POLICY NO. FIN-01	DATE 11/14	OFFICE OF PRIMARY RESPONSIBILITY (OPR) Finance
Title: **DEBT MANAGEMENT**		

1) POLICY

The Las Vegas Convention and Visitors Authority (LVCVA) recognizes the foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth the parameters 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 intrinsic 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.

2) PURPOSES FOR WHICH DEBT MAY BE ISSUED

Debt financing is normally used for land acquisition, capital construction, improvements, facilities expansion and other infrastructure improvements and additions which cannot be funded from current revenues, capital reserves or fund balance designations. Debt may also be incurred to fund capital recreation grants to other government entities.

A) Capital improvement plan

i) The LVCVA prepares a multi-year capital improvement plan (CIP) as a financial planning and management tool, which is updated annually. The CIP lists all proposed capital projects and capital acquisitions for a rolling five-year period. For each project / acquisition, the CIP contains an explanation, justification, documentation, amount of funding that is expected to be needed, and a priority category. Based on the individual project details, a summary of capital funding needs over the next five years is prepared and sources of funding identified.

ii) It is important to match capital needs with economic resources on an annual basis to ensure that the proposed level of debt issuance does not place a constraint on maintenance of the LVCVA’s credit worthiness or future credit rating improvements. In this regard, the CIP process includes a complete analysis of the anticipated sources of funds for future capital projects, as well as the resulting impact of long-term financing on the LVCVA’s debt position.

iii) The LVCVA plans long- and short-term debt issuance to finance its capital program based on its cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The Sr. Vice President of Finance oversees and coordinates the timing, issuance process and marketing of the LVCVA's borrowing and capital funding activities required in support of the capital improvement plan.

iv) As part of the CIP, the LVCVA sets aside sufficient current revenues to finance ongoing maintenance needs and to provide periodic replacement and renewal consistent with its philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize a capital asset's useful life.

v) It should be recognized that changing circumstances require flexibility and revision. Anticipating every future contingency is unrealistic. When adjustments to debt plans become necessary, the reasons will be well documented to demonstrate that the LVCVA's commitment to sound debt management remains unchanged.

B) Operational Costs and Revenue Sources Associated with Each Project

i) Prior to proceeding with any major capital building or expansion project, analyses and appraisals are prepared by staff, professional consultants, or both. Pro forma projections play a central role in the decision-making process. The feasibility of the project is subjected to extensive evaluation, not only operationally, but financially as well. Financial analyses include:

- ✓ Start-up costs
- ✓ Future maintenance and operational costs
- ✓ Financial impact upon current support services
- ✓ Projected operational revenues

ii) Several forecasts may be prepared using a different basis by adjusting for the size and scope of the project. The planning process for most major capital building projects extends several years, and projections are revised throughout the process.

3) TYPES OF DEBT

The LVCVA is authorized to issue debt under Nevada Revised Statutes (NRS) 244A.597 through 244A.655 pursuant to the Local Government Securities Law of Nevada (NRS 350.500 et seq.). Authorized debt types include the following:

A) General Obligation Bonds (GO Bonds)

i) The LVCVA may issue general obligation bonds in the name and on behalf of Clark County. General obligation bonds are direct and general obligations of Clark County and the full faith and credit of the County is pledged for the payment of principal and interest, subject to certain Nevada constitutional and statutory limitations.

ii) In Nevada, governments must present their general obligation debt proposals to the Debt Management Commission (DMC). The DMC reviews the statutory debt limit, the method of repayment and the possible impact on other underlying or overlapping entities. DMC approval is required for the LVCVA to initiate borrowing.

iii) General obligation bonds are additionally secured by a pledge of revenues from the LVCVA. As a matter of practice, the LVCVA has never had to use property taxes for debt service, using only net pledged revenues derived from operations.

B) Revenue Bonds

Under NRS 244A.637, the LVCVA may issue revenue bonds payable solely from the net revenues derived from operations and room taxes. Revenue bonds are not general obligations of the County and no ad valorem taxes may be levied to pay the debt service. They are excluded from the legal debt limitation and approval by the DMC.

C) Medium-Term Limited Financing

Negotiable notes, short-term negotiable bonds or commercial paper may also be issued. These issues are payable from all legally available funds of the LVCVA. The LVCVA is not authorized to levy ad valorem taxes to pay debt service on these obligations.

D) Certificates of Participation/Other Leases

Certificates of Participation are essentially leases, which are sold to the public. The lease payments are subject to annual appropriation. Investors purchase certificates representing their participation in the lease. Often, the equipment or facility being acquired serves as collateral. These securities are most useful when other means to finance are not available under state law.

E) Taxable Bonds

The cost of taxable debt is higher than for tax exempt debt. However, the issuance of taxable debt may allow valuable flexibility in the timing and nature of a bond sale. Additionally, it may be mandated in some circumstances. Legislation in the United States Congress may affect the tax status of proposed or future debt issuances. Unless mandated, the LVCVA will usually issue tax-exempt obligations.

F) Direct Pay Bond

The LVCVA may obtain certain advantages and savings when issuing taxable obligations for capital projects that meet certain requirements of the Tax Code and Treasury regulations under the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), Congress added sections 54AA and 6431 to the Tax Code, Such bonds are referred to as "Build America Bonds (BAB's)."

4) STRUCTURAL FEATURES

A) Maturity

The term of LVCVA debt issues should not extend beyond the useful life of the project or equipment financed. The repayment of principal should generally not extend beyond 30 years unless there are compelling factors that make it necessary to extend the term beyond this point.

B) Repayment

Debt should be structured to provide for either level principal or level debt service. The LVCVA may choose to structure debt repayment so as to wraparound existing obligations or to achieve other financial planning goals. Deferring the repayment of principal should be avoided except in select instances where it will take a period of time before project revenues are sufficient to pay debt service. Ascending debt service should generally be avoided.

C) Bond Insurance

Bond insurance is an insurance policy purchased by an issuer or an underwriter for either an entire issue or specific maturities, which guarantees the payment of principal and interest. This security provides a higher credit rating and thus a lower borrowing cost for an issuer.

The LVCVA will determine with each debt issuance if bond insurance is required or beneficial to the LVCVA. Bond insurance can be purchased directly by the LVCVA prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). When insurance is purchased directly by the LVCVA, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium.

D) Reserve Fund

A debt service reserve fund is created from the proceeds of a bond issue and/or the excess of applicable revenues to provide a reserve to meet debt service payments. This provides a measure of added security to bond holders and may improve the credit rating and thus a lower borrowing cost for an issuer. Certain debt issues may require a reserve fund or the LVCVA may choose to create one if it is determined to be cost effective. When cost/beneficial, the LVCVA may consider the use of surety bonds, lines of credit or similar instruments to satisfy reserve requirements.

E) Coverage Policy

Coverage is the ratio of pledged revenues to related debt service for a given year. The LVCVA targets a minimum coverage ratio of 3.0 due to the current single-source revenue structure. Coverage may be re-assessed if there is a significant change in revenue structure, sources and diversification.

For purposes of calculating annual debt service to be used in determining the coverage ratio, any interim financings (commercial paper, bank drawdown facilities, etc.) will assume annual interest on the maximum amount at 6%. Long term financings that are not fixed rate bonds will be assumed to be amortized over a 30 year period at a 6% interest rate.

F) Call Provisions

A call option, or optional redemption provision, gives the issuer of a bond the right to prepay or retire a debt prior to its stated maturity. This option allows the issuer to achieve interest savings in the future through refunding of the bonds. Often the issuer must pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. In addition, if a bond or debt is called, the holder may be entitled to a premium payment ("call premium"). Because the cost of call options can vary widely, depending largely on market conditions, the LVCVA and its financial advisor evaluate optional redemption provisions for each issue to assure that the LVCVA does not pay unacceptably higher interest rates to obtain such advantageous calls.

5) CREDIT OBJECTIVES

Credit ratings indicate to potential buyers whether a government entity is considered a good credit risk. Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market. The LVCVA's goal is to maintain or improve its bond ratings. To that end, prudent financial management policies will be adhered to in all areas.

Full disclosure of operations will be made to the bond rating agencies. The LVCVA shall maintain a line of communications with the appropriate rating agencies, informing them of major financial events as they occur. The rating agencies will be informed of how to download the Comprehensive Annual Financial Report after the Board of Directors has accepted it. A personal meeting with representatives of the rating agencies will be scheduled every few years or whenever a major project is initiated.

Standard & Poor's Fitch		***Moody's***	
+AAA AAA, -AAA	The best quality companies, reliable and stable	Aaa	Highest quality, with the "smallest degree of risk"
+AA, AA, -AA	Quality companies, a bit higher risk than AAA	Aa1, Aa2, Aa3	High quality and subject to very low credit risk, but their "susceptibility to long-term risks appears somewhat greater"
+A, A, -A	Economic situation can affect finance	A1, A2, A3	Upper-medium grade and are subject to low credit risk, but that have elements "present that suggests a susceptibility to impairment over a long term"
+BBB, BBB, -BBB	Medium class borrowers, which are satisfactory at the moment	Baa1, Baa2, Baa3	Medium-grade and "protective elements may be lacking or may be characteristically unreliable"

6) METHOD OF SALE

A) Competitive Sale

With a competitive sale, any interested underwriter(s) is invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. The best bid is usually determined based on the lowest overall interest rate. Competitive sales should be used for all issues unless circumstances dictate otherwise.

B) Negotiated Sale

When certain conditions favorable for a competitive sale do not exist and when a negotiated sale will provide significant benefits to the LVCVA that would not be achieved through a competitive sale, the LVCVA may elect to sell its debt obligations through a private or negotiated sale, upon approval by the Board of Directors. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program.

The underwriting team may be selected through a competitive process. The Finance Department will solicit proposals from underwriters who have submitted, in their own name, or as part of a syndicate, bids for previous competitive bond issues. All such firms will have an equal opportunity to be selected to the negotiated underwriting pool. Before work commences on a bond issue to be sold at negotiated sale, the underwriter shall provide the Finance Department a detailed estimate of all components of their compensation. The criteria used to select an underwriter in a negotiated sale should include the following:

- ✓ Overall experience
- ✓ Marketing philosophy
- ✓ Capability
- ✓ Previous experience as managing or co-managing partner
- ✓ Financial statement
- ✓ Public finance team and resources
- ✓ Breakdown of underwriter's discount
- ✓ Management fee - compensation to the underwriter for their work in structuring the issue
- ✓ Underwriting fee - compensation to the underwriter for use of capital to underwrite the bonds
- ✓ Average takedown - the portion of the underwriters' discount used to pay the sales force
- ✓ Expenses - administrative costs such as underwriter's counsel and administrative fees

7) FINANCIAL CONSULTANTS

A) <u>Bond Counsel</u>

The primary role of bond counsel is to certify that the issuer has legal authority to issue the bonds and to issue an opinion as to the tax status of any debt issuances. Bond counsel also advises the issuer on whether proposed borrowing is legally permitted and works with the issuer to assure compliance with all constitutional, statutory, and procedural requirements. LVCVA will also seek the assistance of Bond Counsel in drafting bond documents, including the official statement, resolutions authorizing the sale and issuance of the bonds and other necessary documents.

B) <u>Financial Advisor</u>

The LVCVA will seek the advice of the Financial Advisor when necessary. The Financial Advisor will advise on the structuring of obligations to be issued, provide information on various options, give advice as to how choices will impact the marketability of LVCVA obligations and will provide other services as required.

8) REFUNDINGS

A refunding is generally the underwriting of a new bond issue whose proceeds are used to redeem an outstanding issue. Key definitions are described as follows:

a) Advance Refunding - A method of providing for payment of debt service on a bond until the first call date or designated call dates from available funds. Advance refundings are accomplished by issuing a new bond or using available funds and investing the proceeds in an escrow account in a portfolio of U.S. government securities structured to provide enough cash flow to pay debt service on the refunded bonds.

b) Current Refunding - The duration of the escrow is 90 days or less.

*A **critical IRS restriction*** limits an issuer to no more than one advance refunding for each issue after August 1986. As a result, the LVCVA must carefully evaluate the appropriateness of advance refunding when an opportunity arises because there will be only one chance to reduce interest cost of the refunded bond until the call date, if any.

Considering this, the LVCVA will generally consider refunding outstanding bonds only if the present value savings are at least 3% of the par amount of the refunded bonds, or if the bonds to be refunded have restrictive or outdated covenants, or if restructuring debt is deemed in the best interest of the LVCVA.

9) DISCLOSURE PRACTICES

A) Secondary Market Disclosure

i) In November 1994, the Securities and Exchange Commission ("SEC") amended Rule 15c2-12 (the "Rule") to prohibit any broker, dealer, or municipal securities dealer from acting as an underwriter in a primary offering of municipal securities unless the issuer promises in writing to provide certain ongoing information. The annual financial information is to be sent to the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA) website as designated by the SEC.

ii) The LVCVA will comply with the Rule by providing the secondary market disclosure as required.

B) Arbitrage

The Debt Issuance Compliance Policy (FIN-28) discusses the requirements and procedures for ensuring compliance with federal laws relating to arbitrage rebate.

10) OTHER

A) Use of Debt Service Funds

The LVCVA establishes a separate debt service fund for each debt issue. Reserves at June 30 will be sufficient to pay principal and interest due on July 1 of each year.

B) Extraordinary R, M & I

NRS 354.6105 may establish a fund for the extraordinary maintenance, repair or improvement of capital projects funded by bonds. Except as otherwise provided in NRS 374A.020, the money in the fund may be used for the extraordinary maintenance, repair or improvement of capital projects or facilities that replace capital projects of the entity that made the deposits in the fund. The money in the fund at the end of the fiscal year may not revert to any other fund or to be a surplus for any purpose other than the purpose specified in this subsection.

C) Policy Administration Responsibility

This policy was adopted by the LVCVA's Board of Directors. It is updated annually and submitted to the Debt Management Commission and the State Department of Taxation. The President and the Sr. Vice President of Finance are responsible for the administration of the policy, with the Board ultimately responsible for approval of the form of any LVCVA borrowing. The LVCVA's chief financial officer is identified as follows:

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AUTHENTICATION:	Approved by the Board of Directors	11/14
	Policy approved/Supplement updated by the SVP of Finance	10/14
	Policy reviewed/Supplement updated by the SVP of Finance	07/14
	Policy reviewed/Supplement updated by the SVP of Finance	07/13
	Policy reviewed/Supplement updated by the VP of Finance	07/12
	Policy reviewed/Supplement updated by the VP of Finance	07/11
	Approved by the Board of Directors	07/10
	Approved by the Vice President of Finance	06/10

DEBT CAPACITY ANALYSIS

This portion of the debt management policy has been developed to analyze the existing debt position of the LVCVA and to assess the impact of future financing requirements on the LVCVA's ability to service the additional debt. In addition, Senate Bill 413 requires certain information be provided to the Nevada Department of Taxation and the Debt Management Commission on or before August 1 of each year. The following information satisfies those informational requirements. This supplemental has been updated to reflect the new bond issued during fiscal year 2014, and to update the debt balances with the most current information.

Current Debt Position

As of 6/30/2014, the LVCVA has the following outstanding debt issues:

Date	Original Amount	Type	Purpose	Maturing	Balance as of 6/30/2014
4/2005	118,745,000	Revenue	Refunding	FY 2020	91,735,000
5/2007	38,200,000	G.O./Revenue	Refunding	FY 2022	25,045,000
11/2007	50,000,000	Revenue	Land & Improve.	FY 2038	44,620,000
7/2008	26,455,000	G.O./Revenue	NDOT	FY 2039	24,070,000
2010A	70,770,000	G.O./Revenue	NDOT	FY 2039	70,770,000
2010B	28,870,000	G.O./Revenue	NDOT	FY 2027	22,735,000
2010B	24,650,000	G.O./Revenue	Refunding	FY 2027	24,395,000
2010C	155,390,000	G.O./Revenue	NDOT	FY 2039	155,390,000
2010D	18,515,000	G.O./Revenue	NDOT	FY 2016	8,050,000
2010E	81,925,000	Revenue	Refunding	FY 2041	81,925,000
2012	24,990,000	G.O./Revenue	Land & Improve.	FY 2033	24,990,000
2014	50,000,000	G.O./Revenue	Land & Improve.	FY 2044	50,000,000
				Total	623,725,000

Future Debt Payments

Annual debt service requirements for the LVCVA's bonds are as follows:

Year Ending 6/30	Principal	Interest	Total
2015	24,800,000	32,383,145	57,183,145
2016	27,665,000	31,409,997	59,074,997
2017	28,995,000	30,085,272	59,080,272
2018	30,290,000	28,723,461	59,013,461
2019	31,760,000	27,294,837	59,054,837
2020-2024	108,905,000	118,799,783	227,704,783
2025-2029	104,710,000	92,264,014	196,974,014
2030-2034	110,790,000	62,642,628	173,432,628
2035-2039	129,120,000	26,583,891	155,703,891
2040-2044	26,690,000	2,357,011	29,047,011
	$ 623,725,000	$ 452,544,039	$ 1,076,269,039

Ability to Afford Existing and Future Debt Obligations

Coverage is the ratio of pledged revenues to related debt service for a given year. It shows that the revenues pledged to pay the debt service are, in fact, sufficient to pay debt service by the number of times it is covered.

	Gross Pledge Revenues	Operating & Maintenance Expenditures	Collection Costs	Net Pledge Revenue	Debt Service	Debt Coverage
	(1)	(2)			(3)	
FY 2005	$ 224,770,554	$ 51,253,344	$ 17,820,101	$ 155,697,109	$ 24,477,555	6.36
FY 2006	253,172,523	50,035,405	20,205,044	182,932,074	23,223,269	7.88
FY 2007	269,118,611	56,088,157	21,520,541	191,509,913	24,391,084	7.85
FY 2008	281,918,943	59,504,325	22,258,498	200,156,120	23,989,128	8.34
FY 2009	225,143,478	56,292,011	17,882,816	150,968,651	30,454,599	4.96
FY 2010	200,737,367	50,013,839	15,600,670	135,122,858	28,562,969	4.73
FY 2011	226,060,027	48,726,140	17,734,516	159,599,371	44,321,298	3.60
FY 2012	250,820,583	53,674,772	20,140,605	177,005,206	42,754,341	4.14
FY 2013	253,051,353	54,128,255	20,502,802	178,420,296	53,951,716	3.31
FY 2014	285,879,682	59,173,718	22,449,149	204,256,815	54,514,110	3.75
FY 2015 (Bud.)	273,241,900	55,540,600	22,355,001	195,346,299	57,183,146	3.42

(1) Gross pledged revenues include interest income and miscellaneous fees and charges in the general fund. Revenues from the capital and debt service have been excluded since these are not a constant source of income. FY 2015 are preliminary unaudited projections for June 30, 2015.

(2) In FY 2006, the Public Affairs department transferred from the Marketing Division to the Executive Division. Total expenditures for the Public Affairs are excluded due to the nature of the expenditures benefiting the City of Las Vegas and the County rather than the Las Vegas Convention Center and Cashman Center. Marketing expenditures included in the total relate to the sales efforts of marketing the convention facilities, primarily the Las Vegas Convention Center and Cashman Center (Customer Experience, Convention Services, and Registration). All other Marketing departments expenditures are excluded.

(3) Includes principal and interest payments on all debt and excludes bond issuance costs and operating transfers to the General Fund.

Capacity to Incur Future Debt without Exceeding Applicable Debt Limit

Nevada Revised Statutes 244A.059 limit the aggregate principal amount of Clark County's general obligation debt to ten percent of the County's total reported assessed valuation. In addition to the debt limits imposed on overall County general obligation indebtedness, state statutes (NRS 244A.653) limit the aggregate indebtedness for recreational purposes that may be incurred by the LVCVA on behalf of the County to no more than five percent of the County's total assessed valuation. The statutory debt limit in the table below is based upon the County's assessed valuation for fiscal year 2012-13 of $53,267,070,000 (including the assessed valuations of the Redevelopment Agencies). Outstanding debt is identified as of June 30, 2014 for the LVCVA and June 30, 2013 for Clark County:

	Las Vegas Convention and Visitors Authority	**Clark County**
Reported Assessed Valuation	$ 53,267,070,000	$ 53,267,070,000
Bonded debt limit	5%	10%
Statutory debt limitation	2,663,353,500	5,326,707,000
Less:		
Outstanding General Obligation	405,445,000	1,393,040,000
Proposed Bonds	168,500,000	
Additional Statutory Debt Capacity	2,089,408,500	3,933,667,000

G.O. Debt per Capita Compared to the Average of Such Debt for Other Local Governments

Due to the nature of the LVCVA, it is not considered feasible to determine a per capita debt comparison of the LVCVA with other governmental agencies within the state. The only similar agency within the state is the Reno-Sparks Convention and Visitors Authority. Because of the size difference, a comparison with that organization is not considered appropriate. However, if the LVCVA's portion of Clark County's general obligation debt ($405,445,000 as of 6/30/14) is compared to the most recent County population estimate (2,031,723 at June 30, 2013); the resulting ratio is $199.56 per person.

G.O. Debt as a Percent of Assessed Value of All Taxable Property in the County

Clark County's total assessed valuation for fiscal year 2012-13 was reported at $53,267,070,000. The LVCVA's total outstanding general obligation debt equals 0.76% of the assessed value.

Credit Ratings

The LVCVA's bonds issued through Clark County are rated “AA” by Standard & Poor's and “Aa1” by Moody's. LVCVA's separate revenue bond ratings are “A+” by Standard & Poor's and “A1” by Moody's.

Sources of Money Projected to be Available to Pay Existing & Future Debt

All existing and future debt will be paid from revenues derived from use of the facilities and unrestricted room taxes (net of collection allocation) less operation and maintenance expenses of the facilities.

Room taxes account for approximately 80% of the LVCVA's total revenue. This revenue is heavily dependent on the tourism industry, which is based on legalized gambling. Any fluctuation in the level of tourist activity or in the rates charged for room rentals by hotel operators is likely to have an effect in room taxes collected by the LVCVA. Total revenues for FY 2014 are $285.9 million, a 13.0% increase over FY 2013, and FY 2015 are projected to be $273.2, a 4.4% decrease over FY 2014.

Debt service has been and will remain in a priority position. The LVCVA funds debt service on a monthly basis.

Fiscal Year	Total Revenues	Room Tax	Room Tax as a % of Revenue
FY 2005	$ 224,770,554	$ 176,339,258	78%
FY 2006	253,172,523	200,086,827	79%
FY 2007	269,118,611	213,256,076	79%
FY 2008	281,918,943	220,733,128	78%
FY 2009	225,143,478	176,726,992	78%
FY 2010	200,737,367	154,046,265	77%
FY 2011	226,060,027	175,425,978	78%
FY 2012	250,820,583	199,592,498	80%
FY 2013	253,051,353	203,196,429	80%
FY 2014	285,879,682	222,781,385	78%
FY 2015 (Bud.)	273,241,900	221,600,000	81%

Contemplated Issuance of Debt during Ensuing Three Years

The LVCVA anticipates issuing $68,500,000 in refunding and $100,000,000 in new debt during FY 2015; if conditions, timing, and terms prove to be favorable at that time.

	PROPOSED FY 2015 G.O. (Refinancing $68.5MM)			PROPOSED FY 2015 G.O. ($100MM)		
	Principal	Interest	Total	Principal	Interest	Total
BEGIN TOTALS FOR CURRENT FISCAL YEAR						
7/1/2014	-	-	-	-	-	-
1/1/2015	1,030,000	1,106,619	2,136,619	-	5,000,000	5,000,000
Total FYE 6/30/15	**1,030,000**	**1,106,619**	**2,136,619**	**-**	**5,000,000**	**5,000,000**
7/1/2015	-	-	-	-	-	-
1/1/2016	-	1,204,412	1,204,412	-	5,000,000	5,000,000
Total FYE 6/30/16	**-**	**1,204,412**	**1,204,412**	**-**	**5,000,000**	**5,000,000**
7/1/2016	-	-	-	-	-	-
1/1/2017	12,565,000	1,135,304	13,700,304	-	5,000,000	5,000,000
Total FYE 6/30/17	**12,565,000**	**1,135,304**	**13,700,304**	**-**	**5,000,000**	**5,000,000**
7/1/2017	-	-	-	-	-	-
1/1/2018	12,725,000	976,066	13,701,066	-	5,000,000	5,000,000
Total FYE 6/30/18	**12,725,000**	**976,066**	**13,701,066**	**-**	**5,000,000**	**5,000,000**
7/1/2018	-	-	-	-	-	-
1/1/2019	12,930,000	783,122	13,713,122	1,920,000	4,952,000	6,872,000
Total FYE 6/30/19	**12,930,000**	**783,122**	**13,713,122**	**1,920,000**	**4,952,000**	**6,872,000**
7/1/2019	-	-	-	-	-	-
1/1/2020	13,205,000	538,588	13,743,588	2,020,000	4,853,500	6,873,500
Total FYE 6/30/20	**13,205,000**	**538,588**	**13,743,588**	**2,020,000**	**4,853,500**	**6,873,500**
7/1/2020	-	-	-	-	-	-
1/1/2021	7,920,000	313,650	8,233,650	2,125,000	4,749,875	6,874,875
Total FYE 6/30/21	**7,920,000**	**313,650**	**8,233,650**	**2,125,000**	**4,749,875**	**6,874,875**
7/1/2021	-	-	-	-	-	-
1/1/2022	8,125,000	110,216	8,235,216	2,230,000	4,641,000	6,871,000
Total FYE 6/30/22	**8,125,000**	**110,216**	**8,235,216**	**2,230,000**	**4,641,000**	**6,871,000**
7/1/2022	-	-	-	-	-	-
1/1/2023	-	-	-	2,345,000	4,526,625	6,871,625
Total FYE 6/30/23	**-**	**-**	**-**	**2,345,000**	**4,526,625**	**6,871,625**
7/1/2023	-	-	-	-	-	-
1/1/2024	-	-	-	2,465,000	4,406,375	6,871,375
Total FYE 6/30/24	**-**	**-**	**-**	**2,465,000**	**4,406,375**	**6,871,375**
7/1/2024	-	-	-	-	-	-
1/1/2025	-	-	-	2,595,000	4,279,875	6,874,875
Total FYE 6/30/25	**-**	**-**	**-**	**2,595,000**	**4,279,875**	**6,874,875**
7/1/2025	-	-	-	-	-	-
1/1/2026	-	-	-	2,725,000	4,146,875	6,871,875
Total FYE 6/30/26	**-**	**-**	**-**	**2,725,000**	**4,146,875**	**6,871,875**
7/1/2026	-	-	-	-	-	-
1/1/2027	-	-	-	2,865,000	4,007,125	6,872,125
Total FYE 6/30/27	**-**	**-**	**-**	**2,865,000**	**4,007,125**	**6,872,125**
7/1/2027	-	-	-	-	-	-
1/1/2028	-	-	-	3,010,000	3,860,250	6,870,250
Total FYE 6/30/28	**-**	**-**	**-**	**3,010,000**	**3,860,250**	**6,870,250**
7/1/2028	-	-	-	-	-	-
1/1/2029	-	-	-	3,165,000	3,705,875	6,870,875
Total FYE 6/30/29	**-**	**-**	**-**	**3,165,000**	**3,705,875**	**6,870,875**
7/1/2029	-	-	-	-	-	-
1/1/2030	-	-	-	3,330,000	3,543,500	6,873,500
Total FYE 6/30/30	**-**	**-**	**-**	**3,330,000**	**3,543,500**	**6,873,500**

POLICY NO.	DATE	OFFICE OF PRIMARY RESPONSIBILITY (OPR)	PAGE
FIN-01	**11/14**	**Finance**	**12**

Title: **SUPPLEMENT TO DEBT MANAGEMENT POLICY**

	PROPOSED FY 2015 G.O. (Refinancing $68.5MM)			PROPOSED FY 2015 G.O. ($100MM)		
	Principal	Interest	Total	Principal	Interest	Total
7/1/2030	-	-	-	-	-	-
1/1/2031	-	-	-	3,500,000	3,372,750	6,872,750
Total FYE 6/30/31	**-**	**-**	**-**	**3,500,000**	**3,372,750**	**6,872,750**
7/1/2031	-	-	-	-	-	-
1/1/2032	-	-	-	3,680,000	3,193,250	6,873,250
Total FYE 6/30/32	**-**	**-**	**-**	**3,680,000**	**3,193,250**	**6,873,250**
7/1/2032	-	-	-	-	-	-
1/1/2033	-	-	-	3,870,000	3,004,500	6,874,500
Total FYE 6/30/33	**-**	**-**	**-**	**3,870,000**	**3,004,500**	**6,874,500**
7/1/2033	-	-	-	-	-	-
1/1/2034	-	-	-	4,065,000	2,806,125	6,871,125
Total FYE 6/30/34	**-**	**-**	**-**	**4,065,000**	**2,806,125**	**6,871,125**
7/1/2034	-	-	-	-	-	-
1/1/2035	-	-	-	4,275,000	2,597,625	6,872,625
Total FYE 6/30/35	**-**	**-**	**-**	**4,275,000**	**2,597,625**	**6,872,625**
7/1/2035	-	-	-	-	-	-
1/1/2036	-	-	-	4,495,000	2,378,375	6,873,375
Total FYE 6/30/36	**-**	**-**	**-**	**4,495,000**	**2,378,375**	**6,873,375**
7/1/2036	-	-	-	-	-	-
1/1/2037	-	-	-	4,725,000	2,147,875	6,872,875
Total FYE 6/30/37	**-**	**-**	**-**	**4,725,000**	**2,147,875**	**6,872,875**
7/1/2037	-	-	-	-	-	-
1/1/2038	-	-	-	4,965,000	1,905,625	6,870,625
Total FYE 6/30/38	**-**	**-**	**-**	**4,965,000**	**1,905,625**	**6,870,625**
7/1/2038	-	-	-	-	-	-
1/1/2039	-	-	-	5,220,000	1,651,000	6,871,000
Total FYE 6/30/39	**-**	**-**	**-**	**5,220,000**	**1,651,000**	**6,871,000**
7/1/2039	-	-	-	-	-	-
1/1/2040	-	-	-	5,490,000	1,383,250	6,873,250
Total FYE 6/30/40	**-**	**-**	**-**	**5,490,000**	**1,383,250**	**6,873,250**
7/1/2040	-	-	-	-	-	-
1/1/2041	-	-	-	5,770,000	1,101,750	6,871,750
Total FYE 6/30/41	**-**	**-**	**-**	**5,770,000**	**1,101,750**	**6,871,750**
7/1/2041	-	-	-	-	-	-
1/1/2042	-	-	-	6,065,000	805,875	6,870,875
Total FYE 6/30/42	**-**	**-**	**-**	**6,065,000**	**805,875**	**6,870,875**
7/1/2042	-	-	-	-	-	-
1/1/2043	-	-	-	6,380,000	494,750	6,874,750
Total FYE 6/30/43	**-**	**-**	**-**	**6,380,000**	**494,750**	**6,874,750**
7/1/2043	-	-	-	-	-	-
1/1/2044	-	-	-	6,705,000	167,625	6,872,625
Total FYE 6/30/44	**-**	**-**	**-**	**6,705,000**	**167,625**	**6,872,625**
TOTALS	68,500,000	6,167,977	74,667,977	100,000,000	98,683,250	198,683,250