

BUDGET AND FINANCE COMMITTEE REPORT and RESOLUTION relative to the issuance of the 2019 Tax and Revenue Anticipation Notes (TRAN) for Fiscal Year (FY) 2019-20.

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

ADOPT the accompanying RESOLUTION, and related documents, authorizing the issuance and sale of the 2019 TRAN in an aggregate amount not to exceed \$1.7 billion.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports the proposed 2019 TRAN financing would result in estimated net savings of \$19.8 million to the General Fund. The estimated total debt service cost is \$1.75 billion and will be repaid from collected General Fund revenues and taxes. There is no fiscal impact as funds are budgeted in the FY 2019-20 Adopted Budget for the repayment of the notes.

Debt Impact Statement: The CAO reports 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 a regular meeting held on June 3, 2019, the Budget and Finance Committee considered a CAO report and Resolution requesting the authorization to issue up to \$1.7 billion of 2019 TRAN to pay the City's annual contribution to the Los Angeles Fire and Police Pension Plan and the Los Angeles City Employees' Retirement System 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 reports (attached to C.F. 19-0060-S159) includes additional background information, the authorizing bond issuance Resolution, and related documents.

After providing an opportunity for public comment, the Budget and Finance Committee recommended that Council adopt the Resolution relative to the issuance of the 2019 TRAN. This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
PRICE	YES
KORETZ	YES
BLUMENFIELD	YES
BONIN	YES

AC 6/4/19