



City of Chula Vista

Staff Report

File#: 16-0301, **Item#:** 6

- A. RESOLUTION NO. 2016-127 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ESTABLISHING A COUNCIL POLICY REGARDING THE CITY OF CHULA VISTA DISCLOSURE POLICY
- B. RESOLUTION NO. 2016-128 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ESTABLISHING A COUNCIL POLICY REGARDING THE CITY OF CHULA VISTA FIXED ASSETS INVENTORY & CONTROLS POLICY

RECOMMENDED ACTION

Council adopt the resolutions.

SUMMARY

In the interest of applying best practices to municipal debt disclosure and fixed asset inventory management, the Finance Department proposes the two policies included with this item for City Council consideration. The debt disclosure policy will formally memorialize the proper procedures for effective and informative debt disclosure to all bond market stakeholders. Likewise, the fixed asset inventory and control policy will provide a formal guide to cataloging and safeguarding the City's capital asset acquisitions, disposals, and interdepartmental transfers.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Environmental Determination

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

N/A

DISCUSSION

The Finance Department is proposing two new policies which will serve the City's stakeholders in a number of ways.

The first policy, related to bond issue disclosure will provide additional information and surety to the City's bondholders by requiring City officials to certify their understanding of bond issue offering documents, such as official statements for new or refunding bond issues, and additional requirements and certifications related to ongoing annual disclosure and material events for outstanding bond issues. These assurances are viewed as favorable by ratings agencies such as Moody's and Standard & Poor's.

The second policy will safeguard the City's fixed assets by formalizing an existing set of procedures, as recommended by the City's auditors. While this is not a material alteration to the method utilized currently by City Staff, a formal policy with City Council approval establishes the process in a manner compliant with audit requirements.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. Approval of these policies will assist the City in providing Operational Excellence by setting the proper control and safeguards related to both debt disclosure and fixed assets.

CURRENT YEAR FISCAL IMPACT

None

ONGOING FISCAL IMPACT

None

ATTACHMENTS

City Disclosure Policy

Fixed Assets Inventory & Controls Policy (with referenced forms)

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