

BUDGET AND FINANCE COMMITTEE REPORT and AUTHORIZING RESOLUTION relative to the issuance and sale of the 2025 Tax and Revenue Anticipation Notes (TRAN) for Fiscal Year 2025-26 in an aggregate principal amount not to exceed \$1.7 billion, execution of related documents and actions, and temporary interfund borrowing to meet general fund cash flow needs.

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

1. ADOPT the Accompanying AUTHORIZING RESOLUTION (Attachment A of the City Administrative Officer (CAO) report dated May 29, 2025, attached to the Council file) authorizing the issuance and sale of the 2025 Tax and Revenue Anticipation Notes in an aggregate principal amount not to exceed \$1.7 billion, and the execution and delivery of various documents and actions in connection therewith.
2. AUTHORIZE and REQUEST the Controller and the Treasurer to make temporary transfers, as necessary to provide funds for meeting obligations of the City, from any of the funds in the attached list of funds, Attachment B of said report, during Fiscal Year 2025-26, in accordance with provisions of Section 340(b) of the City Charter, provided that no such transfers shall be made after the last Monday in April and provided further that the total of such transfers shall not exceed \$375 million in aggregate.

Fiscal Impact Statement: The CAO reports that there is no additional fiscal impact expected as the 2025-26 Adopted Budget includes funding for the repayment of the TRAN and the interest on any special revenue fund borrowing. The estimated total TRAN debt service cost is \$1.57 billion, which the City will repay from collected General Fund revenues and taxes from Fiscal Year 2025-26. The estimated savings and interest costs may differ as actual interest rates are dependent on market conditions at the time of issuance.

Debt Impact Statement: The CAO reports that there is no impact to the City's debt capacity as this transaction represents a short-term borrowing, which the City will repay within the same fiscal year. Therefore, the TRAN does not affect the limit of 15 percent of Total Direct Debt Service to General Revenues or the limit of six percent of NonVoter Approved Debt Service to General Revenues.

Financial Policies Statement: The CAO reports that the recommendations in this report comply with the City's Financial Policies as the recommended actions use current revenues and balances to pay for current operations.

Community Impact Statement: None submitted

SUMMARY

At its meeting held on June 3, 2025, your Budget and Finance Committee considered a CAO report relative to the issuance and sale of the 2025 TRAN for Fiscal Year 2025-26 in an aggregate principal amount not to exceed \$1.7 billion, execution of related documents and actions, and temporary interfund borrowing to meet general fund cash flow needs.

After an opportunity for public comment was held, the Committee recommended to move forward the recommendations contained in said CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,
BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	ABSENT
HERNANDEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-