

MINUTES

PROPOSITION "O" GENERAL OBLIGATION BONDS ADMINISTRATIVE OVERSIGHT COMMITTEE

Thursday, January 31, 2008, 3:30 p.m.
Room 1500, City Hall East

Members Present: David Hirano (CAO representative)
Cynthia Ruiz
Michael Mullin (Mayor's Office representative)
Sharon Tso (CLA representative)

Members Not Present: Karen Sisson
David Nahai
Gerry Miller
Nancy Sutley

The meeting was called to order.

The Administrative Oversight Committee (AOC) approved the minutes from the meeting held on December 13, 2007.

Chief Legislative Analyst (CLA)/City Administrative Office (CAO) staff provided a briefing relative to the actions taken by the Citizen's Oversight Advisory Committee (COAC) and other issues.

- The COAC met on January 16, 2008 and heard a presentation of the full UCLA report on Prop O. In summary, the report advised that no Prop O project alone would be able to meet all of the TMDL requirements, but that the projects as a whole could contribute a positive effect on water quality.
- The COAC also heard a presentation on the Boyle Heights Joint Use Community Center and recommended the project be approved, pending funding availability.
- The COAC was also presented with the Lincoln Heights Interchange Restoration Concept Report by the Bureau of Sanitation (BOS). The BOS advised COAC that the project was no longer feasible and not recommended for further development. The COAC accepted these findings. There was no required action on this item.

The BOS presented a brief summary of the Boyle Heights Joint Use Community Center project to the AOC for consideration for Prop O funding.

An AOC member asked if the project was one of the original 22 proposals submitted for Prop O funding. The BOS responded yes to the AOC member's question.

The AOC approved the motion to approve the Boyle Heights project, pending funding availability.

The BOS advised the AOC that the Lincoln Heights Interchange Restoration project was also one of the original 22 projects submitted for consideration, but is no longer feasible. This project was originally conceived to take storm drain flow from the site; however, the storm drain was never built.

An AOC member asked if the storm drain was at the point of confluence. The BOS responded yes to the AOC member's question.

The AOC approved a motion to not consider the Lincoln Heights project based on the new information presented.

The BOE presented the AOC with a memo recommending that the CAO sell \$100.6 million in Proposition O General Obligation Bonds in March 2008. The amount of the bond sale was based on an expenditure forecast covering the period from April 2008 to March 2009. The forecast incorporates the November 2007 master schedule, which accounts for an acceleration of the Temescal Canyon Park Stormwater BMP, Westchester-LAX Stormwater BMP and Penmar Water Quality Improvement projects. In addition, the BOE advised that they would come back to the AOC for authority to transfer funds in order to assist in the expenditure of monies from the first bond sale (Fund 16F). These funds must be spent by July 2008 in order to avoid arbitrage.

An AOC member asked why the previous bond sale funds had not been expended and if the lack of expenditures were caused by projects delays. The BOE responded yes, but also advised that expenditures were applied to Fund 16M, the second bond sale, instead of Fund 16F, the first bond sale.

An AOC member inquired as to the length of time from bond purchase which subjects us to arbitrage. The BOE's response was three years.

The AOC approved a motion to authorize the CAO to initiate the sale of bonds in the amount of \$100.6 million.

The BOE presented the December 2007 Monthly Report and highlighted several projects.

- South Los Angeles Wetlands Park – This project requires land acquisition contingent upon a land use entitlement action, as well as settling a design versus land swap issue with the MTA. The City Planning Commission rejected the land use entitlement action which is scheduled to go before the Planning Land Use Entitlement Committee with CD-9 backing in February 2008.

An AOC member inquired as to the reason for the City Planning Commission's rejection of the land use entitlement action. The City Engineer stated that the Environmental Impact Report (EIR) was approved by the Board of Public Works

and was forwarded to the Planning Commission for their approval. There were two items presented to the Planning Commission, the Environmental Impact Report (EIR) and Sign Special Use District (SUD) for the South Los Angeles Wetlands project. The Planning Commission approved the EIR for South Los Angeles Wetlands, but rejected the SUD. An AOC member asked if the Council can override the Planning Commission recommendation. The BOE responded that the Council can override the Planning Commission and that CD-9 was preparing for such action, beginning at the Planning Land Use Management Committee. Several AOC members discussed the number of Council votes needed to override the Planning Commission decision.

- Peck Park Canyon Enhancement – The BOE requested proposals be submitted in January 2008, however, no proposals were received. The BOE believes this occurred because consultants were waiting to submit proposals on larger projects. The BOE plans on re-issuing a Task Order Solicitation to all 22 firms, with proposals due back on February 15, 2008. This will keep the project on schedule.
- Grand Boulevard Tree Wells – This project has reached the project construction advertising stage which is a milestone in project implementation. The advertisement for construction bids took place on January 24, 2008, with a pre-bid meeting on January 31, 2008 and bids due on February 27, 2008.

The AOC commended Prop O staff for hard work and reaching this milestone.

The BOS provided a brief update on TMDL projects. The schedules for the Temescal Canyon Park Stormwater BMP, Westchester-LAX Stormwater BMP and Penmar Water Quality Improvement projects are being accelerated. The BOE and the BOS are working closely to resolve project design and flow issues that may occur as a result of the acceleration.

An AOC member complemented and thanked the BOE and the BOS for their improved teamwork.

There were no public comments.

The meeting was adjourned.