



Agenda Item Details

Meeting	Jan 29, 2020 - City Commission Meeting & Summary
Category	13. POLICY FORMATION AND DIRECTION
Subject	13.01 Approval of Revisions to City Commission Policy 238, Debt Management -- James O. Cooke, IV., City Treasurer-Clerk
Access	Public
Type	Action
Fiscal Impact	No
Recommended Action	Option 1: Approve revisions to Commission Policy 238, Debt Management.

Public Content

For more information, please contact: Kent Olson, Deputy Treasurer-Clerk, (850)891-8082.

Statement of Issue

City Commission Policy 238, Debt Management, was substantially revised on March 26, 2014. The City Treasurer-Clerk's Office reviewed the Policy and has determined that there are no substantive changes that need to be made at this time. However, the Policy does need to have various ministerial revisions made in order to be in compliance with the latest format for City Commission policies. In addition, two small sections ("Taxable Bonds" and "Direct Subsidy Bonds") were eliminated as individual sections and moved under the "Debt Structure" section. As part of this updated format, the Policy contains a sunset provision to ensure the Policy is reviewed again in five years.

Recommended Action

Option 1: Approve revisions to Commission Policy 238, Debt Management.

Fiscal Impact

N/A

Supplemental Material/Issue Analysis

History/Facts & Issues

The City's first Debt Management Policy was adopted on April 24, 1982, as City Commission Policy 650, and received minor modifications on February 13, 1985, as well as on March 9, 2011, before undergoing substantial revisions on March 26, 2014, including being renumbered as City Commission Policy 238. The re-write in 2014 reflected research from the debt management policies of other cities and included input from the City's financial advisor, PFM, as well as from other City staff members. The revisions included developing debt management targets rather than strict requirements, providing the City with some flexibility rather than unmanageable constraints. The targets were developed with the goal of maintaining a minimal bond rating in the AA category. The updated Policy also recognized the four "credits" of the City (Energy System, Consolidated Utility Systems, General Government and Airport) as distinct programs with their own sources of pledged revenue for the repayment of the debt and their own bond ratings. The Policy also recognized while hedging instruments and interest rate swap agreements could be contemplated, the City would not enter into any such arrangement without adopting a separate policy governing their use.

Options

Option 1: Approve revisions to Commission Policy 238, Debt Management.

Option 2: Provide staff with additional guidance.

Attachments/References

Commission Policy 238, Debt Management

[Debt Management Policy 238 blacklined 1-08-2020.pdf \(195 KB\)](#)

[Debt Management Policy 238 clean 1-08-2020.pdf \(188 KB\)](#)