

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES and BUDGET AND FINANCE COMMITTEES' REPORT relative to the First Construction Projects Report (CPR) for 2018-19.

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

1. TRANSFER \$27,317,893 between departments and funds as specified in Attachment 1 of the City Administrative Officer (CAO) report dated August 28, 2018 (attached to the Council file).
2. TRANSFER \$752,174 between accounts within departments and funds as specified in Attachment 2 of the CAO report dated August 28, 2018.
3. TRANSFER \$66,204 between departments and funds from Proposition G Seismic General Obligation Bond Funds as specified in Attachment 3 of the CAO report dated August 28, 2018.
4. AUTHORIZE the Controller, in accordance with Recommendation No. 1 above, to reimburse the General Fund with Municipal Improvements Corporation of Los Angeles (MICLA) funds upon CAO approval and receipt of Department of General Services (GSD) labor services invoices for completed MICLA work from Fund No. 298/40, Account No. 40R24M titled *Municipal Building Energy and Water*, to the respective GSD accounts. GSD labor services documentation for reimbursement must contain an hourly breakdown with tasks codes detailing the completed MICLA-eligible work.
5. AUTHORIZE the Controller, in accordance with Recommendation No. 1 above, to reimburse the General Fund with MICLA funds upon CAO approval and receipt of GSD labor services invoices for completed MICLA work from Fund No. 298/40, Account No. 40P25F titled *Infrastructure - Citywide*, to the respective GSD accounts. GSD labor services documentation for reimbursement must contain an hourly breakdown with tasks codes detailing the completed MICLA-eligible work.
6. RESCIND Item SS- 2018-19 MICLA Space Optimization Tenant Work, Finance Call Center at Los Angeles (LA) Mall of the 2017-18 Fourth Construction Projects Report (Council file [C.F.] No. 17-0924-S3), which recommended an appropriation of \$450,000 from 2018-19 MICLA Account No. 298/40/TBD, Space Optimization Tenant Work to Account No. 298/40/TBD, Finance Call Center LA Mall.
7. AUTHORIZE the Controller to appropriate funds of up to \$1,368,609.72 for direct salaries to the respective departmental salary accounts from MICLA Fund No. 298/50, Account No. 50NTCD in accordance with Attachment 1 of the CAO report dated August 28, 2018.
8. AUTHORIZE the Controller to appropriate a total of \$500,000 from MICLA Fund No. 298/50, Account No. 50NTCD to Information Technology Agency (ITA), Fund No. 100/32 as delineated below for demolition related work on the Los Angeles Street Civic Center Building Project.

9. AUTHORIZE the Controller, in accordance with Recommendation No. 1 above, to reimburse the General Fund with MICLA funds upon CAO approval and receipt of ITA labor services invoices for completed MICLA work from Fund No. 298/50, Account No. 50NTCD titled *Los Angeles Street Civic Center Building*, to the respective ITA accounts. ITA labor services documentation for reimbursement must contain an hourly breakdown with tasks codes detailing the completed MICLA-eligible work.
10. AUTHORIZE the Controller to revert \$1,566,548 previously appropriated to the Santee Green Alley Network Project in Council District Nine from the Transfer of Floor Area Rights (TFAR) Public Benefit Payment Trust Fund from Engineering Special Services Fund Department No. 50, Account No. 50LVBK back to the TFAR Account No. 14001A.
11. APPROVE the Quincy Jones Green Alley Network Project in Council District Nine in the amount of \$1,566,548 from the TFAR Trust Fund, as recommended by the TFAR Committee and inadvertently omitted as a recommendation in the Chief Legislative Analyst (CLA) report dated June 14, 2018, and approved by Council on July 3, 2018 (C.F. No. 14-1411-S3).
12. AUTHORIZE the CLA to make any technical changes and prepare and submit instructions to the Controller to effectuate the intent of this action and facilitate funding from the TFAR Trust Fund to the implementing City Department or entity for the Quincy Jones Green Alley Network Project.
13. AUTHORIZE the Controller to implement the instructions of the CLA, consistent with the recommendations above, to allocate and expend funds from the TFAR Trust Fund.
14. REAUTHORIZE the use of a total of \$9,617,000 in MICLA financing for the purchase of 63 Bureau of Sanitation Clean Streets vehicles approved in the 2018-19 Adopted Budget; and, AUTHORIZE the GSD to establish an appropriation to purchase the listed equipment.
15. AUTHORIZE the Controller, in accordance with Recommendation No. 3 above, to transfer cash from Special Funds to reimburse the General Fund on an as-needed basis upon proper documentation from the departments and approval of the Program Managers and the CAO.
16. AUTHORIZE the CAO to make technical corrections, as necessary, to those transactions included in this report to implement Mayor and Council intentions.

**Fiscal Impact Statement:** The CAO reports that transfers, appropriations and expenditure authority totaling \$28.13 million are recommended in this report. Of this amount, \$12.47 million is for transfers, appropriations, and expenditure authority to Capital Improvement Expenditure Program; \$10.20 million is for General Services Department; \$2.23 million is for Bureau of Street Lighting; and \$3.23 million is for other City funds. All transfers and appropriations are based on existing funds, reimbursements or revenues. There is no estimated annual General Fund impact due to operations and maintenance costs as a result of these recommendations (Attachment No. 4 of the CAO report dated August 28, 2018).

**Debt Impact Statement:** The CAO reports that the issuance of MICLA Bonds is a General Fund obligation. The purchase of Clean Street Vehicles would cause the City to borrow approximately

\$9,617,000 at a 5.5 percent interest rate over 10 years. The total estimated debt service is \$12,800,000, including interest of \$3,183,000. During the life of the bonds, the estimated average annual debt service is \$1,280,000 over 10 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. The CAO reports that it cannot fully predict what interest rates will be in the future.

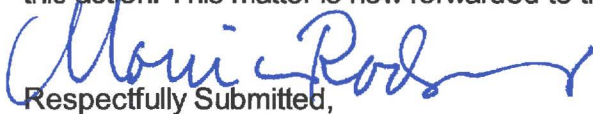
In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The City is currently at 4.15 percent for 2018-19. The issuance of the debt for the Clean Street Vehicles will not impact the City's debt capacity for non-voted approved debt as the issuance of debt for this project is already included in the debt ratio.

Community Impact Statement: None submitted.

### SUMMARY

In a report to the Mayor and Council dated August 28, 2018, the CAO presents the First CPR for FY 2018-19. The CAO recommends funding adjustments for the City's Capital Improvement Expenditure Program, various recreational facility projects, General Obligation Bond funded projects, and GSD construction projects. According to the CAO, the funding adjustments are necessary to keep the construction projects on track. The CAO report and attachments list the projects and recommended funding modifications.

At its meeting held September 25, 2018, the Information, Technology, and General Services Committee recommended that Council approve the CAO's recommendations relative to this matter. At its meeting held October 1, 2018, the Budget and Finance Committee concurred with this action. This matter is now forwarded to the Council for its consideration.

  
Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| RODRIGUEZ:    | YES         |
| BLUMENFIELD:  | YES         |
| OFARRELL:     | ABSENT      |

BUDGET AND FINANCE COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| KREKORIAN:    | YES         |
| ENGLANDER:    | ABSENT      |
| KORETZ:       | ABSENT      |
| BLUMENFIELD:  | YES         |
| BONIN:        | YES         |



**-NOT OFFICIAL UNTIL COUNCIL ACTS-**