

AGENDA ITEM #: _____

DATE: April 8, 2019

CAR #: 2019-6624



COUNCIL ACTION REPORT

SUBJECT: Update of continuing disclosure procedures for City bonds and other financial obligations.

STAFF PRESENTER(S): Jared Askelson, Finance Manager

OTHER PRESENTER(S): None

Summary: Federal securities laws require issuers of bonds, such as the City of Goodyear, to provide post-issuance continuing disclosure. If approved by the Council, Resolution No. 2019-1954 adopts updated continuing disclosure compliance procedures reflecting recent amendments to federal securities laws.

Recommendation: ADOPT RESOLUTION NO. 2019-1954 ADOPTING WRITTEN CONTINUING DISCLOSURE COMPLIANCE PROCEDURES AND ISSUANCE AND POST-ISSUANCE TAX COMPLIANCE PROCEDURES RELATING TO TAX-EXEMPT BONDS AND PROVIDING FOR AN EFFECTIVE DATE.

Fiscal Impact: Staff already prepares continuing disclosure reports for the City's bonds and obligations. There is no new or additional fiscal impact to the City.

Background and Previous Actions

As an issuer of bonds, the City of Goodyear is required by federal securities law to annually disclose audited financial statements, as well as updated financial information and operating data included in the official statement of the bonds. Additionally, the City must notice within ten business days if certain events occur. These disclosure requirements allow investors to have access to current financial and operating information that may impact their investments. These disclosures are made through the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access (EMMA) system.

The Securities Exchange Commission (SEC) recently revised the requirements to add two additional reportable events to bring the total to sixteen possible events. Additionally, the SEC added a definition for the term "Financial Obligation" to include debt instruments outside of the traditional public debt offerings, most specifically targeting bank loans or direct placements of bonds. These steps were taken to increase the availability of information for the investor.

This action adopts procedures in line with these updated requirements by including the SEC's definition of Financial Obligation and the sixteen events that require notification. The procedures also identify those responsible for continuing disclosures for the City, the information that they will maintain, and the systems they will have in place to ensure timely and accurate disclosures.

Staff Analysis

Staff has reviewed the proposed updated continuing disclosure compliance procedures and is prepared to follow the updated continuing disclosure compliance procedures.

Attachments

Resolution No. 2019-1954