INFORMATION REQUEST

INFORMATION REQUEST #: IR-004-26

REQUESTED BY: **Councillor Bennett**

TOPIC: **Debt Limit**

DATE OF REQUEST: **October 28, 2026**

DATE OF RESPONSE: October 29, 2026

QUESTION: We are close to our debt ceiling. What happens if the outdoor pool or horizon stage go over budget?

Response

The City is projecting its internal debt limit utilization to reach a high of approximately 96.1% in 2028, leaving roughly $4.5 million in remaining borrowing capacity.

Should the Outdoor Aquatics Centre or Horizon Stage projects require funding beyond the amounts currently included in the Proposed 2027 - 2029 Budget & Fiscal Plan, Administration would bring forward funding options for Council's consideration. Depending on the circumstances, these options could include:

- Reviewing and adjusting project scope to reduce overall project costs;
- Deferring or reprioritizing other capital projects and reallocating available funding sources;
- Utilizing available project contingencies, reserves, grants, or other funding opportunities; and/or
- Temporarily increasing the City's self-imposed debt limit to accommodate additional borrowing.

Any additional funding requirements would be presented to Council with associated financial impacts and recommendations for consideration and approval.

Background

The City manages debt within a self-imposed debt limit that is more restrictive than the legislated provincial debt limit. This approach supports long-term financial sustainability while preserving borrowing capacity for strategic capital investments and unforeseen funding requirements.

Current projections indicate the City's debt utilization will peak in 2028 as major capital projects progress. While borrowing capacity becomes more limited during this period, capacity remains available and a number of funding and project management tools exist to address potential cost pressures should they arise.

Financial Implications / Taxation Impact

There is no immediate taxation impact. Any future proposed changes with taxation or debt impacts would be brought forward to Council for consideration.

Contact: Francine Pitcher, Director of Finance