Currently, HART has no short-, mid-, or long-term debt obligations. However, HART Charter does provide for the issuance of bonds and, with the approval of each Charter member, may issue bonds to carry out its authorized powers or purposes. If debt is chosen as a form of funding for future HART projects, the following categories of debt will be considered:

(a) Long-Term Debt:

Long-term borrowing (10+ years) will not be used to finance current operations, planned operations, or routine maintenance.

(b) Medium-Term Debt:

Lease purchase methods, bonds, or other debt instruments may be used as a medium-term (5 to 10 years) method of borrowing for the financing of vehicles, other specialized types of equipment, or other capital improvements. The equipment or improvement must have an expected life at least equal to the years leased or financed. HART will determine and utilize the least costly financing methods available. Such debt arrangements will be repaid within the expected life of the equipment or improvement acquired.

(c) Short-Term Debt:

Short-term borrowing (less than 5 years) may be utilized for temporary funding of anticipated tax revenues, anticipated grant payments, or grant related expenses waiting reimbursement, anticipated bond proceeds, or other expected revenues. Short-term debt, such as tax exempt commercial paper, bond anticipation notes, tax anticipation notes, or grant anticipation notes (includes borrowing from HART's own Fund Balance. HART will determine and utilize the least costly method for short-term borrowing, when needed.