RESOLUTION OF THE BOARD OF SUPERVISORS OF

ORANGE COUNTY, CALIFORNIA, AUTHORIZING THE TEMPORARY

TRANSFER OF MONIES BETWEEN FUNDS 275 AND 279

AND COUNTY GENERAL FUND AND VARIOUS COUNTY FUNDS

June 25, 2019

WHEREAS, the County General Fund may experience cash shortfalls or deficits during County fiscal year 2019-2020 due to timing of receipt of revenues such as property taxes and State revenues; and

WHEREAS, the cash in the County General Fund may be insufficient to meet obligations that will be incurred between July 1, 2019 and June 30, 2020; and

WHEREAS, the County General Fund may experience cash shortfall when tax and revenue anticipation notes (TRANS) are delayed or not issued during fiscal year 2019-2020; and

WHEREAS, even if TRANs are sold in such amounts and at such rates as are generally acceptable to the County, the County may face additional shortfalls or deficits during the fiscal year; and

WHEREAS, the County has identified new projects that are critical to the health and safety of residents and meet strategic initiatives, including Capital Improvement Projects for various facilities, Probation Department’s Multi-purpose Gym Project, and Musick Jail Capital Project (collectively, the “Projects” including information technology projects previously identified); and

WHEREAS, additional monies are required to continue development of the Projects; and

WHEREAS, the County’s OC Waste & Recycling department operates as an enterprise fund, comprised of several County Funds, the monies of which are restricted to ultimate expenditure in connection with the County’s solid waste system, including but not limited to post-closure maintenance and environmental liabilities; and

WHEREAS, the monies transferred from Funds 275 and 279 are not presently needed to meet current cash requirements from these funds, are not necessary during the transfer period to meet required and/or previously identified expenditures from these funds, and the funds will be replenished in a manner to permit the purposes of Funds 275 and 279 to be met; and

WHEREAS, Section 25261 of the California Government Code authorizes this Board of Supervisors by resolution at the beginning of a fiscal year to transfer amounts in an enterprise fund; and

WHEREAS, Section 53635.7 of the Government Code requires the legislative body of a local agency to discuss, consider, and deliberate each decision that involves borrowing in the amount of one hundred thousand dollars ($100,000) or more as a separate item of business on the agenda of its meeting;

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby:

1. Direct temporary cash transfers to the County General Fund of up to a total of $141.8 million, comprised of $90.4 million from Fund 279 and $51.4 million from Fund 275 pursuant to the conditions set forth herein.
2. Authorize the County Auditor-Controller, with the approval of the County Executive Officer and/or designee, to make one or more draws (each a “Draw”) on Funds 275 and 279 provided that the following conditions are met:
   1. The Draw is required to meet County General Fund cash flow shortages or deficits for either of the following reasons: (i) cash in the County General Fund may be insufficient to meet obligations; or (ii) to finance or assist in financing the Projects.
   2. The Draw may not be made prior to July 1, 2019 and must be repaid no later than June 30, 2020. Notwithstanding the preceding sentence, Draws to finance the Projects (“Project Draws”) may be repaid over a period of years, not to exceed three (3).
   3. Each Draw must be repaid to the OC Waste & Recycling Fund from which it was originally transferred with interest at the commingled pool rate earned by the County Treasurer –Tax Collector for the actual number of days for which the monies were drawn.
   4. An identifiable repayment source is established to ensure repayment by June 30, 2020 of all enterprise funds drawn in accordance with this Resolution.
   5. All Project Draws are subject to the following additional terms and conditions:

(i) Project Draws shall not exceed $27.5 million dollars ($27,500,000) for FY 2019-2020.

(ii) Project Draws shall be repaid within 3 years from the date of borrowing beginning in FY 2020-2021.

(iii) The outstanding principal, plus accrued and unpaid interest calculated to the date of repayment, may be repaid at any time.

* 1. None of the monies directed to be transferred herein shall be pledged, promised, or otherwise encumbered to pay or repay any other County debt or obligation.

1. Require the Director of OCWR to promptly notify the Auditor-Controller and the County Executive Officer if the current cash requirements of Funds 275 or 279 require immediate repayment of cash advances from these funds.
2. This Resolution shall take effect on July 1, 2019.