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FOR IMMEDIATE RELEASE  
June 12, 2017

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## **County to Make Final Bankruptcy Debt Payment, Hold Public Budget Hearings for Fiscal Year 2017-18 Budget**

**Santa Ana, CA** — On July 1, 2017, the County of Orange will make the final debt service payment to bondholders of the Lease Revenue Refunding Bonds, Series 2005, retiring all bond debt related to the County's recovery from the 1995 Chapter 9 bankruptcy filing.

"The bankruptcy was a painful chapter in the County's history, and recovering from it has presented many challenges," said Chairwoman Michelle Steel, Second District Supervisor. "Through meeting our financial challenges and fulfilling our bankruptcy debt obligation, the County is well positioned to continue our mission of making Orange County a safe, healthy and fulfilling place to live, work and play."

Since the bankruptcy, the County has implemented a variety of processes to strengthen financial management and oversight. In 1995-1996, the County established the Treasury Oversight Committee (TOC), the Audit Oversight Committee (AOC) and the Public Financing Advisory Committee (PFAC) to ensure compliance with state and federal laws and County policies and procedures. At least one member of the public serves on each committee.

"It is because of the County's diligence in applying fiscal discipline and putting new processes into place that we are now able to make this final debt payment," said Vice Chair Andrew Do, First District Supervisor. "I intend to work with my colleagues to continue our fiscal responsibility in the years to come as we invest in Orange County's future."

"Since I was first elected to the Board of Supervisors in 1996, I have fought continuously for strong fiscal responsibility and oversight," said Supervisor Todd Spitzer, Third District. "As we put the County's bankruptcy behind us, we must remember the lessons we've learned and ensure this never happens again."

In 1996, the Treasurer-Tax Collector published the County's Investment Policy Statement that is updated and approved annually by the TOC and the Board of Supervisors.

"It is our responsibility to taxpayers to properly manage the County's finances. Paying off this bankruptcy is a win for Orange County's taxpayers and citizens," said Supervisor Shawn Nelson, Fourth District.

Additionally, in 1998, the Board of Supervisors approved the County's first comprehensive, five year Strategic Financial Plan. The Strategic Financial Plan, which is updated annually, provides a long-term tool to ensure the County is able to respond to economic fluctuations and unanticipated events while maintaining the quality and range of services provided to the community. In 2016, the Board approved a comprehensive Debt Management Policy as part of the annual Strategic Financial Plan update.

“Recovering from the bankruptcy required a great deal of sacrifice and hard work over many years. While completing the final debt payment marks a significant milestone, I will continue to ensure the County’s finances are handled in an open, transparent and accountable manner,” said Supervisor Lisa Bartlett, Fifth District.

“The County has shown consistent leadership, prudent fiscal management, and has implemented strengthened policies, procedures and practices over the last twenty years,” said County Executive Officer Frank Kim. “As a result, the County now has a good credit rating and is looking forward to continuing taking steps to further secure our financial stability.” Detailed information on the County’s credit rating is available online at <http://www.ocgov.com/gov/ceo/deputy/finance/public/credit>.

While the County’s bankruptcy recovery bond debt will be retired, additional steps are required to complete the bankruptcy recovery process. When the County emerged from bankruptcy in 1996, the Second Amended Plan of Adjustment documented a \$217.1 million outstanding balance for the Other County Administered Account (Class B-13) Claimants. The County has distributed \$197.4 million to the Class B-13 Claimants through annual payments since Fiscal Year 1996-97. The County plans to distribute the remaining \$19.7 million by Fiscal Year 2018-19. The County will conclude its bankruptcy recovery process by taking any necessary judicial or administrative action to terminate the Second Amended Plan of Adjustment. The estimated timeframe for the completion of all close-out activity is late 2018.

The County’s Fiscal Year 2017-18 Recommended Budget has been released for review by the Board of Supervisors and the public. It is available online at <http://www.ocgov.com/gov/ceo/deputy/finance/budget>. Public budget hearings will begin at 9:30 a.m. on Tuesday, June 13, and Wednesday, June 14, at the Hall of Administration Board Hearing Room, 333 W. Santa Ana Blvd., Santa Ana. During the public hearings, budget staff will provide highlights of the County’s spending plan, discuss specific budget requests and answer questions from Board members and the public.

The final budget vote is scheduled for June 27, 2017.

The FY 2017-18: Recommended Budget, Budget Augmentation Requests, Key Budget Message and Department Contact List can be found online at <http://www.ocgov.com/gov/ceo/deputy/finance/budget>.

The County also invites members of the public to explore additional budgetary and financial information online through the OpenOC data tool, the Strategic Financial Plan and quarterly budget reports. These helpful resources can be found at: <http://ocgov.com/about/openoc/>.

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