

RB

MOTION

BUDGET & FINANCE

In 2009, the City Council amended the procedural ordinance that authorizes the issuance and sale of bonds, notes, certificates or other evidence of indebtedness (Judgment Obligation Bonds or JOBs) to pay obligations imposed by law, and sets forth the procedure for such issuances. Those 2009 amendments permitted the City to issue JOBs with greater financing flexibility, including the issuance of JOBs to pay for stipulated settlements and to reimburse advances made to pay judgment obligations before the JOBs are issued.

However, the present language in the procedural ordinance creates some unintended restrictions with respect to the timeframe regarding when the City Council must make a decision to reimburse the City from a future JOB issuance and make related required findings. This language would be amended to expand this timeframe to provide the City with greater procedural flexibility.

Additionally, the current procedural ordinance limits the type of stipulated settlements that are eligible to be paid for by Bonds to only those derived from a mediation process. This would be amended to expand on the types of eligible settlements in a manner that is more consistent with current legal practices on how settlements may be reached.

While these changes will clarify the procedural ordinance and increase the City's flexibility with regard to JOBs, the City Council will retain the authority to approve the issuance of any bonds and determine which cases should be included in the issuance of such indebtedness.

I THEREFORE MOVE that the City Council REQUEST that the City Attorney draft an ordinance to amend the procedural ordinance related to debt issuances, Section 11.27 et. seq. of the Los Angeles Administrative Code, as follows:

- 1) The amendments should clarify that, in addition to stipulated settlements entered as judgments pursuant to State law, the City may also issue Judgement Obligation Bonds to pay for other stipulated settlements entered as judgments in court pursuant to Federal or other similar laws;
- 2) the amendments should expand on the time for the City Council to make a decision to reimburse the City from a future Judgment Obligation Bond and the related required findings; and
- 3) the amendments should expand the type of eligible settlements beyond only those derived from a mediation process in a manner that is more consistent with current legal practices on how settlements may be reached.

Presented by: Warr Y KREKORIAN
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Seconded by: [Signature]

NOV 22 2016

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