

Item (3)  
10/26/10

**COMMISSIONERS COURT AGENDA REQUEST FORM**

ALL REQUESTS WITH SUPPORTING DOCUMENTATION TO BE PLACED ON THE COURT AGENDA MUST BE RECEIVED BY THE COUNTY JUDGE **NO LATER THAN 12:00 NOON ON THE TUESDAY PRECEDING A TUESDAY MEETING.** REGULAR COMMISSIONERS COURT MEETINGS ARE HELD ON THE SECOND AND FOURTH TUESDAYS OF THE MONTH. REQUEST THAT DO NOT HAVE SUPPORTING DOCUMENTATION WILL BE REMOVED FROM THE AGENDA. **EIGHT COPIES OF DOCUMENTATION ARE NEEDED FOR THE COURT.**

**NAME:** Bill Sinclair

**COURT DATE:** October 26, 2010

**ACTION TO BE TAKEN BY COURT:**

Discuss/Act on approving a Debt Management Policy for the County and all related matters.

**PROPOSED MOTION:**

Move that the County adopt the proposed Debt Management Policy.

**REMARKS:**

A draft of the proposed policy was discussed in some detail during a Commissioners Court Workshop held on October 19, 2010. The proposed revision involved the rewording of the last "Whereas" statement to make it more generic and to emphasize the clear intention of the Commissioners Court to achieve an 'AAA' bond rating. In addition, the wording changes discussed in the June workshop were reviewed and appeared to be acceptable. The attached revision reflects and highlights the changes that have been incorporated into the proposed policy.

HAS THIS ITEM BEEN BEFORE THE COMMISSIONERS COURT PREVIOUSLY?   No    
IF SO, WHEN \_\_\_\_\_

FISCAL IMPACT \$   None  ;

FROM WHICH LINE  
ITEM: \_\_\_\_\_

RETURN TO: COUNTY JUDGE  
101 EAST RUSK, ROOM 202  
ROCKWALL, TEXAS 75087  
Phone: 972-204-6000  
Fax: 972-204-6009



FILED FOR RECORD  
ROCKWALL CO. TEXAS  
2010 OCT 28 PM 1:32  
ROCKWALL  
COUNTY CLERK  
BY: \_\_\_\_\_ DEPUTY

## **County of Rockwall, Texas Commissioners Court Order Establishing a Debt Management Policy**

**WHEREAS the rapid growth of the County has placed current and future operating and capital demands on the County's resources; and**

**WHEREAS the capital needs are generally met through long term debt financing; and**

**WHEREAS the repayment of such debt requires the commitment of a portion of the County's principal source of revenue; i.e. property taxes; and**

**WHEREAS bond-rating agencies look favorably upon entities that establish and abide by written financial policies; and**

**WHEREAS the County intends to achieve and retain a "AAA" rating as a matter of course;**

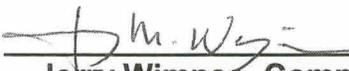
**NOW THEREFORE BE IT REMEMBERED that the Commissioners Court on the date set forth below hereby establishes the following policy regarding management of the debt burden encumbered by the County:**

- 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.

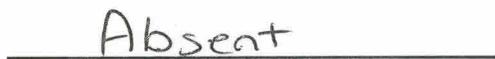
Established this 26<sup>th</sup> day of October, 2010.

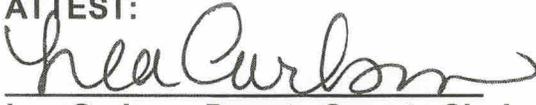
  
 \_\_\_\_\_  
 Chris Florance  
 County Judge

  
 \_\_\_\_\_  
 Jerry Wimpee, Comm. Pct. 1

  
 \_\_\_\_\_  
 Lorie Grinnan, Comm. Pct. 2

  
 \_\_\_\_\_  
 Dennis Bailey, Comm. Pct. 3

  
 \_\_\_\_\_  
 Absent  
 David Magness, Comm. Pct. 4

ATTEST:  
  
 \_\_\_\_\_  
 Lea Carlson, Deputy County Clerk