

BUDGET AND FINANCE COMMITTEE REPORT and RESOLUTION relative to equipment lease-purchase financing of replacement vehicles for the Los Angeles Police Department (LAPD).

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

1. ADOPT the accompanying RESOLUTION authorizing the City to enter into an Equipment Lease-Purchase Agreement and various other related documents with JPMorgan Chase Bank, N.A. in a not-to-exceed principal amount of \$22.2 million to finance the acquisition of 180 black and white vehicles, 152 undercover vehicles, and 130 other emergency vehicles to replace existing vehicles that have met or exceeded the extended replacement criteria.
2. AUTHORIZE the City Administrative Officer (CAO) to negotiate and execute the Equipment Lease-Purchase Agreement and various other related documents.
3. TRANSFER up to \$976,650 from the Capital Finance Administration Fund No. 100/53, Police Vehicles Financing Account No. 000356 to LAPD Fund No. 100/70, Transportation Equipment Account No. 007340 to purchase 34 motorcycles to replace existing motorcycles that have met or exceeded the extended replacement criteria.
4. AUTHORIZE the CAO to make technical corrections and adjustments as necessary to implement the Mayor and City Council intentions.

Fiscal Impact Statement: The CAO reports that the recommended actions would commit the City to pay JPMorgan Chase Bank, N.A. approximately \$22.2 million (principal and interest) over five years. Lease payments will begin in Fiscal Year (FY) 2017-18 and will be paid from funds in the Capital Finance Administration Fund. The final lease payment will be in FY 2022-23.

Debt Impact Statement: The CAO reports that this municipal lease-purchase financing will not cause the City's debt service payments to exceed six percent of General Revenues for non-voted approved debt as established in the City's Financial Policies, Debt Management Section.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on November 6, 2017, the Budget and Finance Committee considered a report from the CAO dated November 1, 2017 and Resolution relative to equipment lease-purchase financing of replacement vehicles for the LAPD. In its report, the CAO advises that the FY 2017-18 Adopted Budget authorizes the LAPD to lease-finance the acquisition of 180 black and white vehicles, 34 motorcycles, 152 undercover vehicles, and 130 other emergency vehicles, to replace those that have exceeded their replacement criteria.

After providing an opportunity for public comment, the Committee approved the recommendations in the CAO report. 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: | YES |
| BLUMENFIELD: | YES |
| BONIN: | YES |

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-NOT OFFICIAL UNTIL COUNCIL ACTS-