Rutherford County, Tennessee

Debt Management Policy

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Debt Management Policy

Introduction

Debt management policies provide written guidance about the amount and type of debt issued by a state or local government, the issuance process, and the management of the debt portfolio. A debt management policy tailored to the needs of the Board of County Commissioners (the "Governing Body") of Rutherford County, Tennessee (the "County") can improve the quality of decisions, identify and disclose parameters relating to the structure and issuance of debt, identify policy goals, and provide a foundation for long-term financial planning, all of which are in the public interest of the County. Adherence to a debt management policy may signal to rating agencies and the capital markets that a government is well-managed and should meet its obligations in a timely manner.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines for a government to manage its debt program in line with those resources.

The debt program for the County includes (1) general obligation debt issued by the County for general county purposes and for which the County has pledged its full faith and credit for the payment of both principal and interest; (2) school bonds issued by the County for school purposes and for which the County has pledged its full faith and credit for the payment of both principal and interest; and (3) school bonds issued by the County for County K-6 school purposes and for which the County has pledged its full faith and credit with respect to properties lying outside the boundaries of the City of Murfreesboro for the payment of both principal and interest.

This Debt Management Policy is intended to comply with the debt management policy requirements promulgated by the Tennessee State Funding Board in December 2010.

Goals and Objectives

The Governing Body is establishing a debt policy as a tool to ensure that financings undertaken by the Governing Body satisfy certain clear objective standards designed to protect the County's financial resources and to meet its long-term capital needs.

A. The goals and objectives of this policy are:

1. To document responsibility for the oversight and management of debt related transactions;
2. To establish criteria and promote prudent financial management for the issuance of debt obligations and the evaluation of debt issuance options;
3. To identify legal and administrative limitations on the issuance of debt and ensure the legal use of the Governing Body's debt issuance authority;
4. To define the types and appropriate use of debt approved for use within the constraints established by Tennessee law;

5. To provide guidance for evaluating refunding candidates or alternative debt structures;
6. To provide support for the maintenance of a strong credit rating;
7. To enhance risk management practices; and
8. To increase transparency, reduce conflicts, and promote cooperation in the debt management process.

Debt Management Strategies

To achieve the goals and objectives above, the Governing Body adopts the following debt management strategies and procedures.

A. Funding Strategies

Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of Tennessee (the "State") (including Title 9, Chapter 21, Tennessee Code Annotated (the "General Bond Act") and Title 49, Chapter 3, Part 10, Tennessee Code Annotated (the "School Bond Act") and various bond authorizations enacted by the General Assembly of the State), and pursuant to resolutions adopted by the Governing Body.

1. Debt may only be used to finance or refinance:

   a. the capital costs of "public works projects" (as defined in and permitted by the General Bond Act) and such other costs related thereto as may be permitted by the General Bond Act (including without limitation issuance costs, capitalized interest and the funding of debt service reserves), all of which must be authorized by the Governing Body; and

   b. the capital costs of County school projects (as permitted by the School Bond Act) and such other costs related thereto as may be permitted by the School Bond Act (including without limitation issuance costs, capitalized interest and the funding of debt service reserves), all of which must be authorized by the Governing Body.

2. Prior to the issuance of bonds, bond anticipation notes may be issued for the payment of capital costs of projects as authorized by a resolution of the Governing Body.

3. Debt shall be secured by and payable from the following sources of funds:

   a. In the case of debt issued to finance public works projects under the authority of the General Bond Act, the full faith and credit of the County; provided that in cases where debt is issued to finance capital

improvements to a revenue-generating public works project, the debt may be additionally payable from and secured by a pledge of the revenues of such public works project;

b. In the case of debt issued to finance County school projects for grades 7-12 under the authority of the School Bond Act, the full faith and credit of the County; and

c. In the case of debt issued to finance County K-6 school projects under the authority of the School Bond Act, the full faith and credit of the County with respect to properties lying outside the boundaries of the City of Murfreesboro.

4. The County may issue debt payable from the full faith and credit of the County as a whole to finance County K-6 school projects, provided that the proceeds of such debt are shared with the City of Murfreesboro as required by the General Bond Act and the School Bond Act.

5. Prior to the adoption of a resolution authorizing debt, the Director of Budgets (the "Finance Director") shall estimate the impact of the contemplated financing and identify the projected source of repayment.

B. Federal Tax Status

1. **Tax-Exempt Debt** — Based on the assumptions that tax-exempt interest rates are lower than taxable rates and that the interest savings outweigh the administrative costs, restrictions on use of financed projects, and investment constraints; the County will use its best efforts to maximize the amount of debt sold under this policy as tax-exempt.

2. **Taxable Debt** — The County will sell taxable debt when necessary to finance projects with a private use or uncontrolled purpose. The Governing Body encourages the financing team to blend the financing of taxable projects with the financing of tax-exempt projects whenever possible and economically advantageous.

C. Legal Limitations on the Use of Debt

1. No debt obligation, except for tax anticipation notes, shall be issued to fund the current operation of the County or any department thereof. Tax anticipation notes will not be issued except upon approval of the Governing Body and strict compliance with the applicable provisions of the General Bond Act, including without limitation the provisions requiring that such notes mature no later than the end of the fiscal year in which they are issued.

2. The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized by the Governing Body.

3. In accordance with State law, bonds may be issued under the General Bond Act to finance public works projects if:

   - the Governing Body has adopted and published an initial resolution authorizing the financing;
   - the initial resolution is published with a notice giving voters a 20-day right to protest the financing; and
   - if a protest is filed by 10% of voters, a referendum is held and the financing is approved by the voters.

   In accordance with State Law, Bonds issued under the School Bond Act, and Notes issued under the General Bond Act are not subject to such requirements.

4. The County shall not issue any notes under the General Bond Act without first seeking the approval of the Comptroller of the State, or his or her designee.

Types of Debt

Pursuant to the General Bond Act and the School Bond Act, the County is authorized from time to time to issue its negotiable bonds and notes. Each issuance of debt is authorized by a Resolution adopted by the Governing Body.

A. Long Term Bonds

The County may issue long term bonds under the General Bond Act or the School Bond Act to finance capital projects or refinance outstanding debt. These bonds may be structured as:

1. **Fixed Rate Bonds** — Bonds that have an interest rate that remains constant throughout the life of the bond.
   - Serial Bonds

- Term Bonds
- Capital Appreciation Bonds

2. **Variable Rate Bonds** — Bonds which bear a variable interest rate through the term thereof. Provision as to the calculation or change of variable interest rates shall be included in the authorizing resolution. Variable rate debt shall be subject to the following limitations:

   a. The County will limit its exposure to long-term variable rate debt to the lesser of the following:

      i. 25% of the total principal amount of its outstanding long term debt; or

      ii. 50% of the County's cash balance, excluding capital projects funds or accounts funded with bond proceeds or grants, measured as of the end of the fiscal year preceding the issuance of the variable rate debt; and

   b. The County will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.

   c. The Finance Director shall be responsible for monitoring the performance of the remarketing agent, if any, the name and ratings of any letter-of-credit banks or liquidity facility providers, the expiration date of any letter-of-credit or liquidity facility, and the amount of any on-going fees associated with the variable rate debt.

B. Short Term Debt

The County may issue short term debt by resolution of the Governing Body. Debt issued in a short-term mode shall be of one of the following types:

1. **Bond Anticipation Notes (BANs)** — BANs are short term obligations authorized to be issued under the General Bond Act and the School Bond Act that will be repaid by proceeds of a subsequent long-term bond issue. BANs will not be issued unless and until all steps prerequisite to the issuance of the anticipated long term bonds have been taken.

2. **Capital Outlay Notes (CONs)** - CONs are short term notes (less than 12 year maturities), authorized by the General Bond Act, secured by a pledge of the County's full faith and credit. CONs may be issued when the County wishes to finance capital projects over a relatively short period.

3. **Grant Anticipation Notes (GANs)** - GANs are short term notes, authorized by the General Bond Act, secured as to interest by a pledge of the County's full faith and credit and as to principal by a pledge of the proceeds of an anticipated grant from a state or federal agency. GANs may be issued when the County wishes to finance capital projects in anticipation of a grant from a state or federal agency. The principal amount of the GANs shall not exceed the amount of the anticipated grant.

4. **Tax Anticipation Notes (TANs)** - TANs are short term notes, authorized by the General Bond Act, secured by a pledge of taxes and other general fund revenues in the then current fiscal year of the County. TANs, if issued, will constitute direct obligations of the County backed by the full faith and credit of the County. All TANs will be paid in the same fiscal year in which they are issued.

The County may undertake interfund borrowings, in which amounts on deposit in one County fund are lent to another fund, in the form of any of the notes listed above. All such interfund borrowings shall be approved by the Governing Body and shall be preceded by receipt of the approval of the State Comptroller, as required for the issuance of notes under the General Bond Act.

Short-term debt may be structured as fixed rate or variable rate instruments. Unless the County expects that the interest on the short-term debt is to be paid from long-term bond proceeds (e.g. bond anticipation notes), the County will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration. Given its short-term nature, there is no limitation on the amount of short-term debt that may be issued at variable rates.

C. Loans from Public Building Authorities

The County may enter into loan agreements with one or more public building authorities, pursuant to Sections 12-10-101 et seq., Tennessee Code Annotated, in lieu of issuing bonds or notes under the General Bond Act or the School Bond Act. The policies set forth herein for bonds issued under the General Bond Act or the School Bond Act shall be equally applicable to loan agreements entered into with a public building authority except that all loan agreements may be entered into pursuant to a negotiated sale. The County shall not enter into loan agreements with public building authorities in lieu of issuing its own debt, unless the Governing Body determines that the County cannot reasonably accomplish its financing objectives through the issuance of its own debt.

D. Contracts, Leases and Lease Purchase Agreements

Pursuant to Sections 7-51-901 et seq., the County may enter into, with any contracting party or parties, contracts, leases or lease-purchase agreements with

respect to capital improvement property for terms not to exceed thirty (30) years or the useful life of the subject capital improvement property, whichever is less. Payments made under such contracts, leases or lease-purchase agreements shall be subject to annual appropriation by the County.

Debt Management Practices

A. Structure

The Governing Body shall establish by resolution all terms and conditions relating to the issuance of debt.

1. Term

Any debt (including refunding debt) shall have a weighted average maturity not greater than the weighted average expected life of the assets financed by such debt. In addition, the final maturity of any bond debt should not be longer than the expected life of the longest lived asset financed thereby, and in no event more than 30 years from issuance.

2. Principal Amortization

Each bond issue shall be structured so that either (a) 20% of the principal of such issue will be amortized by the end of the tenth year following the fiscal year in which the bonds were issued, or (b) following the issuance of such bonds, 40% of the principal of all outstanding County bonds will be amortized by the end of the tenth year following the fiscal year in which the bonds were issued.

3. Capitalized Interest

Interest on a debt issue may be financed (capitalized) through a period permitted by federal law and the authorizing resolution of the Governing Body if it is determined that doing so is consistent with the financial objectives of the County.

4. **Debt Service Structure**

Debt issuance shall be planned to achieve, in conjunction with other outstanding County debt service, a debt service schedule that – over the long term – is approximately level or declining.

5. **Call Provisions**

The County will strive to issue all of its debt with a call feature occurring no later than the end of the tenth year after delivery of the bonds. In any event, call features should be structured to provide the maximum flexibility relative to cost. The County will avoid the sale of long-term non-callable bonds absent careful evaluation by the Governing Body with respect to the value of the call option.

B. Refinancing Outstanding Debt

1. Purposes

Bonds will be considered for refunding when the refunding generates results in aggregate net present value savings to the County. In determining whether a refunding is advisable, the Governing Body shall take into account, among other factors, the level of savings, the call date and final maturity date of the refunded bonds, and projected interest rates relative to historical interest rate levels. The Finance Director shall have the responsibility to periodically analyze outstanding bond issues to determine whether bonds can be refunded for debt service savings.

The County may also consider refunding bonds if necessary due to a change in private/public use of a project that would cause a need to change the tax status of the bonds.

The County may also consider refunding bonds to restructure outstanding debt service; provided that the costs of such restructuring shall be presented to the Governing Body and the Governing Body must expressly determine by resolution that the restructuring is in the County's best interest.

2. Term of Refunding Issues

The Governing Body will refund bonds within the term of the originally issued debt, unless otherwise expressly approved by resolution of the Governing Body.

3. Escrow Structuring

The County shall utilize the least costly securities available in structuring refunding escrows; provided that the County may purchase U.S. Treasuries – State and Local Government Series if it is determined that the costs and risks attendant to the solicitation of open market securities outweigh any attendant benefits. With respect to purchases of open market securities, the County will take competitive bids on a selected portfolio of securities and will award to the lowest cost provider. The provider must guarantee the delivery of securities. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the County from its own account.

C. Methods of Sale

It shall be the policy of the County to sell all bonds issued for the purpose of financing public works projects or school construction projects through a competitive bid process. In accordance with General Bond Act and the School Bond Act, notes and refunding bonds may be sold through either a competitive bid process or through a negotiated sale.

1. **Competitive** — In a competitive sale, the County's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres in all material respects to the requirements set forth in the official notice of sale.

2. **Negotiated** — While the Governing Body prefers the use of a competitive process, the Governing Body recognizes some bonds are best sold through negotiation. In a negotiated sale, the underwriter(s) will be chosen prior to the sale and the interest rate and underwriter's fees will be negotiated prior to the sale. The factors to be considered for a negotiated sale include the following:

   - Volatility of market conditions
   - Size and complexity of the bond sale
   - Credit strength
   - In the case of a refunding, timing and interest rate sensitivity
   - Whether the bonds are structured in a manner that is not conducive to competitive sale (eg. variable rate bonds)

D. Private Placement

From time to time the Governing Body may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the County relative to other methods of debt issuance.

E. Underwriter Selection (Negotiated Transaction)

1. **Selection Criteria** — The County shall select, or provide for the selection of, the underwriter(s) for a proposed negotiated sale. The selection criteria shall include but not be limited to the following:

   - Ability and experience in managing similar transactions;
   - Prior knowledge and experience with the County;
   - Capital adequacy;
   - Quality and experience of personnel assigned to the County's engagement;
   - Financing ideas presented; and
   - Underwriting fees.

2. **Underwriter's Discount** — The County will evaluate the proposed underwriter's discount in comparison to other issues in the market. All fees will be determined prior to the sale date; a cap on expenses and underwriter's counsel, if any, will be established and communicated to all parties by the County.

3. **Evaluation of Underwriter Performance** — The Finance Director will evaluate each bond sale after completion to assess the following: costs of issuance including the underwriter's compensation, and the pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis.

F. Credit Quality

The County’s debt management activities will be conducted to maintain the highest credit ratings possible, consistent with County's financing and public policy objectives. The Finance Director will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the County's debt. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The Finance Director shall prepare and make presentations to the rating agencies, as needed, to assist credit analysts in making an informed decision.

G. Credit Enhancements

The County will consider the use of credit enhancements on a case-by-case basis, evaluating economic benefit versus the cost. Only when clearly demonstrable savings can be shown shall an enhancement be utilized. The County may consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

1. Bond Insurance

The County may purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds. For competitive sales, the County may either purchase bond insurance or make the issue eligible for bond insurance and allow the purchaser of the bonds to determine whether bond insurance will be used, and to pay for such bond insurance.

2. Letters of Credit

The County may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The County will prepare and distribute a request for qualifications to qualified banks or other qualified financial institutions which includes terms and conditions that are acceptable to the County.

3. Liquidity

For variable rate debt requiring liquidity facilities to protect against remarketing risk, the County will evaluate:

- Alternative forms of liquidity, including direct pay letters of credit, standby letters of credit, and line of credit, in order to balance the protection offered against the economic costs associated with each alternative;

- Diversification among liquidity providers, thereby limiting exposure to any individual liquidity provider;

- All cost components attendant to the liquidity facility, including commitment fees, standby fees, draw fees, and interest rates charged against liquidity draws; and

- A comparative analysis and evaluation of the cost of external liquidity providers compared to the requirements for self liquidity.

H. Use of Structured Products

No interest rate agreements or forward purchase agreements will be considered unless (1) a policy defining the use of such products is approved by the Governing Body before the transaction is considered, and (2) such policy and such agreements are adopted and entered into in accordance with the restrictions and limitations set forth in applicable law.

I. Risk Assessment

The County will evaluate each transaction to assess the types and amounts of risk associated with that transaction, considering all available means to mitigate those risks. The County will evaluate all proposes transactions for consistency with the objectives and constraints defined in this Policy. The following risks should be assessed before issuing debt:

1. **Change in Public/Private Use** — The change in the public/private use of a project that is funded by tax-exempt funds could potentially cause a bond issue to become taxable.

2. **Default Risk** — The risk that debt service payments cannot be made by the due date.

3. **Liquidity Risk** — The risk of having to pay a higher rate to the liquidity provider in the event of a failed remarketing.

4. **Interest Rate Risk** — The risk that interest rates will rise, on a sustained basis, above levels that would have been set if the issued had been fixed.

5. **Rollover Risk** — The risk of the inability to obtain a suitable liquidity facility at an acceptable price to replace a facility upon termination or expiration of a contract period.

6. **Credit Risk** — The risk that an issuer of debt securities or a borrower may default on his obligations by failing to repay principal and interest in a timely manner.

7. **Fee Risk** — The risk that on-going fees may increase beyond what is initially expected.

J. **Continuing Disclosure**

To the extent that any of the County's debt issues are subject to disclosure agreements required by U.S. Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the Finance Director will ensure that the County remains in compliance with such agreements. Specifically, the Finance Director will provide certain financial information and operating data by specified dates, and will provide notice of certain enumerated events with respect to the bonds, all as described in Rule 15c2-12.

K. **Transparency**

The County shall comply with the Tennessee Open Meetings Act, providing adequate public notice of meetings and specifying on the agenda when matters related to debt issuance will be considered. Additionally, in the interest of transparency, all costs (including interest, issuance, continuing, and one-time) shall be disclosed to the Governing Body and citizens in a timely manner. In order to comply with the requirements of the preceding sentence, an estimate of the costs described above will be presented to the Governing Body along with any resolution authorizing debt.

Within four weeks of closing on a debt transaction, the debt service schedule and the State Form CT-0253 shall be available at the office of the Finance Director for review by members of the Governing Body and the public.

L. **Professional Services**

Contracts for professional services related to debt shall be awarded on the basis of recognized competence and integrity, as required by Section 12-4-106, Tennessee Code Annotated. All professionals engaged to assist in the process of issuing debt shall be required to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by the County. This includes "soft" costs or compensations in lieu of direct payments.

1. **Counsel** — The County will enter into an engagement letter agreement with each lawyer or law firm representing the County in a debt transaction. No engagement letter is required for any lawyer who serves as counsel to the County regarding County matters generally.

2. **Bond Counsel** — Bond counsel for each debt transaction is contracted by the County Mayor and serves to assist the County in such debt issue.

3. **Financial Advisor** — If the County chooses to engage a financial advisor for a debt transaction, the County shall enter into a written contract with the financial advisor on terms and conditions approved by the Finance Director. The financial advisor shall not be permitted to bid on or

underwrite an issue for which they are or have been providing advisory services.

4. **Underwriter** – If there is an underwriter for a debt issue, the underwriter must clearly identify itself to the County in writing (e.g., in a response to a request for proposals or in promotional materials provided to the County) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the County with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the County. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the Finance Director in advance of the pricing of the debt.

M. Potential Conflicts of Interest

Professionals involved in a debt transaction hired or compensated by the County shall be required to disclose existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the County to appreciate the significance of the relationships.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Debt Administration

A. Planning for Sale

1. Prior to submitting a bond resolution for approval by the Governing Body, it shall first be considered by the Budget Committee of the Governing Body. The Finance Director will present to the members of the Budget Committee and the members of the Governing Body the purpose of the financing, the proposed structure of the financing, the proposed method of sale for the financing, members of the proposed financing team, and an estimate of all the costs associated with the financing, and

2. In the case of a proposed refunding, proposed use of credit enhancement, or proposed use of variable rate debt, the Finance Director will present the rationale for using the proposed debt structure, an estimate of the expected

savings associated with the transaction (if applicable) and a discussion of the potential risks associated with the proposed structure, and

3. If required by Rule 15c2-12, the Finance Director, the bond counsel, financial advisor, if any, along with other members of the financing team will prepare a Preliminary Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

B. Post Sale

1. The Finance Director will maintain for review by members of the Governing Body and the public a report, such as State Form CT-0253, describing the transaction and setting forth all the estimated costs associated with the transaction.

2. The Finance Director will obtain a closing memorandum with written instructions on transfer and flow of funds.

3. The Finance Director will establish guidelines and procedures for tracking the flow of all bond proceeds, as defined by the Internal Revenue Code, over the life of bonds reporting to the IRS all arbitrage earnings associated with the financing and any tax liability that may be owed.

4. The Finance Director, the bond counsel, financial advisor, if any, along with other members of the financing team will prepare an Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

C. Arbitrage

Compliance with arbitrage requirements on invested tax-exempt bond funds will be maintained. Proceeds that are to be used to finance construction expenditures are exempted from the filing requirements, provided that the proceeds are spent in accordance with requirements established by the IRS. The County will comply with all of its tax certificates for tax-exempt financings by monitoring the arbitrage earning on bond proceeds on an interim basis and by rebating all positive arbitrage when due, pursuant to Internal Revenue Code Section 148. The County currently contracts with an arbitrage consultant to prepare these calculations, when needed. The County will also retain all records relating to debt transactions for as long as the debt is outstanding, plus three years after the final redemption date of the transaction.

D. Private Activity

Compliance with private activity requirements with respect to tax exempt debt-financed facilities will be maintained. The Finance Director shall maintain a record of the allocation of debt proceeds to expenditures, and monitor the use of tax exempt debt-financed facilities to ensure that no impermissible private use occurs.

E. Investment of Proceeds

Any proceeds or other funds available for investment by the County must be invested pursuant to applicable State law.

Review of the Policy

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt. A violation of the Governing Body's debt policy shall in no way be interpreted as a violation of law and shall have no bearing on the validity of debt issued by the Governing Body. The Governing Body maintains the right to modify these guidelines (except to the extent these guidelines are mandated by applicable state law or regulation) and may make exceptions to any of them at any time to the extent that the execution of such debt achieves the Governing Body's goals. Any exceptions to these policies shall be expressly acknowledged in the resolution authorizing the pertinent debt issue. In the event of a conflict between the terms of a debt resolution and this policy, the terms of the debt resolution shall control.

This policy will be periodically reviewed by the Finance Director. The Finance Director may at any time present recommendations for any amendments, deletions, additions, improvements or clarifications.

Adoption of the Policy

The Governing Body adopted this Policy on December 15, 2011 effective December 15, 2011.

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