

GOVERNMENT OPERATIONS COMMITTEE REPORT relative to the Fourth Construction Projects Report (CPR) for Fiscal Year 2022-23.

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

APPROVE the recommendations of the City Administrative Officer (CAO) as detailed in the Fourth CPR for Fiscal Year 2022-23, dated January 25, 2023, attached to the Council file.

Fiscal Impact Statement: The CAO reports that transfers, appropriations, and expenditure authority totaling \$55.83 million are recommended in said CAO report. Of this amount, \$21.68 million is for transfers, appropriations, and expenditure authority for the Bureau of Sanitation, \$8 million for the Los Angeles Zoo Department, \$7.38 million for the Department of Transportation, \$4.86 million for the Bureau of Street Lighting and \$13.91 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. 3 of said CAO report).

Debt Impact Statement: The CAO reports that the issuance of Municipal Improvement Corporation of Los Angeles (MICLA) debt is a General Fund obligation. The issuance of MICLA for the reauthorization of CTIEP projects included in this report would cause the City to borrow \$16,572,785 at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service for the CTIEP projects is \$27,740,000, including interest of approximately \$11,167,000. The issuance of MICLA for the Bureau of Sanitation Automated Litter Bin Deployment Vehicles would cause the City to borrow \$2,800,000 at an approximate 5.5 percent interest rate over 10 years. The total estimated debt service for the vehicles is \$1,700,000, including interest of approximately \$420,000. During the life of the bonds, the combined estimated average annual debt service is \$1,807,000 over the first 10 years and \$1,387,000 over the following 10 years.

Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. The CAO 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 percent. The 2022-23 Adopted Budget non voter-approved debt ratio is 2.97 percent. The issuance of debt for these projects will not cause the City to exceed the six percent non-voter-approved debt limit.

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

Community Impact Statement: None submitted

SUMMARY

At its regular meeting held on February 28, 2023, your Government Operations Committee considered a CAO report relative to the Fourth CPR for Fiscal Year 2022-23, dated January 25, 2023, attached to the Council file.

After an opportunity for public comment was held, the Committee moved to approve the recommendations in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

GOVERNMENT OPERATIONS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
HARRIS-DAWSON:	YES
HERNANDEZ:	YES
HUTT:	ABSENT

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-NOT OFFICIAL UNTIL COUNCIL ACTS-