

## FM5 – LOAN BORROWINGS

*PROCEDURE: N/A*

*DELEGATION: N/A*

### POLICY

#### Debt Servicing Ratio

Council believes that its level of debt should be kept at a manageable level.

Council's level of Net Debt Servicing Ratio shall not exceed 8% of its net Available Operating Revenue except for the years 08/09, 09/10 and 10/11.

This is included to take into consideration payments that need to be made on the Recreation Centre of which interest only loans have been raised.

#### Self-Supporting Loans

Council is prepared to undertake loan borrowings for community projects on behalf of various groups which may wish to proceed with specific capital works, conditional upon the group supplying Council with a written undertaking that it will make the repayments to Council, and to supply Council with a written personal undertaking by specific guarantors. A Profit and Loss statement, and a Statement of Financial Position for the past 3 years is to be provided to the CEO at the time of the lodgement of an application for a self-supporting loan.

<b>Relevant Legislation:</b>	
<b>Related Documents:</b>	
<b>Related Local Law:</b>	
<b>Related Policies:</b>	
<b>Last Reviewed:</b>	28.08.2003
<b>Next Review Date:</b>	08.2016
<b>Adopted:</b>	31.05.2001

