

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

RESOLUTION NO. 1920-05
TEMPORARY TRANSFER AGREEMENT

WHEREAS, the Capistrano Unified School District (the “District”) desires to request the County Treasurer to make temporary transfers (the “Transfer”) of monies to meet its current maintenance expenses for fiscal years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024; and

WHEREAS, California Constitution Article XVI, Section 6, provides that the County Treasurer shall have the power and the duty to make temporary transfers of monies, as further specified therein, upon resolution adopted by the Board of Supervisors authorizing such temporary transfer; and

WHEREAS, pursuant to California Constitution Article XVI, Section 6 and Education Code section 42620, the total amount that may be temporarily transferred to the District may not exceed 85% of the anticipated revenues which will accrue to the District during the fiscal year (“FY”); and

WHEREAS, the District has not issued, nor will issue, a Tax Revenue Anticipation Note (“TRAN”) or other borrowing of any kind or nature for the purpose of funding the District’s short term cash flow, which is outstanding in whole or in part, while a Transfer is outstanding; and

WHEREAS, any Transfer to the District will be made from and limited to the total funds on deposit with the County Treasurer for all of the Orange County school and community college districts, excluding debt service and bond project funds.

NOW, THEREFORE, BE IT RESOLVED the Board of Trustees of the District FINDS, DECLARES, RESOLVES and ORDERS as follows:

1. The Transfer is in the public interest and serves a valid public purpose.

2. That a transfer of monies from the total funds on deposit with the County Treasurer for all of the Orange County school and community college districts, be made to the District to cover the District's current maintenance expenses for FY 2019-2020, FY 2020-2021, FY 2021-2022, FY 2022-2023 and FY 2023-2024. The amount of any Transfer shall not exceed 85% of the anticipated revenues which will accrue to the District during that fiscal year. This amount shall be certified by the District and the actual amount of any Transfer(s) will be approved, if at all, in the discretion of the County Treasurer, exercising her trust and fiduciary duties with respect to protecting the total funds on deposit with the County Treasurer for all of the Orange County school and community college districts from any principal loss and ensuring adequate liquidity to meet operating cash needs, and ensuring that such monies are available for such Transfers. The District Assistant Superintendent, Fiscal Services is hereby authorized and directed for and on behalf of the District to formally request a Transfer in an amount and upon a date designated by the District Assistant Superintendent, Fiscal Services, not to exceed the limitations to such Transfer as provided herein.

3. That for FY 2019-2020, the Transfer be made by the County Treasurer in one or more installments and not prior to July 1, 2019, nor later than April 27, 2020. The Transfer shall be repaid no later than October 31, 2020.

4. That for FY 2020-2021, the Transfer be made by the County Treasurer in one or more installments and not prior to July 1, 2020, nor later than April 26, 2021. The Transfer shall be repaid no later than October 31, 2021.

5. That for FY 2021-2022, the Transfer be made by the County Treasurer in one or more installments and not prior to July 1, 2021, nor later than April 25, 2022. The Transfer shall be repaid no later than October 31, 2022.

6. That for FY 2022-2023, the Transfer be made by the County Treasurer in one or more installments and not prior to July 1, 2022, nor later than April 24, 2023. The Transfer shall be repaid no later than October 31, 2023.

7. That for FY 2023-2024, the Transfer be made by the County Treasurer in one or more installments and not prior to July 1, 2023, nor later than April 26, 2024. The Transfer shall be repaid no later than October 31, 2024.

8. That the County Treasurer Transfer monies to the District into the General Fund. Such Transfer of monies to the District will be made from and limited to the total funds on deposit with the County Treasurer for all of the Orange County school and community college districts excluding debt service and bond project funds.

9. That the monies transferred to the District shall be repaid to the County Treasurer from the first revenues accruing to the District before any other obligation of the District is met from such revenue. Compound interest on any monies transferred will accrue and be payable by the District at a rate equal to the gross pool rate the District is earning for the same period plus a liquidity fee not to exceed 15 basis points, to be set annually by the County Treasurer, from the date of the Transfer until the entire Transfer and applicable interest is repaid by the District.

10. That full repayment of any monies transferred shall be made no later than October 31 following each fiscal year. The District understands and agrees that repayment of any and all Transfers is an obligation imposed by law and the obligation of the District to make payments with respect to such Transfer(s) is absolute and unconditional, payable from lawfully available funds of the District. In furtherance of the District's repayment obligations, District hereby grants the County Treasurer a first lien and pledge of all District revenues accruing to the District for the purpose of repayment of the Transfer(s).

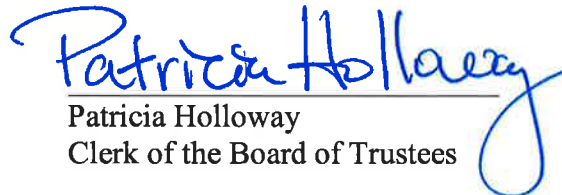
11. That District shall reimburse the County Treasurer for its actual costs in reviewing, processing, and administering the District's Transfer request. The District agrees to pay such costs as provided for in Section 5 of the Temporary Transfer Agreement.

12. That the District can meet its financial obligations as set forth in the Temporary Transfer Agreement attached hereto as Exhibit A, the Temporary Transfer Agreement is hereby approved, and the District Assistant Superintendent, Fiscal Services is hereby authorized and directed to execute the Temporary Transfer Agreement on behalf of the District.

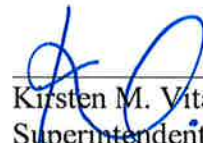
13. That this Resolution shall take effect immediately, and that the Clerk/Secretary of the Board of Trustees is hereby directed to submit a certified copy of this Resolution to the County Treasurer.

AYES: (1)
NOES: (0)
ABSTAIN: (0)
ABSENT: (1)

I, Kirsten M. Vital, Secretary of the Capistrano Unified School District Board of Trustees, hereby certify that the above and foregoing Resolution was duly and regularly adopted by the said Board at the meeting on the 17th day of July 2019, by a roll call vote.



Patricia Holloway
Clerk of the Board of Trustees



Kirsten M. Vital
Superintendent
Secretary of the Board of Trustees

ORANGE COUNTY BOARD OF SUPERVISORS RECEIVED
MINUTE ORDER

March 26, 2019

2019 MAR 29 AM 8:18
SHARI L. FREIDENRICH
ORANGE COUNTY TREASURER

Submitting Agency/Department: Treasurer-Tax Collector

Adopt resolution authorizing temporary transfers of monies to Orange County school and community college districts (Transfer Program) for FY's 2019/20 - 2023/24; approve Temporary Transfer Agreement template; authorize Treasurer-Tax Collector to execute agreements; and make related findings - All Districts

The following is action taken by the Board of Supervisors:

APPROVED AS RECOMMENDED OTHER

Unanimous (1) DO: X (2) STEEL: Y (3) VACANT: (4) CHAFFEE: (5) BARTLETT: Y

Vote Key: Y=Yes; N=No; A=Abstain; X=Excused; B.O.=Board Order

Documents accompanying this matter:

- Resolution(s) 19-018
- Ordinances(s)
- Contract(s)

Item No. 25

Special Notes:

Copies sent to:

TTC - Shari L. Freidenrich – w/ Reso.
TTC - Larry Walker – w/Reso.
3/27/19



I certify that the foregoing is a true and correct copy of the Minute Order adopted by the Board of Supervisors, Orange County, State of California.
Robin Stieler, Clerk of the Board

By: _____

Deputy



AGENDA STAFF REPORT

ASR Control 19-000309

MEETING DATE: 03/26/19
 LEGAL ENTITY TAKING ACTION: Board of Supervisors
 BOARD OF SUPERVISORS DISTRICT(S): All Districts
 SUBMITTING AGENCY/DEPARTMENT: Treasurer-Tax Collector (Approved)
 DEPARTMENT CONTACT PERSON(S): Shari L. Freidenrich (714) 834-7625
 Larry Walker (714) 834-2288

2019 MAR -5 AM 11:46
 RECEIVED
 CLERK OF THE BOARD
 COUNTY OF ORANGE
 BOARD OF SUPERVISORS

SUBJECT: Reauthorize a Transfer Program for School and Community College Districts

CEO CONCUR Concur	COUNTY COUNSEL REVIEW Approved Resolution to Form	CLERK OF THE BOARD Discussion 3 Votes Board Majority
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Budgeted: N/A Current Year Cost: N/A Annual Cost: N/A
 Staffing Impact: No # of Positions: Sole Source: N/A
 Current Fiscal Year Revenue: N/A
 Funding Source: N/A County Audit in last 3 years: No

Prior Board Action: 03/10/2015 #20, 03/12/2013 #13, 12/13/2011 #29, 06/02/2009 #43

RECOMMENDED ACTION(S):

1. Adopt a Resolution of the Board of Supervisors of the County of Orange, State of California, authorizing the Treasurer-Tax Collector to make Temporary Transfers of monies to Orange County school and community college districts for fiscal years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, as required by California Constitution Article XVI, Section 6.
2. Approve the Temporary Transfer Agreement template and authorize and direct the Treasurer-Tax Collector to execute Temporary Transfer Agreements on behalf of the County for fiscal years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24.

SUMMARY:

Approval of Temporary Transfers will assist the Orange County school and community college districts to meet critical cash flow needs expected to be in excess of \$40 million annually and significantly reduce their costs relating to borrowing money for maintenance purposes.

deferrals if certain State revenues are not met and the school and community college districts would then possibly to borrow funds to pay the obligations incurred for maintenance purposes.

Prior to 2011 and this cross-fiscal year Transfers program being implemented, no Districts requested any transfers. Since 2011 when the cross-fiscal year Transfers program was put in place, the Treasurer has executed 31 Transfer agreements with nine districts totaling \$787.7 million. All transfers have been paid in full, and there are no transfers outstanding as of February 28, 2019.

Transfers by Fiscal Year	Amount of Transfers Approved
2011-12	\$ 47,000,000
2012-13	\$ 218,700,000
2013-14	\$ 142,000,000
2014-15	\$ 37,000,000
2015-16	\$ 68,000,000
2016-17	\$ 75,000,000
2017-18	\$ 60,000,000
2018-19	\$ 40,000,000

The approval of this Resolution provides an additional critically needed resource for Districts to meet their cross-fiscal year short-term cash flow needs especially when the State does not eliminate cash deferrals. Districts can utilize these Transfers to minimize their use of funding short-term cash flow needs in the Tax and Revenue Anticipation Note (TRAN) market and incurring the significant costs of issuance with the risk of higher interest rates. In one year, the program's estimated savings to Districts exceeded \$1 million versus the cost of a TRAN. This Resolution will allow the Treasurer to provide the necessary bridge for Districts until any deferrals are fully repaid by the State. The Districts are requesting that the Transfer Program be reauthorized for a five-year period and allow for future planning by Districts.

The Treasurer requests the Board to adopt the Resolution reauthorizing such Transfers of monies to the Districts for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24, from funds that are in custody of the Treasurer for the Districts. The Districts and the Treasurer will then execute a Temporary Transfer Agreement (Agreement) that provides for repayment with interest generally no later than October 31 following the end of FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24.

Prior Board Actions:

Board Date	Board Action
03/10/2015 #20	Authorized the Treasurer to make Temporary Transfers for FYs 2015-19
03/12/2013 #13	Authorized the Treasurer to make Temporary Transfers for FYs 2013-15
12/13/2011 #29	Authorized the Treasurer to make Temporary Transfers for FYs 2011-13
06/02/2009 #43	Authorized the Treasurer to make Temporary Transfers for FYs 2009-11

FINANCIAL IMPACT:

N/A

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA**

March 26, 2019

WHEREAS, various school districts and community college districts (the "District" or "Districts") within the County of Orange have requested that the County Treasurer make temporary transfers (the "Transfer" or "Transfers") of monies to meet their current maintenance expenses; and

WHEREAS, California Constitution Article XVI, Section 6, provides that the County Treasurer shall have the power and the duty to make such temporary transfers of monies, as further specified therein, upon resolution adopted by this Board of Supervisors ("Board") authorizing such temporary transfers; and

WHEREAS, pursuant to California Constitution Article XVI, Section 6 and Education Code section 42620, the total amount that may be temporarily transferred to a District may not exceed 85% of the anticipated revenues which will accrue to the District during the fiscal year ("FY"); and

WHEREAS, the Board of Supervisors desires to authorize the Treasurer to make Transfers to the Districts for FY 2019-2020, FY 2020-2021, FY 2021-2022, FY 2022-2023 and FY 2023-2024, make such findings and determinations and provide for the repayment of the Transfers, all in accordance with the California Constitution and other applicable law; and

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

1. Finds and determines that the Transfers to Districts are in the public interest and serve a valid public purpose.
2. The Transfers of monies to Districts is hereby approved for FY 2019-2020, FY 2020-2021, FY 2021-2022, FY 2022-2023 and FY 2023-2024.

3. The County Treasurer is hereby authorized and directed to make Transfers to Districts, from the total funds on deposit with the Treasurer for all of Orange County school districts and community college districts excluding debt service and bond project funds of such districts, provided the Treasurer determines, in addition to exercising her trust and fiduciary duties with respect to protecting the total funds on deposit with the Treasurer for all Orange County school districts and community college districts from any principal loss and ensuring adequate liquidity to meet operating cash needs, that such monies are available for such Transfers. The Treasurer shall make Transfers only to those Districts which can demonstrate an ability to meet their financial obligations under a Temporary Transfer Agreement and funds to be transferred cannot exceed 85% of the anticipated revenues accruing to the District for that fiscal year. This statement and amount shall be certified by the District and by the Superintendent of Schools if applicable and must be accompanied by a copy of the resolution from the District authorizing the Transfer Agreement with the Treasurer.

4. For FY 2019-2020, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2019, nor later than April 24, 2020. Any Transfer made in FY 2019-2020 shall be repaid no later than October 31, 2020.

5. For FY 2020-2021, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2020, nor later than April 30, 2021. Any Transfer made in FY 2020-2021 shall be repaid no later than October 31, 2021.

6. For FY 2021-2022, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2021, nor later than April 29, 2022. Any Transfer made in FY 2021-2022 shall be repaid no later than October 31, 2022.

7. For FY 2022-2023, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2022, nor later than April 28, 2023. Any Transfer made in FY 2022-2023 shall be repaid no later than October 31, 2023.

8. For FY 2023-2024, Transfer(s) to a District may be made by the Treasurer in one or more installments and shall not be made prior to July 1, 2023, nor later than April 26, 2024. Any Transfer made in FY 2023-2024 shall be repaid no later than October 31, 2024.

9. A Transfer to a District will be made from and limited to the total funds on deposit with the Treasurer for all of Orange County School and Community College districts excluding all debt service and bond project funds.

10. The monies transferred to a District pursuant to this Resolution shall be repaid to the Treasurer from the first revenues accruing to the borrowing District before any other obligation of such District is met from such revenue. Compound interest on any Transfer installment will accrue and be payable monthly by the District at a rate equal to the gross pool rate the District is earning for the same period plus a liquidity fee not to exceed 15 basis points, to be set annually by the Treasurer, from the date of the Transfer until the entire Transfer and applicable interest is repaid.

11. The District also agrees to reimburse the County for its actual costs in reviewing, processing, and administering the District's Transfer request.

12. The Form of Temporary Transfer Agreement is hereby approved in the form presented, and the County Treasurer is hereby authorized and directed to execute Temporary Transfer Agreements on behalf of the County.

13. This resolution shall take effect immediately.

The foregoing was passed and adopted by the following vote of the Orange County Board of Supervisors, on March 26, 2019, to wit:

AYES: Supervisors: MICHELLE STEEL, LISA A. BARTLETT, MICHELLE STEEL
NOES: Supervisor(s):
EXCUSED: Supervisor(s): ANDREW DO
ABSTAINED: Supervisor(s):

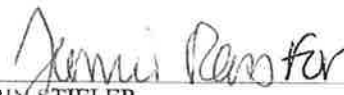


CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Board of Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange County Board of Supervisors

IN WITNESS WHEREOF, I have hereto set my hand and seal.


ROBIN STIELER
Clerk of the Board
County of Orange, State of California



Resolution No: 19-018
Agenda Date: 03/26/2019
Item No: 25



I certify that the foregoing is a true and correct copy of the Resolution adopted by the Board of Supervisors, Orange County, State of California

Robin Stieler, Clerk of the Board of Supervisors

By: _____
Deputy

TEMPORARY TRANSFER AGREEMENT

This Temporary Transfer Agreement (the "Agreement") is made and effective this ___ day of _____, 20[___], by and between the County of Orange, California (the "County") and [INSERT NAME OF SCHOOL DISTRICT or COMMUNITY COLLEGE DISTRICT] (the "District").

RECITALS

WHEREAS, by Resolution No. ___ of its Board of Trustees (attached as Exhibit A hereto), the District has requested the County Treasurer to make a temporary transfer (the "Transfer") of monies to meet its current maintenance expenses; and

WHEREAS, the District has not issued, nor will issue, a TRAN or other borrowing of any kind or nature for the purpose of funding the District's short term cash flow, which is outstanding in whole or in part, while a Transfer is outstanding; and

WHEREAS, California Constitution Article XVI, Section 6, provides that the County Treasurer shall have the power and the duty to make temporary transfers of monies, as further specified therein, upon the resolution of the Board of Supervisors authorizing such temporary transfer; and

WHEREAS, the Board of Supervisors by Resolution No. _____ (attached as Exhibit B hereto) has authorized the Treasurer to make the Transfer to the District in accordance with the terms of such Resolution; and

WHEREAS, this Agreement represents the agreement of the County and the District with respect to the Treasurer's making the Transfer and its repayment by the District.

AGREEMENT

Section 1. **Transfer: Timing.** Upon receipt of the District's written request (Exhibit C) certified by the District and the Superintendent of Schools, if applicable, the Treasurer will review the request and determine, in addition to exercising her trust and fiduciary duties with respect to protecting all of the Educational Investment Pool participants from any principal loss and ensuring adequate liquidity to meet operating cash needs, that such monies are available for such Transfers, whether to make such Transfer to the District in the amount requested, as soon as reasonably possible, *provided, however,* that in no event shall the total amount of all Transfers within the fiscal year exceed 85% of the anticipated revenues which will accrue to the District during the fiscal year. No Transfer attributable to a subsequent fiscal year will be made prior to the full and complete repayment of all outstanding Transfers.

The County may rely upon Exhibit C in connection with any Transfer sizing.

Section 5. **Transfer Charges.** In further consideration of the Transfer(s) made to the District in accordance with this Agreement, the District agrees to pay the County Transfer Charges for each Transfer as set forth on the Listing of Fees at Exhibit D. These charges are intended to reimburse the County for its costs related to the Transfer processing, analysis, documentation, legal services and administration. The Transfer charges shall be directly withdrawn from the Fund designated by the District in Section 2 above on the date the Transfer is deposited or on a monthly basis for transaction related fees.

Section 6. **Notices.** Any and all notices between the County and the District provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly given when personally delivered to one of the parties or in lieu of such personal service, when deposited in the United States mail, postage prepaid, addressed to such party at the following address:

If to the County:

County of Orange
Attention: Treasurer-Tax Collector
PO Box 4515
Santa Ana, CA 92702-4515
Telephone: (714) 834-7625 Facsimile: (714) 834-2912

If to District:

[INSERT CONTACT INFORMATION]

Section 7. **Governing Law, Venue and Entire Agreement.** This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394.

Furthermore, the parties have specifically agreed, as part of the consideration given and received for entering into this Agreement, to waive any and all rights to request

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

County of Orange, California

By: _____

Shari L. Freidenrich
Treasurer-Tax Collector

Approved as to Form
Office of the County Counsel

By: _____

Ronald T. Magsaysay, Deputy County Counsel
Office of the County Counsel

[INSERT NAME OF SCHOOL DISTRICT]

By: _____
[NAME OF AUTHORIZED OFF.]
[TITLE]



CONSTITUTION OF THE STATE OF CALIFORNIA

ARTICLE XVI PUBLIC FINANCE

Section 6

SEC. 6. The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State, or of any county, city and county, city, township or other political corporation or subdivision of the State now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI; and it shall not have power to authorize the State, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system situated in a foreign country; provided, further, that irrigation districts for the purpose of acquiring water and water rights and other property necessary for their uses and purposes, may acquire and hold the stock of corporations, domestic or foreign, owning waters, water rights, canals, waterworks, franchises or concessions subject to the same obligations and liabilities as are imposed by law upon all other stockholders in such corporation; and

Provided, further, that this section shall not prohibit any county, city and county, city, township, or other political corporation or subdivision of the State from joining with other such agencies in providing for the payment of workers' compensation, unemployment compensation, tort liability, or public liability losses incurred by such agencies, by entry into an insurance pooling arrangement under a joint exercise of powers agreement, or by membership in such publicly-owned nonprofit corporation or other public agency as may be authorized by the Legislature; and

Provided, further, that nothing contained in this Constitution shall prohibit the use of state money or credit, in aiding veterans who served in the military or naval service of the United States during the time of war, in the acquisition of, or payments for, (1) farms or homes, or in projects of land settlement or in the development of such farms or homes or land settlement projects for the benefit of such veterans, or (2) any business, land or any interest therein, buildings, supplies, equipment, machinery, or tools, to be used by the veteran in pursuing a gainful occupation; and



State of California

EDUCATION CODE

Section 42620

42620. Whenever prior to the receipt by any school district or county school service fund of its state, county, city and county, or district funds, any school district or county school service fund of a county or city and county does not have sufficient money to its credit to meet current expenses of maintenance, the board of supervisors of the county or city and county shall order, and the auditor and treasurer of the county or city and county shall make a temporary transfer from any funds of the county or city and county not immediately needed to pay claims against them to the school fund of the district or county school service fund of the amount needed, not exceeding 85 percent of the amount of money which will accrue to the school district or county school service fund during the fiscal year. Upon the making of the transfer the auditor shall immediately notify the superintendent of schools of the county or city and county of the amount transferred. Each transfer of funds requested under this section shall be granted in order of receipt by the board of supervisors, regardless of whether sufficient county funds are available for transfer to meet pending or anticipated requests of school districts.

The funds transferred under this section to the credit of a school district or county school service fund shall be retransferred by the auditor and treasurer to the fund from which they were taken from the first moneys accruing to the school district or county school service fund and before any other obligation of the school district or county school service fund is paid from the money accruing.

(Enacted by Stats. 1976, Ch. 1010.)