

BUDGET AD FINANCE COMMITTEE REPORT and RESOLUTION relative to payment of negotiated damages and court costs in the matter of Independent Living Center of Southern California v. City of Los Angeles, et al.

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

1. AUTHORIZE a loan of up to \$5,500,000 from the Reserve Fund to the Liability Claims Fund No. 100/59, in connection with a portion of the settlement of the matter Independent Living Center of Southern California, et al. vs. City of Los Angeles, et al., to be repaid from proceeds of bonds which may be issued in the future.
2. TRANSFER up to \$5,500,000 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the following Funds and Accounts in connection to a settlement agreement in the matter of Independent Living Center of Southern California, et al. vs. City of Los Angeles, et al., United States District Court Case No. CV12-00551 FMO PJW, and pursuant to Council file (C.F.) No. 12-0014-S23:

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
100/59	009798	Miscellaneous Liability Payouts	\$5,500,000

3. AUTHORIZE the City Attorney to process a payment in the amount of \$4,500,000 via wire transfer to Reiman, Dane and Colfax, PLLC, 1225 19th Street N.W., Suite 600, Washington, D.C. 20036-2456, for distribution to Plaintiffs for negotiated damages in the matter of Independent Living Center of Southern California, et al. vs. City of Los Angeles, et al. from the Liability Claims Fund No. 100/59, Account No. 009798, Miscellaneous, in compliance with C.F. No. 12-0014-S23.
4. AUTHORIZE the City Attorney to process a payment up to \$1,000,000 via wire transfer to Reiman, Dane and Colfax, PLLC, 1225 19th Street N.W., Suite 600, Washington, D.C. 20036-2456, for costs incurred by the Plaintiffs' counsel in the matter of Independent Living Center of Southern California, et al. vs. City of Los Angeles, et al. from the Liability Claims Fund No. 100/59, Account No. 009798, Miscellaneous, in compliance with C.F. No. 12-0014-S23.
5. ADOPT the accompanying RESOLUTION declaring the intention to reimburse and/or refund the City's General Fund expenditures or other City fund expenditures to be incurred in connection with a portion of the settlement of Independent Living Center of Southern California, et al. vs. City of Los Angeles, et al., inclusive of attorneys' fees, in a maximum amount not-to-exceed \$25,500,000, from proceeds of bonds which may be issued in the future for such purposes.
6. AUTHORIZE the City Attorney, or designee, to make necessary technical corrections as necessary to the above transactions, subject to the approval of the City Administrative Officer (CAO), to implement Mayor and Council intentions.

Fiscal Impact Statement: The CAO reports that approval of these recommendations will reduce the Reserve Fund by \$5.5 million. However, depending on future financing options approved,

there is potential that the Reserve Fund can be restored at a later date upon reimbursement of these funds.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on September 19, 2016, the Budget and Finance Committee considered a CAO report dated September 16, 2016, and Resolution, relative to payment of negotiated damages and court costs in the matter of Independent Living Center of Southern California v. City of Los Angeles, et al. The CAO's Financial Specialist provided a brief overview of the report and, along with the CAO's Chief of Debt Management, responded to related questions from the Committee.

After providing an opportunity for public comment, the Committee approved the recommendations in the 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>
KREKORIAN:	YES
ENGLANDER:	YES
MARTINEZ:	YES
BLUMENFIELD:	YES
BONIN:	ABSENT

REW
9/19/16
FILE NO. 12-0014-S23

-NOT OFFICIAL UNTIL COUNCIL ACTS-