



## Legislation Text

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**File #:** 16-1102, **Version:** 1

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Recommendation to adopt Disclosure 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 mandates local governments to adopt comprehensive debt policies including a Disclosure Policy prior to the issuance of any publicly offered debt obligation.

The proposed Disclosure Policy establishes the City's compliance guidelines for disclosure requirements under the federal securities laws in connection with the City's debt obligations. All publicly offered debt obligations issued by the City including notes, bonds, and certificates of participation, are required to comply with the Securities Exchange Commission (SEC) Rule 15c2-12. This rule requires the City to provide the investor community with all material information related to the debt obligation. This rule also requires the City to submit certain disclosure information for each debt obligation to the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access (EMMA) system, the central repository designated by the SEC for ongoing disclosures by municipal issuers. This information includes the official statements, continuing disclosure agreement requirements, material event notices, and the annual continuing disclosure reports, also known as the Summary of Financial Information.

This Disclosure Policy is consistent with the recommendations of CDIAC and the Government Finance Officers Association (GFOA). The Debt Management Policy, in its entirety, will be brought forth to City Council for adoption within the first quarter of 2017.

This matter was reviewed by Deputy City Attorney Amy R. Webber and by Assistant Finance Director Lea Eriksen on November 18, 2016.

In order to comply with the State of California Government Code 8855, City Council approval is requested on December 13, 2016. The Disclosure Policy must be adopted 30 days prior to the issuance of any publicly offered debt obligation issued by the City 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