5, 10, 20 &amp; 25 years</td>
</tr>
<tr>
<td>Type of Debenture</td>
<td>Self-supported</td>
</tr>
<tr>
<td>Statutory References</td>
<td>Municipal Government Act (“MGA”)</td>
</tr>
<tr>
<td>Borrowing Authorization</td>
<td>251, 257 &amp; 258</td>
</tr>
<tr>
<td>Passing a bylaw</td>
<td>187</td>
</tr>
</tbody>
</table>

Enabling a borrowing:
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.

Purpose of a borrowing
Section 257 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) 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 stipulates 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.
THE CITY OF CALGARY

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ON MONDAY 2018 DECEMBER 17

LOAN BYLAW INFORMATION

<table>
<thead>
<tr>
<th>Bylaw No.</th>
<th>- 59M2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan made to</td>
<td>- ENMAX Corporation</td>
</tr>
<tr>
<td>Purpose of loan</td>
<td>- To loan to ENMAX Corporation the funds to be raised under Borrowing Bylaw Nos. 3B2018 - 6B2018 inclusive</td>
</tr>
<tr>
<td>Amount</td>
<td>- $172,415 million</td>
</tr>
<tr>
<td>Repayment Terms</td>
<td>- ENMAX Corporation will repay the loans at ACFA’s debenture rates plus a basic fee of 0.25% per annum on the average monthly outstanding debenture held by The City on behalf of ENMAX Corporation</td>
</tr>
<tr>
<td>Statutory References</td>
<td>- MGA Sections No.</td>
</tr>
<tr>
<td>Loans to a controlled corporation</td>
<td>- 264(1)(b) &amp; 265</td>
</tr>
</tbody>
</table>

**Purpose of loans**
Section 264(1)(b) of the MGA, as modified by Section 4(11)(a)(i) of the City of Calgary Charter, 2018 Regulation, Alta Reg 40/2018: The City may only lend money to one of its controlled corporations.

**Loan Bylaw**
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.

**Council’s Authorizing Document (as Shareholder)**
- The 2019 Capital Budget of the regulated operations of ENMAX Corporation

**Council’s Approval Date (as Shareholder)**
- 2018 December 7

**AFFIRMATIVE VOTES REQUIRED**
- Majority of members present

A/City Treasurer Thao Nguyen, A/Manager Chris Jacyk, Author Betty Chow
ADMINISTRATIVE COMMENTS
The City has entered into a Debt Management Service Level Agreement with ENMAX Corporation to continue to issue debentures for its regulated operations. ENMAX Corporation shall pay to The City semi-annual interest and principal when due and as required, plus a basic fee of 0.25% as per the contractual agreements with The City.

Borrowing Bylaw Nos. 3B2018 - 6B2018 inclusive are for financing ENMAX Corporation’s 2019 Capital Budget.

To loan the debenture funds to a controlled corporation pursuant to MGA sections 264 and 265, Loan Bylaw No. 59M2018 is also required.

Borrowing Bylaw No. 3B2018 financing capital projects with a borrowing term of 5 years or less does not require advertising.

Borrowing Bylaw Nos. 4B2018 – 6B2018 inclusive and Loan Bylaw No. 59M2018 require public notice activities after first reading by Council. The bylaws will be scheduled for second and third readings on 2019 January 14 provided there are no valid petitions received.

FINANCIAL CAPACITY
Pursuant to MGA section 252 and the associated regulations, The City cannot make a borrowing if the borrowing will cause the municipality to exceed its debt limit. Debt issued on behalf of ENMAX is excluded from the MGA debt limits and debt service limits and as such does not impact these limits. For reference on this exclusion are Section 6 of the Debt Limit Regulation, Alta Reg 255/2000 and Section 271(1)(d) MGA.

OTHER LEGISLATIVE REQUIREMENTS
Pursuant to MGA section 254 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 3B2018 first, second and third readings
2. Borrowing Bylaws 4B2018 to 6B2018 inclusive and Loan Bylaw 59M2018 first reading

ATTACHMENTS
1. Summary of Borrowing Bylaws Requiring Approval
2. Borrowing Bylaws 3B2018 - 6B2018 inclusive and Loan Bylaw 59M2018