

**City of South Bend
Administration & Finance Policy Manual**



2.9 Debt Policy

Effective: January 1, 2010

Purpose: This policy defines the debt policy of the City of South Bend.

Scope: This statement applies to all governmental units, enterprise operations, and operations of the City of South Bend.

Responsibility: This policy is the responsibility of the Controller of the City of South Bend. Changes or revisions to this policy are affected only with the consent and approval of the Controller.

Effective Date: This policy is effective January 1, 2010.

1.0 Policy Statement

The City of South Bend shall from time to time incur debt for the purpose of, but not limited to, financing of long-lived assets.

Debt incurred by the city shall be in compliance with legal debt limits in effect as defined by State of Indiana Statutes.

2.0 Authorization to Incur Debt

The authorization to incur debt will be determined by the approval of the applicable governing board, the City of South Bend Common Council or the City of South Bend Redevelopment Commission.

3.0 Debt Instruments

Debt instruments are defined as, but limited to, revenue bonds, mortgage bonds, general obligation bonds, loans or notes payable, tax anticipation notes, or capital leases.

4.0 Intended Use of Debt Instruments

The city will adopt a pay as you go policy for the purpose to finance acquisition of operational assets, new or replacement, within the context of the support of existing services to the city.

Long-lived capital asset acquisition will be financed through the issuance of bonds or other financing instruments for a period not to exceed the useful life of the acquired assets.

The city will incur debt instruments will maturity life not in excess of twenty (20) years.

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5.0 Debt Obligations

The city will provide for the protection of bond ratings and other debt instrument obligations, including but not limited to, maintenance of required debt service reserves and compliance with debt instrument provisions and appropriate financial disclosures to investors, underwriters and rating agencies.