



Legislation Text

File #: 24-0882, **Version:** 1

Chief Administrative Office recommending the Board update the review date for Policy B-17 - Debt Management Policy to May 21, 2024 with the next review scheduled for May 21, 2028. The Department is not recommending any changes to the policy.

FUNDING: N/A

DEPARTMENT RECOMMENDATION

The Chief Administrative Office is recommending that the Board update the review date for Debt Management Policy (B-17) to May 21, 2028 and the next review scheduled to be on May 21, 2028.

DISCUSSION / BACKGROUND

Effective January 1, 2017, Senate Bill 1029, codified as part of Government Code Section 8855, went into effect. The purpose of the bill was to require the California Debt and Investment Advisory Commission (CDIAC) to track and report on all state and local outstanding debt until fully repaid or redeemed. Included in Government Code section 8855 is a requirement for reporting of debt issuance for local governments that is consistent with the local debt policy.

On June 12, 2018, the Board adopted the attached policy B-17 - Debt Management Policy. The Debt Management Policy was developed to meet the following objectives:

- A. Identify the purposes for which debt proceeds may be used.
- B. Identify the types of debt that may be issued.
- C. Describe the relationship of the debt to the Capital Improvement Program and the County Budget.
- D. Ensure the issuance of debt is consistent with the strategic plan goals and objectives as determined by the Board of Supervisors.
- E. Implement and maintain a system of internal controls to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

Under the policy, all debt issuance must be approved by the Board of Supervisors. Debt service obligations related to outstanding debt shall be appropriated on an annual basis in the County's adopted Budget.

The policy goals related to debt management include the following:

1. Protect taxpayers, ratepayers and constituents by utilizing conservative financing methods so as to obtain the highest possible credit rating and the lowest possible borrowing costs.
2. Maintain access to cost-effective borrowing through prudent fiscal management policies and practices.
3. Ensure that debt service commitments are made through effective planning and cash management.
4. Ensure the County's debt is consistent with the County's planning goals and objectives and Capital Improvement Program and Budget.

The policy has been reviewed by both the Auditor-Controller and the Treasurer-Tax Collector and no changes are being proposed at this time. Therefore, the review date on the policy is being updated to May 21, 2024 with the next review scheduled in 4 years on May 21, 2028.

ALTERNATIVES

The Board could make changes to the attached policy. The County is required to have a Debt Management Policy per Government Code Section 8855.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Auditor-Controller, Treasurer-Tax Collector

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

There is no financial impact related to this policy. The policy does not authorize any specific debt issuance. Under the proposed policy, all debt issuance requests must be brought to the Board for approval.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Update Policy B-17 - Debt Management Policy with updated review dates.

STRATEGIC PLAN COMPONENT

N/A

CONTACT

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