



BYLAW 14-25 BORROWING BYLAW 25-24 AMENDMENT

Purpose

The purpose of Bylaw 14-25 is to amend Bylaw 25-24 Borrowing Bylaw for the Foothills-Okotoks Regional Water Project by increasing the borrowing for the project from \$30.0M to \$50.0M.

Readings

This Bylaw is ready for first reading only.

Report, Analysis and Financial Implications

Funding is required to finance the construction of the raw water pipeline, pumping station, reservoir, and intake station located in Foothills County to support the Foothills-Okotoks Regional Water Project. The currently approved debt financing for the project is \$30.0M under Borrowing Bylaw 25-24.

The Town's total debt, including this borrowing, would be \$70.597M. As of December 31, 2024, the provincial debt cap for the Town of Okotoks was \$130.531M. Of this amount, the Town has issued \$20.597M in debt, leaving \$109.934M available for new borrowing. After issuing the new debt, the remaining available amount would be \$59.934M. The Town's self-imposed debt limit, established by Council, is 75% of the provincial cap, or \$97.898M. After accounting for the total debt, the amount available for additional borrowing under this limit would be \$27.898M.

Borrowing bylaws must be in place before the project for which debt is incurred begins. This includes the start of the procurement process and is based on cost estimates. The initial borrowing was set at \$30.0M based on the available cost estimates at that time and an expected one-time capital contribution from developers for an additional \$20.0M. The Town has spent the last six (6) months exploring options for the additional \$20.0M contribution. This cash contribution from current developers had implications for affordability, developer feasibility, fairness, and off-site cash flow that could not be overcome. As a result, the Town will be moving to borrow this additional \$20.0M and recover these costs through the off-site levy. The *Municipal Government Act (MGA)* permits borrowing bylaws to be amended if actual construction costs/borrowing needs exceed initial estimates, as is the case here. As a result, an amendment is required to increase total borrowing for the Town's portion of the project by \$20.0M to a total of \$50.0M.

Grants have offset the borrowing amount, thus reducing the amount of financing otherwise required. The timing of when the debenture financing is required is dependent on the overall project plan and cash flow requirements. This borrowing has no impact on the tax or utility rates for Okotokians, as contributions to fund the debt repayment are from off-site levies, which are developer funded.

Strategic Plan Goals

<input type="checkbox"/>	Responsibly Managed Growth	<input type="checkbox"/>	Demonstrated Environmental Leadership
<input checked="" type="checkbox"/>	Strong Local Economy		
<input type="checkbox"/>	Organizational Excellence	<input type="checkbox"/>	Enhanced Culture & Community Health

Community Engagement Strategy

In accordance with Section 606 of the *MGA*, Bylaw 14-25 will be advertised for two (2) consecutive weeks in the Western Wheel on April 23, 2025 and April 30, 2025.

Following the last day of advertising, a 15-day petition period begins in compliance with *MGA* Section 231(3). Second and third readings of Bylaw 14-25 are anticipated for the May 26, 2025 Regular Council Meeting.

Alternatives for Consideration

n/a

CAO Comments

I support this borrowing bylaw amendment. While the Town took time to explore additional options for developers to “pre-pay” the additional \$20.0M requirement, viable options could not be developed. This additional borrowing has no impact on tax or utility rates for residents as it is paid back by developers through off-site levies.

Attachment(s)

1. Draft Bylaw 14-25 Borrowing Bylaw 25-24 Amendment
2. Bylaw 25-24 Borrowing Bylaw Redlined Version

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