



FESIA A. DAVENPORT
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

DATE: April 7, 2021
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: 1(323)776-6996**
TELECONFERENCE ID: 605696861#

To join via phone, dial 1(323)776-6996, then press 605696861#.

YOU CAN ALSO JOIN THIS MEETING BY CLICKING ON THE FOLLOWING LINK:

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DUE TO THE CLOSURE OF ALL COUNTY BUILDINGS, MEMBERS OF THE PUBLIC WILL NEED TO CALL IN TO PARTICIPATE IN THE MEETING.

AGENDA

Members of the Public may address the Operations Cluster on any agenda item after all Informational Items are presented.
Two (2) minutes are allowed for each item.

1. **Call to order – Tamela Omoto-Frias/Anthony Baker**
2. **INFORMATIONAL ITEM(S):**
(5 minutes)
 - A) Board Letter:
ADOPT A RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND AUDITOR-CONTROLLER TO TRANSFER DEPOSITS BETWEEN THE COURTHOUSE CONSTRUCTION FUND AND CRIMINAL JUSTICE FACILITIES TEMPORARY CONSTRUCTION FUND
CEO/RE – Dean Aradema, Acting Manager and Anh Hong, Budget Analyst
3. **PRESENTATION/DISCUSSION ITEMS:**
None available.

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4. **Public Comment**
(2 minutes each speaker)
5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

EO – APPROVAL OF AN ORDINANCE TO AMEND LOS ANGELES COUNTY CODE TITLE 2 ADMINISTRATION TO IMPLEMENT A FILING FEE FOR ASSESSMENT APPEAL APPLICATIONS

DHS – APPROVAL TO EXERCISE AN EXISTING CONTRACT EXTENSION TO SOLE SOURCE AGREEMENT NO. HA-707648 WITH GARTNER, INC. FOR SPECIALIZED INFORMATION TECHNOLOGY CONSULTING SERVICES

CEO/RE – AUTHORIZE ISSUANCE OF TAXABLE COMMERCIAL PAPER NOTES TO FINANCE TENANT IMPROVEMENT COSTS FOR VARIOUS LEASES

LASD – APPROVE SOLE SOURCE AMENDMENT NUMBER EIGHT TO EXTEND AGREEMENT NUMBER 77675 WITH NICE SYSTEMS, INC. FOR CONTINUED DIGITAL VOICE LOGGING RECORDER SYSTEM MAINTENANCE AND SUPPORT SERVICES

**BOARD LETTER/MEMO – FACT SHEET
OPERATIONS CLUSTER**

Board Letter

Board Memo

Other

OPS CLUSTER AGENDA REVIEW DATE	4/7/2021	
BOARD MEETING	4/20/2021	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All	
DEPARTMENT	Chief Executive Office	
SUBJECT	Resolution Authorizing the Chief Executive Officer and Auditor-Controller to Transfer Deposits Between the Courthouse Construction Fund (B08) and Criminal Justice Facilities Temporary Construction Fund (B09)	
PROGRAM	Special Revenue Fund- Courthouse Construction Fund (B08) and Criminal Justice Facilities Temporary Construction Fund (B09)	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	Action needed before 2 nd MidYear Budget Adjustment scheduled for June. Projected shortfall to B08 would require an offsetting transfer from B09 to not impact net County cost, and for the County to meet debt service obligations and related costs.	
COST & FUNDING	Total cost: Varies annually	Funding source: Criminal Justice Facilities Temporary Construction Fund (B09)
	TERMS (if applicable): Until FY 2033-34 when final debt service payment is completed.	
	Explanation: Funding requirement from B09 would vary annually depending on the shortfall in B08.	
PURPOSE OF REQUEST	Approve resolution authorizing deposits to be transferred between B08 and B09, to cover a projected shortfall in B08. B08 provides funding for payment of debt service and related costs for three courthouses: Airport, Antonovich Antelope Valley, and Chatsworth.	
BACKGROUND (include internal/external issues that may exist)	B08 and B09 are financed by parking violation fines and forfeitures, and penalty assessments on non-parking offenses. The use of the funds is governed by Government Code Section 76100, 76219 and 76101. Government Code 76101.5 permits the transfer of deposits between B08 and B09 if the Board adopts a resolution at a public hearing that allows for the transfer from one fund to the other.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> • Anh Hong, Budget Analyst, 213-974-7369, ahong@ceo.lacounty.gov • Dean Aardema, Acting Manager, 213-893, 2471, daardema@ceo.lacounty.gov 	



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

April 20, 2021

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**ADOPT A RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND
AUDITOR-CONTROLLER TO TRANSFER DEPOSITS BETWEEN THE
COURTHOUSE CONSTRUCTION FUND AND CRIMINAL JUSTICE FACILITIES
TEMPORARY CONSTRUCTION FUND
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of the recommended actions will authorize deposits to be transferred between the Courthouse Construction Fund (B08) and Criminal Justice Facilities Temporary Construction Fund (B09) to cover allowable costs, as authorized by Sections 76101.5 of the California Government Code.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed Resolution is not subject to the California Environmental Quality Act ("CEQA") because it is an activity that is excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378(b)(4) of the State CEQA Guidelines. The proposed Resolution is for the creation of government funding mechanisms or other government fiscal activities which do not involve commitment to any specific project that would result in a potentially significant physical impact on the environment.
2. Adopt the enclosed Resolution by public hearing pursuant to Government Code section 76101.5, to authorize the transfer of deposits between B08 and B09.

PURPOSE/ JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will authorize transfer of deposits between B08 and B09, and thereby enable the County to fulfill its contractual and financial obligations.

Background

The B08 budget provides funding for payment of debt service and related costs for three courthouses: Airport, Antonovich Antelope Valley, and Chatsworth. There are 13 years remaining on the debt service with the last payment scheduled for FY 2033-34. The annual payment totals approximately \$15 million for the next nine years, and \$6 million to \$8 million for the last four years. Once the debt service is retired, any fund balance available and any interest earned by B08 are to be returned to the Judicial Council of California (State).

In accordance with Board actions adopted on October 21, 2008, and the Transfer Agreements with the State, the County will transfer title of the three properties to the State after the current bonded indebtedness is retired.

Matter

B08 is financed by parking violation fines and forfeitures, and penalty assessments on non-parking offenses. This revenue is distributed by the State and interest is earned on the revenue. In recent years, due to changes in penalty assessments and parking citation forgiveness programs, there has been a decline in revenue that supports the fund. Pre-COVID-19 projections indicated that debt service payments required of B08 would exceed available revenue by fiscal year (FY) 2021-22. However, due to COVID-19 and related impacts, a projected shortfall of \$3.9 million is anticipated to be realized in the current FY 2020-21. As such, it is necessary to identify another funding source for B08 to continue to meet its annual obligations.

Solution

Upon review and consultation between the Auditor-Controller, Chief Executive Office, and County Counsel, it was determined B09 could be used to cover the expenses in B08. B09 is used for the construction, expansion, improvement, operation, or maintenance of County criminal justice and court facilities. Similar to B08, B09 is financed by parking violation fines and forfeitures, and penalties on non-parking offenses. Since B08 expenses are debt service and related costs used for the construction of court facilities, the use of B09 for this purpose is permissible.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 3 - *“Realize Tomorrow’s Government Today”* - provides that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good.

The proposed action is consistent with the Strategic Asset Management Plan Goal 5 – Plan Investment and Funding Strategies and Key Objective 5 – Fund Highest Priority Needs.

The proposed action will support the County’s goals and objective of pursuing operational effectiveness, fiscal responsibility, and accountability by using innovative funding strategies and available resources to meet the County’s long-term liabilities.

FISCAL IMPACT/ FINANCING

B09 is used primarily to fund maintenance and shared costs at court facilities in accordance with the Joint Occupancy Agreements between the County and the State. Expenditures funded by B09 are evaluated for eligibility and compliance with Government Code 76101 which authorizes use of the fund. The revenue and available fund balance thus far have been more than sufficient to sustain the annual funding requirements.

B09 has also experienced a decline in revenue due to the changes in penalty assessment and parking citation forgiveness programs. This decline accelerated with COVID-19. However, projections developed as part of the analysis indicate that B09’s fund balance and projected revenue is robust enough to support the projected shortfall in B08. These projections assume B08 would continue to collect sufficient revenue to offset more than 60 percent of its expenditures. Should revenue remain unchanged the use of B09 to sustain B08 would be a short-term solution.

FACTS AND PROVISION/ LEGAL REQUIREMENTS

B08 is authorized pursuant to Government Code Section 76100 and 76219. B08 funds are restricted to the construction of specified courts within the County. The fund balance and any interest earned are required to support ongoing debt service in future years.

B09 is authorized pursuant to Government Code Section 76101. B09 funds may be used for the construction, expansion, improvement, operation, and maintenance of County criminal justice and court facilities.

Government Code section 76101.5 permits deposits to be transferred between B08 and B09 if the Board adopts a resolution at a public hearing that allows for transfer of deposits from one fund to the other. The recommended action will allow the transfer of funds from B09 to B08, consistent with Government Code section 76101.5, as necessary to defease bonds and related costs used for the construction of court facilities. The use of these funds shall be consistent with the uses authorized by the Government Code for B08 and B09.

ENVIRONMENTAL DOCUMENTATION

The proposed action is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378(b)(4) of the State CEQA Guidelines. The proposed action is for the creation of government funding mechanisms or other government fiscal activities which do not involve commitment to any specific project that would result in a potentially significant physical impact on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow for the continued payment of debt service and related costs which will facilitate services to be provided from these courthouse facilities.

CONCLUSION

It is requested that the Executive Office of the Board return one adopted copy of this letter and one certified copy of the Minute Order to the Chief Executive Office, Real Estate Division, Hall of Records, 320 West Temple Street, 7th Floor, Los Angeles, CA 90012.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:DPH
DL:DA:JCC:AH:ls

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND AUDITOR-
CONTROLLER TO TRANSFER DEPOSITS BETWEEN THE COURTHOUSE
CONSTRUCTION FUND AND CRIMINAL JUSTICE FACILITIES TEMPORARY
CONSTRUCTION FUND**

WHEREAS, the Board of Supervisors of the County of Los Angeles ("County") established the Courthouse Construction Fund in the County treasury pursuant to Sections 76100 and 76219 of the California Government Code, to temporarily account for monies ultimately to be used for various courthouse construction projects within the County and financed by parking violation fines and forfeitures, and penalty assessments on non-parking offenses; and

WHEREAS, the Board of Supervisors established the Criminal Justice Facilities Temporary Construction Fund in the County treasury pursuant to Section 76101 of the California Government Code to temporarily account for monies ultimately to be used for construction, reconstruction, expansion, improvement, operation, or maintenance of county criminal justice and court facilities and for improvement of criminal justice automated information systems within the County, including, but not limited to, jails, women's centers, detention facilities, juvenile halls, and courtrooms, and financed by parking violation fines and forfeitures, and penalty assessments on non-parking offenses; and

WHEREAS, section 76101.5 of the California Government Code provides that following a public hearing, the board of supervisors of a county of the first class which has established both a Courthouse Construction Fund and a Criminal Justice Facilities Construction Fund may, by resolution, provide for the transfer of deposits from one fund to the other; and

WHEREAS, the population of the County exceeds 4,000,000, bringing the County within the meaning of a county of the first class under Section 28022 of the California Government Code;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Los Angeles hereby:

1. Authorizes the Chief Executive Officer or designee, with the advice and approval of the Auditor-Controller or designee, to transfer deposits between the Courthouse Construction Fund and the Criminal Justice Facilities Temporary Construction Fund in the County treasury pursuant to 76101.5 of the California Government Code.
2. Such transfer of deposits shall be consistent with the uses authorized for such funds in Sections 76100, 76101, and 76219, of the California Government Code, including to satisfy debt service payment obligations for court facilities.

3. The amount of such transfers shall be determined through the budget process.

The foregoing resolution was adopted on the ____ day of _____ 2021, by the Board of Supervisors of the County of Los Angeles.

CELIA ZAVALA
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By Pete Billinger
Deputy