

DEBT MANAGEMENT POLICIES

The following list is a summary of the major debt management policies used in developing the CIB. A full list of the City's debt management policies is included under the **Capital Budget Summary**, a separate section, at the end of this document.

- Limit the City's debt to 10% of the assessed value of real estate subject to local taxation according to the mandates of the State of Virginia.
- Further limit the City's debt for bonds and notes other than refunding to amounts authorizing by a majority of qualified voters voting in an election on the question according to the Charter.
- Authorize bonds or notes without election in any calendar year in an amount not to exceed \$4,500,000 plus the amount of debt retired in the previous fiscal year.
- Restrict the total annual borrowing authority debt to a maximum of 8% of the assessed value of real estate as shown by the last preceding assessment for taxes. (Contracts other than bonds and notes are excluded.)
- Pay back its debt, exclusive of enterprise debt, for specific items within the period of the estimated useful life or twenty (20) years, whichever is less.
- Maintain good communication with bond rating agencies about the City's financial condition with full disclosure and integrity on all financial data and debt offering.
- Own water and sewer facilities and finance new construction with general obligation or revenue bonds that are solely supported by enterprise revenues.