

ARTS, PARKS, HEALTH, AGING AND RIVER COMMITTEE REPORT, ORDINANCE OF INTENTION FIRST CONSIDERATION, and RESOLUTION relative to the 2015-16 Proposition K Assessment.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the City Engineer's Report for the 2015-16 Proposition K Assessment (Attachment 10 to the May 8, 2015 L.A. for Kids Steering Committee report), attached to the Council file.
2. PRESENT and ADOPT the accompanying RESOLUTION OF INTENTION to levy an assessment authorized by Proposition K, pursuant to the Landscaping and Lighting Act of 1972 (Attachment 11 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file).
3. PRESENT and ADOPT the accompanying ORDINANCE OF INTENTION to levy an assessment authorized by Proposition K, pursuant to the Landscaping and Lighting Act of 1972 (Attachment 12 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file).
4. APPROVE the 2014-15 Proposition K Maintenance funding awards totaling \$3,816,403 as detailed in Attachment 9 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file.
5. APPROVE the reprogramming of 2014-15 funding allocations as reflected in Attachments 1 and 13 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file.
6. APPROVE the 2014-15 Proposition K inflation awards totaling \$735,900 as reflected in Attachment 14 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file.
7. AUTHORIZE the City Engineer to execute or amend grant agreements with Proposition K grantees that are recommended for 2014-15 project allocations(Attachment 1 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file), as needed to effectuate the 2014-15 maintenance awards (Attachment 9 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file) and reprogramming actions (Attachment 13 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file), subject to approval of the City Attorney.
8. AUTHORIZE the Controller to adjust accounts to reflect the 2014-15 maintenance awards (Attachment 9 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file), inflation awards (Attachment 14 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file) and reprogramming actions (Attachment 13 to the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file) in the following funds, pursuant to instructions to be provided by the City Administrative Officer (CAO):

- a. Proposition K Projects Fund No. 43K.
 - b. Proposition K Maintenance Fund Fund No. 43L.
 - c. Proposition K Administration Fund No. 43M.
 - d. Landscaping and Lighting Assessment Series 2000 Fund No. 43P.
 - e. Landscaping and Lighting Assessment Series 2001 Fund No. 44S.
 - f. Landscaping and Lighting Assessment Series 2002 Fund No. 46A.
9. INSTRUCT the City Clerk to publish notice by **MAY 22, 2015**, of a public hearing to take place on **JUNE 3, 2015**, during the regular Council meeting.
10. INSTRUCT the City Clerk to set an agenda item for public hearing on the Council agenda for **JUNE 3, 2015**, to include the following actions:
- a. Acknowledge that the City Council's action is exempt from the California Environmental Quality Act (CEQA) under Article II, Section 2.i of the City's CEQA guidelines, because the underlying project has already been evaluated and processed in accordance with the City CEQA Guidelines, with respect to the projects in List 3 of Attachment 8 of the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file .
 - b. Acknowledge that these are projects that may be considered for funding after CEQA compliance; no further action is required at this time with respect to the projects in List 5 of Attachment 8 of the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file.
 - c. Present and adopt the accompanying Ordinance Confirming the Assessment, as prepared and transmitted by the City Attorney, confirming the assessments and approving the diagram for the District for Fiscal Year (FY) 2015-16.
 - d. Instruct the City Engineer to record a Notice of Assessment with the County Recorder.
 - e. Approve the 2015-16 Five Year Plan for the L.A. for Kids Program and related schedules, at set forth in Attachments 1, 2, 3, 4, and 7 of the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file.
 - f. Approve the 2015-16 allocation of administrative funds up to the following amounts within Proposition K Fund 43M:

<u>Department</u>	<u>Amount</u>
PW/Bureau of Engineering	\$278,083
PW/Board/Office of Accounting	136,457

Office of City Administrative Officer	97,000
Office of the Chief Legislative Analyst	<u>33,356</u>
	Total: \$544,896

- g. Instruct the Information Technology Agency (ITA) to prepare and transmit the necessary computer tape, compact disk or data file, as appropriate, to the County containing the assessment levy information confirmed by the City Council for FY 2015-16 for each parcel in the Assessment District.
- h. Authorize the City Engineer to negotiate and execute Proposition K grant agreements with grantees that are recommended for 2015-16 project allocations (Attachment 1 of the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file) except for competitive projects awarded to City departments, subject to approval of the City Attorney.
- i. Authorize the Controller to:
 - i. Set up accounts for the 2015-16 Proposition K assessment in the following Funds pursuant to instructions to be provided by the CAO: Proposition K Projects Fund No. 43K; Proposition K Maintenance Fund No. 43L; and Proposition K Administration Fund No. 43M.
 - ii. Increase the 2015-16 appropriations for the ITA by \$50,000 from Proposition K Fund 43K/10, Account No. (TBD) - Information Technology Agency to Fund 100/32, Account 9350 - Communication Service Request.
 - iii. Transfer cash from Proposition K Fund 43K/10 on an as-needed basis upon proper documentation from the ITA and approval by the Bureau of Engineering (BOE) Program Managers and the CAO.
 - iv. Appropriate \$7,807,194 in Proposition K interest earnings (Fund, 43K, Revenue Source Code No 4903) to a new account within the Proposition K Projects Fund No. 43K, Account TBD, Account Title Debt Service Payoff, for the purpose of defeasing the three Proposition K bond series issued in 2000, 2001 and 2002, as discussed in the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file.
- j. Instruct the City Engineer, CAO, Chief Legislative Analyst, and Board of Public Works, Office of Accounting to submit journal voucher requests supported by the documentation of work order charges for program administrative and project construction management staffing costs to the CAO.
- k. Instruct the Department of General Services (GSD) and the Department of Recreation and Parks (RAP) to submit expenditure reports to the BOE and the CAO on a monthly basis.
- l. Authorize the City Engineer to make technical corrections to the City Engineer's Report to reflect the intent of the Council action.

- m. Authorize the CAO to prepare technical adjustments as needed to carry out the intent of the Council action; and Authorize the Controller to implement those technical adjustments.
- n. Authorize the Controller, pursuant to instructions provided by the CAO, to revert residual funds within Proposition K Funds to the originating Proposition K project accounts for projects completed by the GSD and the RAP as part of ongoing program reconciliation activities.

Fiscal Impact Statement: The L.A. for Kids Steering Committee reports that adoption of an Ordinance and Resolution of Intention to levy the Proposition K: L.A. for Kids Assessment for FY 2015-16 indicates the Council's intention to levy assessments totaling \$25 million to acquire and construct park and recreational facilities. The assessment can only be used for capital improvements, acquisition of land, Proposition K Program administration and maintenance of completed projects. The cost of operating Proposition K projects as they are completed in future years will be funded by the annual operating budget adopted for City departments and with independent funding for projects operated by external entities.

A total of \$5.12 million will be reimbursed to the General Fund in 2015-16 for program administration, maintenance and project delivery expenses. This funding includes both ongoing and one-time revenues that are available from funds remaining for completed Proposition K projects.

The RAP reports an annual fiscal impact of \$6.05 million once active Proposition K projects, currently in various stages of development, become operational over future years. This includes \$3.41 million for maintenance and \$2.64 million for operations (Attachments 5 and 6 of the May 8, 2015 L.A. for Kids Steering Committee report, attached to the Council file). The fiscal impact for completed projects will be partially offset by Proposition K maintenance funding. The proposed 2014-15 maintenance award for RAP projects totals \$3.08 million.

Community Impact Statement: None submitted.

Summary:

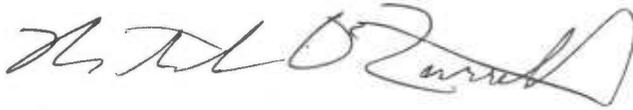
At a special meeting on May 18, 2015, the Arts, Parks, Health, Aging and River (APHAR) Committee considered a May 8, 2015 L.A. for Kids Steering Committee (Steering Committee) report, Ordinance, and Resolution relative to the 2015-16 Proposition K Assessment. The report, attached to the Council file, provides background information and includes the recommended 2015-16 expenditure plan and funding earmarks for 2016-17 through 2019-20. Recommendations for current year budget adjustments and award of 2014-15 maintenance and inflation funds are also provided.

During the discussion of this item, CAO and BOE employees, representing the L.A. for Kids Steering Committee, provided an overview of the report and responded to related questions from the Committee members. The APHAR Committee Chair then pointed out that Glassell Park Recreation Center is now in Council District One, not 13, and instructed the Steering Committee to correct the Council District number designation when preparing the final five-year plan and related documents that list the Glassell Park Recreation Center project. After

additional discussion and providing an opportunity for public comment, the APHAR Committee recommended that Council approve the recommendations contained in the Steering Committee report as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ARTS, PARKS, HEALTH, AGING AND RIVER COMMITTEE



MEMBER VOTE

O'FARRELL: YES

LABONGE: YES

BUSCAINO: ABSENT

CEDILLO: YES

PRICE: YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-