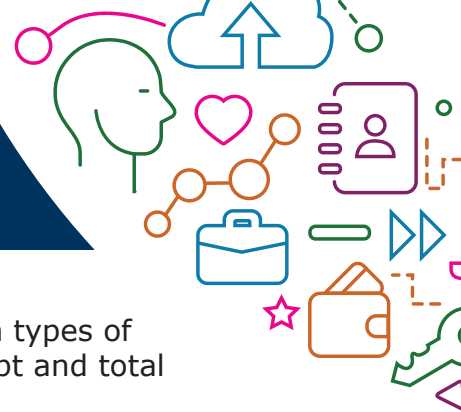


Debt Strategy



The Municipal Act, 2001 allows municipalities to issue debt for certain types of expenditures, provided we take the proper steps to authorize the debt and total debt does not exceed the limits prescribed by the legislation.

The City uses debt, in accordance with the Debt Management Policy, to achieve the level service identified in the Strategic Plan while keeping within the parameters of the Long-term Financial Framework.

Debt will be used as a financing tool in the 2021 budget for three capital projects—South End Community Centre, Main Branch Central Library, and Baker Street Planning Phase 2.

Typically, debt is only issued for a project when it is complete or certain phased milestones have been reached. The debt market is currently very attractive because of the economic decline resulting from COVID. For this reason, staff will consider a debt strategy in 2021 that will seek Council approval of debt in advance of construction. The recent Council approval of the South End Community Centre and the Baker District Redevelopment will enable favourable debt rates, creating value for the City for these City Building projects over twenty years. The table that follows lays out the planned debenture issuances over the next ten years.

Project Description	2021	2024	2026	2028	2030
South End Community Centre	\$38.8				
Baker District – Main Library	\$52.3				
Baker District – Planning Phase 2	\$10.0				
Operations Hub – Solid Waste Collections Operation Centre		\$4.4			
Operations Hub – Transit Operations Facility		\$34.3			
Baker District Parkade		\$13.0			
Water Services - Aqueduct Renewal		\$15.0			
Water Services – FMW Woods Station		\$16.0			
Operations Hub – Fleet Repair Shop and Fueling Station			\$32.0		
Parks Operations Facility				\$20.5	
Road Reconstruction – MacDonnell Street – Norfolk to Carden				\$6.8	
Operations Hub – Administration Facility					\$35.0
Total Planned Debentures	\$101.1	\$82.7	\$32.0	\$27.3	\$35.0

Debt Strategy



The City's planned debt is within the annual limitations as prescribed by the province as well as the City's Debt Management Policy. Chart 1 demonstrates the total debt outstanding each year compared to the City's internal debt ceiling.

Chart 1: Total Debt compared to Operating Revenue Limit

