

**Adopting The Ulster County Debt Management Policy**

Referred to: The Ways and Means Committee (Chairman Gavaris and Legislators Cahill, Criswell, Roberts and Ronk)

Chairman of the Ways and Means Committee, John Gavaris, offers the following:

WHEREAS, the Government Finance Officer's Association (GFOA) recommends that Governments adopt comprehensive written debt management policies that reflect applicable local, state, and federal laws and regulations; and

WHEREAS, debt management policies are written guidelines, allowances, and requirements that guide the process of debt evaluation and debt issuance practices of Governments, including the issuance process, management of a debt portfolio, adherence to various laws and regulations, federal tax compliance, and compliance with post-issuance continuing disclosure requirements; and

WHEREAS, such policy should improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning; and

WHEREAS, adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and therefore is likely to meet its debt obligations in a timely manner; and

WHEREAS, adherence to a debt management policy helps to ensure that a government maintains a sound financial position and protect the government's credit quality; and

WHEREAS, Ulster County's External Financial Auditors recommended the adoption of a debt management policy to provide credibility, transparency, and assurance that there is a common understanding among elected officials and staff regarding the issuer's approach to debt financing in the Management Letter issued in conjunction with the audit as of and for the year ended December 31, 2019; and

WHEREAS, a debt management policy is an essential tool for governments to ensure that both the level and rate of growth in their public debt is fundamentally sustainable, and can be serviced under a wide range of circumstances while meeting cost and risk objectives; and

WHEREAS, risky debt management practices have proven to increase the vulnerability of the economy to economic and financial shocks and often result in severe financial consequences; and

