



Monterey County

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Board Report

Legistar File Number: 17-0754

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Introduced: 7/7/2017

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

- a. Amend the Public Finance Policy (“Debt Management Policy”) approved on February 14, 2012 to update policies per new State statutory requirements and recent allocation of debt management functions.
- b. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Amend the Public Finance Policy (“Debt Management Policy”) approved on February 14, 2012 to update policies per new State statutory requirements and recent allocation of debt management functions.
- b. Provide direction to staff.

SUMMARY:

The revised Public Finance Policy, from now on properly referred to as the *Debt Management Policy*, distributes the former Debt Manager’s roles, responsibilities, and authority to the Auditor-Controller, County Counsel, County Administrative Office, and Treasurer-Tax Collector. The revised Debt Management Policy ensures the County meets the State’s new debt policy requirements pursuant to SB 1029. In addition, the revised policy contains new language on financial disclosure, monitoring, and recordkeeping.

DISCUSSION:

The Debt Management Policy approved on February 14, 2012 assigned roles, responsibilities, and authority to the County Debt Manager. As of FY 2017-18 the Debt Manager position no longer exist in the Office of the Auditor-Controller. On July 3, 2017, the County Administrative Officer allocated debt management functions to the Auditor-Controller, County Counsel, County Administrative Office, and Treasurer-Tax Collector. The revised Debt Policy distributes the Debt Manager’s roles, responsibilities, and authority to the aforementioned departments.

SB 1029 (effective January 2017) specifies that an issuer is required to have an adopted debt policy in place prior to the issuance of any bonds. Furthermore, SB 1029 requires that the adopted debt policy includes the following components:

- The purpose for which the debt proceeds may be used.
- The types of debt that may be issued.
- The relationship of the debt to, and integration with, the issuer’s capital improvement program (CIP) or budget, if applicable.
- Policy goals related to the issuer’s planning goals and objectives.
- The internal control procedures that the issuer has implemented, or will implement, to

ensure that the proceeds of proposed debt issuances will be directed to the intended use.

The revised Debt Management Policy ensures the County meets the SB 1029 requirements. In addition, the revised Debt Policy contains new language on financial disclosure, monitoring, and recordkeeping, which is essential to ongoing debt management practices.

OTHER AGENCY INVOLVEMENT:

The Office of the Auditor-Controller and the Treasurer-Tax Collector collaborated with the County Administrative Office on the Debt Management Policy update.

FINANCING:

Updating the policy does not have a financial impact on the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Updating the Debt Management Policy allows debt issuance activities to align with the new State statutes and disseminates debt management functions to the proper departments, thus advancing the County's Administration initiative goal to efficiently allocate resources.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments: Attachment 1- Monterey County Debt Management Policy
Attachment 2 - Monterey County Debt Management Policy [Redline Version]