

TOWN OF MIDDLETON CODE A - GENERAL ADMINISTRATION	
Subject: Comprehensive Debt	Number: 1.7
Coverage: Staff	Approved by: Council & CAO
Effective Date: August 8th, 1995	Revision Date: August 8, 2006

Rationale

The following policy protects the fiscal viability of the Town by establishing accepted practices for incurring and repaying debentures.

Policy Statement

- 1) The Town of Middleton shall establish a long-term capital improvement plan including an infrastructure inventory and three-year capital needs assessment, project-by-project cost and revenue analysis, replacement, maintenance and construction schedules, a detailed description of financing methods and a debt service schedule. This plan will be reviewed and updated annually.
- 2) The existing and projected net annual debt service burden for the Town of Middleton **should** not exceed ten percent of own-source revenues and **shall** not exceed fifteen percent of own-source revenues. (Total operating revenue less conditional and unconditional grant revenues)
- 3) The total per capita debenture debt of the Town of Middleton **should** not exceed \$800 in any given year and **shall** not exceed \$1200.
- 4) All short-term debenture anticipation debt (temporary capital borrowing) will be retired within two years of the completion of the project for which it was incurred.
- 5) The Town of Middleton **should** retire seventy percent of debenture principal outstanding within ten years of the year of issuance and **shall** retire at least fifty percent by this time.
- 6) Debenture payout schedules shall not exceed the lesser of twenty years or the expected life of the capital project for which they were incurred.

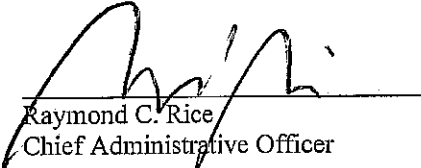
Previous Policy

The previous policy 1/49 "Comprehensive Debt Policy", approved August 8, 1995, is hereby amended.

Certification

THIS IS TO CERTIFY that this policy was duly passed by a majority vote of the whole Council at a duly called Council meeting held on the 8th day of August, 2006.

GIVEN under the hand of the CAO and under the seal of the Town of Middleton this 5th day of March, 2007


Raymond C. Rice
Chief Administrative Officer