

PROPOSED

Item # 10.2.1.4

BYLAW NUMBER 6B2018

**BEING A BYLAW OF THE CITY OF CALGARY
TO INCUR INDEBTEDNESS BY THE ISSUANCE
OF DEBENTURES IN THE TOTAL AMOUNT OF
\$150.328 MILLION FOR FINANCING THE
ELECTRIC SYSTEM IMPROVEMENTS AND
UPGRADES FOR THE REGULATED
OPERATIONS OF ENMAX CORPORATION

WHEREAS Council of The City of Calgary (“**Council**”) has approved the 2019 Capital budget for ENMAX Corporation, a controlled corporation of The City of Calgary (“**The City**”);

AND WHEREAS the electric system improvements and upgrades for the regulated operations of ENMAX Corporation (the “**Improvements and Upgrades**”) are estimated to cost \$238.615 million;

AND WHEREAS it is estimated that \$88.287 million of the total cost will be financed from sources other than debenture borrowing;

AND WHEREAS Council has decided to pass a bylaw pursuant to sections 251 and 258 of the *Municipal Government Act*, RSA 2000, c M-26 to borrow the sum of \$150.328 million from Alberta Capital Finance Authority (“**ACFA**”) by the issuance of debentures to finance the Improvements and Upgrades;

AND WHEREAS the estimated lifetime of the project financed under this Bylaw is equal to, or in excess of, twenty five (25) years;

AND WHEREAS the amount of the long term debt of The City as at 2017 December 31 is \$3,066 million with \$407 million being tax supported debt, \$348 million being self-sufficient tax supported debt and \$2,311 million being self supported debt and no part of the principal or interest is in arrears;

AND WHEREAS all required approvals for the Improvements and Upgrades will be obtained to ensure they are in compliance with all the laws in force in the Province of Alberta;

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

1. The proper officers of The City are hereby authorized to issue debentures on behalf of The City to a maximum sum of \$150.328 million to finance the Improvements and Upgrades.
2. The City shall repay the indebtedness over a period not exceeding twenty five (25) years in semi-annual equal principal and interest installments, with interest being calculated at a rate not exceeding the rate fixed by ACFA on the date of the borrowing, up to a maximum rate of 8% per annum.

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3. The City shall obtain funds from ENMAX Corporation to repay the said indebtedness under the terms of the agreement between The City and ENMAX Corporation, as described in Bylaw No. 59M2018. In the event of any revenue deficiency, The City shall levy and raise municipal taxes sufficient to pay the indebtedness.
4. The indebtedness shall be contracted on the credit and security of The City.
5. The net amount borrowed under this Bylaw shall be applied only to the purposes specified by this Bylaw.
6. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME ON _____

READ A SECOND TIME ON _____

READ A THIRD TIME ON _____

MAYOR

SIGNED ON _____

CITY CLERK

SIGNED ON _____