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CITY CLERK

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CALIFORNIA

OFFICE OF THE
CITY CLERK

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When making inquiries relative to
this matter, please refer to the
Council File No.: [17-0924-S3](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

May 18, 2018

Council File No.: [17-0924-S3](#)

Council Meeting Date: May 18, 2018

Agenda Item No.: 16

Agenda Description: COMMUNICATION FROM THE CITY ADMINISTRATIVE OFFICER relative to an Addendum to the Fourth Construction Projects Report for Fiscal Year (FY) 2017-18 and recommended funding adjustments.

Council Action: COMMUNICATION FROM THE CITY ADMINISTRATIVE OFFICER - ADOPTED FORTHWITH

Council Vote:

YES	BLUMENFIELD	ABSENT	HARRIS-DAWSON	YES	O'FARRELL
YES	BONIN	YES	HUIZAR	YES	PRICE
ABSENT	BUSCAINO	YES	KORETZ	YES	RODRIGUEZ
YES	CEDILLO	YES	KREKORIAN	YES	RYU
ABSENT	ENGLANDER	YES	MARTINEZ	YES	WESSON

HOLLY L. WOLCOTT
CITY CLERK

Pursuant to Charter/Los Angeles Administrative Code Section(s): 341

FILE SENT TO MAYOR:

LAST DAY FOR MAYOR TO ACT:

APPROVED

***DISAPPROVED**

***VETO**

Mayor

DATE SIGNED

REPORT FROM

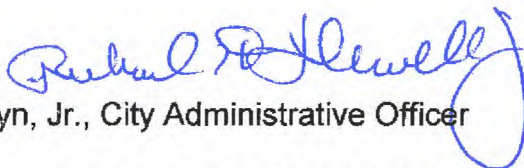
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 15, 2018

CAO File No. 0640-01399-0091
Council File No. 17-0924-S3
Council District: All

To: Mayor
Council

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: 2017-18 Fourth Construction Projects Report (C.F. 17-0924-S3)

Subject: **2017-18 Fourth Construction Projects Report Addendum**

SUMMARY

On April 27, 2018, this Office released the Fourth Construction Projects Report (CPR) for Fiscal Year 2017-18 that provides a status update for major capital projects and financial transactions needed to fund associated expenses (C.F. 17-0924-S3). This addendum is needed to address items with time-sensitivity that were identified subsequent to the report release along with adjustments to the original report recommendations.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Transfer \$13,874,659 between accounts within departments and funds as specified in the Attachment;
2. Transfer \$270,000 between departments and funds as specified in the Attachment;
3. Rescind Recommendation No. 8 in the Fourth Construction Projects Report dated April 27, 2018 (C.F. 17-0924-S3), as the recommended MICLA reauthorizations will be addressed in a future report.
4. Rescind the prior action to allocate \$3 million in Proposition K assessment funds for the Algin Sutton pool project, as authorized by Council as part of the Proposition K Mid-year Reprogramming report (C.F. 17-0113-S1; Recommendation No. 3, Attachment 2) to eliminate an over-commitment of this funding source and authorize the use of \$3 million in Proposition K interest monies as a replacement source of funds.
5. Authorize the Controller to:
 - a. Reverse the prior commitment of \$3 million in Proposition K assessment funds for the Algin Sutton pool project (CF 17-0113-S1); and,

- b. Transfer and appropriate \$3 million in Proposition K interest earnings (Fund 43K, Revenue Code No. 4403) to a new account within the Proposition K Projects Fund No. 43K entitled "Algin Sutton" and increase the cash balance within the same Fund.
6. Authorize the City Administrative Officer to make technical corrections, as necessary, to those transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT

There is no immediate impact on the General Fund as a result of the actions recommended in this addendum. Any additional costs of operations and maintenance for new facilities would be addressed following project completion as part of the City's annual budget adoption process.

DISCUSSION

The following are brief descriptions, by department, of budgetary adjustment recommendations included in this report for General Fund, Special Fund or MICLA financed projects.

A. Bureau of Sanitation - Digester Gas Utilization Project Facility Sewer Construction and Maintenance Fund Addendum Attachment Section No. 1 Recommendation No. 1

A transfer of \$12,515,334 from excess appropriations within the Sewer Construction and Maintenance Fund to an existing project account is recommended for the payment of remaining invoices for the Digester Gas Utilization Project at the Hyperion Water Reclamation Plant. The renewable energy project is scheduled for completion by June 2018, with a prior transfer of \$6,534,666 authorized by Council as part of the Third Financial Status Report (C.F. 17-0924-S2). Council approval is required to transfer these monies to the project account. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as the cost of operations and maintenance are funded by Special Fund monies.*

B. GSD – Figueroa Plaza Tenant Improvements Revenue Source Addendum Attachment Section No. 1 Recommendation No. 1

A re-appropriation of \$235,242 from GSD Revenue Source Code 4596 (Services to Water and Power) to GSD's budgetary account is needed to enable the department to bill incurred expenses using project funds transferred by the Department of Water and Power in the previous fiscal year (CF 16-0683). Council approval is required to re-appropriate these funds. *O&M Fiscal Impact: This is an administrative action and there is no associated General Fund impact for operations and maintenance.*

C. General Services Department (GSD) – Real Estate Services GSD Revenue Source Addendum Attachment Section No. 1 Recommendation No. 1

A re-appropriation of \$9,987.78 from GSD Revenue Source Code 5141 (Sale of Surplus Property) to GSD's contractual services account is recommended for accrued expenditures related to the sale of two Own A Piece of Los Angeles (OPLA) properties located on: 1) Harding Street (APN: 2513-010-040, Sold: November 13, 2017); and, 2) 15206 W. Earham Street, (APN: 4412-027-902, Sold: November 14, 2017). Council approval is required to re-appropriate these funds. *O&M Fiscal Impact: This is an administrative action and there is no associated General Fund impact for operations and maintenance.*

**D. GSD – Unified Homeless Response Center - Emergency Operations Center
General Fund
Addendum Attachment Section No. 2
Recommendation No. 2**

An appropriation of \$100,000 in CIEP funds to GSD's budgetary accounts is recommended to fund tenant improvements for the Unified Homeless Response Center (UHRC) located at the Emergency Operations Center. The Fourth CPR recommends funding of \$187,000 for purchase of audio visual equipment for the UHRC. The additional appropriation recommended through this addendum is needed to fund associated labor and material cost to be incurred by GSD to convert existing space into a new conference room center. Council approval is required to transfer the additional funding to GSD's budgetary accounts. *O&M Fiscal Impact: This is an administrative action and there is no associated General Fund impact for operations and maintenance.*

**E. Homeless Facilities Predevelopment
Capital Improvement Expense Program (CIEP) Residuals
Addendum Attachment Section No. 1
Recommendation No. 1**

An increase in appropriations of \$189,675 in residual CIEP monies for pre-development costs associated with homeless facilities is recommended. The Fourth CPR recommends funding of \$536,086 for this purpose, for a revised total of \$725,761 when combined with the additional balance recommended in this addendum. The additional funds were originally budgeted for the Children's Museum project completed in November 2015. Council approval is needed to appropriate these funds that will be subject to additional Council approval for specific use as part of future CPRs. *O&M Fiscal Impact: This is an administrative action and there is no associated General Fund impact for operations and maintenance*

**F. Proposition K Mid-Year Reprogramming - Algin Sutton Pool
Proposition K
Recommendation Nos. 4 and 5**

An administrative adjustment of the Proposition K funding source used for a previously approved allocation of \$3 million in assessment funds awarded to address the funding shortfall for the Algin Sutton pool project is needed to correct a cash imbalance (C.F. 17-0113-S1). The \$3 million award of program assessment funds would be replaced by Proposition K interest funds that can be used for the same purpose. Council approval is required to implement the needed adjustment of funding sources. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an existing facility.*

G. Watts Skate/Bike Park

CIEP

Addendum Attachment Section No. 1

Recommendation No. 1

A transfer of \$924,419 in CIEP funds is requested to utilize the available monies for a replacement park project in Council District 15. These monies were originally budgeted for a cancelled project within the same District. The available funds would be used for construction of a new skate/bike park. Completion of the project is anticipated by the close of 2018-19. *O&M Fiscal Impact: There is an anticipated impact on the General Fund for operations and maintenance of this facility that would be addressed through future City budgets following project completion.*

H. West Los Angeles Tenant Improvements

CIEP

Addendum Attachment Section No. 2

Recommendation No. 2

A transfer of \$170,000 is requested from GSD's leasing account to provide cash flow for tenant improvements that would be repaid over a two-year period as monthly rental payments. Council approval is needed to transfer these funds to a new project account within the CIEP to avoid loss of the funds through year-end reversions. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an existing facility.*

I. MICLA Reauthorization / North Valley (Sunland Tujunga) City Hall Renovations

MICLA

Recommendation No. 3

In accordance with Council policies, all projects approved for MICLA financing in the Adopted Budget must be reauthorized by Council before expending MICLA commercial paper and/or bond proceeds. Our Office has provided a list of MICLA projects that require funding immediately following the 2018-19 budget adoption as part of the Fourth CPR (Attachment 6). A revised instruction is provided in this addendum to defer consideration of this item for a future CPR report that will be release prior to the close of the current Fiscal Year.

RHL:DFB:05180124

Attachment

**FOURTH CONSTRUCTION PROJECTS REPORT
ADDENDUM
FY 2017-18 BUDGET ADJUSTMENTS**

SECTION 1: TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

ITEM	DEPARTMENT/PROJECT	TRANSFER FROM		TRANSFER TO	
		FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
A	PW: Bureau of Sanitation <i>Digester Gas Utilization Plan (DGUP)</i>	Fund 75N/50, WSSRB Construction Fund, Series 2017-A (Green Bonds) 50PGW2, Clean Water Campus	\$ 12,515,334.00	Fund 75N/50, WSSRB Construction Fund, Series 2017-A (Green Bonds) 50PDS7, HTP DGUP Facility	\$ 12,515,334.00
B	General Services Department <i>Figueroa Plaza Tenant Improvements</i>	Fund 100/40, General Services Department Revenue Source 5586, Service to Water and Power	\$ 235,242.13	Fund 100/40, General Services Department 003040, Contractual Services	\$ 235,242.13
C	General Services Department <i>Sale of Surplus Properties</i>	Fund 100/40, General Services Department Revenue Source 5141, Sale of Surplus Property	\$ 9,987.78	Fund 100/40, General Services Department 003040, Contractual Services	\$ 9,987.78
E	Homeless Facilities <i>Homeless Facilities Predevelopment Project</i>	Fund 100/54, Capital Improvement Expenditure Program 00T729, Children's Museum - Hansen Dam	\$ 189,675.00	Fund 100/54, Capital Improvement Expenditure Program TBD, "Homeless Facilities"	\$ 189,675.00
G	Watts Skate/Bike Park <i>Watts Skate/Bike Park Project</i>	Fund 100/54, Capital Improvement Expenditure Program 00C606, East Wilmington Greenbelt Park	\$ 924,419.74	Fund 100/54, Capital Improvement Expenditure Program TBD, "Watts Skate Park"	\$ 924,419.74
TOTAL ALL DEPARTMENTS AND FUNDS			\$ 13,874,658.65		\$ 13,874,658.65

SECTION 2: TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

ITEM	DEPARTMENT/PROJECT	TRANSFER FROM		TRANSFER TO	
		FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
D	General Services Department <i>Unified Homeless Response Center</i> <i>Emergency Operations Center</i>	Fund 100/54, Capital Improvement Expenditure Program 00P046, Citywide Maintenance and Improvements	\$ 100,000.00	Fund 100/40, General Services Department 001101, Salaries, Hiring Hall Construction 001121, Benefits Hiring Hall Construction 003180, Construction Materials and Supplies	\$ 13,000.00 35,000.00 52,000.00 <u>100,000.00</u>
H	West Los Angeles Tenant Improvements <i>West LA Tenant Improvements Project</i>	Fund 100/40, General Services Department 006030, Leasing	\$ 170,000.00	Fund 100/54, Capital Improvement Expenditure Program TBD, "West Los Angeles Tenant Improvements"	\$ 170,000.00
TOTAL ALL DEPARTMENTS AND FUNDS			\$ 270,000.00		\$ 270,000.00