

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to the Fourth Construction Projects Report (CPR) for Fiscal Year 2021-22.

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

APPROVE the recommendations of the City Administrative Officer (CAO) as detailed in the Fourth CPR for Fiscal Year 2021-22, dated March 30, 2022, attached to the Council file, with the following additional recommendation:

Transfer \$10,000 from AB 1290 Fund No. 53P, Account No. 281203 (CD 3 Redevelopment Projects - Services) to Fund No. 100/10, Account No. 003040 (CAO - Contractual Services) to provide additional funding for a study on the economic impact of changing the use of City-owned surface parking lots in the vicinity of Reseda Avenue and Sherman Way.

Fiscal Impact Statement: The CAO states that transfers, appropriations, and expenditure authority totaling \$29.44 million are recommended in said CAO report. Of this amount, \$16.44 million is for transfers, appropriations, and expenditure authority for the Bureau of Engineering, \$5.63 million for the CAO, and \$7.37 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 report).

Debt Impact Statement: The CAO states that the issuance of Municipal Improvement Corporation of Los Angeles (MICLA) Bonds is a General Fund obligation. The issuance of MICLA for the Sixth Street Viaduct Replacement Project, Fire Voice Radio System and Electric Vehicle Charging Stations, would cause the City to borrow \$22,919,508 at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service for these projects is \$38,358,000, including interest of \$15,438,000. During the life of the bonds, the estimated average annual debt service is \$1,918,000 over 20 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 percent. The City is currently at 3.35 percent for 2021-22. The issuance of debt for these projects will not impact the City's debt capacity for non-voter approved debt as the issuance of debt for these projects is already included in the debt ratio.

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

Community Impact Statement: None submitted

## SUMMARY

At the meeting held on April 7, 2022, your Information, Technology, and General Services Committee considered a CAO report relative to the Fourth CPR for Fiscal Year 2021-22.

After an opportunity for public comment was held, the Committee moved to approve the CAO's recommendation as amended, as detailed above. 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

ME 4/7/22

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**