



To: Council
From: Yun Ke Ni, Director of Finance/Treasurer
Date of Meeting: November 10, 2021
Subject: Draft Debt Management Policy

Background:

To establish consistent guidelines for borrowing debt and managing outstanding debt, the Finance department has prepared a draft policy for Council's consideration. The policy will be finalized and provided to Council for approval at an upcoming Council meeting when all feedback is received.

Discussion:

A comprehensive debt policy is the foundation of any well-managed debt program. The Debt Management Policy sets guidelines for borrowing debt and managing outstanding debt. It also provides the parameters to decision makers regarding the timing and purposes for debt type, debt process.

For the purposes of this policy, debt means debentures issued external to the Township.

The Debt Management Policy aims to ensure that a municipality maintains a sound debt position and that credit quality is protected.

This Debt Management Policy documents the existing rules, regulations and current practices relating to external debt. The debt related legal authority, restrictions, and responsibilities are summarized for the Township as below.

- a. Legal authorization and limitations.
- b. Debt capacity and benchmarking.
- c. Types of debt.
- d. Debt management practices.

This policy will be finalized once staff review all feedback and bring back to Council for adoption by by-law.