

Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets Borrowing Bylaws

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Background

In 2023 November, a new process was introduced for integrating requests to approve borrowing bylaws into the Mid-Cycle Adjustments budget requests report to enhance efficiency. This change was first applied with the Composting Facility Expansion borrowing bylaw (11B2023) and aims to significantly streamline the previous process, which involved bringing separate reports and bylaws to subsequent Council meetings after the November budget approvals.

This attachment includes the proposed borrowing bylaws for Council’s approval. These bylaws are an essential and significant portion of the funding required for implementing the identified capital investment strategies. The approved bylaws will enable The City to pursue capital borrowing options at the lowest possible cost while ensuring compliance with *the Municipal Government Act* and The City’s Debt Policy. Each proposed borrowing bylaw will be linked to identified funding sources for repayment, and approval of the proposed borrowing bylaws will enhance financial flexibility and support the City’s infrastructure and service delivery goals.

Proposed Borrowing Bylaws

Borrowing bylaws that do not require advertising – recommending three readings

Attachment	Page	Borrowing Bylaw	Service
15A	4	8B2024	Fleet Management
15B	6	9B2024	Waste & Recycling

Borrowing bylaws that require advertising – recommending first reading

Attachment	Page	Borrowing Bylaw	Service
15C	8	10B2024	Water Utility Off-Site Levies
15D	11	11B2024	Water Utility

Fleet Management

Fleet Management is requesting Council approval of authority for The City to borrow up to a maximum of \$27,336,000 over a 5-year term to provide 100% of funding to acquire vehicles and equipment used to deliver programs and services to citizens. This request is driven by unplanned growth by public facing Business Units and inflation contributing to unplanned increase in funding requirement. This request ensures The City's fleet will reflect changes in operational service levels and ensures citizens continue to receive critical services.

New fleet will minimize service disruptions and repair costs due to the reduced maintenance required on new assets. All new vehicles secured by The City will align with the Green Fleet Strategy in order to reduce greenhouse gasses through low or zero-emission vehicles.

Waste & Recycling

Utilities is requesting Council approval of authority for The City to borrow up to a maximum of \$17,357,000 over a 5-year term for Waste and Recycling Services. Debt is required for partial funding for the capital program to ensure the diversion of waste materials is managed in compliance with regulatory requirements and to protect public health and the environment. This investment will ensure our waste and recycling services can meet the increasing service demands of the growing city.

Water Utility

Utilities is requesting Council approval of authority for The City to borrow up to a maximum of \$1,038,718,000 to a maximum term of 25 years for Water Resources, split into 2 borrowing bylaws. One bylaw seeking borrowing authority in the amount of \$612,556,000 to support investments where the source for debt repayment is off-site levies, the other seeking borrowing authority in the amount of \$426,162,000 to support investments where the source for debt repayment is user fees. The debt is required to provide funding for investments in capital maintenance, upgrades to pump stations, plant electrical upgrades, and plant capacity optimization used to deliver high-quality drinking water and minimize disruptions. As our city and communities expand, so does our critical demand for clean drinking water. This investment will ensure that The City is able to provide the foundation to a healthy and green city. Investing in our wastewater treatment plants will ensure public health and safety and the health of the rivers we draw our drinking water from. This investment will address additional budget needs to provide flood resiliency and improve stormwater quality. This infrastructure will play a vital role in ensuring the safety of Calgarians, while protecting private and public property. This investment will also limit the sediment traveling to the river, promoting healthy rivers.

BYLAW NUMBER 8B2024

**BEING A BYLAW TO AUTHORIZE THE CITY OF CALGARY
TO BORROW UP TO THE MAXIMUM AMOUNT OF \$27,336,000
FOR FINANCING THE ACQUISITION OF VEHICLES AND EQUIPMENT
FOR FLEET MANAGEMENT**

WHEREAS the municipal Council (“**Council**”) of The City of Calgary (“**The City**”) considered report C2024-0859 on 2024 September 16 and report C2024-1097 on 2024 November 5, recommending Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets which included the acquisition of vehicles and equipment for Fleet Management;

AND WHEREAS the acquisition of vehicles and equipment for Fleet Management (the “**Acquisitions**”) is estimated to cost \$27,336,000;

AND WHEREAS it is estimated that the entire cost of the Acquisitions will be funded through the Financing Options (as defined herein);

AND WHEREAS The City is subject to the *Municipal Government Act*, R.S.A. 2000 c. M-26, as may be amended from time to time (the “**MGA**”), which requires, among other matters, that The City may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS The City has in place Debt Policy CP2020-05, which was adopted on 2020 November 2, and became effective on 2021 January 1, as may be amended from time to time (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 Council wishes to pass Bylaw Number 8B2024 (this “**Bylaw**”) pursuant to Sections 251 and 257 of the MGA and Sections 1.4 and 6.2 of the Debt Policy to authorize borrowing up to the maximum amount of \$27,336,000 for the purpose of financing the Acquisitions through borrowing from the Province of Alberta or other lenders and/or by way of issuances of debt in the capital markets or private placements under The City’s debt capital markets and private placement program (collectively, the “**Financing Options**”);

AND WHEREAS the probable (useful) lifetime of the Acquisitions financed under this Bylaw is equal to, or in excess of five (5) years;

AND WHEREAS the amount of the long-term debt of The City as at 2023 December 31 is \$2,700 million with (i) \$299 million thereof being tax supported debt; (ii) \$278 million thereof being self-sufficient tax supported debt; and (iii) \$2,123 million thereof being self-supported debt, and no part of the principal or interest of any of the foregoing debt is in arrears. With the addition of the borrowing authorized herein, The City is within its debt limit per its Debt Policy;

AND WHEREAS all required approvals for the borrowing will be obtained to ensure The City is in compliance with all laws in force in the Province of Alberta.

NOW, THEREFORE, COUNCIL, DULY ASSEMBLED, ENACTS AS FOLLOWS:

1. The City is hereby authorized to incur indebtedness up to the maximum sum of

\$27,336,000 to finance the Acquisitions under any one or more of the Financing Options.

2. The Chief Financial Officer of The City, or delegate, is hereby authorized to execute and deliver such agreements, instruments, certificates, and other documents, and do such further acts and things as may be reasonably necessary or as may be reasonably requested for the purpose of carrying out the borrowing and performing The City's obligations under any associated agreements, instruments, certificates, or other documents.
3. The indebtedness shall be payable over a maximum term of five (5) years and shall bear interest at a maximum interest rate of 8% per annum.
4. The City shall charge user fees sufficient to pay the interest, principal, fees, and deposits when due and as required on the indebtedness. In any event of any revenue deficiency, The City shall levy and raise municipal taxes sufficient to repay such indebtedness.
5. The net amount borrowed under this Bylaw shall be applied only to the purposes specified in this Bylaw.
6. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS ___ DAY OF _____, 202_.

READ A SECOND TIME THIS ___ DAY OF _____, 202_.

READ A THIRD TIME THIS ___ DAY OF _____, 202_.

MAYOR
SIGNED ON _____

CITY CLERK
SIGNED ON _____

BYLAW NUMBER 9B2024

**BEING A BYLAW TO AUTHORIZE THE CITY OF CALGARY
TO BORROW UP TO THE MAXIMUM AMOUNT OF \$17,357,000
FOR FINANCING CAPITAL INVESTMENTS FOR LANDFILL AND
WASTE TREATMENT INFRASTRUCTURE**

WHEREAS the municipal Council (“**Council**”) of The City of Calgary (“**The City**”) considered report C2024-0859 on 2024 September 16 and report C2024-1097 on 2024 November 5, recommending Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets which included capital investments for Landfill and Waste Treatment Infrastructure for Waste and Recycling Services (the “**Program**”);

AND WHEREAS the Program has an estimated cost of \$24,926,000;

AND WHEREAS it is estimated that at least \$7,569,000 million of the cost of the Program will be funded through sources other than the Financing Options (as defined herein);

AND WHEREAS The City is subject to the *Municipal Government Act*, R.S.A. 2000 c. M-26, as may be amended from time to time (the “**MGA**”), which requires, among other matters, that The City may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS The City has in place Debt Policy CP2020-05, which was adopted on 2020 November 2, and became effective on 2021 January 1, as may be amended from time to time (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 Council wishes to pass Bylaw Number 9B2024 (this “**Bylaw**”) pursuant to Sections 251 and 257 of the MGA and Sections 1.4 and 6.2 of the Debt Policy to authorize borrowing up to the maximum amount of \$17,357,000 for the purpose of financing a portion of the Program through borrowing from the Province of Alberta or other lenders and/or by way of issuances of debt in the capital markets or private placements under The City’s debt capital markets and private placement program (collectively, the “**Financing Options**”);

AND WHEREAS the probable (useful) lifetime of the assets in the Program financed under this Bylaw is equal to, or in excess of five (5) years;

AND WHEREAS the amount of the long-term debt of The City as at 2023 December 31 is \$2,700 million with (i) \$299 million thereof being tax supported debt; (ii) \$278 million thereof being self-sufficient tax supported debt; and (iii) \$2,123 million thereof being self-supported debt, and no part of the principal or interest of any of the foregoing debt is in arrears. With the addition of the borrowing authorized herein, The City is within its debt limit per its Debt Policy;

AND WHEREAS all required approvals for the borrowing will be obtained to ensure The City is in compliance with all laws in force in the Province of Alberta.

NOW, THEREFORE, COUNCIL, DULY ASSEMBLED, ENACTS AS FOLLOWS:

7. The City is hereby authorized to incur indebtedness up to the maximum sum of

\$17,357,000 to finance a portion of the Program under any one or more of the Financing Options.

8. The Chief Financial Officer of The City, or delegate, is hereby authorized to execute and deliver such agreements, instruments, certificates, and other documents, and do such further acts and things as may be reasonably necessary or as may be reasonably requested for the purpose of carrying out the borrowing and performing The City's obligations under any associated agreements, instruments, certificates, or other documents.
9. The indebtedness shall be payable over a maximum term of five (5) years and shall bear interest at a maximum interest rate of 8% per annum.
10. The City shall charge user fees sufficient to pay the interest, principal, fees, and deposits when due and as required on the indebtedness. In any event of any revenue deficiency, The City shall levy and raise municipal taxes sufficient to repay such indebtedness.
11. The net amount borrowed under this Bylaw shall be applied only to the purposes specified in this Bylaw.
12. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS ___ DAY OF _____, 202_.

READ A SECOND TIME THIS ___ DAY OF _____, 202_.

READ A THIRD TIME THIS ___ DAY OF _____, 202_.

MAYOR
SIGNED ON _____

CITY CLERK
SIGNED ON _____

BYLAW NUMBER 10B2024

**BEING A BYLAW TO AUTHORIZE THE CITY OF CALGARY
TO BORROW UP TO THE MAXIMUM AMOUNT OF \$612,556,000
FOR FINANCING CAPITAL INVESTMENTS FOR WATER TREATMENT
& SUPPLY, WASTEWATER COLLECTION & TREATMENT AND
STORMWATER MANAGEMENT**

WHEREAS the municipal Council (“**Council**”) of The City of Calgary (“**The City**”) considered report C2024-0859 on 2024 September 16 and report C2024-1097 on 2024 November 5, recommending Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets which included capital investments for Water Treatment & Supply, Wastewater Collection & Treatment and Stormwater Management, including *inter alia*, as set out in Schedule “A” attached hereto (the “**Program**”);

AND WHEREAS the Program has an estimated cost of \$612,556,000;

AND WHEREAS it is estimated that the entire cost of the Program will be funded through self-supported debt and the source of funds to repay the debt will be off-site levies in accordance with the restated s. 648(3) of the *Municipal Government Act*, R.S.A. 2000 c. M-26, as may be amended from time to time (the “**MGA**”) that is set out in s. 35.1 of the *City of Calgary Charter, 2018 Regulation*, Alta Reg 40/2018, as may be amended from time to time (the “**Charter**”);

AND WHEREAS The City is subject to the MGA and the Charter, which require, among other matters, that The City may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS The City has in place Debt Policy CP2020-05, which was adopted on 2020 November 2, and became effective on 2021 January 1, as may be amended from time to time (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 Council wishes to pass Bylaw Number 10B2024 (this “**Bylaw**”) pursuant to Sections 251 and 257 of the MGA and Sections 1.4 and 6.2 of the Debt Policy to authorize borrowing up to the maximum amount of \$612,556,000 for the purpose of financing the Program through borrowing from the Province of Alberta or other lenders (collectively, the “**Financing Options**”);

AND WHEREAS the probable (useful) lifetime of the assets in the Program financed under this Bylaw is equal to, or in excess of either 10 or 25 years;

AND WHEREAS the amount of the long-term debt of The City as at 2023 December 31 is \$2,700 million with (i) \$299 million thereof being tax supported debt; (ii) \$278 million thereof being self-sufficient tax supported debt; and (iii) \$2,123 million thereof being self-supported debt, and no part of the principal or interest of any of the foregoing debt is in arrears. With the addition of the borrowing authorized herein, The City is within its debt limit per its Debt Policy;

AND WHEREAS all required approvals for the borrowing will be obtained to ensure The City is in compliance with all laws in force in the Province of Alberta.

NOW, THEREFORE, COUNCIL, DULY ASSEMBLED, ENACTS AS FOLLOWS:

- 13. The City is hereby authorized to incur indebtedness up to the maximum sum of \$612,556,000 to finance the Program under any one or more of the Financing Options.
- 14. The Chief Financial Officer of The City, or delegate, is hereby authorized to execute and deliver such agreements, instruments, certificates, and other documents, and do such further acts and things as may be reasonably necessary or as may be reasonably requested for the purpose of carrying out the borrowing and performing The City's obligations under any associated agreements, instruments, certificates, or other documents.
- 15. The indebtedness shall be payable over a maximum term of twenty-five (25) years and shall bear interest at a maximum interest rate of 8% per annum.
- 16. The City shall impose off-site levies sufficient to pay the interest, principal, fees, and deposits when due and as required on the indebtedness. In any event of any revenue deficiency, The City shall levy and raise municipal taxes sufficient to repay such indebtedness.
- 17. The net amount borrowed under this Bylaw shall be applied only to the purposes specified in this Bylaw.
- 18. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS ___ DAY OF _____, 202_.

READ A SECOND TIME THIS ___ DAY OF _____, 202_.

READ A THIRD TIME THIS ___ DAY OF _____, 202_.

MAYOR
SIGNED ON _____

CITY CLERK
SIGNED ON _____

SCHEDULE "A"
THE CITY OF CALGARY
Borrowing Bylaw 10B2024

Amount of Bylaw : \$612,556,000
Term of Borrowing: Not exceeding 25 years
Municipal Government Act Sections: 251 & 258
Council Approval Document: C2024-0859 and C2024-1097

<u>Service Line</u>	<u>Purpose of Borrowing</u>
Water treatment & supply	Water treatment plants Water distribution network
Wastewater collection & treatment	Wastewater treatment plants Wastewater collection network
Stormwater management	Drainage facilities & network

BYLAW NUMBER 11B2024
**BEING A BYLAW TO AUTHORIZE THE CITY OF CALGARY
TO BORROW UP TO THE MAXIMUM AMOUNT OF \$426,162,000
FOR FINANCING CAPITAL INVESTMENTS FOR WATER TREATMENT
& SUPPLY AND WASTEWATER COLLECTION & TREATMENT**

WHEREAS the municipal Council (“**Council**”) of The City of Calgary (“**The City**”) considered report C2024-0859 on 2024 September 16 and report C2024-1097 on 2024 November 5, recommending Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets which included capital investments for Water Treatment & Supply and Wastewater Collection & Treatment, including, *inter alia*, as set out in Schedule “A” attached hereto (the “**Program**”);

AND WHEREAS the Program has an estimated cost of \$923,842,000;

AND WHEREAS it is estimated that of the entire cost of the Program, \$497,680,000 will be financed from sources other than borrowing, and \$426,162,000 of self-supported debt will be funded through the Financing Options (as defined herein);

AND WHEREAS The City is subject to the *Municipal Government Act*, R.S.A. 2000 c. M-26, as may be amended from time to time (the “**MGA**”), which requires, among other matters, that The City may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS The City has in place Debt Policy CP2020-05, which was adopted on 2020 November 2, and became effective on 2021 January 1, as may be amended from time to time (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 Council wishes to pass Bylaw Number 11B2024 (this “**Bylaw**”) pursuant to Sections 251 and 257 of the MGA and Sections 1.4 and 6.2 of the Debt Policy to authorize borrowing up to the maximum amount of \$426,162,000 for the purpose of financing a portion of the cost of the Program through borrowing from the Province of Alberta, or other lenders and/or by way of issuances of debt in the capital markets or private placements under The City’s debt capital markets and private placement program (collectively, the “**Financing Options**”);

AND WHEREAS the probable (useful) lifetime of the assets in the Program financed under this Bylaw is equal to, or in excess of either 10 or 25 years;

AND WHEREAS the amount of the long-term debt of The City as at 2023 December 31 is \$2,700 million with (i) \$299 million thereof being tax supported debt; (ii) \$278 million thereof being self-sufficient tax supported debt; and (iii) \$2,123 million thereof being self-supported debt, and no part of the principal or interest of any of the foregoing debt is in arrears. With the addition of the borrowing authorized herein, The City is within its debt limit per its Debt Policy;

AND WHEREAS all required approvals for the borrowing will be obtained to ensure The City is in compliance with all laws in force in the Province of Alberta.

NOW, THEREFORE, COUNCIL, DULY ASSEMBLED, ENACTS AS FOLLOWS:

- 19. The City is hereby authorized to incur indebtedness up to the maximum sum of \$426,162,000 to finance the Program under any one or more of the Financing Options.
- 20. The Chief Financial Officer of The City, or delegate, is hereby authorized to execute and deliver such agreements, instruments, certificates, and other documents, and do such further acts and things as may be reasonably necessary or as may be reasonably requested for the purpose of carrying out the borrowing and performing The City's obligations under any associated agreements, instruments, certificates, or other documents.
- 21. The indebtedness shall be payable over a maximum term of twenty-five (25) years and shall bear interest at a maximum interest rate of 8% per annum.
- 22. The City shall charge user fees sufficient to pay the interest, principal, fees, and deposits when due and as required on the indebtedness. In any event of any revenue deficiency, The City shall levy and raise municipal taxes sufficient to repay such indebtedness.
- 23. The net amount borrowed under this Bylaw shall be applied only to the purposes specified in this Bylaw.
- 24. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS ___ DAY OF _____, 202_.

READ A SECOND TIME THIS ___ DAY OF _____, 202_.

READ A THIRD TIME THIS ___ DAY OF _____, 202_.

MAYOR
SIGNED ON _____

CITY CLERK
SIGNED ON _____

SCHEDULE "A"
THE CITY OF CALGARY
Borrowing Bylaw 11B2024

Amount of Bylaw : \$426,162,000
Term of Borrowing: Not exceeding 25 years
Municipal Government Act Sections: 251 & 258
Council Approval Document: C2024-0859 and C2024-1097

<u>Service Line</u>	<u>Purpose of Borrowing</u>
Water treatment & supply	Water treatment plants Water distribution network
Wastewater collection & treatment	Wastewater treatment plants Wastewater collection network