

GOVERNMENT OPERATIONS COMMITTEE REPORT relative to the Fiscal Year (FY) 2025-26 Third Construction Projects Report.

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

1. AUTHORIZE the Controller to:

- a. Transfer \$6,336,827 between departments and funds as specified in Attachment 1 of the November 13, 2025 City Administrative Officer (CAO) report, attached to the Council File.
- b. Appropriate \$1,050,000 between accounts within Departments and funds as specified in Attachment 3 of the November 13, 2025 CAO report, attached to the Council File.
- c. In accordance with Recommendation No. 1a, Reimburse the General Fund within the Municipal Improvement Corporation of Los Angeles (MICLA), upon CAO approval and receipt of requesting Departments' labor services, construction materials, and supply invoices for completed work to include reimbursement for labor services documentation that must contain an hourly breakdown with task descriptions and codes detailing the completed MICLA eligible work, relative to the departmental accounts designated for the following projects:
 - i. Engine Company 23 Youth Arts Center (Item C)
 - ii. City Hall East (CHE) P4 – Information Technology Agency (ITA) Server Room Upgrade Phase II (Item E)
 - iii. Hollyhock House Project Restore (Item G)
 - iv. Taylor Yard Paseo del Rio/Proposition O Water Quality Improvements Project (Item H)
 - v. Bel Air Yard Video Surveillance Project (Item J)
 - vi. Asphalt Plant 1 Phase III (Scope B) – Catwalk Safety Improvement Project – New Catwalk Infrastructure (Item K)
 - vii. Yards and Shops Capital Equipment (Item M)
 - viii. Energy and Water Management Conservation Program – CHE Parking Level P4 Light Emitting Diode (LED) Upgrade (Item R)

2. RESCIND Recommendation Nos. 6 and 7, Items R and S, in the August 4, 2025 2025-26 First CPR report (Council File No. 25-0874) as CTIEP Fund No. 100/54 cannot be used to pay Reserve Fund loans.
3. AUTHORIZE the Board of Public Works, on behalf of the Bureau of Engineering (BOE), to:
 - a. Transfer and appropriate funds up to the balance within the Engineering Special Services Fund, Fund No. 682/50, Account No. 50SVEI, Stormwater Capture Park Program to the BOE, Fund No. 100/78, Account No. 1010 Salaries General and Account No. 1090 Overtime General for 2025-26 salaries and overtime expenditures, respectively, and to Revenue Source Code 5361 Related Costs Reimbursements – Others for overtime and related costs reimbursements, subject to receipt of appropriate documentation from the BOE.
 - b. Reimburse up to the available balance in the Engineering Special Services Fund, Fund No. 682/50, Account No. 50SVEI, Stormwater Capture Park Program to BOE, Fund No. 100/78, Revenue Source Code 5168 Reimbursement of Prior Year Salary for prior years' staffing costs, Revenue Source Code 5161 Reimbursement of Expenditures for prior years' overtime cost, and Revenue Source Code 5331 Reimbursement of Related Costs – Prior Year for prior years' related cost reimbursements, subject to receipt of proper documentation from the BOE.
4. REAUTHORIZE the use of up to \$1,150,989 in 2021-22 MICLA authority (Fund 298/50, Account 50VTSU, "City Hall East Electrical System Upgrades and P4 Improvement") and allow the continued use of funds beyond the City's MICLA Three-Year Spending Policy for the commencement of ITA Server Room Upgrade Phase II construction activities.
5. AUTHORIZE the Controller to establish a new account in the General Obligation Bonds (GOB), Series 2004A, Fund No. 16A/50 titled "Building and Safety Expedite Fees" and appropriate from available cash \$85,775.70; and, AUTHORIZE the Public Works, Office of Accounting to repay outstanding Los Angeles Department of Building and Safety expedite fees associated with the fund.
6. AMEND the Controller's Instructions as detailed in Attachment 1, pertaining to Item P – Nuisance Abatement, of the November 13, 2025 CAO report, attached to the Council File:

Project P – Nuisance Abatement at Various Locations in its entirety, as needed to provide an appropriation of \$10,652 to the GSD to address nuisance conditions at various locations as follows:

From:

Fund 100/54, CTIEP, 00C068 Citywide Nuisance Abatement \$64,530

To:

Fund 100/40, GSD

1014 – Salaries, Construction Projects \$35,786.48
1101 – Hiring Hall Construction \$3,281.88
1121 – Benefits Hiring Hall Construction \$1,766.10
3180 – Construction Materials \$23,695.54
TOTAL: \$64,530.00

7. AUTHORIZE the CAO to make technical corrections, as necessary, to the transactions authorized through the November 13, 2025 CAO report, attached to the Council File, as required to implement the intent of those transactions.

(Also referred to the Budget and Finance Committee)

Fiscal Impact Statement: The CAO reports that the recommendations stated in the November 13, 2025 CAO report, attached to the Council File, include transfers, appropriations, and authority for expenditures totaling \$7.4 million. This consists of \$2.3 million from various special funds, \$4.2 million in MICLA funds, and \$0.86 million in CTIEP funds. All transfers and appropriations are based on existing funds, reimbursements, or revenues. There is an unanticipated General Fund impact in an amount not yet determined for operations and maintenance costs of two facilities currently not in operation, Barnsdall Art Park - Residence A and Engine Company 23 Youth Arts Center. These costs will be addressed through the City budget process at the time the facilities are scheduled for completion.

Financial Policies Statement: The CAO reports that The recommendations stated in the October 15, 2025 CAO report, attached to the Council File, comply with the City's Financial Policies in that appropriations for funds are limited to available cash balances needed to fund ongoing maintenance, programming, project shortfalls, and critical operational needs in the current budget year.

Community Impact Statement: None submitted.

Debt Impact Statement: The CAO reports that the issuance of MICLA debt is a General Fund obligation. The proposed MICLA fund appropriation for the capital project described in the November 13, 2025 CAO report, attached to the Council (Item E - ITA Server Room Upgrade Phase II) would cause the City to borrow \$1.2 million at an approximate 5.5 percent interest rate over a period of 20 years. The total estimated debt service for the MICLA-funded projects is \$2.0 million, including interest of approximately \$0.8 million. The estimated average annual debt service is \$96,000 over a period of 20 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 the evaluation of the affordability for future debt. The

debt ceiling for non-voted direct debt as a percentage of General Fund revenues is six percent. The 2025-26 Adopted Budget non-voter-approved debt service ratio is 2.40 percent. The issuance of MICLEA debt for these projects will not cause the City to exceed the six percent non-voter-approved debt limit.

Summary:

On December 2, 2025, the Government Operations (GO) Committee considered a November 13, 2025 CAO report relative to the FY 2025-26 Third Construction Projects Report. In its report, the CAO provided updates on the current activities and financial status of the capital repair and infrastructure programs managed or implemented by City Departments that typically includes the Public Works Bureaus and the Department of General Services Department, along with recommended authorities needed to proceed with scheduled activities, address funding shortfalls, or other implementing authorities required to accomplish the defined scope of work for the respective projects addressed within this report. A representative from the CAO provided an overview of the various projects and answered questions from the Committee members. After consideration and having provided an opportunity for public comment, the GO Committee moved to recommend approval of the recommendations contained in the CAO report, as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER VOTE

PADILLA: YES
LEE: YES
JURADO: YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-