

MOTION

The 2018-19 Adopted Budget included \$11.19 million in the Municipal Improvement Corporation of Los Angeles (MICLA) financing program for the Los Angeles Police Department (LAPD) to purchase two Airbus H125 helicopters to replace two LAPD helicopters which have exceeded their useful life.

To expedite these purchases, MICLA funds authorized in the Adopted Budget must be reapproved for expenditure before the cost of the helicopters increases. The re-approval of MICLA funds are normally included in the City Administrative Officer's First Financial Status Report (FSR); however, since time is of the essence and the First FSR may not be released within sufficient time to capture the savings, re-approval of the Department's helicopter purchases must now be made.

The issuance of Municipal Improvement Corporation of Los Angeles (MICLA) Bonds is a General Fund obligation. The purchase of the helicopters would cause the City to borrow \$11,190,000 at an approximate 5.5 percent interest rate over 10 years. The total estimated debt service is \$14,850,000, including interest of \$3,660,000. During the life of the bonds, the estimated average annual debt service is \$1,485,000 over 10 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance.

I THEREFORE MOVE that City Council, subject to the approval of the Mayor, re-approve MICLA financing in the amount of \$11,190,000, included in the 2018-19 Adopted Budget, for the acquisition of two Airbus H125 helicopters for Air Support Division.

Presented by: Paul Kerkorian
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Seconded by: Monica Rodriguez

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