

Date: 12/17/16
Submitted in Budget Finance Committee
Council File No: 16-1220
Item No.: 9

RESOLUTION

~~Item~~ Communication from the
City Admin. Office

Resolution of the Council of the City of Los Angeles (the "City") authorizing one or more advances or interfund borrowings from the City's Reserve Fund or other City funds to pay certain judgment or settlement obligations, and declaring the City's intention to reimburse itself for such advances and/or refund such borrowings from the proceeds of tax-exempt bonds.

WHEREAS, the City is a municipal corporation organized and existing under its charter and the laws of the State of California;

WHEREAS, the Council of the City (the "Council") is the governing body of the City;

WHEREAS, the City is or may be the subject of certain court judgments relating to tort claims or other legal claims filed by third parties against the City in court, and the Council has approved and authorized, or may approve and authorize, the City to enter into settlement agreements for the purpose of resolving such claims against the City, in each case which require the City to pay amounts (the "judgment or settlement payments") to one or more third parties;

WHEREAS, the City plans to initially pay such judgment or settlement payments, on an interim basis, with one or more advances or interfund borrowings from the City's Reserve Fund or other City funds;

WHEREAS, the City intends to reimburse itself for such advances and/or refund such borrowings from the proceeds of judgment obligation bonds (the "Bonds"), expected to be issued on a tax-exempt basis and pursuant to the provisions of the City Charter and Section 11.27 *et seq.* of the City Administrative Code concerning the issuance of bonds to pay or provide for the payment of judgment or settlement obligations, as the same may be amended from time to time;

WHEREAS, each advance or interfund borrowing used to make a judgment or settlement payment will constitute an indebtedness owed to the Reserve Fund or other City fund, as applicable, which the City intends to refinance with the proceeds of the Bonds;

WHEREAS, the Council previously declared its intent to initially pay certain obligations relating to *Independent Living Center of Southern California, et al. v. City of Los Angeles, et al.* (Case No.: 12-CV-00551 FMO (PJWx)) with advances or interfund borrowings from the City's General Fund or other City funds, and to reimburse itself for such advances or borrowings from proceeds of a tax-exempt judgment obligation bond issue; and

WHEREAS, the principal amount of Bonds expected to be issued in connection with the judgment or settlement payments referred to herein are in addition to the

principal amount of judgment obligation bonds expected to be issued in connection with the *Independent Living Center* matter;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

Section 1. The recitals herein and the findings made by the Council herein are true and correct.

Sec. 2. The City hereby declares its intention to reimburse and/or refund the City's Reserve Fund or other City funds for any judgment or settlement payments, and reasonably expects to do so by issuing the Bonds, in a maximum principal amount not to exceed \$23,000,000, within 18 months after making such judgment or settlement payments.

Sec. 3. The judgment or settlement payments constitute extraordinary nonrecurring items that are not customarily payable from current revenues, and neither the City nor any of the City's divisions, departments, agencies or affiliated entities has maintained a reserve or has otherwise set aside amounts to pay any portion of the judgment or settlement payments to be reimbursed and/or refunded with proceeds of the Bonds.

Sec. 4. This Resolution shall take effect immediately upon its passage.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on _____.

HOLLY L. WOLCOTT, City Clerk

By _____ Deputy