

Section XIV – DEBT SERVICE

The County's debt service includes all expenditures for interest and principal payments on general long-term debt. Payments in this category are provided in the Capital Expenditures Fund.

Policy

Garfield County has established the following policies, which guides the use of debt.

- The registered, qualified voters of the County must approve issuance of debt (required by the State).
- Debt will not be used to finance current operating expenses. Debt should only be used for the construction of capital facilities or the purchase of capital assets. In general, the assets should not be recurring capital replacements, such as vehicles.
- The County will confine long-term borrowing to major capital purchases or projects that cannot be financed from current revenues. The County should exhaust all possible resources, such as grants and pay-as-you-go funding, before borrowing funds.
- The Board of County Commissioners is authorized to execute lease agreements on behalf of the County.

Debt Issues

In 2012, the County paid off all off both its Certificates of Participation (COPS) Series 2001 and 2006. The County currently has no outstanding debt or long term financial obligations and has not budgeted to issue any debt therefore there is no budget for debt service in 2017.

Legal Debt Margin

The legal debt limit is calculated at is 1.5 percent of total assessed value. The total assessed value in 2016 was \$2,214,359,610 and therefore the legal debt limit was \$33,215,394. With no debt applicable to the limit the legal debt margin is the same.