



Number: F-3
Effective: 3-7-23
Revised:

CONDITIONS FOR DEBT ISSUANCE POLICY

The following conditions shall guide the City in the issuance of any debt or alternative financing techniques:

- The City will not issue long term debt or alternative financing instruments to fund governmental operations. The City will manage its cash in a fashion that will prevent any borrowing to meet needed operating expenses. The City will primarily rely on current revenue and cash set-asides to finance its capital improvements and equipment. The City believes in funding a significant portion of capital improvements and equipment on a “pay-as-you-go” basis.
- Long-term borrowing or alternative financing techniques will be confined to public works infrastructure (e.g., roads/water/wastewater), land acquisitions, buildings and other capital facilities, attached furniture and fixtures or equipment, capitalized technology assets and movable pieces of equipment, such as fire engines, or other costs as permitted by law.
- Projects with a useful life of less than five years will not be eligible for inclusion in any long-term borrowing or long-term alternative financing instrument. This policy does not apply to short-term revenue anticipation or tax anticipation notes, registered warrants or lines of credit issued for cash flow or emergency purposes.
- The primary tool used to plan for debt or alternative financing techniques is a capital improvement plan (CIP). To be considered for debt financing, equipment or capital projects must be included in the City’s Capital Improvement Plan.
- Debt financing will include general obligation bonds, revenue bonds, limited obligation revenue bonds, certificates of participation, and other alternative financing techniques. In appropriate situations; special assessment, revenue, or other self-supporting debt may be considered.
- The City may consider refunding outstanding debt when legally permissible and financially advantageous. All debt refunding is undertaken for the principal reason of achieving interest rate savings. Debt refunding for other reasons should proceed only when the advantages have been clearly shown, taking into account not only the dollar savings, but also the effect of relief from onerous covenants and requirements.