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Chief Executive Office.

COUNTY OF LOS ANGELES
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 973-1101 ceo.lacounty.gov

CHIEF EXECUTIVE OFFICER
Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

December 01, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

BOND ANTICIPATION NOTES
AUTHORIZATION AND REIMBURSEMENT RESOLUTION
(ALL DISTRICTS) (3-VOTES)

SUBJECT

To approve the issuance of short-term Bond Anticipation Notes (BANs) to finance the acquisition of various equipment through the Los Angeles County Capital Asset Leasing Corporation (LAC-CAL).

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the issuance of short-term BANs in an aggregate amount not-to-exceed $47,940,000 to finance the acquisitions of various equipment through LAC-CAL.

2. Adopt the Resolution of the Board of Supervisors (Board) of the County of Los Angeles (County), declaring its intention to reimburse certain capital expenditures from the proceeds of tax-exempt or taxable obligations (2026-27 Equipment BANs Program).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adoption of the recommended actions will authorize the issuance of short-term BANs to provide interim financing of equipment acquisitions for County departments and enable the County to maximize reimbursement for costs related to the financing of this equipment in accordance with federal tax regulations. This routine Board letter is submitted to seek Board authorization on the LAC-CAL Equipment Program acquisition.

BANs Authorization for Equipment Acquisitions

The recommended actions will authorize the issuance of BANs in an aggregate amount not-to-exceed $47,940,000 to provide interim financing for equipment acquisitions by various County departments. The summary of the $47,940,000 in authorized equipment purchases using the LAC-CAL Equipment Program is included in the Reimbursement Resolution recommended for adoption as part of this action.

The BANs will be issued by LAC-CAL and purchased as an investment by the County Treasury Pool in an amount sufficient to acquire and deliver the identified equipment. Subsequently, the BANs will be refinanced by issuing intermediate-term lease-revenue bonds or other debt securities. Proceeds from the sale of the debt securities will be used to redeem the outstanding BANs from the Treasury Pool.

Due to procurement or delivery delays, authorized LAC-CAL equipment acquisitions are occasionally received in the fiscal year following the one in which they were initiated. The BANs authorization may be carried over into a subsequent fiscal year to fund these acquisitions.

Reimbursement Resolution

In addition to authorizing the issuance of BANs for equipment acquisitions, we are requesting that the Board adopt the enclosed Reimbursement Resolution. The Reimbursement Resolution is required by federal tax regulations to enable the County to be reimbursed for prior capital expenditures from the future issuance of tax-exempt or taxable obligations and will enable the County to maximize reimbursement for costs related to equipment financing for various County departments.

Federal Tax Requirements

The current regulations governing the reimbursement of expenditures from tax-exempt obligations are found in Treasury Regulation 1.150-2. To ensure the continued recovery of allowable expenditures related to equipment acquisitions, the regulations require the Board to adopt an official intent in the form of the Reimbursement Resolution, which states the following:

- The Board’s intention to finance capital expenditures related to equipment acquisitions through the issuance of tax-exempt or taxable obligations;

- A general description of the proposed project for which the original expenditures are paid;

- The maximum principal amount of obligations expected to be issued for the project; and

- Identification of the expected source(s) of funds from which the original expenditures are paid.

The enclosed Reimbursement Resolution complies with federal tax regulations and will allow for maximum reimbursement of County expenditures for equipment from the future sale of debt obligations. A description of the proposed equipment is included in the Reimbursement Resolution for your review.

Implementation of Strategic Plan Goals

The recommendations support the Board-adopted County Strategic Plan: North Star 3, Realize Tomorrow's Government Today; Focus Area Goal G. – Internal Controls and Processes; Strategy ii. – Manage and Maximize County Assets, by optimizing and leveraging resources to provide cost-effective financing for the County's equipment acquisitions.

FISCAL IMPACT/FINANCING

Adoption of the recommended actions will enable the County to issue BANs to provide interim financing for equipment acquisitions and maximize reimbursement of County expenditures for equipment from the future sale of debt obligations. The term of the equipment financing is expected to match the estimated useful life of the assets being financed (usually between three and five years). The Auditor-Controller collects monthly payments from County departments participating in the LAC-CAL Equipment Program, which are used to pay the debt service on outstanding BANs and future debt securities issued to refinance the BANs. Funding for equipment financing payments due in Fiscal Year 2026-27 has been included in the Fiscal Year 2026-27 Final Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The enclosed Reimbursement Resolution has been reviewed by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will ensure the continuation of the long-standing practice of using the LAC-CAL Equipment Program to provide cost-effective financing for the County's capital equipment needs.

CONCLUSION

Upon adoption of the recommendations, please forward an adopted copy of this Board letter and an executed copy of the Reimbursement Resolution to the Chief Executive Office, Capital Programs Division.

Respectfully submitted,



Joseph M. Nicchitta

Chief Executive Officer

JMN:JG:JTC
VBM:JY:LQ:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Treasurer and Tax Collector

RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES
DECLARING ITS INTENTION TO REIMBURSE CERTAIN CAPITAL EXPENDITURES
FROM THE PROCEEDS OF TAX-EXEMPT OR TAXABLE OBLIGATIONS
(2026-27 EQUIPMENT BANs PROGRAM)

WHEREAS, from time to time, the County of Los Angeles (the "County") desires and intends to undertake the purchase of tangible personal property having a useful life of three years or more (the "Equipment"), as set forth in the schedule attached hereto;

WHEREAS, no funds of the County or of any other entity which is a part of the controlled group of which the County is a part (the "Controlled Group"), as such term is defined in Section 1.150-1 of the United States Treasury Regulations under the Internal Revenue Code of 1986, as amended (the "Treasury Regulations") are, or are reasonably expected to be, allocated, reserved or otherwise set aside in the County's budget or in the Controlled Group's budget on a long-term basis to pay the costs of the Equipment;

WHEREAS, the costs of the Equipment will initially be paid from the proceeds of Bond Anticipation Notes ("BANs") issued by the Los Angeles County Capital Asset Leasing Corporation ("LAC-CAL") and purchased by the Los Angeles County Treasury Pool;

WHEREAS, the costs of the Equipment paid with the proceeds of the BANs are expenditures of a type which are properly chargeable to a capital account under general federal income tax principles in connection with the Equipment, and

WHEREAS, the County expects to issue tax-exempt or taxable obligations ("Obligations") to reimburse the capital expenditures of the County with respect to the Equipment which were paid with the proceeds of the BANs;

WHEREAS, upon issuance of the Obligations, the County will: (1) evidence the reimbursement allocation with an entry in the books or records which it maintains with respect to the Obligations, (2) identify in such entry the actual prior expenditure being reimbursed or the fund from which the expenditure was paid, and (3) be relieved of any restrictions under the relevant legal documents and applicable state law with respect to the amount received as reimbursement as a result of the reimbursement allocation;

WHEREAS, this Resolution will be reasonably available for public inspection within a reasonable period of time after its date of adoption and in the manner governing the public availability of records of other official acts of the County Board of Supervisors;

WHEREAS, this Resolution is intended to be a “declaration of official intent” in accordance with Treasury Regulation Section 1.150-2; and

NOW, THEREFORE, this Board does find, resolve, determine, and order that in accordance with Treasury Regulation Section 1.150-2, the County declares its intention to issue Obligations to finance the Equipment in an amount not to exceed $47,940,000, the proceeds of which will be used to reimburse the County for capital expenditures paid for the Equipment prior to the issuance of said Obligations.

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The foregoing Resolution was adopted on the _____ day of _____, 2026, by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

EDWARD YEN,
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By _____
Senior Deputy County Counsel

SCHEDULE ATTACHMENT

TO

RESOLUTION OF THE BOARD OF SUPERVISORS

OF THE COUNTY OF LOS ANGELES

DECLARING ITS INTENTION TO REIMBURSE CERTAIN CAPITAL EXPENDITURES

FROM THE PROCEEDS OF TAX-EXEMPT OR TAXABLE OBLIGATIONS

(2026-27 EQUIPMENT BANs PROGRAM)

LOS ANGELES COUNTY CAPITAL ASSET LEASING (LAC-CAL)
EQUIPMENT PROGRAM ACQUISITION
Summary of Authorized Transactions/Financing Uses by Department - All Funds

Department	Equipment Category		Anticipated 2026-27 Acquisitions
General Fund			
Internal Services Department	Electronic Equipment	$	164,000
Internal Services Department	Vehicles and Transportation Equipment		5,077,000
Sheriff Department	Vehicles and Transportation Equipment		42,699,000
Total General Fund		$	47,940,000
Total Financing		**$**	**47,940,000**

The equipment identified on this page reflects County equipment requirements to be financed through the LAC-CAL Equipment Program in Fiscal Year 2026-27. The Board has not allocated, reserved, or otherwise set aside any funds in the County's 2026-27 Final Adopted Budget to purchase the equipment identified above.

It is the official intention of the Board that the acquisition of such equipment be initially funded through the issuance of Bond Anticipation Notes (BANs) or another short-term financing mechanism. The BANs will be issued through the LAC-CAL Equipment Program and purchased as an investment by the County Treasury Pool in an amount sufficient to acquire and deliver the identified equipment. Any such costs, which are initially funded by BANs, will be properly capitalized under general federal income tax principles.

Further, the Board expects the outstanding BANs to be redeemed and the County Treasury Pool to be reimbursed, through the issuance of tax-exempt or taxable, intermediate-term lease revenue bonds, certificates of participation, or third-party leases. The amounts specified above represent the maximum principal amounts of such intermediate-term obligations to be issued for the specified equipment.

These official intentions of the Board with respect to the LAC-CAL Equipment Program have been specified in accordance with U.S. Treasury Regulation 1.150-2.