

-Memorandum-

*City of Seguin*


**Finance Department**

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**Date:** November 9, 2015

**To:** Mayor and City Councilmembers  
Douglas Faseler, City Manager

**From:** Susan Caddell   
Director of Finance

**Subject:** Debt Management Policy

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Attached you will find the City of Seguin's Proposed Debt Management Policy. This policy, similar to the Five Year Capital Improvement and Finance Plan, is something the rating agencies have asked about as it is another part of the financial management practices of highly rated cities.

The Debt Management Policy is not the long term capital improvement plan; however, it does provide some guidelines for the financing of the capital improvements. Most all of the guidelines stated in the policy are practices the City has been doing. This policy simply formalizes those practices so that future councils have something to refer to.

The policy also highlights the basic legal and regulatory requirements the City has with regard to its debt, such as the continuing disclosure requirements of the Securities and Exchange Commission and the arbitrage and rebate rules imposed by the federal tax laws.

The Debt Management Policy, along with other policies like the Fund Balance policy, simply formalize in writing the policies and practices the City has been following. It gives others outside the City, such as rating agencies, potential purchasers of the City's bonds, and the citizens an opportunity to see in writing the procedures the City goes through when issuing debt and implementing capital improvement projects.