

BUDGET AND FINANCE COMMITTEE REPORT relative to the 2021-22 Second Construction Projects Report (CPR).

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

1. APPROVE the recommendations of the City Administrative Officer (CAO) as detailed in the Second CPR for Fiscal Year 2021-22, dated November 22, 2021, attached to the Council file, as amended to incorporate the additions detailed below:
2. AUTHORIZE the Controller to transfer \$79,468.23 from MICLA Parcel Tax Bond Fund No. 492/10/10S942 to MICLA Parcel Tax Bond Fund No. 492/32/TBD, for the Los Angeles Fire Department Voice Radio System Upgrade project.
3. AUTHORIZE the Controller to transfer and appropriate \$273,714.25 from the available cash balance within Fund No. 56Q/14, Village at Westfield Topanga Public Benefits Trust Fund to the Ventura/Cahuenga Specific Plan Trust Fund No. 523/94, Account No. 94TM14, Reimagine Ventura Boulevard to fund the remaining cost of the street improvement work.

Fiscal Impact Statement: The CAO reports that the transfers, appropriations, and expenditure authority totaling \$11.66 million are recommended in this report. Of this amount, \$4.81 million is for transfers, appropriations, and expenditure authority for the Bureau of Street Services, \$2.59 million for the General Services Department, and \$4.26 million is for other City funds. All transfers and appropriations are based on existing funds, reimbursements, or revenues. There is no immediate General Fund impact for operations and maintenance costs as a result of these recommendations (Attachment No. 4), attached to the CAO report in the Council file.

Financial Policies Statement: The CAO reports that the actions recommended in the report comply with the City's Financial Policies.

Debt Impact Statement: The CAO reports that the issuance of Municipal Improvement Corporation of Los Angeles (MICLA) Bonds is a General Fund obligation. The acquisition of capital equipment for the Bureau of Street Lighting (BSL) Fleet Replacement and Electric Vehicle Charging Stations would cause the City to borrow \$5,302,582 at an approximate 5.5 percent interest rate over 10 years. The total estimated debt service for the acquisition of BSL capital equipment is \$7,035,000, including interest of \$1,732,000. During the life of the bonds, the estimated average annual debt service over 10 years is \$703,500. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. We cannot fully predict what interest rates will be in the future. In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The City is currently at 3.35 percent for 2021-22. The issuance of debt for these projects will not impact the City's debt capacity for non-voter approved debt as the issuance of debt for the projects is already included in the debt ratio.

Community Impact Statement: None submitted

(Information, Technology, and General Services Committee waived consideration of the above matter.)

SUMMARY

At its regular meeting held on January 10, 2022, the Budget and Finance Committee considered a CAO report attached to the Council file, relative to the 2021-22 Second Construction Projects Report (CPR).

A representative of the CAO provided an overview of the report. After an opportunity for public comment was held, the Committee moved to approve the recommendations from CAO report, as amended, to

include additional recommendations, and Resolution as stated above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
BLUMENFIELD	YES
DE LEON	YES
RODRIGUEZ	YES
PRICE	YES



AS 1/10/22
COUNCIL FILE NO. 21-1028-S1

-NOT OFFICIAL UNTIL COUNCIL ACTS-