



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** November 7, 2017

**TO:** Carolyn Lehr, City Manager

**FROM:** Susan Hsieh, Finance Director

**SUBJECT:** Resolution Of The City Council Of The City Of Emeryville Adopting The Debt Management Policy

### RECOMMENDATION

Staff recommends that the City Council adopt the resolution approving the attached Debt Management Policy.

### BACKGROUND

On September 12, 2016, the Governor signed into law Senate Bill 1029 (SB 1029), the California Debt and Investment Advisory Commission: Accountability Reports. This bill requires California public agencies to adopt comprehensive written debt management policies that reflect local, state, and federal laws and regulations. It was recommended that public agency debt management policies reflect recommendations set forth by the Government Finance Officers Association (GFOA).

The Debt Management Policy (the "Policy") has been developed to provide clear and comprehensive guidelines for the issuance and financial management of the debt portfolio of the City of Emeryville, the Emeryville Public Financing Authority, and the City of Emeryville as Successor Agency to the Emeryville Redevelopment Agency. The term "City" shall refer to each of such entities.

### DISCUSSION

Adopting a Debt Management Policy will bring the City into compliance with SB 1029. SB 1029 requires that the report of proposed debt include a certification by the issuer that it has adopted local debt policies, which include specified provisions concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies. The bill also requires a state or local public agency to submit an annual report for any issue of debt for which it has submitted a report of final sale on or after January 21, 2017. Required reports need to be submitted to the California Debt and Investment Advisory Commission.

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 implement, 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 described in SB 1029 and aligns with GFOA recommendations.

A separate resolution has been prepared for City agency: i.e., the City of Emeryville, the Emeryville Public Financing Authority, and the City of Emeryville as Successor Agency to the Emeryville Redevelopment Agency.

#### **FISCAL IMPACT**

None. This policy provides a general framework for all future City debt issuances.

#### **STAFF COMMUNICATION WITH THE PUBLIC**

There has been no communication with the public.

#### **ADVISORY BODY REVIEW**

The Debt Management Policy was reviewed by the Budget and Governance Committee on October 12, 2017.

**PREPARED BY:** Susan Hsieh, Finance Director

**APPROVED AND FORWARDED TO THE  
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



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Carolyn Lehr, City Manager

#### **ATTACHMENTS:**

1. Resolution
2. Debt Management Policy