

CITY OF MOOSE JAW

ANSWER TO ENQUIRY

DATE: September 27, 2008
TO: Members of City Council
FROM: Director of Financial Services
SUBJECT: Answer to Enquiry #17 – City Debt Limit

On September 22, 2008 Councillor Swanson made an enquiry in respect to the City's debt limit. The specific question asked was:

“What is the City of Moose Jaw's current debt limit as authorized by the Sask. Municipal Bd? What changes to the authorized debt level in the past three years have occurred? Are there any current applications to the Sask Municipal Bd for an increased debt level for the City of Moose Jaw that have been approved by Council?”

The City of Moose Jaw currently has an approved debt limit of \$37 million dollars which has been established for the following purposes:

1. Sanitary Sewer Utility Borrowing (\$16.7 million).
2. Waterworks Utility Borrowing (\$6.0 million).
3. Multiplex Borrowing (\$12.3 million)
4. Westheath Subdivision Borrowing (\$2.0 million).

The City originally requested and received a \$5 million debt limit when *The Cities Act, 2001* came into existence. Since that time the City has requested that the debt limit be increased on three occasions. The first was in 2006 when a request was made to increase the debt limit from \$5 million to \$20 million. The second request was in 2007 when the City requested the Saskatchewan Municipal Board (SMB) to increase its debt limit from \$20 million to \$35 million and the last request was made in 2008 for an increase from \$35 million to \$39 million for the Westheath subdivision expansion project. It should be noted that the SMB approved \$2 million of the \$4 million request pending City Council's approval to proceed with phases II and III of the project. Once Council approves the other phases of the Westheath project, then a request can be made to the SMB for the additional \$2 million in debt limit.

Respectfully submitted,



Brian Acker, B. Comm, CMA
Director of Financial Services

BA/sp