



# Memo

## CHIEF FINANCIAL OFFICER'S DEPARTMENT

2018 November 7

**To:** Councillor Farkas, Office of the Councillors #8001

**From:** Carla Male, Acting Chief Financial Officer #8003

**Re:** DEBT

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You asked the following question at Council on Monday, September 24:

When governments borrow debt, it is often through bonds that get rolled over again and again without ever paying the principal. My inquiry is regarding the debt that was borrowed for the 1988 Olympics and debt that will be borrowed for the 2026 Olympics (if Calgary were to proceed to hosting).

1. How much debt was borrowed by The City to pay for the 1988 Olympics?
2. Were the 1988 funds repaid in full by today? What was the timetable of debt repayment?
3. How much has been spent in interest costs on the 1988 debt that was borrowed?
4. What would be the repayment schedule for funds borrowed for the 2026 Olympics? What would be the property tax impact be for a median residential and non-residential property.

The financial system The City had in 1988 has been replaced and much of the documentation is past the records retention time frame making some information unavailable. However, research has identified \$17.5 million of debt specifically related to the 1988 Olympics. Based on that debt and using prevailing interest rates of that time, it is estimated that total interest may have been between \$8.5M and \$9M. Although records verifying the exact date of total 1988 Olympic debt repayment are not available, it is assured that as of 2018 The City does has no outstanding debt related to this event.

Until the financial arrangement of hosting the 2026 Olympics has been solidified, we cannot forecast the debt repayment schedule or the property tax impact of those costs.

Carla Male  
Acting Chief Financial Officer