

Kittitas County, Washington

Debt Management Policy

Approved by the
County Finance Committee
___, 2015

Approved by the
Board of County Commissioners
___, 2015

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Purpose

The County recognized the foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth comprehensive guidelines for issuing debt and managing outstanding debt and provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The debt policy should recognize a binding commitment to full and timely repayment of all debt as an essential requirement for entry into the capital markets. Adherence to a debt policy helps to ensure that a government maintains a sound debt position and that credit quality is protected. Advantages of a debt policy are as follows:

- Enhances the quality of decisions by imposing order and discipline and promoting consistency and continuity in decision making,
- Rationalized the decision-making process,
- Identifies objective for staff to implement,
- Provides relative information pertaining to the repayment sources, and term of financing to the Board of County Commissioners.
- Forms the best practices regarding: when to issue bonds, method of sale, and use of alternatives to bond issuance,
- Demonstrates a commitment to long-term financial planning objective and is regarded positively by the rating agencies in reviewing credit quality.

Section 1: Responsibilities

- A. The Board of County Commissioners** has final authority relative to any debt issuance of the County. Any debt issued by the County is to be authorized by Resolution adopted by the Board of County Commissioners.
- B. The County Finance Committee** established by RCW 36.48.070 consists of the county treasurer, the county auditor, and the chair of the county legislative authority, ex officio, shall constitute the county finance committee. The county treasurer shall act as chair of the committee and the county auditor as secretary thereof. The committee shall keep a full and complete record of all its proceedings in appropriate books of record and all such records and all correspondence relating to the committee shall be kept in the office of the county auditor and shall be open to public inspection. The committee shall approve county investment policy and a debt policy and shall make appropriate rules and regulations for the carrying out of the provisions of RCW 36.48.010 through 36.48.060, not inconsistent with law. The committee shall adopt a Debt Policy, which shall be reviewed and updated at least every four years.
- C. The County Treasurer** may initiate all debt issuance at the direction of the Board of County Commissioners in accordance with the County's Capital Facilities Plan. The treasurer needs to receive the amortization schedules and wire instructions for each bond issue.

The **County Treasurer** is to:

1. Provide information required for the official statements and review drafts of the document;
2. Participate in preparation and presentation of material for rating agencies;
3. Review and provide input relating to the Bond Resolution;
4. Receive any bond proceeds on behalf of the County, and provide a receipt thereof;
5. Have responsibility for legally and properly servicing the debt; and

6. Invest all bond proceeds based on direction as to timing for expenditure of funds, provided in the Bond Resolution or by the department responsible for expenditure of funds.
7. Serve as primary contact for coordination and communication with bond rating agencies

D. The County Auditor or Budget & Finance Manager is to:

1. Serve as the focal point for information requests relating to the official statement to be used in the initial public offering of the County's bonds, and will request information required for disclosure to investors and rating agencies from relevant departments;
2. Review drafts of the bond official statement, and confirm the accuracy of information contained therein; and
3. Assist the **County Treasurer** with the coordination and communication with bond rating agencies
4. Complete the reporting requirements of the official bonding statement.

Ethical Standards Governing Conduct: The members of County staff, the Board of County Commissioners, County Treasurer and County Auditor will adhere to the standards of conduct as stipulated by the Public Disclosure Act, RCW 42.17 and Ethics in Public Service, RCW 42.52.

Section 2: Debt and Capital Planning

- A. The **Board of County Commissioners** shall cause a Capital Improvement Plan ("CIP") to be developed, that lists the capital plans and needs of the County for a six year period. The plan is to include a description of each project or need identified, projected cost and timing of capital expenditures over a six year period, and sources of funds identified for the project.
- B. Portions of the CIP will be developed by the relevant elected official and/or department head
- C. The CIP shall be adopted by the **Board of County Commissioners**.
- D. Based upon the projects and priorities listed in the CIP, the **Finance Committee** will develop, or cause to be developed, a plan for financing and a calendar of debt issuance anticipated meeting financing needs.
- E. Annual reviews of priorities shall be done to update the project need based on changes within the county such as but not limited to; increased staff, facilities maintenance and operating impacts to the county.

Section 3: Credit Objectives

A. Credit Objectives

1. **Bond Ratings.** The County will seek to maintain the highest possible credit ratings for all categories of debt, without compromising delivery of basic County services and achievement of the County's policy objectives. It is the County's goal to maintain long-term bond ratings in at least the "A" category.

Policies intended to support the maintenance of the County's current ratings are contained throughout this Debt Policy and include:

- a. Length of debt and payback goals
- b. Purpose, type and use of debt;
- c. Capital planning; and

- d. Reserve and fund balance policies.
- 2. **Bond Insurance.** For all bond issues with one or more ratings below the double-A category (Aa or AA), the County may seek one or more commitments for municipal bond insurance which will indicate the insurer's willingness to insure the timely payment of principal and interest, and the proposed cost for such insurance.

Bond insurance may be purchased when the projected present value benefit is greater than the cost of insurance. The projected present value benefit will be determined by comparing the expected interest cost for financing both with and without insurance, when discounted by the expected interest rate on the bonds.

For any competitive sale of bonds, bond insurance may be purchased by the underwriter submitting a bid, at that underwriter's option and expense.

B. Reserve Policy

The County has established of a methodology to determine a target fund balance for the general fund and other funds each year.

The Reserve Policy establishes a minimum general fund balance equal to at least enough funds in reserve to pay two (2) months expenditures.

Section 4: Purpose, Type and Use of Debt

In the issuance and management of debt, the County shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

- A. **General Obligation Debt (GO)** is backed by the full faith and credit of the County and is secured by general fund revenues and taxes collected by the County.
 - 1. **Limited Tax General Obligation Debt (LTGO)** is secured by regular tax levies and revenues, and includes all types of obligations whether lease-purchase, financing contracts, loans, bond or other payment obligations. Rental leases are not considered debt, but financing leases are. LTGO debt is subject to a statutory limitation of 1.5% of the County's taxable property (RCW 39.36.20). **Use of LTGO Debt.** LTGO debt will be used for general County purposes, when a specified repayment source has been identified through new revenue sources, expenditure reductions or increased revenue base, or in the event of an emergency.
- B. **Annual review of GO Debt Capacity** Each year, the county will prepare a report of County Debt Capacity and schedule of debt service to be included in the County's Combined Annual Financial Report (CAFR).
- C. **Unlimited Tax General Obligation Debt (UTGO)** is payable from excess tax levies and is subject to voter approval. Any proposition for UTGO debt must be approved by 60% of the voters casting a vote and the total number of ballots cast must be at least equal to 40% of the total number of voters voting in the last County or state general election (chapter 39.40 RCW). Each proposition requests approval to issue bonds for a specified purpose up to a total amount and term, and authority to levy an excess tax levy to make the bond payments each year. Total GO debt (including limited and unlimited tax) is subject to a statutory limitation of 2.5% of the County's assessed value.
 - 1. **Use of UTGO Debt.** Unlimited Tax Debt will be used for capital purposes, when the project has broad support by the County's residents, or when the use of an excess tax levy is necessary for debt service payments.

2. Annual review of GO Debt Capacity. The annual review of debt capacity described in Section 1 above will include UTGO debt.

D. Revenue Bonds or Obligations may be used to finance acquisition, construction or improvements to facilities of enterprise systems operated by the County, in accordance with a system and plan of improvements. The enterprise system must be an established system legally authorized for operation by the County.

There are no legal limits to the amount of revenue bonds the County can issue, but the County will not incur Revenue obligations without first ensuring the ability of an enterprise system to consistently meet any pledges and covenants customarily required by investors in such obligations during the term of the obligation.

1. **Assessment-backed Obligations** may be used to finance projects that will provide special benefit to certain property owners. The benefiting property owners are charged an assessment, based upon a formula developed to fairly reflect the benefit received by each property owner in the assessment district. In the event of annexation of property from the County, the property owners will continue to be responsible for payment of assessments. There are detailed statutes for the formation of assessment districts and assessing property, which contain specific timeframes for notice and conducting public hearings **Use of Assessment-backed Obligations.** The County will form assessments districts upon petition of benefiting property owner(s), unless the Board determine to establish the districts by resolution, subject to the following:
 - a. The **County Treasurer** will be provided with any proposed resolution forming an assessment district prior to its consideration by the Board at a public meeting.
 - b. The **County Treasurer** will be provided with enough detail to determine the size, timing and characteristics of the project and any contribution the County is providing to the cost of the improvements.
 - c. Any assessment district in which there is undeveloped land, land owned by governmental entities, land designated as “open space,” or a concentration of ownership in a few property owners, will not be formed without review by the County’s financial advisor and bond counsel.
2. **Procedures required for formation of Assessment District.** At such time the County Public Works department initiates work on an assessment district, they will:
 - a. Consult with the **County Treasurer** regarding the strategy to be used for construction-period financing, whether through an internal loan or external financing.
 - b. Include estimated cost of interest and estimated financing-related costs in the total estimated project cost. Estimated interest is to cover a period from the time funds are borrowed or expended until the final assessment roll is anticipated to be finalized by Resolution of the Board.
 - c. Develop with the **County Treasurer** a timeline for completion of the proposed project, and steps required in conjunction with finalizing the assessment roll, publishing required notices, providing opportunity for payment during the 30-day prepayment period, and completing financing.
 - d. Consult with the **County Treasurer** regarding final interest costs and financing-related costs to be included in the final assessment roll, and confirm timeline and steps relating to duties required for financing.

1. **Lease Purchase or Financing Contracts** are payment obligations that represent principal and interest components, for which the County receives the property after all payments, are made. Unless the financing contract specifically limits repayment to an enterprise fund and limits security to that fund only, financing contracts represent general obligations of the County. Any property acquired subject to real estate contract is to be considered a financing contract.
 - a. **Use of Financing Contracts.** Any proposed lease purchase or financing contract shall be provided to the **County Treasurer and Budget & Finance Manager** for review and further recommendation to the Board.
 - b. **Review of Available Options.** The **County Treasurer and Budget & Finance Manager** are to review the proposed terms of any lease purchase or financing contract to determine if more beneficial financing options may be available.
 - c. **Legal Review.** The Prosecutors office should review all contracts.
2. **Short Term Obligations** may be used for the purpose of cash flow financing or to provide interim financing in conjunction with the development of a long term financing plan. Short term obligations can take the form of bond anticipation notes, tax anticipation notes, revenue anticipation notes, a bank line of credit, or Interfund loans (RCW 39.50).
 - a. **Use of Short Term Obligations.** In no case will notes or other obligations be entered into for the purpose of funding deficits without prior development and review of a long term deficit funding plan by the **County Finance Committee**, with a recommendation to the Board.
 - b. **Use of internal financing or interfund loans.** The use of short term financing shall be evaluated **County Treasurer and Budget & Finance Manager** and compared with the cost of other financing options.

All interfund loan resolutions will be reviewed by the **County Treasurer and Budget & Finance Manager** to ensure that the appropriate “reimbursement” language is included in compliance with IRS regulations, the correct fund numbers are used, and to develop the appropriate repayment schedule.
 - c. **Loans to be funded from Long Term Bonds.** At the time any short term obligations are entered into, whether through internal or external loans, the County shall clearly indicate if it intends to pay or reimburse the short term obligations with proceeds of Bonds. If so, the **County Treasurer** will ensure that appropriate “reimbursement” language is included in the documentation after consultation with the County’s bond counsel.
 - d. **Short Term Debt** Short Term Debt will be defined of a period of three years or less.

Public Works Trust Fund Loans – The County shall use Public Works Trust Fund Loans as provided under RCW 43.155 for the purpose of repairing, replacing or creating domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste/recycling facilities and bridges.

Local Option Capital Asset Lending (LOCAL) Program Debt – The County is authorized to enter into a financing contract with the Office of the State Treasurer under RCW 39.94, for the purpose of financing equipment and capital needs through the State Treasurer’s Office subject to existing debt limitations and financing considerations. The LOCAL Program is an expanded version of the state agency lease/purchase program that allows the pooling of funding into larger offerings of securities.

Other Obligations Classified as Debt.

1. **Vested Compensated Absences benefits.** Compensated Absences benefits are earned by County employees based upon time in service, and the rights to such benefits are vested. The County

records vested compensated absences benefits as earned in accordance with generally accepted accounting principles. In Government Funds, the total amount of compensated benefits is recorded as a liability in the Long-Term Debt Account Group, and the liability related to the Enterprise Fund is accrued as an expense and liability in that fund. The amount of vested compensated for the Governmental Funds is used to evaluate the County's debt affordability.

2. **Landfill closure and post-closure care cost.** State and federal laws and regulation require the County to cover its landfill cells when filled and to monitor and maintain such cells for 230 years after closure. The County recognizes a portion of these costs in each operating period based on estimated landfill capacity use as of each balance sheet date. The cumulative liability is reported in the affected Enterprise Fund and is not included in measures used to evaluate the County's debt affordability unless such costs are actually paid from a bond for this purpose.

Section 5: Term of Financing and Requirements

In no case will the term of any financing exceed the life of the asset being financed.

To the extent possible, the County will strive to repay at least 20% of its long term debt within five years and 40% within ten years, unless otherwise justified. This is consistent with the County's desire to structure debt with level payments of principal and interest over the life of the debt. It is the goal of the County to establish a term of finance that ensures that the residents benefiting from the project are the ones who are paying over the life of the debt. The term will be structured consistent with a fair allocation of costs to current and future beneficiaries.

Bond financing requirements: This section describes the requirements that bond issuers or conduit borrowers must meet within 60 days of paying any original expenditure that they intend to reimburse with tax-exempt bond proceeds.

Official Intent Declaration Requirement: The municipal issuer or ultimate borrower of the bond proceeds must declare "official intent" for the original expenditure within 60 days of paying the expenditure. This official intent may be made before any expenditure is paid. The points that must be covered in the official intent declaration are as follows:

- A. The declaration of official intent must be made in the form of a resolution by the issuer.
- B. The declaration of official intent must contain a general functional description of the project, property or program to be financed by the reimbursement bonds (for example, "school building renovation," "highway capital improvement program"). A project description is sufficient if it identifies, by name and functional purpose, the fund or account from which the original expenditure is paid (for example, "parks and recreation fund--recreational facility capital improvement program").
- C. The declaration of official intent must state the maximum principal amount of debt expected to be issued (or incurred) for the project.

Timing Requirement for Official Intent Declaration: The issuer or the conduit borrower must declare its official intent within 60 days of making the original expenditure with respect to which it will issue reimbursement bonds. The official intent declaration may be adopted before any expenditure is made.

Type of Property Requirement: The expenditure to be reimbursed must be a "capital" expenditure. A capital expenditure is any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles. Most working capital cannot be financed with the proceeds of reimbursement bonds. Original expenditures for extraordinary, non-recurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal

judgments in amounts in excess of reasonable insurance coverage may be financed with reimbursement bond proceeds. In addition, costs of issuance of the reimbursement bonds may be financed as can grants, qualified student loans, qualified mortgage loans or qualified veterans' mortgage loans.

Reasonableness Requirement: On the date of adoption of the official intent declaration, the issuer or conduit borrower must have a reasonable expectation that it will reimburse the original expenditure with proceeds of the reimbursement bonds. Official intent declarations made as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for the project are not reasonable. Similarly, a pattern of failing to reimburse original expenditures covered by official intent declarations is evidence of unreasonableness.

Refinancing rules: Rules prohibit reimbursement bond proceeds from being applied to pay principal or interest on an obligation that financed an original expenditure. Prior reimbursement bonds may be refunded if the prior reimbursement bonds met the reimbursement requirements in effect on the date they were issued.

Bond issuance requirements: There are certain bond issuance and proceeds allocation requirements that must be met at the time of issuance of the reimbursement bonds.

Timing Requirements for Reimbursement Bonds: Reimbursement bonds must be issued and bond proceeds allocated to reimburse the issuer or conduit borrower not later than the date that is 18 months after:

- A. the date the original expenditure was paid, or
- B. the date that the project to be financed was placed in service, but in no event more than three years after the original expenditure was paid.

In the case of governmental units with general taxing powers that expect to issue no more than \$5 million of governmental bonds in the calendar year, reimbursement bonds that are not private activity bonds must be issued within three years of the date the original expenditure was paid or within three years after the property is placed in service.

Allocation Requirement

- A. In order for reimbursement bond proceeds to be treated as expended, the bond proceeds must be "allocated" to the expenditures on the books and records of the issuer or conduit borrower. The allocation must result in the bond proceeds being relieved from all restrictions or covenants contained in the bond documents and state law. An allocation made within 30 days of issuance of the reimbursement bonds may be treated as made on the date of issuance of the reimbursement bonds.
- B. An allocation is invalid and does not result in an expenditure of reimbursement bond proceeds if, within one year after the allocation, money corresponding to the proceeds of the reimbursement bonds allocated to the original expenditure are used to create a sinking fund, pledged fund or otherwise establish an account that has a nexus to the governmental purpose of the reimbursement bonds resulting in the creation of replacement funds.

Reasonable Changes to Project

The rules allow reasonable deviations between the project descriptions contained in the intent resolutions and the actual projects financed by the reimbursement bond proceeds. The project actually financed must be reasonably related in function to the project described in the official intent declaration.

Section 6: Refunding Obligations

Bonds may be refunded (i.e., refinanced) through “*advance refunding*,” which is undertaken in advance of the call date of the outstanding bond, or a “*current refunding*,” which is undertaken after the outstanding bond is subject to redemption (or not more than 90 days prior to the first date on which they can be redeemed).

The IRS limits the County to advance refunding each bond issue one time and does not limit the number of current refunding issues that may be used. Therefore, the County maintains a higher standard of savings for advance refunding bonds.

A. Initiating Bond Refinancing. The **County Treasurer** will review, or cause the County’s financial advisor to review, the County’s outstanding debt and recommend issues for refunding as market opportunities arise.

The **County Treasurer** will make a recommendation to the Board relative to any proposed refunding or refinancing opportunities.

B. Deferral of Debt Service. The County will not refinance debt for the purpose of deferring scheduled debt service, unless unique circumstances are present. The County is aware that refinancing for the purpose of deferring debt service may have an impact on its credit rating.

C. Savings Thresholds Required for Refunding. Any refunding or refinancing must meet the Savings Thresholds set forth below, unless otherwise justified in writing.

1. Advance Refunding. To accomplish an *advance refunding*, new bonds are issued and proceeds of the new bonds are invested in Government Obligations, and held in an escrow account (held by an Escrow Agent and not the County).

Advance refunding transactions will only be considered when net present value savings equal at least 3.0% of the amount of debt being refunded. The preferred savings target is 5% of the amount of refunded debt.

At any time an advance refunding bond is considered, the County will consider the following information:

- a. Projected or targeted savings stated as (a) an annual amount each year; (b) a net present value amount; and (c) net present value as a percentage of refunded par of bonds.
- b. Detailed estimate of costs of issuance and the impact of costs on savings.
- c. Specific information on any potential “negative arbitrage” in the escrow account.
- d. Alternative results that may be available by waiting for future opportunity.

2. Current Refunding. To accomplish a current refunding, new bonds are issued and proceeds of the new bonds are used within 90 days to prepay the refunded bonds. Current refunding transactions will generally be considered when net present value savings equal at least the preferred savings targets, based on number of years to maturity, as shown below:

<u>Years Between Call and Final Redemption</u>	<u>Present Value Standard</u>
1-2	1%
3-4	2%
5-6	3%
7+	4%

D. Conditions for Refunding.

At any time a refunding bond is considered, the **County Treasurer and Board** will confirm that they are not aware of any unspent proceeds from the original bond issue, a plan to change the use of the facility financed with the original bonds, or otherwise redeem the bonds within the next several years. If such confirmation cannot be made, the **County Treasurer** is to consult with the County's bond counsel and/or financial advisor.

Section 7: Method of Sale of Bonds

The preferred method of sale for all County debt shall be competitive sale, unless County receives a recommendation from its financial advisor justifying the use of negotiated sale, and the recommendation is approved by the **Finance Committee** for further recommendation to the Board.

The competitive sale method involves offering the bonds for sale through sealed bid (which may be received electronically), to be submitted at a specified date and time. The County's financial advisor will establish criteria for award of the bid, which will be either (a) true interest cost, or (b) for advance refunding bonds, the bid resulting in the highest net present value savings.

The negotiated sale method involves direct negotiation with a pre-selected underwriting firm. An underwriter for negotiated sale will be selected through a competitive RFP or RFQ process, as described in this Debt Policy.

Section 8: Use of Professionals and Other Service Providers

- A. Bond Counsel.** All debt issued by the County will include a written opinion by legal counsel affirming that the County is authorized to issue the debt, and that all statutory requirements have been met. The legal opinion and other documents relating to the issuance of debt will be prepared by nationally recognized private legal counsel with extensive experience in public finance and tax issues.
- B. Financial Advisor.** The **County Treasurer** will retain a financial advisor consistent with the County's general authority to contract. The financial advisor shall be nationally recognized, have comprehensive municipal debt experience, including debt structuring and pricing of municipal securities, and have knowledge of State laws relating to County finances. The County financial advisor is to be available for general purposes, and will assist the County with all financing issues. *In no case shall the financial advisor serve as underwriter for the County's bonds.*
- C. Underwriter.** The **County Treasurer** in consultation with the County's financial advisor and with concurrence of the **Finance Committee** will coordinate a process to select an underwriter for any negotiated sale of bonds, based on a competitive RFP or RFQ process. The process shall take into account the type of issue, experience offered and other relevant criteria, and shall provide for competitive, written proposals. This provision is intended to provide broad flexibility, in compliance with this policy. The selection of underwriter may be for an individual bond issue, series of financings or a specified time period, as determined by **County Treasurer**.
- D. Other Service Providers.** Professional services such as verification agent, escrow agent or rebate analyst shall be appointed by the **County Treasurer** in consultation with the County's financial advisor and are considered incidental to undertaking the issuance of debt.

Section 9: Investment of Bond Proceeds

Each Bond Resolution will provide for establishment of funds and accounts, which will be designated in advance by the **Budget & Finance Manager**.

The **Budget & Finance Manager** or any other party designated in the Bond Resolution will provide direction to the **County Treasurer** on the length of time bond proceeds are to be invested.

Investments will be made in accordance with the County's Investment Policy.

Section 10: Post-Issuance Compliance

A. Post Issuance Compliance Policy. The County will maintain a written Post Issuance Compliance Policy, to ensure that all State law, IRS and contractual requirements are monitored and met, which policy will be adopted by the Finance Committee for recommendation to the Board.

The **County Treasurer** is to communicate with the parties delegated responsibility in the policy to ensure they are aware of their role and duties and that they have adequate training and resources to fulfill their role and duties. Each such party will be provided a copy of the policy.

B. Arbitrage and Tax Law Requirements.

1. Prior to any debt issuance, **the County Treasurer and/or Budget & Finance Manager** or such other person set forth in the relevant Bond Resolution, shall be responsible for obtaining, or shall prepare, a schedule that shows the expected timing and amount of expenditures to be made from the project fund. This schedule will be provided to bond counsel for use in developing an Arbitrage or Tax Certificate.
2. **The County Treasurer and/or Budget & Finance Manager** will keep records of investment of bond proceeds and bond funds sufficient to develop calculations required for compliance with arbitrage and other tax law requirements.
3. **The County Treasurer and/or Budget & Finance Manager** shall be responsible for compliance with arbitrage reporting and other tax law requirements, and may retain the services of a qualified professional firm to provide computations relating to potential arbitrage rebate liability of the County.

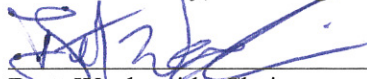
C. Disclosure Documents. The County is required to provide disclosure, generally in the form of an official statement, relating to each public offering of debt. The County's financial advisor or bond counsel will have primary responsibility for drafting and preparation of the official statements for each transaction, although the County is responsible for providing complete and accurate information to be included in the official statement, and is responsible for the overall content of the document.

1. Primary market disclosure
 - a. **The County Treasurer** will serve as the focal point for information requests relating to official statements to be used in the initial offering of the County's bonds or notes. **The County Treasurer** will request information required for disclosure to investors and rating agencies from relevant departments. Each department bears responsibility for the information provided for use in the County's official statements.
 - b. **The Chair of the Board of County Commissioners and the County Treasurer** will sign a statement attesting to the accuracy and completeness of the information therein.
 - c. **The Board** will be provided with a copy of the official statement for each issue of debt.
2. Secondary market disclosure

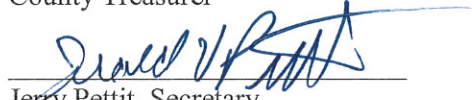
- a. The County is generally required to enter into a contract to provide “secondary market disclosure” relating to each bond issue (referred to as an “undertaking”). The **County Treasurer** shall review any proposed undertaking to provide secondary market disclosure and negotiate any commitments therein.
- b. The **County Treasurer** will coordinate with others within the County to provide secondary market disclosure filings annually, if the County has contracted to provide any, and to provide material events filings as needed.
- c. The **County Treasurer and/or the Budget & Finance Manager** will determine if the secondary market disclosure obligation can be met by including “supplemental information” in the County’s annual financial report.

Approved by the Finance Committee on _____, 2015

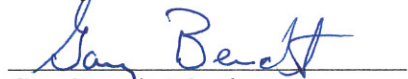
**Finance Committee
Kittitas County, Washington**



Brett Wachsmith, Chairman
County Treasurer



Jerry Pettit, Secretary
County Auditor



Gary Berndt, Member
Chairman Board of County Commissioners

Approved as to Form:
County Prosecutor

Approved on this date, _____, 2015 by Resolution No. _____

**Board of County Commissioners
Kittitas County, Washington**

Chair

Commissioner

Commissioner

Attest

Clerk of the Board