

## Debt Policies

Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

1. The City will confine long-term borrowing to capital improvements.
2. The City will follow a policy of full disclosure on every financial report and bond prospectus.
3. The City will strive to maintain its high bond rating, currently AAA / Aaa, and will receive credit ratings on all its bond issues.
4. General obligation debt will not be used for self-supporting enterprise funds. The City may issue full faith and credit bonds for utilities, as long as the utility makes full debt service payments from its own revenue sources.
5. The City shall ensure that its debt margins are within the 3% TCV (true cash value) limitation as set forth in ORS 287A.050.
6. The City will use voter-approved general obligation debt to fund general-purpose public improvements that cannot be financed from current revenues.
7. The City may pledge its full faith and credit to city borrowings that finance eligible urban renewal projects or refinance tax increment borrowings of the Lake Oswego Renewal Agency, but only if the agency demonstrates its ability to make debt service payments from its own revenue sources and enters into an intergovernmental agreement with the City that obligates the agency to pay all principal, interest, and other costs associated with the city borrowings.
8. Total outstanding indebtedness, excluding voter-approved general obligation bonds, will not exceed \$250 million.

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