

**City of Saratoga Springs**

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**III. DEBT**

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**Office of Finance**

**Adopted June 21, 2011**  
**Updated August 21, 2012**  
**Updated June 18, 2013**

### III. DEBT

#### **Purpose:**

The purpose of this policy is to set forth the City's policy in regards to structuring, issuing and maintaining debt in order to achieve the most cost effective method of financing for the taxpayers.

#### **Debt Structuring:**

1. The City will refrain from issuing long-term debt in excess of the period probable of usefulness, as defined in the Local Finance Law, of the capital project.
2. The debt repayment schedule shall include level payments, payments relatively equal from year to year, to aid in budgeting and planning, whenever possible.
3. The City will pay for capital projects and capital improvements on a "pay-as-you-go" basis using current available resources whenever possible. If a project or improvement cannot be financed with current revenues, long-term debt will be recommended.
4. The City will use special assessment revenue or other self-supporting bonds instead of general obligation bonds, when practical.

#### **Debt Issuance:**

1. The City will adhere to Charter limitations on bonding capacities as outlined in section 11.2 of Title 11.
2. Long-term debt shall be issued when deemed necessary and adequate based on such factors as trends in financial performance, service levels, tax and revenue base, and impact of debt on the financial outlook of the City. The timing of the bond issuance will be coordinated with the Capital Committee called for under section L of Title 3 of the City Charter during the monthly meetings.
3. Short-term notes may be issued when deemed necessary and appropriate by the Commissioner of Finance.
4. The sale of debt shall be sold publicly unless the amount being issued does not exceed a \$1,000,000 (one million dollars) or if the bonds are being sold to the US Government or to another purchaser described in section 57.00 of the Local Finance Law, negotiated sale may be used.
5. The proceeds from the sale of debt shall be invested by the Commissioner of Finance in accordance with Title 4 of the City Charter. Proceeds will be invested separately and distinctly from other City funds.

6. When deemed necessary by the Commissioner of Finance, the City may contract with financial advisors and bond counsels to aid in the planning, issuance and management of debt.

**Debt Management:**

1. The City will maintain a policy of full disclosure on financial reports and bond prospectus.
2. The City will maintain communications with bond rating agencies, fiscal advisors and bond counsels and continue to strive for improvements in the City's bond rating.
3. The City will seek refinancing of outstanding debt if it is determined that the City will benefit by reduced interest expense over the remaining life of the bonds.
4. The policy shall be reviewed annually by the City Council.
5. A calculation of the City's debt limit and future bonding capacity shall be prepared annually and included in the Comprehensive budget called for under section 4.4.4 of Title 4 of the City Charter.