



**Contra
Costa
County**

To: Board of Supervisors
From: Monica Nino, County Administrator
Date: March 23, 2021

Subject: ADOPT Resolution No. 2021/100 reaffirming and authorizing updates to the County Debt Management Policy

RECOMMENDATION(S):

ADOPT Resolution No. 2021/100 updating and reaffirming the County Debt Management Policy.

FISCAL IMPACT:

No specific fiscal impact.

BACKGROUND:

On December 7, 2006 the Finance Committee reviewed and discussed a report regarding establishing a County Debt Management Policy. The Committee directed staff to report to the full Board on December 19, 2006 the recommendation to adopt a formal County Debt Management Policy. A formal policy was adopted on December 19, 2006 (Resolution No. 2006/773).

The Board of Supervisors has worked exceptionally hard to address the County's financial issues and has set very ambitious and necessary goals for lowering cost growth, balancing the budget, and increasing reserves. These solutions are aimed at addressing both short and long term needs and improving the County's future ability to maintain public services. The four financial policy areas that have contributed significantly to the Board's goals are the following:

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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **03/23/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 23, 2021

, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Timothy Ewell, (925)
655-2043

cc:

BACKGROUND: (CONT'D)

Budget Policy (established November 2006)

- General Fund Reserve Policy (established December 2005)
- Facilities Maintenance (included in Budget Policy)
- Debt Management Policy (established December 2006)

The Debt Management Policy establishes debt affordability standards that help the County to evaluate when, why, and how much debt should be issued. In addition, the Debt Management Policy:

- Establishes parameters for issuing and managing debt;
- Provides guidance to decision makers so as not to exceed the debt affordability standards;
- Directs staff on objectives to be achieved both pre- and post-issuance;
- Promotes objectivity in decision-making and limits the role of political influence;
- Describes responsibilities for Continuing Disclosure and Post-Issuance Tax compliance policies and procedures; and
- Facilitates the process by considering and making important policy decisions in advance of an actual financing.

Periodically, policies should be revised to keep current with best practices or changes in law. The Debt Affordability Advisory Committee (DAAC) reviews the existing Debt Management Policy on an annual basis and makes recommendations for revisions to the Board of Supervisors. The DAAC met on March 15, 2021 and reviewed proposed amendments to the Debt Management Policy and is recommending updates. Specifically, there are two updates to the policy's appendices for the Board's consideration at today's meeting:

1. **Appendix 3, "Continuing Disclosure Procedures."** This Appendix has been updated to reflect the following:

- **Exhibit A "County and Authority Outstanding Debt"**. Updated to add the Authority's 2021 Series A and B Lease Revenue Bonds and remove references to the Authority's 2010 Series A and B Lease Revenue Bonds and 2012 Lease Revenue Obligations (both of which were refunded by the 2021 Lease Revenue Bonds).
- **Exhibit B "Required Information for Annual Reports of County and Authority"**. Updated to add the Authority's 2021 Series A and B Lease Revenue Bonds and remove references to the Authority's 2010 Series A and B Lease Revenue Bonds (which were refunded by the 2021 Lease Revenue Bonds).

CONSEQUENCE OF NEGATIVE ACTION:

The policy will not be formally updated and reaffirmed by the Board.

ATTACHMENTS

Resolution 2021/100

Resolution No. 2021/100 - County Debt Management Policy, March 2021