

BUDGET AND FINANCE COMMITTEE REPORT AND RESOLUTION relative to authorization to defease \$16.025 million in Landscaping and Lighting District 96-1 Assessment Bonds (Proposition K), Series 2000, Series 2001, and Series 2002.

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

1. ADOPT the accompanying RESOLUTION authorizing the defeasance of the outstanding Landscaping and Lighting District 96-1 Assessment Bonds, Series 2000, Series 2001, and Series 2002 (the Bonds), including the execution and delivery of an Escrow Agreement.
2. INSTRUCT the Controller and Treasurer to wire transfer \$16,308,909.45 from Fund Nos. 43K and 43L to MUFG Union Bank, Trustee and Escrow Bank, on or by June 26, 2015, pursuant to wire instructions to be provided by the City Administrative Officer (CAO).
3. AUTHORIZE the CAO to prepare technical adjustments as needed to carry out the intent of the defeasance of the Bonds and authorize the Controller to implement those technical adjustments.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact on the General Fund as a result of the proposed transaction as the defeasance will be paid solely from the assessments collected under the Referendum Ordinance K for the City-wide Parks, Recreation and Community Facilities Assessment.

Debt Impact Statement: The CAO reports that there is no debt impact on the General Fund as a result of the proposed transaction as the defeasance will be paid solely from the assessments collected under the Referendum Ordinance K for the City-wide Parks, Recreation and Community Facilities Assessment.

Community Impact Statement: None submitted.

SUMMARY

At its meeting of June 15, 2015, the Budget and Finance Committee considered a CAO report and an authorizing Resolution requesting authority to defease \$16.025 million in Landscaping and Lighting District 96-1 Assessment Bonds (Proposition K), Series 2000, Series 2001, and Series 2002. The CAO reports that the defeasance will be paid solely from the assessments collected under the Referendum Ordinance K for the City-wide Parks, Recreation and Community Facilities Assessment (Proposition K). Additionally, the defeasance of the Bonds will not impact projects because the monies earmarked for the defeasance are not needed to fund other program priorities. The defeasance of the Bonds will provide interest savings of approximately \$2.67 million to property owners in the City. The interest savings represent the amount of future interest payments the City would have paid if the Bonds remained outstanding. The CAO report, attached to the Council file, provides further background information.

During Committee discussion, CAO representatives provided an overview of the matter and responded to related questions from Committee members. After further consideration and having provided an opportunity for public comment, the Budget and Finance Committee

recommended approval of the recommendations contained in the CAO report and the accompanying Resolution. 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:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-