
DEPARTMENT: CORPORATE SERVICES

TITLE: **DEBT MANAGEMENT POLICY**

Minutes reference date: January 22, 2007 1st Revision date:

2nd Revision date:

PURPOSE

The purpose of the Debt Management Policy is to outline the management methods for long-term borrowings and debt repayment.

POLICY STATEMENT

The Town will confine long-term borrowing to capital investments or projects that cannot be financed from current revenues. The Town will not use long-term debt to finance current operating expenditures. Considerations will be made before borrowing funds as to the level of existing debt and the impact on current and future operating budgets.

When the Town finances capital projects through the issuance of debentures, it will pay back the debentures within a period not to exceed the expected useful life of the project. Total annual payments of principal and interest for long term borrowings will not exceed 15% percent of the Town's total annual own source generated operating revenue. Where possible, the Town may use special assessment or revenues instead of long term borrowings.

The Town will maintain a debt repayment schedule outlining debt principal and interest outstanding for each year.