

Orange County Sportsplex Financial Policy

1. The Sportsplex Owner and Manager shall ensure that Net Income covers Debt Service by 1.25 X.
2. The Sportsplex Owner and Manager shall ensure that Net Income covers Debt Service for any Additional Bonds.
3. The Sportsplex Owner and Manager shall ensure an Additional Bonds Test where future Net Income covers Maximum Annual Debt Service by 1.25X over the 20-Year Maturity of the additional bonds.
4. The annual Debt Service coverage and Additional Bonds Test shall be evidenced by an agreed upon Pro Forma (prepared on a Cash Basis therefore excluding Depreciation expense) between the Owner and Manager to be included in the Capital Improvement Plan with delineated revenue and expenditure assumptions.
5. The Sportsplex Manager shall review its rate base for Revenue sufficiency prior to any major Capital Outlay or Debt issuance greater than 10% of the annual Budget to ensure the 1.25X coverage tests.
6. The Sportsplex Owner and Manager shall ensure that any excess surplus after Debt Service be returned back in Retained Earnings for subsequent Capital Outlay also known as Pay-As-You-Go (PAYGO).
7. The Sportsplex Owner shall conduct a Facility and Equipment Conditions Assessment every ten years to prioritize the order of Capital Improvements and mitigate risk.
8. The Sportsplex Manager shall follow the County's Purchasing Policy for Capital Improvement Plan expenditures as an Enterprise Fund of the County.
9. The Sportsplex Manager should follow Purchasing best practices when procuring goods and services, and specifically seek three quotes to ensure competitive pricing.
10. The Sportsplex Manager to the extent feasible should follow Purchasing best practices and only use Sole Source as a last alternative.