

Rural Municipality of Heart's Hill No. 352

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4.5 DEBENTURE PAYMENT POLICY

DEFINITION:

POLICY:

The Municipality sold debentures to the Saskatchewan Municipal Board in 2011 for the purpose of paving 14.4 km of Primary Grid 676 and 8 km Grid 771. The annual debenture payment is due July 1st. Payment coupons are handled through the Luseland Credit Union. The annual payment of principal and interest is \$871,662.04. Payments commenced on July 1, 2012. The final payment is due July 1, 2026.

Funds are raised through the annual tax levy, therefore the debenture payment needs to be included in the budget.

As tax collections are very limited until the end of September of each year, it is important that funds are set aside in the previous year to meet the next July 1st payment date.

RATIONALE:

Council wishes to remain in good standing with financial institutions and to honor all past financial commitments of Council. As this is a large annual mid-year payment, it is imperative pre-planning for funds takes place.

AUTHORITY:

Bylaw 3/11: Borrowing Bylaw - \$9,524,235.00
The Municipalities Act: 169