



## City of North Port

### RESOLUTION NO. 2024-R-57

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA, ADOPTING CITY COMMISSION POLICY NO. 2024-01 RELATED TO THE DEBT MANAGEMENT POLICY; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, on July 23, 2024, the City Commission approved Ordinance 2024-07 calling for a referendum question to be placed on the November 5, 2024 General Election; and

**WHEREAS**, pending a successful result of the referendum question at the November 5, 2024, General Election, Section 1.02 of the City Charter will be amended to authorize the City Commission to borrow money, contract loans, and issue revenue bonds payable from funds other than property taxes in accordance with qualifications and limitations outlined in Ordinance 2024-07; and

**WHEREAS**, on June 26, 2024, the City Commission directed the development of a Debt Management Policy to help ensure fiscal prudence and financial stability, and guide the City regarding decisions about incurring debt; and

**WHEREAS**, on June 26, 2024, the City Commission further directed adoption of the Debt Management Policy following two (2) readings of a resolution prior to the November 5, 2024 election date; and

**WHEREAS**, on September 9, 2024, the City Commission consulted with Financial Advisors, subject matter experts, and City staff to assist in the creation of a Debt Management Policy; and

**WHEREAS**, the City Commission finds that this policy serves the public health, safety, and welfare of the citizens of the City of North Port, Florida.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA:**

1.01 The above recitals are true and correct and are incorporated in this resolution.

**SECTION 2 – RESOLUTION**

2.01 The City Commission adopts “Policy No. 2024-01 – Debt Management Policy,” attached and incorporated in this resolution, as an administrative policy of the City Commission of the City of North Port.

**SECTION 3 – CONFLICTS**

3.01 In the event of any conflict between the provisions of this resolution and any other resolution, in whole or in part, the provisions of this resolution will prevail to the extent of the conflict.

**SECTION 4 – SEVERABILITY**

4.01 If a court of competent jurisdiction finds that any section, subsection, sentence, clause, phrase, or provision of this resolution is for any reason invalid or unconstitutional, that provision will be deemed a separate, distinct, and independent provision and will not affect the validity of the remaining portions of the resolution.

**SECTION 5 – EFFECTIVE DATE**

5.01 This resolution takes effect immediately.

READ BY TITLE ONLY at the first reading by the City Commission of the City of North Port, Florida in public session on October 22, 2024.

ADOPTED by the City Commission of the City of North Port, on the second and final reading in public session on November 4, 2024.

CITY OF NORTH PORT, FLORIDA

\_\_\_\_\_  
ALICE WHITE  
MAYOR

ATTEST

\_\_\_\_\_  
HEATHER FAUST, MMC  
CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS

\_\_\_\_\_  
MICHAEL GOLEN, CPM  
INTERIM CITY ATTORNEY



# City of North Port

## City Commission Policy – Debt Management Policy

Policy No. 2024-01

Adopted by Resolution No. 2024-R-57

Adoption Date: November 4, 2024

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### I. STATEMENT OF POLICY

- A. The City of North Port (city) may periodically enter into debt obligations to finance the construction or acquisition of infrastructure, buildings and other assets or to refinance existing debt and unfunded liabilities for the purpose of meeting its governmental obligations to its citizens. All debt will be issued and administered to obtain the best long term financial advantage to the city while making every effort to maintain and improve the city’s credit ratings and reputation within the investment community. The Debt Management Policy will be reviewed and updated as needed, every 5-years at a minimum. Any future changes or exceptions to this Debt Management Policy require approval by City Commission.
- B. This policy Debt of the city is subject to the Internal Revenue Code, Florida Statutes, the City Charter, City Ordinances, and City Resolutions which outline legal borrowing authority, restrictions, limits, and compliance requirements. The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the city and to provide for the preparation and implementation necessary to assure compliance and conformity with this policy.

### II. PURPOSES AND USES OF DEBT

- A. **Debt Position:** The city will maintain a conservative debt position based on the criteria outlined in this policy. Debt will be issued only if the benefits outweigh the costs of the debt.
- B. **Capital Financing:** The city will normally rely on specifically generated funds and/or grants and contributions from other governments to finance its capital needs on a pay- as-you-go basis. Periodically, it may become necessary to secure financing that is considered interim or temporary in nature and allows maximum flexibility in Capital Improvement Program (CIP) implementation (short-term debt). Debt of longer repayment periods (long-term debt) will be issued for capital projects when it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries.
- C. **Asset Life:** The city will consider long-term financing for the acquisition, replacement, or expansion of capital assets (including land, facilities and equipment) if it has a useful life, or average useful life of at least five years or to refinance existing debt when the conditions are favorable or in the case of an emergency and approved by the City Commission.

### III. CREDITWORTHINESS

- A. **Legal Restrictions:** The city will keep outstanding debt within the limits prescribed by State Statute and the City Charter at levels consistent with its creditworthiness, best practices, needs and affordability objectives.

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- B. Debt Issuance Limitations:** The City Commission may authorize debt obligations payable from funds other than property taxes for:
  - 1. Emergency response. During the existence of a declared local, state, or federal emergency or disaster; or
  - 2. Safety or public health with the maximum principal amount of indebtedness or obligation of up to \$15,000,000 per project. Beginning October 1, 2025 and each October 1 thereafter, this maximum amount shall be adjusted to reflect the percentage change in the Engineering News and Record (ENR) Construction Cost Index by using the most recent available information for the prior 12-month period. The Debt Evaluation Report will provide the annual index and the resulting borrowing cap based on a comparison of the most recent 12-month period to the prior 12-month period. In the event ENR CCI decreases, the cap would be the same as the prior year cap.
    - a) Regulatory agency requirements;
    - b) Imminent infrastructure or system failure; or
    - c) Capital improvement facilities for emergency and essential services.
  
- C. Capital Planning:** To enhance creditworthiness and prudent financial management, the city is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to systematic capital planning is demonstrated through adoption and periodic adjustment of a Comprehensive Plan pursuant to Chapter 163, Florida Statutes, and the annual adoption of a five-year CIP.
  
- D. Credit Ratings:** The city seeks to maintain the highest possible credit ratings for all categories of short and long-term debt that can be achieved without compromising delivery of basic city services and the achievement of the adopted City Strategic Plan. For those agencies that maintain a credit rating on the city, the Finance Department will provide these organizations with all necessary budgetary and financial information as published and upon request.
  
- E. Debt Affordability Measures:** The city will examine the following statistical measures to determine debt capacity for non-emergency response issuances and compare these ratios to the standard municipal rating agency median for cities of comparable size and historical ratios to determine debt affordability:
  - 1. Governmental Activities Funds:
    - a) Debt per capita, with a target threshold of \$2,500 or less;
    - b) Debt to taxable assessed value, with a target threshold of 2.5% or less;
    - c) Debt service payments as a percentage of Operating Revenues, with a target threshold of 15.00% or less.
  - 2. General Fund:
    - a) Operating Revenue debt service coverage of at least 3.0x.
  - 3. Special District or other Special Revenue Funds:
    - a) Debt service coverage of at least 2.0x.

- 91 4. Surtax or other Capital Projects Funds:
- 92 a) Debt service coverage of at least 2.0x.
- 93
- 94 5. Utilities or other Enterprise Funds:
- 95 a) Days Cash on Hand of at least 150 days;
- 96 b) Net Operating Revenue debt service coverage of at least 1.20x.
- 97

#### 98 IV. DEBT STRUCTURING

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- 100 **A. Debt Structure:** Debt will be structured to achieve the lowest possible net cost to the city given  
101 various market conditions, legal covenants and the nature and type of security provided.  
102 Moreover, to the extent possible, the city will design the repayment of its overall debt to  
103 maintain sufficient borrowing capacity for future use.  
104
- 105 **B. Length of Debt:** Debt will be structured for the shortest amortization period consistent with a  
106 fair allocation of costs to current and future beneficiaries or users. The term of city debt issues  
107 shall not exceed the useful life of the project or equipment financed.  
108
- 109 **C. Backloading (Back-end Load):** The city will seek to structure debt with level principal and  
110 interest costs over the life of the debt. Back loading of costs will be considered:  
111 1. when natural disasters or extraordinary or unanticipated external factors make it  
112 necessary, as the short-term costs of the debt are prohibitive;  
113 2. when such structuring is beneficial to the city’s overall amortization schedule;  
114 3. when such structuring will allow the debt service to more closely match project  
115 revenues during the early years of the project’s operation; or  
116 4. when the average life of debt issued is limited to a maximum of 20-years.  
117
- 118 **D. Refunding:** The city’s staff and financial advisor will undertake periodic reviews of all  
119 outstanding debt to determine refunding opportunities. Refunding will be considered (within  
120 Federal tax law constraints) if, and when, there is a net economic benefit of the refunding or the  
121 refunding is essential in order to modernize covenants essential to operations and management.  
122 In general, an advance refunding for economic savings will be undertaken when a net present  
123 value (NPV) savings of at least 5% of the refunded debt can be achieved. A current refunding  
124 that produces NPV savings of less than 5% will be considered on a case-by-case basis. A  
125 refunding with negative savings will not be considered unless there is a compelling public policy  
126 or legal objective.  
127
- 128 **E. Credit Enhancements:** Credit enhancement, including letters of credit and bond insurance, may  
129 be used to enhance the credit rating and marketability of securities, but only when providing a  
130 net benefit where debt service on the bonds is reduced by more than the costs of the  
131 enhancement.  
132
- 133 **F. Debt Service Reserve Funds:** Debt Service Reserve Funds are used to provide a ready reserve to  
134 meet current debt service payments should monies not be available from current revenues for  
135 the protection of the bondholders. The city shall utilize the methodology that best serves its  
136 needs on a case-by-case basis, following Government Finance Officers Association (GFOA)  
137 standards and relying on recommendations by the city’s financial advisor.

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- G. Capitalized Interest:** Borrowing for near-term interest costs should be limited to specific revenue generating projects or debt issued without current year debt service budgeted, and only when beneficial to the city’s current residents and rate payors. All interest will be capitalized according to Generally Accepted Governmental Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).
- H. Fixed Interest Debt:** Fixed interest debt allows the city to budget long-term costs without risk of interest rate changes. This is the city’s primary loan type and will be used to mitigate interest rate risk.
- I. Variable Rate Debt:** The city may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions. The city will limit its outstanding bonds in variable rate form to reasonable levels in relation to total debt. At no time will the city have variable debt in excess of 20% of the city’s debt portfolio.
- J. General Obligation Bonds:** When determined to be the most appropriate method of debt issuance, the city will seek approval through voter referendum to issue general obligation bonds. The full faith and credit of the city will secure general obligation bonds. The city pledges to levy the voter approved and necessary ad valorem tax rate to meet the debt service requirements of the bonds.
- K. Revenue Debt:** As part of the city’s financing activities, specific revenue sources may be identified to pledge for repayment of revenue debt. Before such commitments are made, specific policy goals and objectives that determine the nature and type of projects qualifying for such support and specific limitations to be placed on the maximum amount of resources pledged to such projects shall be developed. Key factors that will be considered in determining whether or not General Fund specific revenues should be used to secure a particular debt obligation will include the following:
  1. Demonstration of underlying self-support, thus limiting potential General Fund exposure
  2. Use of General Fund support as a transition to a fully stand-alone credit structure, where interim use of General Fund credit support reduces borrowing costs and provides a credit history for new or hard to establish credits.
  3. General Fund support is determined by the City Commission to be in the city’s overall best interest.
- L. Taxable Debt:** The cost of taxable debt is typically higher than tax-exempt debt. The issuance of taxable debt is mandated in certain circumstances upon review and analysis by the city’s bond counsel and may allow valuable flexibility in subsequent contracts with users or managers of the improvement constructed with the debt proceeds. Therefore, the city may issue taxable obligations when determined to be the best method for the intended purpose.

- 182 **M. Leasing:** When determined to be advantageous to the city, the city may lease equipment and  
 183 facilities rather than purchase them outright. Leasing may be appropriate for assets that will be  
 184 needed for only a short period of time, or which are subject to rapid technological obsolescence.  
 185 Leasing may also be determined to be appropriate for procuring assets that are too expensive to  
 186 fund with current receipts in any one year, but with useful lives too short to finance with long-  
 187 term debt. The decision to lease will be supported by an analysis of lease versus purchase.  
 188 Lease-purchase financing may be used which result in periodic lease payments being applied  
 189 over time with a nominal purchase at the end of the lease period. This approach allows for a  
 190 budgeted annual appropriation of funds for payments, using the asset as collateral instead of a  
 191 dedicated revenue stream.  
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- 193 **N. Lease-Purchase:** Financing mechanism similar to a Bank Loan used to purchase assets using the  
 194 asset to secure financing, as opposed to a revenue stream. This is a common financing  
 195 technique used for fleet, public safety, general governmental and other equipment needed to  
 196 provide required services.  
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- 198 **O. State and Federal Loan Programs:** These programs provide funds for projects such as water  
 199 supply and distribution facilities, stormwater control and treatment projects, air and water  
 200 pollution control, solid waste disposal facilities, infrastructure, etc. In programs like the State of  
 201 Florida Revolving Loan Fund (SRF), local governments benefit from the strength of the state's  
 202 credit and costs are traditionally low. Other programs, like the Water Infrastructure Finance and  
 203 Innovation Act (WIFIA), provide partial funding for large water and wastewater related projects,  
 204 and others, like the State Infrastructure Bank (SIB) Loan, provide funding for infrastructure type  
 205 projects. Whenever possible, these types of programs shall be considered if the implementation  
 206 costs are not excessive, interest costs are below prevailing open market conditions and legal  
 207 terms are acceptable.  
 208
- 209 **P. Pooled Financing:** If it is financially or strategically beneficial, the city may participate in debt  
 210 pools with other entities and low-interest loans from state agencies or organizations on either a  
 211 long-term or short-term basis.  
 212
- 213 **Q. Interfund Borrowing:** Interfund borrowing will be considered to finance high priority needs on a  
 214 case-by-case basis, only when planned expenditures in the fund making the loan would not be  
 215 affected. Interfund borrowing may be used when it would reduce costs of interest, debt  
 216 issuance, and/or administration. Interest charged will be at the current market interest rates.  
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- 218 **R. Bank Loans:** The city may use bank loans where financially feasible and appropriate.  
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- 220 **S. Line of Credit:** The city may establish a line of credit with a financial institution or other  
 221 provider.  
 222
- 223 **T. Conduit Bond Financing:** The city may provide conduit financings for those activities that have  
 224 general public purpose and are in the best interest of the city. All conduit financings must  
 225 isolate the city completely from any credit risk or exposure.  
 226

227 **U. Other Debt Types:** The city may consider the use of Tax Anticipation Notes, Bond Anticipation  
228 Notes, Revenue Anticipation Notes, Commercial Paper Notes or other such structured  
229 borrowings if it is in the best financial interests of the city to do so.  
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231V. **EXTERNAL FINANCING TEAM**

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233 **A. Independent Financial Advisor:** The city shall engage a registered independent financial advisor  
234 to assist the city in the analysis, structure, issuance and management of debt. The financial  
235 advisor has a fiduciary duty to the city and will provide advice on determining the best type of  
236 financing for the city, selecting other finance professionals, planning the bond sale,  
237 recommending the best method of sale and structure for the debt issue, and successfully selling  
238 and closing the financing. Financial advisors are required to have comprehensive municipal debt  
239 experience, including diverse financial structuring and pricing of municipal securities. The city  
240 requires that its financial advisor complies with the Municipal Securities Rulemaking Board  
241 (MSRB) Rule G-42 or similar standards of conduct for municipal advisors engaging in municipal  
242 advisory activities. An independent financial advisor can also provide assistance with the  
243 selection of other financial professionals.  
244

245 **B. Bond Counsel:** The city shall engage an external bond counsel for all debt issues deemed  
246 necessary. The bond counsel ensures compliance with Federal laws and regulations related to  
247 the issuance of tax-exempt debt. The bond counsel prepares the legal documents related to the  
248 financing and oversees the closing process for the bonds.  
249

250 **C. Disclosure Counsel:** The city shall engage external disclosure counsel for all public offerings.  
251 Disclosure counsel renders an opinion to the city (and a reliance letter to the underwriters if  
252 requested) in connection with each such offering to the effect that, with certain conditions,  
253 nothing came to their attention to indicate the offering document contains any untrue  
254 statement of material fact or omits to state any material fact necessary to make the statements  
255 in the offering document, in light of the circumstances under which they were made, not  
256 misleading. Disclosure counsel shall provide legal advice to the city to assist it in meeting its  
257 secondary market disclosure obligations. Disclosure counsel is engaged in the same manner as  
258 bond counsel.  
259

260 **D. Underwriter:** The underwriter purchases the bonds of the local government and usually on a  
261 percentage fee basis of the issue, markets the bonds to the ultimate bond purchaser. The  
262 underwriter may be chosen through a competitive Request For Proposal (RFP) process for a  
263 negotiated sale, or public bid through a competitive sale process.  
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265 **E. Credit Rating Agencies:** Various independent bond rating agencies assess the credit quality of  
266 the borrowing entity and debt offerings. Superior ratings by these organizations command  
267 favorable borrowing rates resulting in lower overall cost of funds.  
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269VI. **DEBT ISSUANCE PROCESS**

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- 271       **A. Debt Approval:** All proposed borrowings require the City Commission’s final approval, which  
272 includes the adoption of appropriate Resolutions with two readings drafted by bond counsel.  
273 Before the sale of bonds or notes the Finance Department will identify the source and use of  
274 bond proceeds, identify account coding for deposit of all bond proceeds and payment of debt  
275 service. The preparation of an appropriate budget amendment may also be required.  
276
- 277       **B. Competitive Sale:** In general, city debt is issued through a competitive bidding process. In a  
278 competitive bid process, the city, with the assistance of the city’s financial advisor, will structure  
279 the bond issue and publish a Notice of Sale requesting bids from underwriters. Bids are awarded  
280 on a True Interest Cost basis (TIC), provided other bidding requirements are satisfied. The  
281 Finance Department shall work with the external financing team to develop parameters that are  
282 included in the approving resolution. The parameters must be met by the winning bidder for the  
283 Finance Department to have authorization to award the competitive sale, based on terms  
284 included in the bid documents previously approved by City Commission  
285
- 286       **C. Negotiated Sale:** A negotiated sale of debt may be considered when the complexity of the issue  
287 requires specialized expertise; or when the negotiated sale would result in substantial savings in  
288 time or money; or when market conditions are unusually volatile; or when a negotiated sale is  
289 otherwise in the best interest of the city. In a negotiated sale, the city works with a single  
290 underwriter or underwriting syndicate. In a negotiated sale, the underwriter will be selected  
291 through the Request For Proposal (RFP) process. The criteria used to select an underwriter in a  
292 negotiated sale should include, but not be limited to the following: overall experience,  
293 marketing philosophy, capability, previous experience, past relationships, special expertise, the  
294 size and nature of the underwriter’s sales efforts, underwriter's discount, and expenses. The  
295 underwriter will work with the finance team to optimize structuring of the bond issue, preparing  
296 the official statement, and obtaining a bond rating or ratings. The underwriter will engage in  
297 pre-sale marketing, and then will negotiate interest rates with the city.  
298
- 299       **D. Private Placement:** When determined to be beneficial and appropriate, the city may elect to sell  
300 its debt obligations through a private placement with a bank or other financial institution. The  
301 financing institution will be selected through the Request for Proposal (RFP) process, directed  
302 and lead by the city’s financial advisor.  
303
- 304       **E. Investment of Proceeds:** All proceeds of debt incurred by the city will be invested as part of the  
305 city's consolidated cash pool unless otherwise specified by the bond covenants. Debt proceeds  
306 will be invested primarily to assure the safety and liquidity of such investments, and secondarily,  
307 to maximize investment yield. The city will develop detailed draw schedules for each project  
308 funded with borrowed monies. The city will invest the proceeds of all borrowings consistent  
309 with those authorized by the city's investment policy, and in a manner that will ensure the  
310 availability of funds as described in the draw schedules. Debt covenants will specifically address  
311 investment guidelines for debt proceeds, along with rebate calculations and other compliance  
312 requirements.  
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- 314       **F. Use of Bond Proceeds:** All proceeds will be used as described in the resolution authorizing the  
315 issuance, or as approved by the City Commission. In the event funds are determined, by the city,

316 to not be needed for the purpose they were issued, such funds shall be transferred to the debt  
 317 service fund to be applied to payment or prepayment of the bond or note unless otherwise  
 318 authorized in the issuance resolution.

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 320 **G. Costs and Fees:** All costs and fees related to the issuance of bonds are paid out of bond  
 321 proceeds or by the related department budget.  
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323**VII. DEBT ADMINISTRATION AND MANAGEMENT**

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 325 **A. Debt Management Advisory Committee:** As directed by City Ordinance, the city will establish  
 326 and maintain a committee to serve in an advisory capacity to the City Commission. This  
 327 committee will meet annually, or more often as needed, and be responsible for making  
 328 recommendations on financings and providing reports to the Commission. In the event the  
 329 committee is unable to provide a recommendation to the City Commission, city staff and  
 330 financial advisor will present a recommended plan of finance for consideration. The committee  
 331 will perform a Debt Management Policy review every 5-years at a minimum, and suggested  
 332 updates will be presented to the City Commission prior to adopting changes to the policy.  
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- 334 1. Members of the committee will include the following:  
 335 2. Five (or more) citizens appointed by the Commission (voting)  
 336 3. City Manager or designee (non-voting)  
 337 4. City Finance Director or designee (non-voting)  
 338 5. City’s Financial Advisor (non-voting)  
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340 **B. Debt Evaluation Report:** The Debt Management Advisory Committee will review a report  
 341 prepared by city staff and financial advisor and present the report to the City Commission  
 342 relating to current and future debt options and challenges, as needed but no less than once per  
 343 year. Such a report will be presented at a public meeting, and may include the following  
 344 elements:

- 345 1. Calculations of the appropriate ratios and measurements necessary to evaluate the  
 346 city’s financial strength;  
 347 2. Information related to any significant events affecting outstanding debt, including  
 348 conduit debt obligations;  
 349 3. An evaluation of savings related to any potential refunding;  
 350 4. A summary of any changes in Federal or State laws affecting the city’s debt program;  
 351 and  
 352 5. A summary statement as to the overall status of the city’s debt obligations and debt  
 353 management activities.  
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355 **C. Report to Bondholders:** The Finance Department shall prepare and release to all interested  
 356 parties the Annual Comprehensive Financial Report (ACFR), which will act as the ongoing  
 357 disclosure document required under the Continuing Disclosure Rules promulgated by the  
 358 Securities Exchange Commission (SEC). This report shall contain general and demographic  
 359 information on city, and a discussion of the general government, the solid waste system, the  
 360 water and wastewater utility system, the storm water utility system, and any additional systems  
 361 that may subsequently be established by the city. The information presented on the general  
 362 government and on the enterprise system shall comply with the disclosure obligations set forth

363 in the Continuing Disclosure Certificates issued in connection with its debt obligations, and may  
364 include information on the following: service areas; rates and charges; financial statement  
365 excerpts; outstanding and proposed debt; material events; a summary of certain bond  
366 resolution provisions; a management discussion of operations; and other such information that  
367 the city may deem to be important. The report shall also include Notes to the Financial  
368 Statements, and to the extent available, information on conduit debt obligations issued by the  
369 city on behalf of another entity.

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371 **D. Tax-Exempt Debt Compliance:** The city will comply with all applicable Federal tax rules related  
372 to its tax-exempt debt issuances. This includes compliance with all applicable Federal tax  
373 documentation and filing requirements, yield restriction limitations, arbitrage rebate  
374 requirements, use of proceeds and financed projects' limitations and recordkeeping  
375 requirements.

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377 **E. Arbitrage Compliance:** The Finance Department maintains a system of recordkeeping and  
378 reporting to meet the arbitrage rebate compliance requirements of the federal tax code.  
379 Arbitrage rebate liabilities will be calculated annually or otherwise as directed by a calculation  
380 agent, and the liability will be reported in the city's annual financial statements.

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382 **Financial Disclosure:** The city is committed to full and complete financial disclosure and to  
383 cooperating copiously with rating agencies, institutional and individual investors, other levels of  
384 government, and the public to share clear, comprehensible, and accurate financial and other  
385 relevant information. The city is committed to meeting secondary disclosure requirements on a  
386 timely and broad basis. The Finance Department is responsible for ongoing disclosures to  
387 established national information repositories and for maintaining compliance with disclosure  
388 standards promulgated by State and national regulatory bodies and may carry-out such  
389 responsibility through the engagement of an outside dissemination agent.

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#### 391 **VIII. USE OF DERIVATIVES –**

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393 **A. Derivative or Synthetic Debt Structures:** The use of derivative instruments in general is not  
394 recommended, and consideration by City Commission requires a presentation by the city staff  
395 and financial advisor to outline the risks and benefit associated with the structure being  
396 recommended.

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