

ENERGY AND ENVIRONMENT COMMITTEE REPORT, RESOLUTION, and ORDINANCE FIRST CONSIDERATION relative to the issuance of Solid Waste Resources Revenue Bonds (Bonds), Series 2023-A, and amending Sections 5.121.5(a) and 5.121.5(m) of the Los Angeles Administrative Code (LAAC) to clarify the administration of the Solid Waste Resources Special Revenue Fund (SWRSRF) and Multi-Family Bulky Item Fee Special Revenue Fund, respectively, and to add Section 5.121.5(q) to the LAAC to create a special fund related to the issuance of the Bonds.

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

1. PRESENT and ADOPT the accompanying ORDINANCE, dated May 5, 2023, relative to the issuance of Bonds, Series 2023-A, and amending Sections 5.121.5(a) and 5.121.5(m) of the LAAC to clarify the administration of the SWRSRF and Multi-Family Bulky Item Fee Special Revenue Fund, respectively, and to add Section 5.121.5(q) to the LAAC to create a special fund related to the issuance of the Bonds.
2. ADOPT the accompanying Authorizing Resolution, which authorizes the issuance of the Bonds, Series 2023-A in an aggregate principal amount not to exceed \$230 million to be sold on a negotiated basis, authorizes the execution and delivery of certain documents, including the Fourteenth Supplemental Trust Agreement and the Amended and Restated Master Trust Agreement, declaring the City's intention to reimburse the Solid Waste Resources Revenue Fund (SWRRF) and/or Public Works Trust Fund from proceeds of the anticipate issuance of the Bonds, and approves the City Administrative Officer (CAO) to take necessary actions required to carry out the transaction.
3. REQUEST the City Attorney, at any time prior to the issuance of the next Bonds, to amend and restate certain provisions of the procedural ordinance establishing procedures for the issuance and sale of Bonds, codified in Article 6.4 of Chapter 1 of Division 11 of the LAAC, to modernize issuance procedures, including the elimination of the requirement to have one manual signature for the Bonds, and make other clarifying changes to the projects allowed to be financed with such Bonds, and any other changes deemed to be in the best interest of the City as determined by the City Attorney.
4. TRANSFER \$496,231.51 in appropriations within of the SWRRF No. 508/50 for debt service in connection with the outstanding Bonds, Series 2013-A, 2013-B, 2015-A, and 2018-A (Outstanding Bonds) as indicated in the May 8, 2023 CAO report, attached to the Council file.

5. APPROPRIATE \$7,096,072.33 from the available cash balance within the SWRRF No. 508/50 for debt service in connection with the Outstanding Bonds to the accounts indicated in the May 8, 2023 CAO report, attached to the Council file.
6. TRANSFER \$10,066,385.40 from the SWRRF No. 508/50 to U.S. Bank, the Trustee, for debt service in connection with the Outstanding Bonds as indicated in the May 8, 2023 CAO report, attached to the Council file.

Fiscal Impact Statement: The CAO reports that there is no impact on the General Fund as a result of the recommendations above. The Bonds, Series 2023-A are payable solely from revenues and from amounts in the SWRRF. All costs associated with the transaction shall be paid from bond proceeds, and in no event shall the General Fund be called upon for the repayment of any principal and interest on the Bonds. However, the General Fund has a history of supporting related costs for SWRRF operational expenditures. The 2023-24 Proposed Budget includes a \$65 million General Fund subsidy to offset SWRRF related cost reimbursements. Incurring additional debt would obligate SWRRF to increase debt service payments, which may result in an increased General Fund subsidy for operational costs. Absent of a rate increase, financial assistance will be necessary to fund SWRRF operations.

Financial Policies Statement: The CAO further reports that the recommendations above comply with the City's Financial Policies in that debt service on the Bonds will be paid from the SWRRF.

Community Impact Statement: None submitted.

Summary:

On May 19, 2023, your Committee considered the May 8, 2023 CAO, and May 5, 2023 City Attorney reports, and Ordinance, relative to the issuance of Bonds, Series 2023-A, and amending Sections 5.121.5(a) and 5.121.5(m) of the LAAC to clarify the administration of the SWRSRF and Multi-Family Bulky Item Fee Special Revenue Fund, respectively, and to add Section 5.121.5(q) to the LAAC to create a special fund related to the issuance of the Bonds, and related matters. The report attached to the Council file includes some background on the matter.

After providing an opportunity for public comment, the Committee moved to approve the recommendations detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,


ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
MCOSKER:	ABSENT
RAMAN:	YES
BLUMENFIELD:	YES
HERNANDEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-