

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION ADOPTING THE COUNTY'S DEBT MANAGEMENT POLICY

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, California Government Code Section 8855, as amended by Senate Bill 1029 (SB 1029), requires any issuer of public debt to provide the California Debt and Investment Advisory Commission (CDIAC) with certain reports and information related to the issuance of public debt; and

WHEREAS, SB 1029 requires additional reporting related to the issuance of debt by a local agency and the adoption of a debt policy concerning the use of debt by the local agency by, among other things, expanding the reporting requirements applicable to state and local debt issuers to assess whether proceeds from debt issuances are spent for their intended purposes and by requiring a state or local debt issuer to submit a report of a proposed issuance to CDIAC at least 30 days before the sale of debt and to certify that it has adopted a debt policy concerning the use of debt proceeds; and

WHEREAS, since SB 1029 became effective in 2017, neither the County nor the County's Joint Powers Financing Authority has issued any debt, with the County's most recent issuance of lease revenue bonds occurring in 2016 in connection with the refinancing of the County's 2008 bonds which had been issued in connection with the refunding of bonds originally issued to finance the County's Youth Services Center; and

WHEREAS, although the Board adopted an ordinance (“Chapter 2.81 – Debt Limit”) (the “Debt Limit Ordinance”) in 1997, which provides, among other things, that the County’s annual debt service payments may not exceed 4% of the average annual County budget for the current and the preceding four fiscal years, such ordinance, while not superseded or otherwise impacted by the proposed debt management policy, does not satisfy the requirements of SB 1029; and

WHEREAS, County Counsel, bond counsel, and the County’s financial services advisor in connection with the proposed 2018 Series A and 2019 Series A bonds, have reviewed the proposed debt management policy, which is designed to, among other things, facilitate a systematic and prudent approach to debt issuance and debt management, ensure access to debt capital markets and direct purchase investors through prudent and flexible policies, assist the County in achieving the highest practical credit rating, and ensure compliance with applicable state and federal laws; and

WHEREAS, the policy sets forth the purposes for which the County may engage in long-term borrowing, short-term borrowing, and refinancing of existing debt and also sets forth the types of debt that the County may issue and prohibits the County’s use of derivatives and interest rate swaps in its debt program; and

WHEREAS, the County’s Joint Powers Financing Authority will be approving this same policy at its October 24, 2018, meeting, and the proposed issuances of 2018 Series A and 2019 Series A bonds are compliant with this policy;

WHEREAS, this Board has been presented the proposed Debt Management Policy and desires to adopt said policy; and

WHEREAS, County Counsel has reviewed and approved the Resolution as to form;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors hereby adopts the proposed Debt Management Policy for and on behalf of the County of San Mateo.

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