

**CITY OF RIVIERA BEACH CITY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 2/19/2020

Agenda Category: CONSENT

Subject: A RESOLUTION TO ADOPT A DEBT MANAGEMENT POLICY

Recommendation/Motion: Staff recommends adoption of the Debt Management Policy.

Originating Dept FINANCE **Costs** There is no cost. Policy adoption only.

User Dept. FINANCE **Funding Source**

Advertised No **Budget Account Number**

Date

Paper

Affected Parties Not Required

Background/Summary:

Under the governance and guidance of Federal and State laws and the City's Charter, ordinances and resolutions, the City may periodically enter into debt obligations that: (1) finance the construction, rehabilitation, or acquisition of infrastructure and other assets; (2) refinance existing debt obligations for the purpose of meeting its governmental obligations to its citizens and stakeholders; or (3) reduce unfunded accrued liabilities associated with pension obligations or other post-employment benefits.

It is the City's desire and direction to assure that such debt obligations are issued and administered in an effective manner that achieves a long-term financial advantage to residents and stakeholders while making every effort to maintain and improve the City's credit ratings and reputation in the investment community. To ensure the City meets or exceeds its debt financing goals, it is essential that the City has an adopted Debt Management Policy (Policy).

The purpose of the Policy is to establish parameters and provide guidance governing the issuance, management, continuing evaluation of, and reporting on debt obligations issued by the City and to provide for the preparation and implementation necessary to assure compliance and conformity with this Policy.

Rating agencies, such as Moody's, FitchRatings and Standard & Poor's review the City's Policy to evaluate the following:

1. Parameters and guidance governing the issuance, management and structure of the City's debt.
2. Affordability targets.
3. Established process for continuing evaluation of and reporting on debt obligations issued by the City.
4. Future borrowing flexibility while minimizing interest rate risk.
5. Control risks and diversity of debt as related to specific debt structure, maturities, and financial institutions.

Prior to 2013, the City had not adopted a Debt Management Policy. As noted above, the adoption of a Debt Management Policy is essential for the City or any other government entity to enter the bond market. The Debt Management Policy covers all funds of the City including the Utility Special District and excluding the City's pension plans

The attached Policy has been reviewed by the City's Financial Advisor and a team of professionals from the Association of Public Treasurers of the United States and Canada (APTUSC). After review, APTUSC awarded the City with the Debt Policy Certificate of Excellence. Both the Financial Advisor and APTUSC did not recommend any changes.

The Finance Department issues an annual Debt Service Report, portions of which are included within the City's adopted annual budget document.

Fiscal Years

Capital Expenditures

Operating Costs

External Revenues

Program Income (city)

In-kind Match (city)

Net Fiscal Impact
NO. Additional FTE Positions
(cumulative)

III. Review Comments

A. Finance Department Comments:

B. Purchasing/Intergovernmental Relations/Grants Comments:

C. Department Director Review:

Contract Start Date

Contract End Date

Renewal Start Date

Renewal End Date

Number of 12 month terms this renewal

Dollar Amount

Contractor Company Name

Contractor Contact

Contractor Address

Contractor Phone Number

Contractor Email

Type of Contract

Describe

ATTACHMENTS:

| File Name | Description | Upload Date | Type |
|---|--|-------------|-----------------|
| Resolution-Debt_Management_Policy.pdf | Resolution-Debt Management Policy | 1/29/2020 | Resolution |
| Debt_Management_Policy.pdf | Debt Management Policy | 1/29/2020 | Exhibit |
| Debt_Management_Policy_Transmittal_Memorandum.pdf | Debt Management Policy Transmittal memorandum | 1/29/2020 | Cover Memo |
| 2018_Annual_Debt_Service_Report.pdf | 2018 Annual Debt Service Report | 1/29/2020 | Backup Material |
| Debt_Management_Policy.pdf | GFOA Best Practice | 1/29/2020 | Backup Material |
| APTUSC-Debt_Management_Policy.pdf | Certificate of Excellence-Debt Management Policy | 1/29/2020 | Backup Material |
| Debt_Management_Policy_FINAL_07.17.2013(2).doc | Debt Management Policy-2013 | 7/2/2013 | Cover Memo |

REVIEWERS:

| Department | Reviewer | Action | Date |
|------------|--------------------|----------|---------------------|
| Finance | sherman, randy | Approved | 1/29/2020 - 2:29 PM |
| Purchasing | Little, Rickey | Approved | 1/29/2020 - 2:32 PM |
| Finance | sherman, randy | Approved | 1/29/2020 - 2:46 PM |
| Attorney | Wynn, Dawn | Approved | 1/29/2020 - 2:49 PM |
| City Clerk | Robinson, Claudene | Approved | 1/29/2020 - 3:19 PM |