



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Treasurer – Tax
Collector
Department No.: 065
For Agenda Of: 08/18/2020
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
Board of Directors, Santa Barbara County Flood Control and Water Conservation
District
Board of Directors, Santa Barbara County Water Agency
Board of Directors, Santa Barbara County Fire Protection District
Board of Directors, Laguna County Sanitation District

FROM: Department Harry E. Hagen, CPA, CPFA, CPFO, CFIP, CGIP, ACPFIM
Director(s) Treasurer – Tax Collector
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SUBJECT: Adoption of the County of Santa Barbara Debt Issuance Disclosure Policy

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Debt Advisory Committee

Recommended Actions: That the Board of Supervisors, acting as the Board of Supervisors of the County of Santa Barbara, and the Board of Directors of the Santa Barbara County Flood Control and Water Conservation District, the Santa Barbara County Water Agency, the Santa Barbara County Fire Protection District, and the Laguna County Sanitation District:

- A) Adopt the County of Santa Barbara Debt Issuance Disclosure Policy (Attachment A)
- B) Determine that the above actions involve government funding mechanisms and/or fiscal activities and are not a project under the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

The Government Finance Officers' Association (GFOA) recommends that finance officers responsible for their government's debt management program develop a thorough continuing disclosure policy.

Incorporating robust disclosure practices and demonstrating a solid disclosure track record will benefit the County by encouraging regulatory compliance and by enhancing credibility among investors, credit rating agencies and the public, thereby resulting in optimal bond issuance results. In addition, prior to participating in any County public bond offering, underwriters must have a reasonable basis for believing that the offering statement accurately describes the past continuing disclosure compliance of the County, and an understanding of the likelihood of future compliance.

Background: Governments or governmental entities (issuers) issuing bonds in the public market have an obligation to meet specific continuing disclosure standards set forth in continuing disclosure agreements (CDAs, also called continuing disclosure certificates or undertakings). Issuers enter into CDAs at the time of bond issuance to enable their underwriters to comply with Securities and Exchange Commission (SEC) Rule 15c2-12. This rule, which is under the Securities Exchange Act of 1934, sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities, (ii) underwriters to obtain CDAs from issuers and other obligated persons to provide listed event disclosures and annual financial information on a continuing basis, and (iii) broker-dealers to have access to such continuing disclosure in order to make recommendations of municipal securities in the secondary market.

The SEC's Municipalities Continuing Disclosure Cooperation (MCDC) initiative in 2014, along with other recent federal regulatory actions, have highlighted the importance of maintaining a reliable system to adequately manage continuing disclosure. Failure to comply with CDAs may impair the issuer's access to the public capital markets in a timely manner, as underwriters must have a reasonable basis for believing that the issuer will meet their CDA obligations. Adopting a debt issuance disclosure policy helps to assure underwriters that the County is completing its continuing disclosure obligations.

At its February 21, 2020 meeting, the Debt Advisory Committee reviewed and recommended that the County and its related component units approve the Debt Issuance Disclosure Policy.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

Budgeted: No fiscal impact will result from the adoption of this Policy.

Attachments: Attachment A – Santa Barbara County Debt Issuance Disclosure Policy

Authored by:

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