



## Legislation Text

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**File #:** 17-0007, **Version:** 1

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Recommendation to adopt the Debt Management Policy pursuant to Section 8855 of the State of California Government Code. (Citywide)

In September 2016, Senate Bill 1029 (SB 1029) was enacted. This bill amended Government Code 8855 requiring local governments to prepare and submit accountability reports to the California Debt and Investment Advisory Commission (CDIAC). SB 1029 also mandated local governments to adopt debt policies 30 days prior to any debt issuance after January 21, 2017. Additionally, any proposed debt issuance must include a certification by the City stating that it has adopted debt policies related to the use of debt, and that the contemplated debt issuance is consistent with the adopted debt policies.

This Debt Management Policy meets the requirements of Government Code 8855 as amended, and is consistent with the recommendations of the Government Finance Officers Association (GFOA). These requirements and recommendations include:

1. Purpose for which debt proceeds may be used;
2. The types of debt that may be issued;
3. The relationship of the proposed debt issuance to the City's budget and capital improvement program;
4. Policy objectives; and,
5. Internal control procedures that the City has implemented to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 14, 2016 and by Assistant Finance Director Lea Eriksen on December 19, 2016.

In order to comply with the State of California Government Code 8855, City Council approval is requested on January 10, 2017. The Debt Management Policy must be adopted 30 days prior to any debt issuance after January 21, 2017.

There is no fiscal or local job impact associated with this recommendation.

Approve recommendation.

JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER