



Legislation Text

File #: 20-0605, Version: 1

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 08/05/2020

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

SUBJECT:

City Council consideration of Resolution No. 2020-099, approving the City of Corona's Debt Policy and Procedures and repealing Resolution No. 2015-071.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2020-099, approving the City of Corona's Debt Policy and Procedures and repeal Resolution No. 2015-071.

ANALYSIS:

The City of Corona, following the best practice guidelines for debt management published by the Government Finance Officers Association (GFOA), develops and maintains a formal Debt Policy and Procedures (the "Policy") to ensure that debt is issued and managed prudently. The purpose of the Policy is to improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning.

The Policy is reviewed periodically by the Administrative Services Department with assistance from the City's Financial Advisor, CSG Advisors, and discussed with the Finance, Legislation, and Economic Development (FLED) Committee and adopted by City Council. The Policy was previously approved by the City Council on September 16, 2015.

The current changes to the Policy were prompted by a Study Session held in April 2020 regarding Community Facilities Districts (CFD) and a follow up discussion at the FLED Committee Meeting on July 1, 2020. The updates from those meetings are included in the Land Based Financing section of the document. In addition, revisions were made based on Senate Bill 1029, which was effective in 2017, and other clean-up items needed throughout the document.

The following revisions are included in the Policy:

1. Formatting and title changes
2. Compliance section and Appendix C
 - a. Updated language that complies with Government Code Section 8855 as amended by Senate Bill 1029.
3. Land Based Financing section
 - a. Revised the deposit amount needed for the application process, based on current costs.
 - b. Added Criteria for Financing and Maximum Effective Tax Rate information based on discussions at the City Council Study Session in April 2020 and the FLED Committee Meeting in July 2020.

COMMITTEE ACTION:

The land-based financing changes were discussed at a City Council Study Session held on April 22, 2020 and the FLED Committee Meeting on July 1, 2020.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 6: Improve Communications with our Community; Objective a: Commit to transparency in all City actions. The recommended action will help achieve these goals by providing policy and standards for the issuance and management of the City's debt obligations.

FISCAL IMPACT:

There is no fiscal impact. The Policy is presented for review and approval.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the action is not subject to CEQA. This action merely adopts the resolution and approves the City's Debt Policy and Procedures, and there is no possibility that adopting the resolution and approving the Policy will have a significant effect on the environment.

PREPARED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Resolution No. 2020-099
2. Administrative Policy 01200.801- Debt Policy and Procedures
3. Debt Policy and Procedures - Redline