


Finance Committee

DEPARTMENT: Finance
FROM: Mark Davies, Director of Finance
MEETING: May 27, 2026

SUBJECT:

Receive a report, hold a discussion, and provide recommendations to the city council on proposed amendments to City Council Policy #32, Financial Policy, and City Council Policy #41, Debt Management Policy. *(Staff Contact: Mark Davies, Director of Finance)*

STRATEGIC PRIORITY AND GOAL(S):

Strategic Priority	Strategic Goal
 <p>High Performing City Organization Providing Exceptional, People Focused Services</p>	<p>1.4 Be a responsible steward of the city's financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and transparent financial reporting; and utilizing long-range planning.</p>

SUMMARY:

In June 2025, the City Council adopted significant updates to the Financial Policy (#32) and Debt Management Policy (#41). The policies align well with many core Government Finance Officers Association (GFOA) best practices for municipal financial management and demonstrate good governance principles. The Financial Policy (#32) and Debt Management Policy (#41) serve as foundational documents that guide the City's financial planning, reporting, and debt issuance strategies. Staff has conducted a comprehensive review and recommend a few updates to strengthen and improve clarity and add flexibility to position the city in the best fiscal circumstances. A summary of the proposed amendments can be found below.

FINANCIAL POLICY RECOMMENDED UPDATES:

- **VI. Expenditure Control:**
 - Equipment Financing: Recommend to replace current wording to match language in the ERF policy.
“Vehicles and equipment with a replacement cost greater than \$300,000 will be funded by the issuance of certificates of obligation, and the debt service payment will not exceed the unit’s useful life.”

 - **Update terminology consistency:**
 - State Annual Comprehensive Financial Report (ACFR) throughout.
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DEBT MANAGEMENT POLICY RECOMMENDED UPDATES:

- **General Debt Governing Policies:**
 - Updating the sentence concerning refunding to be more concise by adding the words “net” and “overall”.
 - Include a policy allowing a parameters ordinance to be utilized to maximize market agility and achieve the lowest interest cost when issuing debt.

RECOMMENDATION:

Review and discuss the recommended policy changes and provide staff with feedback and direction on the proposed amendments.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

On June 16, 2025, the City Council revised the Financial Policy (#32) and adopted the Debt Management Policy (#41).

REFERENCE:

N/A

FISCAL IMPACT:

Proposed Expenditure/Revenue: N/A
Account Number(s): N/A
Fund: N/A
Account Description: N/A

STAFF CONTACT:

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