

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES and BUDGET AND FINANCE COMMITTEES' REPORT relative to the Third Construction Projects Report (CPR) for Fiscal Year 2022-23.

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

APPROVE the recommendations of the City Administrative Officer (CAO) as detailed in the Third CPR for Fiscal Year 2022-23, dated October 27, 2022, attached to the Council file.

Fiscal Impact Statement: The CAO states that transfers, appropriations, and expenditure authority totaling \$12.02 million are recommended in said CAO CPR. Of this amount, \$5.61 million is for transfers, appropriations, and expenditure authority for the Bureau of Street Services, \$2.3 million for the Los Angeles Housing Department, \$1.42 million for the Department of General Services, and \$2.69 million is for other City funds. All transfers and appropriations are based on existing funds, reimbursements, or revenues. There is no immediate General Fund impact for operations and maintenance costs as a result of these recommendations (Attachment No. 4 of said CAO CPR).

Debt Impact Statement: The CAO states that the issuance of Municipal Improvement Corporation of Los Angeles (MICLA) debt is a General Fund obligation. The issuance of MICLA for the reauthorization of the Information Technology Agency Public Safety Radio Infrastructure Replacement and Simulcast Trunk Radio System Replacement projects would cause the City to borrow \$5,100,000 at an approximate 5.5 percent interest rate over 10 years. The issuance of MICLA for the reauthorization of the Vision Theatre project, whose spending authority has exceeded the City's three-year spending policy, would cause the City to borrow \$1,000,000 at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service for the projects is \$8,440,000, including interest of approximately \$2,340,000. During the life of the bonds, the estimated average annual debt service is \$760,000 over the first 10 years and \$84,000 over the following 10 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. The CAO cannot fully predict what interest rates will be in the future. In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The 2022-23 Adopted Budget non voter-approved debt ratio is 2.97 percent. The issuance of debt for these projects will not cause the City to exceed the six percent non voter-approved debt limit.

Financial Policies Statement: The CAO states that the actions recommended in said CAO CPR comply with the City's Financial Policies.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on December 1, 2022, your Information, Technology, and General Services Committee considered a CAO report relative to the Third CPR for Fiscal Year 2022-23. After an opportunity for public comment was held, the Committee moved to approve the CAO's report, as detailed above.

Subsequently, on December 5, 2022, the Budget and Finance Committee also considered this matter and after providing an opportunity for public comment, the Budget and Finance Committee concurred with the recommendation made previously by the Information, Technology, and General Services Committee to approve this item. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
RAMAN	YES
BLUMENFIELD	YES
PRICE	YES

BUDGET AND FINANCE COMMITTEE

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

ME 12/5/22

-NOT OFFICIAL UNTIL COUNCIL ACTS-