



Agenda Item Details

Meeting	Dec 11, 2024 - City Commission Meeting
Category	12. POLICY FORMATION AND DIRECTION
Subject	12.07 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: Jason Buchholz, Deputy Treasurer-Clerk, (850)891-8082

Statement of Issue

City Commission Policy 238, Debt Management, was updated on January 29, 2020, and is subject to a sunset review within five-years. 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 include updates identified as part of debt management operations since 2020. Those updates include a change to acknowledge activity outside of the City's three established credit programs, an additional provision related to capitalized interest, and an additional detail regarding post debt issuance procedures. In addition, the debt targets were updated to better reflect the City's strong financial metrics and provide general debt structuring flexibility. The sunset provision to ensure the Policy is reviewed again in five years remains.

The policy was drafted by the Office of the Treasurer-Clerk with assistance from PFM, the City's current Financial Advisor (FA).

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 any such arrangement without adopting a separate policy governing their use.

The policy update on January 29, 2020, moved two stand-alone sections related to taxable and direct subsidy bonds under a “Debt Structure” section and added a five-year sunset provision.

Department(s) Review

Options

1. Approve revisions to Commission Policy 238
2. Provide staff with additional guidance.

Attachments/References

1. Commission Policy 238_Blacklined
2. Commission Policy 235_Clean

[CP 238_DebtPolicy BL Version.pdf \(263 KB\)](#)

[CP 238_DebtPolicy Clean Version.pdf \(105 KB\)](#)