



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of September 24, 2019

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager  
Edwin Gato, Director of Finance

**SUBJECT:** Approve a Debt Issuance and Management Policy in accordance with Senate Bill 1029

### **RECOMMENDED ACTION:**

Adopt a Resolution approving the Debt Issuance and Management Policy.

### **FISCAL IMPACT OF RECOMMENDATION:**

There is no financial impact as a result of this action, beyond the cost of paying debt service on the bonds successfully issued.

### **DISCUSSION:**

On September 12, 2016, the Governor signed into law Senate Bill 1029 (SB 1029), the California Debt and Investment Advisory Commission (CDIAC): Accountability Reports. This bill intended to facilitate improved financial transparency and public accessibility to information regarding public debt.

SB 1029 requires that state and local agencies adopt comprehensive debt management policies that reflect local, state, and federal laws and regulations. Also, it requires agencies to adopt debt management policies at least 30 days before the issuance of any new debt, beginning on or after January 21, 2017. The bill advises that public agency debt management policies reflect the recommendations of the Government Finance Officers Association (GFOA). Finally, the legislation requires all state and local debt issuance to be published in a single, transparent online database for public access. The City has not issued any debt since this requirement became effective and is now contemplating the refinancing of existing debt. As such it is timely to approve an SB 1029 compliant Debt Issuance and Management Policy.

SB 1029 specifically requires that local debt management policies shall include five key components. The recommendations set forth by the GFOA also address these components:

- a. The purposes for which the debt proceeds may be used;
- b. The types of debt that may be issued;
- c. The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable;
- d. Policy goals related to the issuer's planning goals and objectives; and
- e. The internal control procedures that the issuer has implemented, or will apply, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The proposed Debt Management Policy complies with the requirements outlined in SB 1029 and the State Debt and Investment Advisory Commission and aligns with GFOA recommendations.

#### **ATTACHMENTS:**

1. Resolution
2. Debt Issuance and Management Policy
3. Disclosure Procedures

| <i><b>Financial Impact</b></i>  |    |                |    |
|---|----|----------------|----|
| <b>Description:</b>   |    |                |    |
| <b>Funding Source:</b>  |    |                |    |
| <b>Budget Recap:</b>  |    |                |    |
| Total Estimated cost:   | \$ | New Revenue:   | \$ |
| Amount Budgeted:  | \$ | Lost Revenue:  | \$ |
| New funding required:   | \$ | New Personnel: | \$ |
| Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/> |    |                |    |