

**BOARD POLICY - SECTION NUMBER: 03.02.02.07**

**SUBJECT: MINIMIZING THE EXPENSE OF FINANCING CAPITAL PROJECTS**

**EFFECTIVE DATE: July 8, 1998**

**SUPERSEDES: NEW**

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**Purpose:** The purpose of this policy is to minimize the financing (interest) expense and operational impacts that may result from borrowing funds for future capital project requirements.

**Policy:** It is the policy of the BOCC that short-term or long-term financing for capital projects be based on anticipated cash requirement so as to borrow only when funds are needed, and to fully comply with federal tax code in regard to arbitrage rebates. That is, funds shall not be borrowed for future phases of a project, if those funds will not be needed within the next twelve months and the County will incur additional interest expense or operating impacts as a result of such action.

As necessary, the County will employ the use of bond anticipation notes (BANs), pay-as-you-go financing until an accurate project cost can be determined, and/or breaking a bond issue into phases.

**Responsibility:** It is the responsibility of the Management and Budget Department, and the Debt Management Department, under the direction of the County Administrator, to implement this policy.

Approved By: Board of County Commissioners

Approval Date: July 8, 1998