

# Rockwall County

## Debt Management Policy

**Purpose:** As the county's capital needs are generally met through long term debt financing, the following policy provides commissioners court guidance regarding debt management.

1. It is the policy of the County's governing body to ensure that debt financing required to provide the capital needed for equipment and infrastructure improvements will be undertaken only after careful consideration of the following:
  - a. The need has been clearly established as a priority;
  - b. The impact of the funding requirements on the debt capacity of the County;
  - c. The requirement for major infrastructure needs, whether constitutionally mandated or simply growth-driven, have been communicated to the tax-paying public, and is compliant with the Texas Constitution and laws of the State of Texas;
  - d. The forecast amortization of the debt does not unduly disrupt the relationship between the maintenance & operation and debt service portions of the overall tax rate;
  - e. The obligations have been timed for issuance and delivery of proceeds as close as possible to the time that contracts are expected to be awarded so that the proceeds are spent in the most efficient manner;
  - f. The amount and timing of project funding have taken into consideration arbitrage rebate, yield restrictions and other factors related to debt service arbitrage; and
  - g. The existence of a climate favorable to the issuance of long term debt and/or short term debt, including the possibility of alternative methods of financing.
2. All outstanding debt shall be evaluated periodically to determine if opportunity exists for beneficial refunding of any outstanding issue.
3. The governing body may engage a financial advisor to facilitate the processes associated with debt management and the principal points of contact shall be the offices of the County Auditor and County Treasurer.
4. Any member of the governing body having a potential conflict of interest shall recuse himself or herself from the decision-making process.
5. The County shall develop and maintain a procedure setting forth the process for evaluating projects and assessing the compliance of the process with the mandates of this policy.
6. A copy of this and other policies established to guide the governing body of the County shall be provided to each newly elected member of the Commissioners Court prior to his or her first regular Court meeting.

Revised and adopted this 9th day of April, 2019, thereby replacing the policy statement of October 26, 2010.