



Legislation Text

File #: AF16-013, **Version:** 1

Agenda Information Sheet

DEPARTMENT: Finance

ACM: Bryan Langley

Date: September 27, 2016

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding revisions to the City of Denton's Debt Service Management Policy.

BACKGROUND

City's Debt Service Management Policy was originally developed in 1995 and adopted by the City Council on March 5, 1996. On April 20, 2010, the City Council adopted revisions to the policy, including the requirement that the policy be reviewed at least annually to ensure compliance with statutory and Securities and Exchange Commission (SEC) requirements. The Debt Service Management Policy provides general guidelines by which the City will issue debt and addresses the issues of process, use and limitations.

After reviewing the existing Debt Service Management Policy with the City's Financial Advisor, Bond Counsel and internal Debt Management Committee, the following revisions are being proposed:

1. Section II, C - House Bill 1378, passed during the 2015 legislative session, requires the City to either compile the requisite debt information in self-created report that is posted on the City's website and filed with the Texas Comptroller or complete the Texas Comptroller's online debt reporting form. For fiscal year ending September 30, 2016, the City must comply with this new reporting requirement within 210 days from the end of the fiscal year and 180 days for future fiscal years. (Page 2)
2. Section IV, B - Updated publication date of GFOA's best practice titled, "Understanding Your Continuing Disclosure Responsibilities." (Page 4)

Additionally, other minor changes are recommended to clarify language, reduce redundancy, and improve sentence structure. If the Audit/Finance Committee concurs with the proposed changes, a resolution to approve the revisions will be presented to Council for consideration on November 1, 2016.

RECOMMENDATION

Staff recommends that the revised Debt Service Management Policy be forwarded to the City Council for review and approval.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Organizational Excellence**

Related Goal: **1.1 Manage financial resources in a responsible manner**

EXHIBITS

1. Redlined Debt Service Management Policy

Respectfully submitted:
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