

BUDGET AND FINANCE COMMITTEE REPORT and RESOLUTION relative to authorizing the issuance of the 2016 Tax and Revenue Anticipation Notes (TRAN) for Fiscal Year (FY) 2016-17.

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

ADOPT the accompanying RESOLUTION, and related documents, authorizing the issuance of the 2016 TRAN in an amount not to exceed \$1.5 billion.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the proposed 2016 TRAN financing would result in estimated net savings of \$22.2 million to the General Fund. The estimated total debt service cost is \$1.5 billion and will be repaid from collected General Fund revenues and taxes. There is no fiscal impact as funds are budgeted in the 2016-17 Adopted Budget for the repayment of the notes.

Debt Impact Statement: The CAO reports that there is no impact to the City's debt capacity as this transaction represents a short-term borrowing to be repaid within the same fiscal year.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on June 6, 2016, the Budget and Finance Committee considered a CAO report and Resolution requesting authorization to issue up to \$1.5 billion of TRAN to pay its annual contributions to the Los Angeles Fire and Police Pension Plan and the Los Angeles City Employees' Retirement System and to alleviate the City's short-term cash flow needs that occur early in the fiscal year when certain taxes and revenues have not yet been received. The CAO report, attached to the Council file, provides additional background information and a copy of the Resolution.

After providing an opportunity for public comment, the Budget and Finance Committee recommended that Council adopt the Resolution relative to the issuance of the 2016 TRAN. 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
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	ABSENT

REW
6/6/16
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