

BUDGET AND FINANCE COMMITTEE REPORT relative to amending Section 11.27 et. seq. of the Los Angeles Administrative Code (LAMC) to provide the City with greater flexibility for debt issuances to pay judgment obligations and settlements.

Recommendations for Council action, as initiated by Motion (Wesson for Krekorian - O'Farrell):

1. REQUEST the City Attorney to prepare and present an ordinance to amend the procedural ordinance related to debt issuances, Section 11.27 et. seq. of the LAMC, as follows:
  - a. The amendments should clarify that, in addition to stipulated settlements entered as judgments pursuant to State law, the City may also issue Judgment Obligation Bonds to pay for other stipulated settlements entered as judgments in court pursuant to Federal or other similar laws.
  - b. 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.
  - c. 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.
2. INSTRUCT the Chief Legislative Analyst, and REQUEST the City's Bond Counsel, to report on the advantages and disadvantages of amending the procedural ordinance that authorizes the issuance and sales of bonds, etc. as proposed in Recommendation No. 1 above, and to provide the report to Council at the time the City Attorney prepares and presents the requested ordinance.

Fiscal Impact Statement: Neither the City Administrative Officer (CAO) nor the Chief Legislative Analyst (CLA) has completed a financial analysis of this report.

Community Impact Statement: None submitted.

### SUMMARY

At a regular meeting held on December 5, 2016, the Budget and Finance Committee considered Motion (Wesson for Krekorian - O'Farrell) relative to requesting the City Attorney to prepare and present an ordinance amending Section 11.27 et seq. of the LAMC to provide the City with greater flexibility for debt issuances used to pay judgment obligations and settlements.

A representative of the City Attorney addressed the Committee and provided a brief overview of the request in the Motion. The Assistant CAO and the CAO's Chief of Debt Management also addressed the Committee and responded to related questions. During further discussion of this matter, the Committee Vice-Chair requested that the CLA and the City's Bond Counsel provide a report relative to the advantages and disadvantages of amending the procedural ordinance (that authorizes the issuance and sales of bonds, etc.) to expand the scope of when Judgment Obligation Bonds can be issued, and that this report be submitted concurrently with the City

Attorney presentation of the amending ordinance. Additionally, the Committee Vice-Chair expressed concern about the use of Judgment Obligation Bonds and requested that the CLA and the City's Bond Counsel provide an analysis prior to each issuance.

After providing an opportunity for public comment, the Committee approved the Motion. 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
MARTINEZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	ABSENT

REW  
12/5/16  
FILE NO. 16-1322

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**