



# BROOMFIELD CITY COUNCIL

To: Mayor and City Council  
 From: Jennifer Hoffman, City and County Manager  
 Prepared by: Brenda Richey, Chief Financial Officer

Meeting Date	June 8, 2021
Agenda Category	Council Business
Agenda Item #	11(d)

## Resolution 2021-109: Adopting the Debt Policy

### Summary

#### [View Correspondence](#)

- Management of municipal debt is one of the key responsibilities of local government and the City and County of Broomfield (Broomfield) has always maintained a high standard of practice related to its fiduciary obligations.
- On October 27, 2020, Council discussed and requested Broomfield staff to engage in a contractual agreement for Municipal Advisory Services to analyze the current debt load, estimate future debt load, make recommendations for inclusion in a formal debt policy, and review the adequacy of Broomfield's reserves.
- Broomfield retained the services of the Royal Bank of Canada (RBC) Capital Markets to assist staff in the analysis and substantiate the methodologies and practices established in relation to debt policies and financing.
- Debt is an effective way to finance capital improvements or to even out short-term revenue flows. For certain capital projects with a long useful life, debt financing is an equitable financing strategy that allows current and future beneficiaries of a capital investment to share in the cost of that improvement.
- The [Debt Policy](#) provides a general framework to establish parameters and guidelines to improve the quality of decision-making on long term capital planning and the ability and appropriateness of utilizing long term debt to fund Broomfield's related capital expenditures.
- Broomfield recognizes and understands that the foundation of a well maintained debt program is a comprehensive debt management policy. The objective of the policy is to:
  - Financing only when absolutely necessary,
  - Establish conditions to obtain financing at the lowest cost,
  - Maintain Broomfield's high credit ratings,
  - Effectively manage post-issuance compliance, and
  - Ensure the full and timely repayment of any debt.
- The components of the formal debt policy allow for:
  - Rational and sound decision making process
  - Clear objectives for staff and the City Council to implement
  - Favorable standing with credit rating agencies
  - Demonstration of commitment to long-term financial plan objectives
  - Promotes consistency and continuity in decision making to enhance the quality of decisions related to debt
- The policy is essential to ensure Broomfield's sound financial position, protect the credit quality of our obligations, and enhance our reputation for managing debt in a conservative and prudent manner.

### Financial Considerations

- N/A

### Prior Council or Other Entity Actions

- [June 1, 2021](#), City Council Study Session regarding overview of the debt policy.
- [April 20, 2021](#), City Council Study Session regarding Debt Policy, which included the Windy Gap Firming Project (WGFP).
- [October 27, 2020](#), City Council approved staff to solicit financial services related to analyzing Broomfield's debt and provide a recommendation on a financing mechanism for the WGFP.
- [October 13, 2020](#), City Council approved the Allotment Contract with the Northern Water Conservancy District for the WGFP.
- [January 7, 2020](#), City Council approved to provide additional funding for participation in the WGFP.

<b>Boards &amp; Commissions Prior Actions &amp; Recommendations</b>		
<ul style="list-style-type: none"><li>• N/A</li></ul>		
<b>Council Priorities / Comprehensive Plan / Long Range Financial Plan</b>		
<input type="checkbox"/> Affordable Housing	<input type="checkbox"/> Mental Health Strategic Plan	<input type="checkbox"/> Comp Plan Goal - Other Long Range Financial Plan
<input type="checkbox"/> Diversity, Equity, Access, and Inclusion	<input type="checkbox"/> Oil and Gas	<input checked="" type="checkbox"/>
<input type="checkbox"/> Economic Vitality	<input type="checkbox"/> Sustainability	
<input type="checkbox"/> Creative Economy	<input type="checkbox"/> Transportation	
	<input type="checkbox"/> Water	
<b>Proposed Actions/Recommendations</b>		
<ul style="list-style-type: none"><li>• Approve Resolution 2021-109 to adopt the formal debt policy.</li></ul>		
<b>Alternatives</b>		
<ul style="list-style-type: none"><li>• Do not issue bonds or issue bonds for a lesser amount. Restrict capital project spending to what is available through cash funding and/or a lesser amount of bond funding.</li></ul>		

**RESOLUTION NO. 2021-109**

**A RESOLUTION APPROVING THE DEBT POLICY OF THE CITY AND COUNTY OF BROOMFIELD**

WHEREAS, the City Council identified as a focus areas to develop a formal Debt Policy for the City and County of Broomfield to provide a method to assist in achieving the goal of economic sustainability for Broomfield now and in the future; and

WHEREAS, the Debt Policy addresses the City’s commitment to demonstrate a sound financial strategic approach, which will help guide a wide range of future financing decisions; and

WHEREAS, the City Council reviewed the Debt Policy draft at a study session on June 1, 2021 and the City Council now desires to adopt this Debt Policy.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY AND COUNTY OF BROOMFIELD, COLORADO:

**Section 1.0**

City Council hereby approves the Debt Policy, which is attached and incorporated herein by this reference; and

**Section 2.0**

This Resolution is effective upon its approval by the City Council.

APPROVED on June 8, 2021.

THE CITY AND COUNTY OF BROOMFIELD,  
COLORADO

*Dan C. Cristofolini*

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Mayor Pro Tem

ATTEST:

*Samantha Monroe*

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Asistant City Clerk



APPROVED AS TO FORM:

*Nancy Rodgers*

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City and County Attorney