

# City of Sacramento

## Legislation Text

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**File #:** 2020-00635, **Version:** 1

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**Title:**

**Revised Debt-Management Policy for the City of Sacramento and Revised Supplemental Policy on Disclosure**

File ID: 2020-00635

**Location:** Citywide

**Recommendation:**

Adopt a Resolution approving the revised Debt-Management Policy for the City of Sacramento and the revised Supplemental Policy on Disclosure

**Contact:** Brian Wong, Debt Manager, (916) 808-5811, Office of the City Treasurer

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A - Debt Management Policy
- 4-Exhibit B - Supplemental Policy on Disclosure
- 5-Debt-Management Policy adopted on July 23, 2019
- 6-Supplemental Policy on Disclosure adopted on December 10, 2019
- 7-Debt-Management Policy [Redline]
- 8-Supplemental Policy on Disclosure [Redline]

### Description/Analysis

**Issue Detail:** The City's Debt-Management Policy and Supplemental Policy on Disclosure (together, the **Policies**) were most recently revised and approved on July 23, 2019, and December 10, 2019, respectively. The Policies require periodic review by the City Treasurer's Office to ensure regulatory compliance or to clarify objectives and guidelines for the issuance and administration of City debt.

The recommended revisions to the Policies will clarify certain ambiguities and include the addition of two new sections to the Debt-Management Policy:

- New section 4.1(D)(3) makes clear that the City may issue taxable bonds to refund tax-exempt bonds.

- New section 4.1(D)(4) makes clear that the City may refund or restructure debt to provide cashflow relief during periods of economic distress even if net-present-value savings are negative.

**Policy Considerations:** Formal approval of a debt-management policy and periodic updates is recognized as a “best practice” by the Government Finance Officers Association and the California Debt and Investment Advisory Commission.

**Economic Impacts:** Not applicable

**Environmental Considerations:** Approval of the recommendation is not a “project” subject to CEQA because it (a) has no potential to cause a significant effect on the environment; (b) approves a continuing administrative activity (general policy and procedure making) and is thus excluded from the definition of “project”; and (c) concerns governmental fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. (14 Cal. Code Regs. §§ 15061(b)(3) and 15378(b)(4)).

**Sustainability:** Not applicable

**Commission/Committee Action:** Not applicable

**Rationale for Recommendation:** Approval of the Policies will clarify certain ambiguities and expand the City’s ability to issue debt.

**Financial Considerations:** Approval of the Policies has no direct or financial effect or costs. It allows for the continued issuance of debt, clarifies the guidelines for the responsibilities of issuing the City’s debt, and identifies the principles and objectives that should guide the City Council’s decisions to approve the issuance of debt.

**Local Business Enterprise (LBE):** Not applicable