

Policy C203C and C203D Comparison

Policy Element	C203C (Approved 2008)	C203D (Recommended 2022)
Use of Debt	N/A - only clarification provided in proposed policy C203D. No changes to financial practices as a result of the clarification.	<p><u>Clarification</u></p> <p>Add the following to uses of debt, which were permitted under the existing policy C203C:</p> <ul style="list-style-type: none"> • borrowing related to Emergency purposes • borrowing related to financing the Clean Energy Improvement Program • borrowing to finance loans to non-profit organizations or controlled corporations for capital purposes
Short-Term Debt	N/A - only clarification provided in proposed policy C203D. No changes to financial practices as a result of the clarification.	<p><u>Clarification</u></p> <p>When using short-term debt to interim finance a capital expenditures a funding source needs to be identified to repay the short-term debt as well as finance the remaining capital expenditures on the project.</p> <p>This is a financial practice that was previously used and has been clarified in the policy</p>
Debt Limits	City's total debt limit is two times the revenue of the municipality (debt limit established based on Municipal Government Act (MGA) Debt Regulation).	Debt limit is based on the maximum proposed debt servicing limit of 26% of City revenues.

Attachment 3

<p>Total Debt Servicing Limits</p>	<p>Total debt servicing:</p> <ul style="list-style-type: none"> • 35% of City revenues (MGA Debt Regulation) • 22% of City revenues (City Policy C203C) 	<p>Total debt servicing:</p> <ul style="list-style-type: none"> • 26% of City revenues (maximum) • 21% of City revenues <ul style="list-style-type: none"> ○ Borrowing above this limit, and up to the 26% limit, is only permitted for emergency purposes
<p>Tax-Supported Debt Servicing Limits</p>	<p>Tax-supported debt servicing:</p> <ul style="list-style-type: none"> • 15% of tax-supported revenues (City Policy C203C) 	<p>Tax-supported debt servicing:</p> <ul style="list-style-type: none"> • 18% of tax-supported net operating expenditures • Tax-supported borrowing in excess of the 18% limit is only permitted for tax-supported debt borrowing in order to leverage other external capital funding sources, or tax-supported borrowing required for emergency purposes, or capital projects financed through self-supported tax-guaranteed debt