Number: F-4
Effective: 3-7-23
Revised:

CONDUIT FINANCING POLICY

This policy is intended to identify the City’s role as it relates to conduit financing such as bonds or other debt instruments related to Local Improvement Districts, Business Improvement Districts and Community Infrastructure Districts.

The City will require a commitment from all institutions that borrow under the City's name to agree to provide the municipal securities market with continuing information.

The City will encourage all conduit securities to be issued with a complete official statement or other disclosure document. The documents shall clearly describe the limited source of repayment and lack of direct financial support from the City.

The City shall obtain a clear, unqualified opinion of competent counsel that it shall not be liable for the payment of principal and interest in the event of a default by the conduit borrower. If no such opinion can be obtained and the City deems it to be in its best interests that the conduit financing be allowed to proceed, the conduit borrower shall purchase insurance or a letter of credit in the City's name to protect taxpayers in the event of default.