

**HALIFAX**

# **Fall 2025 Temporary Borrowing**

# **Resolution & Debenture Issuance**

September 23, 2025

# Capital Budget Approval

- Each year as part of the annual budget council approves a 4-yr capital budget.
- Approval of the capital budget includes approval of the funding sources to pay for the capital projects
- Funding sources available are:
  - Cost Share (Fed & Prov)
  - Capital renewal (cap fr op) – SOGR
  - Reserves
  - Debt

# Debt Approval

- With approval of the 2025/26 Capital Budget, Council approved the following Debt as a funding source
  - 2026/27 \$215M
  - 2027/28 \$308M
  - 2028/29 \$396M
  - 2029/30 \$455M
- **Total debt of \$1.4B in four-year plan**

# Debt Governance

- Rules on debt issuance are set by the Provincial Department of Finance
- Municipalities can borrow by debentures issued by the Province of Nova Scotia
- Capital projects are cash flowed to substantial completion
- Once projects are substantially completed municipalities have one year to put permanent debt funding in place

# Debt & TBR

Today Council is being asked to approve 2 things

1. Debenture of \$45M – This is basically taking out a mortgage on the debt approved capital projects that have been completed
  - Debt servicing costs on this debt is estimated to be \$17.8M
2. TBR of \$420M – The TBR represents the debt component on our in-flight capital projects. This will be debt taken out in future years 1-3. Can look at this a pre-approved mortgage
  - Debt servicing costs on the TBR at current rates is estimated to be \$160M

**NOTE: The TBR does not incl. Mill Cove, BTC, Forum, BRT debt**

## Current Debt Levels

- Current issued debt is \$227M
- Approval of the fall debenture of \$45M will increase total debt to \$272M
- The debt in the TBR is estimated to come on-line over the next 1-3 years

**Thank you.**

**QUESTIONS**