



## ADMINISTRATIVE DIRECTIVE

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	EFFECTIVE DATE	
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### I. PURPOSE

The purpose of this policy is to guide the City, related trustees, elected officials, officers and staff in meeting the requirements of local, state and federal regulations including: continuing disclosure rules of Securities Exchange Commission ("SEC"), bond covenants and bond indentures, the Internal Revenue Code of 1986, as amended, and Treasury Regulations (the "Tax Code") concerning tax exempt and tax-advantaged debt. Non-compliance of continuing disclosure rules may have significant financial impact on the City, as well as individual elected officials, officers and staff. Tax Code compliance ensures preferential tax exempt status of debt issuances, which lowers the City's borrowing costs.

### II. SCOPE

This policy applies to Water System Revenue Bonds and Obligations, General Obligation Bonds, Certificates of Participation, Street and Highway User Revenue Bonds, and any other indebtedness of the City.

### III. DEFINITIONS

- A. **Arbitrage** - Any time bond proceeds are invested at a yield higher than the bond yield, the amount earned over the bond yield is arbitrage. With certain exceptions, the City is obligated to pay (rebate) to the federal government any arbitrage earned.
- B. **Bond Proceeds** - Bond proceeds include monies received from the sale of bonds, amounts held in a payment or reserve fund for the bonds and investment earnings on those amounts.
- C. **Capital Expenditure** - A nonrecurring expenditure attributed to a capital project with a projected final cost of at least \$100,000, resulting in a capital asset(s) with a useful life of at least six (6) years or a major renovation or rehabilitation of an existing City-owned facility that requires an expenditure of \$100,000 or more and will extend the life of the original City asset. This definition applies to section VIII of this administrative directive.
- D. **Compliance Officer** - A City employee designated by the Finance Director that is responsible for coordinating city-wide post issuance compliance efforts, in collaboration with both department Debt Management Liaisons, as well as outside consultants when necessary.
- E. **Davis Bacon Act** - Legislation enacted by Congress to assure local workers a fair wage and to provide local contractors a fair opportunity to compete for local federal contracts.
- F. **Debt Management Liaison** - A City employee designated by a department director to act as a liaison to the Finance Department and their designated Compliance Officer.



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This employee will represent the department expending the bond proceeds and will be responsible for coordinating departmental compliance efforts.

- G. **Material Event** - An event that triggers continuing disclosure to the Municipal Securities Rulemaking Board. Per the SEC Rule 15c2-12, material events include: a) delinquent debt service payments; b) non-payment related defaults; c) unscheduled draws on debt service reserves reflecting financial difficulties; d) unscheduled draws on credit enhancements reflecting financial difficulties; e) substitution of credit or liquidity providers, or their failure to perform; f) adverse tax opinions or material events affecting the tax-exempt status of a security; g) modifications to rights of security holders; h) bond calls and tender offers; i) defeasance; j) release, substitution or sale of property securing repayment of securities; k) rating changes; l) bankruptcy, insolvency or receivership; m) merger, consolidation, acquisition of City or sale of substantially all the assets of the City; n) appointment of a successor or additional trustee or change of name of trustee.
  
- H. **SEC Rule 10b5** - A regulation created under the Securities Exchange Act of 1934 that makes it unlawful for any individual elected official, officer or employee, in connection with the purchase or sale of City bonds, to engage in a communication that: a) is reasonably expected to reach current or potential investors and b) makes an untrue statement of a material fact or omits a material fact. A material fact is a fact which a reasonable investor would consider the fact or omission of such fact significant to the investment decision.
  
- I. **SEC Rule 15c2-12** - A regulation created under the Securities Exchange Act of 1934 that requires dealers, when underwriting municipal securities, to ensure that the state or local government issuing the bonds enters into a continuing disclosure agreement to provide certain information to the Municipal Securities Rulemaking Board about the bonds on an ongoing basis.
  
- J. **Working Capital** - Any cost that is not a capital expenditure.

IV. **COMPLIANCE**

- A. The City shall maintain compliance with continuing disclosure requirements, pursuant to the SEC Rule 15c2-12 and SEC Rule 10b5, as well as any other requirements or covenants that may be included in a related bond indenture, resolution or ordinance.
  
- B. The City shall ensure compliance with the Tax Code in order to maintain the tax exempt or tax-advantaged status of each bond issuance. Compliance for each issuance shall include but not be limited to:
  - 1. Arbitrage rebate and yield restriction
  - 2. Use of bond proceeds



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3. Use of bond-financed facilities

4. Other tax requirements

C. **Compliance Officer** – The Finance Director shall designate a Compliance Officer or officers for the City. The Compliance Officer shall be responsible for ensuring city-wide compliance with the requirements in this administrative directive and under applicable provisions of the Tax Code, as well as all other local, state and federal regulations.

D. **Department Responsibility** – Each department in receipt of bond proceeds shall designate a Debt Management Liaison (**Appendix A**). Each Debt Management Liaison shall work with the Compliance Officer to:

1. Ensure that the selected financing mechanism aligns with business needs prior to issuance (i.e. tax exempt versus taxable financing, debt structure needs etc.)

2. Ensure departmental compliance with administrative directives and applicable provisions of the Tax Code, as well as other local, state and federal regulations.

E. **Training** – The Compliance Officer shall take all the necessary steps to maintain an adequate understanding of post issuance compliance requirements relating to the debt issuances for which the Compliance Officer will review. These steps include, but are not limited to training and seminars from financial organizations and associations, and the reading of related industry and IRS publications. In addition, the Compliance Officer will work with the Finance Director to organize periodic City training, as needed, for Debt Management Liaisons, Compliance Officer backup, project managers, elected officials, officers and staff.

### V. **CONTINUING DISCLOSURE**

A. Elected officials, officers and staff have an obligation to disclose all material information related to its outstanding indebtedness and to meet certain standards in federal securities laws. These regulations include, but are not limited to, continuing disclosure rules such as SEC Rule 15c2-12 and SEC Rule 10b5.

B. Sound disclosure practices enhance credibility with the community, investors in the marketplace and rating agencies. Consequences of incomplete, inaccurate or misleading disclosures may include an SEC investigation, adverse publicity, rating downgrades, adverse financial impacts to the City, such as the loss of tax-exempt status, and/or civil or criminal actions against individual elected officials, officers and staff.

C. The Compliance Officer is responsible for the annual continuing disclosure requirements under SEC Rule 15c2-12, as well as material event notifications. Proof of filings should be retained in the records, as well as copies of any notices filed.



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- D. The Finance Director shall designate an individual as a backup responsible for complying with annual continuing disclosure requirements.

### VI. YIELD RESTRICTION AND ARBITRAGE REBATE

- A. **Bond Proceeds** - Proceeds from each bond issuance shall be tracked separately from other funds of the City and invested according to the City's investment policy or as stated in the related tax certificate, resolution, ordinance or indenture.
- B. **Records** - For each bond issuance, detailed records of investments and earnings will be made and kept by the Compliance Officer with respect to all bond proceeds.
- C. **Yield Restriction** - Generally speaking, proceeds of bonds cannot be invested at a yield higher than the bond yield unless during certain specific temporary periods. Therefore, for each bond issuance, prior to closing, the Compliance Officer will determine with bond counsel which funds do or do not qualify for a temporary period. Qualifying information will be documented in the related Tax Certificate and the City record.
- D. **Arbitrage Rebate** - For each bond issuance, the City must, at a minimum calculate and potentially make rebate payments at every fifth anniversary of the issuance. The Compliance Officer will work with a contracted rebate analyst to ensure proper calculation of the rebate, timely payment and/or yield restrictions.

### VII. QUALIFIED USE OF PROCEEDS, FINANCED FACILITIES AND PRIVATE BUSINESS USE

- A. **Use of Proceeds – Department Responsibility** - Each department receiving bond proceeds shall assign a Debt Management Liaison that shall have the responsibility of spending the monies in accordance with the bond covenants and maintaining detailed records with regard to the use of bond proceeds for each bond issuance. If the project is also funded with non-bond proceeds, the records will reflect an allocation of expenditures between proceeds and other funds.
- B. **Declaration of Intent to Reimburse** - No proceeds shall be used to reimburse an expenditure made prior to the issue date of the bonds unless the reimbursement rules, including any prior declaration of intent to reimburse, is fully complied with. Evidence of such compliance shall be maintained for that bond issuance. The Compliance Officer is responsible for adhering to reimbursement rules and accounting for all reimbursement expenditures.
- C. **6-Month and 3-Year Requirements – Department and Compliance Officer Responsibility** - Under federal tax law, department Debt Management Liaisons are expected to exercise diligence to enter into, within six months of the issue date, a binding contract to expend at least ten percent (10%) of the proceeds and to have at least 85% of the proceeds expended within three (3) years. After the third anniversary



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of the issuance, the Compliance Officer shall ensure that any remaining proceeds in the construction account be yield restricted, and bond counsel shall be notified.

- D. **Tracking and Monitoring – Department and Compliance Officer Responsibility** - Prior to the expenditure of bond funds, the Debt Management Liaison shall work with the Finance Department to set up the appropriate cost accounting structure to ensure clear tracking of project funding. The department Debt Management Liaison and Compliance Officer shall annually review the progress of the projects and the expenditure of proceeds to ensure timely expenditure of proceeds and accurate record keeping.
- E. **Private Activity Use** - For those facilities that are financed in whole or in part with bond proceeds, any sale or lease to, or other agreement for use by, a party other than the City can adversely impact the tax status of the bonds. The City shall not sell or lease any bond-financed property with other entities for use or management of any bond financed property without a thorough review by the Compliance Officer and bond counsel.
- F. **Prior Approval Required – Agreements Involving City Assets** - Prior to entering into any sales agreement, lease agreement or management agreement, a department must notify the Finance Department and the City Attorney’s Office (CAO) to determine whether or not the asset(s) involved were bond-financed and the potential implications of the agreement. Written approval to proceed with the agreement is required from both the Finance Department and City Attorney’s Office.

**VIII. BUILD AMERICA BONDS**

For the City’s outstanding Build America Bonds, in addition to the tax exempt bond provisions above, the City must comply with the following additional requirements:

- A. **Capital Expenditure Requirement – Department and Compliance Officer Responsibility** - All of the bond proceeds, including investment earnings, must be spent on capital expenditures (and not working capital) except that up to two percent (2%) of the proceeds can be spent on costs of issuance and proceeds can fund a reasonably required reserve fund. The Compliance Officer shall consult with bond counsel prior to issuance to determine that the two percent (2%) costs of issuance limit will not be exceeded, that any reserve fund complies with requirements, and that the balance of the sales proceeds will be spent on capital expenditures. The Compliance Officer will work with department Debt Management Liaisons receiving bond proceeds to ensure compliance and proper record keeping.
- B. **Filing for Subsidy** - An 8038-B will be prepared by bond counsel, executed by the Finance Director, Compliance Officer or authorized signer, filed promptly after the closing and included in the bond transcript. For each semi-annual interest payment, the City’s paid preparer will file an 8038-CP to request the payment of the direct subsidy



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from the IRS, upon review and execution of the form by the Finance Director or Compliance Officer.

- C. **Yield** - The Compliance Officer shall review the yield calculation with bond counsel to ensure that the yield is reduced by the credit allowed under Section 54AA(a).

**IX. SPECIAL REQUIREMENTS FOR TAX CREDIT BONDS**

The following requirements must be met for Clean Renewable Energy Bonds (CREBs) and Qualified Energy Conservation Bonds (QECBs).

- A. **Tracking and Use of Proceeds for Tax Credit Bonds – Department and Compliance Officer Responsibility** - Prior to the expenditure of tax credit bond proceeds, the Debt Management Liaison shall work with the Finance Department to set up the appropriate cost accounting structure to ensure clear tracking of project funding. All of the bond proceeds, including investment earnings, must be spent on one (1) or more “qualified purposes”, as defined by IRS Section 54, except that up to two percent (2%) of the proceeds can be spent on costs of issuance and proceeds can fund a reserve requirement that meets the requirements below. The Compliance Officer shall consult with bond counsel prior to issuance to determine that the two percent (2%) costs of issuance limit will not be exceeded, that any reserve fund complies with requirements, and that the balance of the proceeds will be spent on one or more qualified purposes. The Compliance Officer will work with department Debt Management Liaisons receiving the bond proceeds to ensure all expenditures are in compliance and sufficient records are maintained.
- B. **6-Month and 3-Year Period Requirements – Department Responsibility** - At the time of issuance, the City must have a binding commitment with a third party to spend at least ten percent (10%) of the proceeds within six (6) months and reasonably expect to spend one hundred percent (100%) of the proceeds for one or more qualified purposes within the three (3) year period, beginning on the date of issuance.
- C. **Davis Bacon Act** - City Departments are responsible for compliance to federal labor requirements. If departments lack the expertise for this, the Department of Transportation and/or Housing and Community Development Department are available to assist. These departments possess compliance officers who specialize in this area.

**X. RETENTION OF RECORDS**

For each bond issuance, records, as described below, must be retained in order to substantiate compliance with all necessary requirements.

- A. **Retention Period** - All records shall be kept in accordance with Arizona records retention policies, but in no event less than the life of the bonds plus three years and, if the bonds are refunded, for the life of all of the refunding bonds plus three years. The



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Compliance Officer is responsible for ensuring the retention periods for all debt issuances are met.

**B. Required information to be stored for each debt issuance (if applicable)**

1. **Documents** - Bond Counsel shall send a Transcript for the debt issuance to the Compliance Officer. If a Transcript was not compiled, then copies of the following documents will be forwarded or made available:
  - a. Bond Counsel Opinion
  - b. Final official statement or Private Placement Memorandum
  - c. Insurance documents
  - d. Copy of ordinance or resolution authorizing debt issuance
  - e. Declaration of Intent to Reimburse
  - f. IRS Form 8038-G, Form 8038-GC, Form 8038, Form 8038-TC, or Form 8038-B
  - g. Verification report (for refunding debt issuances only)
  - h. Non-arbitrage Tax Certificate or similar document
  - i. All debt service schedules not included in the Official Statement
  - j. Winning bid forms (for competitive sales)
  - k. Trust Indenture
  - l. Closing certificates and receipts
  - m. Any other closing documents that may be included in the transcript
  
2. **Expenditure Information – Department and Compliance Officer Responsibility** - Departments receiving proceeds shall assign a Debt Management Liaison to be responsible for collecting the following information and assisting the Compliance Officer with centralizing the documentation into one location.
  - a. Description of expenditure
  - b. Date of expenditure
  - c. Amount of expenditure
  - d. Invoices
  - e. Contracts entered into for construction, renovation or purchase of bond-financed facilities
  - f. Proof of payment (canceled check, wire information, pCard etc.)
  
3. **Centralized Records – Compliance Officer Responsibility** - The Compliance Officer is responsible for coordinating records retention into one central location.



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**4. Reports Completed after Issuance – Compliance Officer Responsibility**

- a. Rebate calculation reports, proof of payment, if applicable, or supporting documentation for exemption
- b. Yield restriction reports
- c. Spending exception reports
- d. Penalty in lieu of rebate reports
- e. Verification report for restructuring of escrow
- f. Form 8038-T
- g. Refund claims
- h. Refunding documentation
- i. Non-governmental use of bond financed property
- j. Evidence of compliance with special requirements for Build America Bonds or Tax Credit Bonds
- k. Other reports related to the Debt Issuance

**5. Investment Activity – Compliance Officer Responsibility** - Statements (or equivalent) with detailed investment activity for each fund/account in which gross proceeds of the debt issuance were held. Information to support the investments that were purchased or sold should be retained. Investment activity details include such items as:

- a. General ledgers
- b. Subsidiary ledgers
- c. Investment statements
- d. Type of investments
- e. Date of purchase and purchase price
- f. Interest rate
- g. Interest payment amounts
- h. Maturity date
- i. Interest payment dates
- j. Interest calculation methodology
- k. Date of sale and sales price

**C. Electronic file storage and backup** - Financial and accounting transactions will be retained in the City's financial system and Finance Department will confirm the data is backed up by the third party vendor.

**D. pCard Payments Funded by Debt Proceeds – Department Responsibility** - Supporting documentation for pCard payments funded by bond proceeds shall be routed electronically to the Compliance Officer on a quarterly basis. The Compliance Officer is responsible for coordinating the upload and archival into the City's documentation management system. Supporting documentation shall include the purchase order, invoice, receiving documents, proof of payment and any other document that supports the expenditure.



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- E. Destruction of Records** - Destruction of records will be done in accordance with the City's Records Retention Policy 1.05-3 and Section X.B of this administrative directive. The Compliance Officer must approve the destruction of any record associated with a bond issuance, prior to destruction.

### **XI. DUE DILIGENCE REVIEW AT REGULAR INTERVALS**

The Compliance Officer will complete an annual due diligence review on all debt issuances.

### **XII. PROCEDURES TO MONITOR COMPLIANCE**

This policy and its related procedures shall be used to do an annual due diligence review to ensure that each debt issuance is compliant with the Tax Code and other requirements. A *Post Issuance Compliance Annual Checklist* (**Appendix B**) and *Private Activity Use Form* (**Appendix C**) shall be used to document the annual review which shall include the following:

- A.** Identification and listing of all bond issues with unspent bond proceeds
- B.** Identification and analysis of uses of all proceeds
- C.** Identification and analysis of any private uses of financed facilities for all outstanding bonds. This includes identification of all leases, management agreements, licensing, naming rights or any other third party agreements related to facilities funded by tax exempt or tax-advantaged bonds. Any of these contracts or agreements identified must be analyzed for compliance with the Tax Code's Safe Harbor rules.
- D.** Confirm required arbitrage rebate and yield restrictions calculations were completed and any necessary payments or filings were submitted.
- E.** Confirm record retention requirements are being met for bond-related expenditures and investments.
- F.** Identification of all continuing disclosure requirements and confirmation that all required disclosures or material events were timely filed with the Municipal Securities Rulemaking Board via Electronic Municipal Market Access (EMMA).
- G.** Identification and listing of the bond indenture, resolution or ordinance requirements and confirmation that all requirements were met.



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**XIII. PROCEDURES TO CORRECT NON-COMPLIANCE**

If it is determined that the applicable requirements of regulations, policies or procedures have been violated related to a debt issuance, the City will take the appropriate action to remediate such non-compliance. Such action may include, but is not limited to the following steps:

- A. Notify the Finance Director and Compliance Officer
- B. Notify bond counsel and financial advisor
- C. Resolve non-compliance in a timely manner in order to reduce penalties and late interest.
- D. Take the appropriate remedial action as advised by bond counsel. Remedies may include, but are not limited to:
  - 1. Enter the IRS Voluntary Closing Agreement Program (VCAP).
  - 2. Pay all past due arbitrage rebate or yield restriction liabilities to the IRS to include a letter of explanation for late payment, late interest and/or penalties.
  - 3. Correct non-compliance matter to ensure future compliance.
- E. Submit any necessary disclosures to the Municipal Securities Rulemaking Board via Electronic Municipal Market Access (EMMA).

**Appendices** Appendix A – Debt Management Liaison Assignment Form  
Appendix B – Post Issuance Compliance Annual Checklist  
Appendix C – Private Activity Use Worksheet

**References** AD 1.05-3 Access, Production, and Retention of City Records  
AD 3.02-5 Financing of Equipment or Other Property  
Comprehensive Financial Policies (<https://www.tucsonaz.gov/finance>)

**Review Responsibility and Frequency** The Finance Director will review this directive as needed.

**Authorized**

  
 \_\_\_\_\_  
 City Manager

  
 \_\_\_\_\_  
 Date

Michael Ortega



# Debt Management Liaison Assignment Form A.D. 2.xx-x Appendix A

**Purpose:** The purpose of this form is to designate a Debt Management Liaison for each City department receiving debt proceeds. This person will act as liaison to the Finance Department and Compliance Officer. He/she will be responsible for coordinating departmental compliance efforts with local, state and federal regulations including City administrative directives and bond covenants for each bond issuance. In addition, he/she will be responsible for notifying the Finance Director, the Compliance Officer and department director of any known violations in a timely manner. Compliance ensures preferential tax exempt status of debt issuances, which lowers the City's borrowing costs.

Check the appropriate box

- New Liaison
- Change Liaison

Department Name: \_\_\_\_\_

**Debt Management Liaison – Primary**

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Direct Phone Number: \_\_\_\_\_

**Debt Management Liaison – Secondary**

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Direct Phone Number: \_\_\_\_\_

Department Director Approval: \_\_\_\_\_

Date of Approval: \_\_\_\_\_

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**POST ISSUANCE COMPLIANCE  
ANNUAL CHECKLIST**

A.D. 3.07.1  
APPENDIX B

DEBT ISSUANCE - SERIES:  
DEBT ISSUANCE DATE:  
REFUNDING DATE(S) IF APPLICABLE:  
LAST DEBT SERVICE PAYMENT:

RETAIN ALL RECORDS THROUGH:  
PROCEED AMOUNT:  
UNSPENT PROCEEDS: AS OF:

Instructions: The Compliance Officer shall work with Debt Management Liaisons to complete a post issuance compliance review per Administrative Directive 1.07-3A. Supporting documentation is required for each section below and should be referenced accordingly.

		Responsible Party	Date Completed	Reference to Supporting Documentation
<b>A. ASSIGNMENTS</b>				
1	Has the City designated a Compliance Officer?	Finance Director		
2	Has the Compliance Officer designated a backup responsible for complying with annual continuing disclosure requirements?	Compliance Officer		
3	Has the City assigned Debt Management Liaisons for each department in receipt of bond proceeds?	Department Director		
<b>B. TRAINING</b>				
1	Has the Compliance Officer taken all the necessary steps to maintain adequate understanding of post issuance compliance requirements relating to the debt issuances?	Compliance Officer		
2	Has the Compliance Officer worked with the Finance Director to organize periodic training for Debt Management Liaisons, Compliance Officer backup, project managers, elected officials, officers and staff?	Compliance Officer and Finance Director		
<b>C. CONTINUING DISCLOSURE</b>				
1	Has the City complied with annual continuing disclosure requirements under SEC Rule 15c2-12?	Compliance Officer		
2	Has the City complied with material event continuing disclosure requirements under SEC Rule 15c2-12?	Compliance Officer		
<b>D. YIELD RESTRICTION AND ARBITRAGE REBATE</b>				
1	Are the bond proceeds tracked separately from any other funds of the City and invested according to the City's investment policy or as stated in the tax certificate, resolution, ordinance or indenture?	Compliance Officer		
2	Have arbitrage reports been completed for each filing date?	Compliance Officer		
3a	Have project proceeds been spent before the end of the temporary period? If no, proceed to 3b.	Compliance Officer		
3b	Have yield restriction calculations been completed for all filing dates until the project monies were spent below the minor portion?	Compliance Officer		
<b>E. QUALIFIED USE OF PROCEEDS</b>				
1	Has the department performed a periodic review of project progress and expenditure of bond proceeds?	Department Director and Debt Management Liaison		
1	Have the bond proceeds been spent in accordance with the bond covenants, local, state and federal regulations?	Department Director and Debt Management Liaison		
2	Has the department exercised due diligence to enter into within six months of issue date a binding contract to expend at least ten percent (10%) of the proceeds?	Department Director and Debt Management Liaison		
3	Has the department expended at least 85% of the proceeds within three (3) years?	Department Director and Debt Management Liaison		
4	Has the City secured a Declaration of Intent to Reimburse if applicable?	Debt Management Liaison and Compliance Officer		



**POST ISSUANCE COMPLIANCE  
ANNUAL CHECKLIST**

A.D. 3.07.1  
APPENDIX B

DEBT ISSUANCE - SERIES:  
DEBT ISSUANCE DATE:  
REFUNDING DATE(S) IF APPLICABLE:  
LAST DEBT SERVICE PAYMENT:

RETAIN ALL RECORDS THROUGH:  
PROCEED AMOUNT:  
UNSPENT PROCEEDS: AS OF:

Instructions: The Compliance Officer shall work with Debt Management Liaisons to complete a post issuance compliance review per Administrative Directive 1.07-3A. Supporting documentation is required for each section below and should be referenced accordingly.

		Responsible Party	Date Completed	Reference to Supporting Documentation
<b>F. PRIVATE ACTIVITY USE</b>				
1	Has bond-financed property been used in accordance with the allowable uses including Private Business Use limitations?	Department Director and Debt Management Liaison		
2	Has the department completed <b>Appendix C</b> documenting any nongovernmental use of facilities subject to private activity use limitations?	Department Director and Debt Management Liaison		
<b>G. BUILD AMERICA BONDS (BABS)</b>				
1	Has the City verified compliance with the capital expenditure requirements specific to BABS?	Compliance Officer		
2	Has the City filed for the subsidy using IRS form 8038-CP?	Compliance Officer		
3	Has the City reviewed the yield calculation with bond counsel to ensure that yield is reduced by the credit allowed under Section 54AA(a)?	Compliance Officer		
<b>H. TAX CREDIT BONDS (Clean Renewable Energy Bonds CREBS / Qualified Conservation Energy Bonds QCEBS)</b>				
1	Has the department performed a periodic review of project progress and expenditure of tax credit bond proceeds in accordance with the administrative directive?	Department Director and Debt Management Liaison		
2	Has the Department ensured compliance with Davis Bacon Act?	Debt Management Liaison		
<b>I. TAX LAW REQUIREMENTS</b>				
1	Does the City have proof of filing 8038, 8038-G, 8038-GC or 8038-B (BABS)?	Compliance Officer		
<b>J. RETENTION OF RECORDS</b>				
1	Has the City received a full Transcript of the debt issuance documents as described in the City administrative directive?	Compliance Officer		
2	Has the department worked with the Compliance Officer to collect all required expenditure information including description, date, amount, invoices, proof of payment and allocation of bond proceeds (if applicable) and retain in one central location?	Department Director, Debt Management Liaison and Compliance Officer		
3	Has the department routed supporting documents for Pcard payments funded by bond proceeds electronically to the Compliance Officer?	Department Director and Debt Management Liaison		
4	Has the City archived all post issuance reports described in the City administrative directive?	Compliance Officer		
5	Has the City retained relevant financial/accounting transaction data in the City's ERP system and ensured the data is backed up appropriately?	Finance Department		
6	Has the department been notified of the required retention period for debt issuances under their purview?	Compliance Officer		
7	Has the City centralized all records for this debt issuance into one location?	Compliance Officer		
8	Has the Compliance Officer approved destruction of any record associated with bond proceeds prior to destruction?	City Clerk and Compliance Officer		
<b>K. CORRECTION OF NONCOMPLIANCE</b>				
1	Has the Finance Director been notified of any violations of post issuance compliance requirements?	Compliance Officer, Debt Management Liaison and/or Department Director(s)		
2	If a violation has occurred, has the appropriate remedial action been identified and executed?	Finance Director and Compliance Officer		

**CITY OF TUCSON  
POST ISSUANCE COMPLIANCE  
PRIVATE ACTIVITY USE WORKSHEET**

Department: \_\_\_\_\_  
 Debt Management Liaison \_\_\_\_\_  
 Debt Series Issuance(s) \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Phone: \_\_\_\_\_

Name of facility*	Location	Type of facility	Primary use of facility	List non-City users, lessees, managers, etc. of the facility	Ownership transfer (Y/N)	Describe in detail			Measurement of private use					
						Lease	Management contract	Other arrangements (parking/naming, subleases etc.)	Time used by non-City users	Total hours facility is open	Sq. footage used by non-City users	Total square footage of facility	Payments to city from private user	Any other private use

\* If the department has a contract affecting all or several facilities, list it for each facility. ATTACH COPIES OF ALL CONTRACTS, LEASES, ETC FOR EVALUATION PURPOSES.

Return completed forms to Attn: Finance Department Compliance Officer.

\_\_\_\_\_  
Debt Management Liaison

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Date