

DEBT MANAGEMENT

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REFERENCE: ORS 341.675; ORS 341.715

PURPOSE

It shall be the policy of Tillamook Bay Community College, to efficiently and effectively manage the use of debt for the purpose of achieving institutional goals and objectives.

The College's Debt Management Policy and accompanying administrative rule provide for planning, issuing and monitoring debt and help ensure the availability of sufficient funds to meet debt service obligations while adequately providing for reoccurring operating requirements.

The issuance of debt limits the College's flexibility to respond to future learning priorities; consequently, the College shall issue and manage debt in a manner that maintains a sound fiscal position, protects its creditworthiness and complies with ORS 341.675 and ORS 341.715.

To meet the objectives of this policy the Board shall ensure that the College incurs and services all debts in a manner that will:

- A. Maintain a balanced relationship between debt service requirements and current operating needs.
- B. Maintain and enhance the College's ability to obtain access to credit markets, at favorable interest rates, in amounts needed for capital improvements and, if necessary, to provide essential services.
- C. Prudently incur and manage debt to minimize costs to the taxpayers and ensure that current decisions do not adversely affect the long-term financial standing of the College.
- D. Preserve the College's flexibility in capital financing by maintaining an adequate margin of statutory debt capacity.

The Board may authorize borrowing for the College, in compliance with state laws, by resolution stating the upper limit to be obligated at any one time. The President or designee may initiate emergency borrowing prior to Board approval should a quorum of the Board not be available to authorize borrowing. Long-term debt (due more than a year in the future) shall not be issued to fund normal operating needs.