

- 1 The Government of Alberta, via the Municipal Government Act, controls the level of debt of municipalities through regulation 255/2000. This regulation states that the maximum level of debt a municipality is 1.5 times the revenue of the municipality.
- 2 Council of The City of Red Deer further restricts the debt level of the municipality to 75% of the maximum level established by the Provincial regulation
- 3 **Definition(s):**
 - (1) Revenue
 - (a) Revenue includes the total revenue reported in the last audited annual financial statement of the municipality. This amount does not include the following:
 - (i) Transfers from the governments of Alberta and Canada for the purposes of a capital property;
 - (ii) Amounts reported as contribution or donated tangible capital assets; and
 - (iii) Revenues arising from transactions between the municipality and a controlled corporation.
 - (2) Total debt
 - (a) Total debt includes the total principal outstanding at the calculation time on borrowings made by the municipality plus the loan amount that has been guaranteed by the municipality.
 - (b) The Total Debt does not include guarantees and loans between the municipality and the controlled corporation.

Document History:

Policy Adopted	September 16, 2013
Revised	July 6, 2015

Administrative Revisions:

Date:	Description:
October 19, 2017	Updated to current format.