

CAPITAL FINANCE ADMINISTRATION FUND

BASIS FOR THE PROPOSED BUDGET

The 2003-04 Proposed Budget for the Capital Finance Administration Fund relates to current year funding as follows:

	Amount	% Change
2002-03 Adopted Budget	\$ 98,638,453	
2003-04 Proposed Budget	\$ 132,725,717	
Change from 2002-03 Budget	\$ 34,087,264	34.6%

The Capital Finance Administration Fund is a special purpose fund established to consolidate non-general obligation bond, long-term City debt financing program expenditures. These financing programs all utilize a lease or "lease purchase" paid from General Fund appropriations (unless otherwise noted) and the sale of public securities (either lease revenue bonds or certificates of participation) to acquire various facilities and capital equipment items for use by City departments.

The Capital Finance Administration Fund is administered by the City Administrative Officer. Budgeted within this Fund are the lease payments required by each financing's lease and trust indenture, as well as any trustee fees or other administrative expenses required under the terms of the financing. All unencumbered balances remaining at the end of the fiscal year revert to the Reserve Fund.

All items within this budget are obligatory since they are a requirement of the respective leases and trust indentures, unless otherwise indicated. Except for the Convention Center debt, all financings were issued through the Municipal Improvement Corporation of Los Angeles (MICLA). The Fund reflects a 34.6% increase due mainly to the debt service payment on MICLA AW which will be issued during Spring 2003, and the addition of the financing costs for the Convention Center which were previously included in the Los Angeles Convention Center budget (see Convention Center Item 8). Funding for insurance and bonds premiums are transferred to a new Insurance and Bonds Premiums Fund (see Other Special Purpose Fund appropriation to the Insurance and Bonds Premiums Fund).

Additional projects are proposed for lease financing through MICLA as part of the City's ongoing vehicle and equipment replacement program. Debt service on these projects would begin in Fiscal Year 2004-05.

A description of the Sanitation Equipment Charge (SEC) Financing Program is provided for informational purposes. Payments for five financings related to recycling/automated equipment and landfill capital costs are budgeted in the Sanitation Equipment Charge Special Revenue Fund. Payments for financing leases that were not funded through the sale of securities also continue to be budgeted in the appropriate department.

**Capital Finance Administration Fund
Debt Service Budget for Outstanding and Proposed Lease Revenue Securities**

	2002-03 Budget	2003-04 Proposed Budget	2004-05	2005-06	2006-07
MICLA H (Parking Facility)	\$ 2,164,193	\$ 2,167,005	\$ 1,394,463	\$ 577,588	\$ 574,048
MICLA K (Facilities 1991)	1,157,540*	2,490,955	2,488,335	695,460	--
MICLA Q (GSD Communications 1993)	1,602,840*	1,477,411	1,482,910	--	--
MICLA R (Central Library Refunding 1994)	4,856,555	4,856,315	4,857,690	4,854,940	4,856,828
MICLA S (Misc. Equipment & Tire Shop 1994)	4,466,128	1,158,767	1,158,068	1,159,388	1,162,363
MICLA T (Piper Tech. Refunding 1994, Pools 1996, Real Property 2002)	5,215,555	8,307,663	8,336,030	8,368,745	8,171,300
MICLA U (Misc. Equipment 1994)	--	1,166,577	1,164,287	1,168,233	759,980
MICLA W (Misc. Equipment & Helicopters 1996)	1,652,634*	3,482,643	1,377,824	1,367,936	1,385,896
MICLA X (Sanitation Equipment & Landfills 1996)	699,869*	3,076,085	3,070,970	3,066,880	--
MICLA AA (Misc. Equipment and Parking Lots 1997)	9,516,953	7,295,409	6,918,149	5,344,255	5,337,255
MICLA AC (Misc. Equipment 1997)	5,241,199*	10,565,854	7,279,068	5,364,935	4,689,628
MICLA AE (Misc. Equipment 1998)	4,284,203*	10,067,494	9,990,194	7,741,394	5,021,394
MICLA AK (Kodak Theatre 1999)	3,611,400	3,611,300	3,607,883	3,611,008	3,610,963
MICLA AL (Misc. Equipment 1999)	3,969,301*	10,711,100	10,711,359	10,709,116	10,681,386
MICLA AM (Misc. Equipment 2000)	2,889,608*	8,970,710	8,955,774	8,957,874	8,897,483
MICLA AN (Misc. Equipment 2002)	2,364,431	9,846,600	9,859,150	9,849,200	9,845,200
MICLA AQ (North Valley Police Station 2002)	--	1,395,330	1,920,330	1,919,580	1,917,030
MICLA AR (Real Property 2002)	4,379,896	4,390,704	4,387,305	4,386,705	4,388,705
MICLA AS** (Pershing Square Refunding 2002)	574,520	577,050	577,050	576,650	570,950
MICLA AT (Central Library Refunding 2002)	1,852,358	1,768,958	1,775,058	1,775,508	1,775,433
MICLA AU (Equipment & Real Property 2002)	--	3,625,830	12,433,580	12,433,730	12,434,855
MICLA AW (Marvin Braude Center, Spring 2003)	--	2,632,000	2,632,000	2,632,000	2,632,000
MICLA xx (New Police Building, February 2004)	--	--	--	--	15,481,213

Capital Finance Administration Fund

2003-04 Proposed MICLA \$106 million (Equipment & Real Property 2003)	--	--	5,000,000	10,000,000	10,000,000
Proposition K Match Contribution	63,363	--	--	--	--
Los Angeles Convention and Exhibition Center Authority (1990, 1993, 2003)	--	25,000,000	39,735,600	42,622,300	43,927,500
Staples Arena (1998)	<u>3,876,319</u>	<u>3,873,957</u>	<u>3,872,857</u>	<u>3,872,694</u>	<u>3,868,307</u>
Subtotal of Debt Service	<u>\$ 64,438,865</u>	<u>\$132,515,717</u>	<u>\$154,985,934</u>	<u>\$153,056,119</u>	<u>\$161,989,717</u>
General Administration	70,000	70,000	70,000	70,000	70,000
Insurance/Deductible/Loss Reserve	1,500,000	--	--	--	--
Reserve Fund Surety Fees (MICLA S)	15,000	15,000	15,000	15,000	15,000
Trustee Fees	125,000	125,000	125,000	125,000	125,000
Capital Equipment***	<u>32,489,588</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
GRAND TOTAL	<u>\$ 98,638,453</u>	<u>\$132,725,717</u>	<u>\$155,195,934</u>	<u>\$153,266,119</u>	<u>\$ 162,199,717</u>

* Debt service was reduced on these bond issuances because a one-time Reserve Fund surety substitution allowed Reserve Fund amounts to be applied towards debt service.

** Debt service is paid with Special Assessment (Mello-Roos) District revenue.

*** Approximately \$32.5 million was included during 2002-03 for acquisition of capital equipment and construction items. To ensure efficient use of cash reserves, Reserve Fund balances for eight MICLAs were partially replaced with surety insurance policies for a one-time savings of \$32.5 million, which was used to offset debt service payments. The resulting decrease of \$32.5 million in General Fund debt service payments was used to purchase capital equipment and construction items for various departments.

1. Real Property Acquisition, Program H (Certificates of Participation, 1996, 1997 & 1998)

The proceeds of this program financed the acquisition of two parking management facilities totaling approximately \$17 million. A prior issue provided for the acquisition of a parcel of land in West Los Angeles. The 1996 and 1997 issues provided for the construction of a facility on that parcel. The 1998 issue was a partial refunding of the 1989 bond issue to reduce the interest on the bonds, resulting in savings to the City.

Lessor: Municipal Improvement Corporation of Los Angeles	
Amount of 1996 Principal (H2):	\$ 3,755,000
Amount of 1997 Principal (H3):	2,420,000
Amount of 1998 Principal (H4):	8,060,000
1996 Principal Outstanding, July 1, 2003:	2,775,000
1997 Principal Outstanding, July 1, 2003:	1,965,000
1998 Principal Outstanding, July 1, 2003:	2,350,000
Final Payment 1996 Principal:	2012-13
Final Payment 1997 Principal:	2014-15
Final Payment 1998 Principal:	2004-05

2003-04 MICLA H (Parking Facility) Lease Payment: \$ 2,167,005

2. Real Property and Furnishings Acquisition, Program K (Certificates of Participation, 1998)

The proceeds of the original certificates, issued in 1991, financed the acquisition of the West Los Angeles Annex Facility and the Hollywood Parking Enforcement Office, construction of Fire Station No. 27, and acquisition of modular furniture for the 419-433 South Spring Street and 600 South Spring Street City Hall Extension facilities. In 1998, the original 1991 certificates were refunded at a lower interest rate, resulting in savings to the City.

Lessor: Municipal Improvement Corporation of Los Angeles	
Amount of 1998 Principal	\$ 14,005,000
1998 Principal Outstanding, July 1, 2003:	5,340,000
Final Payment 1998 Principal:	2005-06

2003-04 MICLA K (Facilities 1991) Lease payment: \$ 2,490,955

3. GSD Communication System Project, Program Q (Refunding Certificates of Participation, 1998)

The proceeds of the original bonds, issued in 1993, were used to finance the acquisition, construction, delivery and installation of a radio communications system for all Council-controlled departments, except Police and Fire. The 1998 issue was a full refunding of the 1993 bond issue to reduce the interest on the bonds, resulting in savings to the City.

Lessor: Municipal Improvement Corporation of Los Angeles	
Amount of 1998 Principal:	\$ 18,535,000
1998 Principal Outstanding, July 1, 2003:	2,805,000
Final Payment 1998 Principal:	2004-05

2003-04 MICLA Q (GSD Communications 1993) Lease Payment: \$ 1,477,411

4. **Central Library Project, Program R (Leasehold Refunding Revenue Bonds, 1994)**

The proceeds of this issue were used to refund a portion of the Leasehold Revenue Bonds, 1990 Series A, which were issued to finance the acquisition, construction, delivery and installation of the East Wing of the Central Library Rehabilitation and Expansion Project.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 53,080,000
 Principal Outstanding, July 1, 2003: 42,215,000
 Final Payment: 2014-15

2003-04 MICLA R (Central Library Refunding 1994) Lease Payment: \$ 4,856,315

5. **Equipment Acquisition and 7th Street Tire Facility, Program S (Certificates of Participation, 1994)**

The proceeds of this issue were used to finance the acquisition of vehicles, heavy duty equipment, fire apparatus, computer systems and construction of the 7th Street Tire Facility.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 57,260,000
 Principal Outstanding, July 1, 2003: 7,250,000
 Final Payment: 2010-11

2003-04 MICLA S (Miscellaneous Equipment and Tire Shop 1994) Lease Payment: \$ 1,158,767

6. **Piper Technical Center Project, Program T (Certificates of Participation, 1994, 1996, 2002)**

The proceeds of the 1994 issue refinanced the previous debt issued in 1977 for the acquisition and construction of the Piper Technical Center. The proceeds of the 1996 issue provided for capital improvements at various City-owned swimming pools. The proceeds of the 2002 issue provided for the acquisition of parcels for the future construction of three constituent centers, and for the retrofit of several floors of City Hall East with fire and life safety improvements.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of 1994 Principal: \$ 45,340,000
 Amount of 1996 Principal: 5,990,000
 Amount of 2002 Principal: 42,410,000
 1994 Principal Outstanding, July 1, 2003: 21,940,000
 1996 Principal Outstanding, July 1, 2003: 660,000
 2002 Principal Outstanding, July 1, 2003: 42,410,000
 Final Payment 1994 Principal: 2007-08
 Final Payment 1996 Principal: 2005-06
 Final Payment 2002 Principal: 2026-27

2003-04 MICLA T (Refunding 1994, Rec. & Parks Pools 1996, Real Property Improvement 2002) Lease Payment: \$ 8,307,663

7. **Equipment Acquisition, Program U (Certificates of Participation, 1994)**

The proceeds of this issue were used to acquire heavy duty equipment and vehicles, fire apparatus, police vehicles and computer systems.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 41,595,000
 Principal Outstanding, July 1, 2003: 5,965,000
 Final Payment: 2010-11

2003-04 MICLA U (Miscellaneous Equipment 1994) Lease Payment: \$ 1,166,577

8. Equipment and Real Property Acquisition, Program W (Certificates of Participation, 1996)

The proceeds of this issue were used to acquire vehicles, heavy duty equipment, fire apparatus, police vehicles, police helicopters, facility furnishings and heating ventilation systems and truck hoists.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 65,470,000
 Principal Outstanding, July 1, 2003: 11,460,000
 Final Payment: 2011-12

2003-04 MICLA W (Miscellaneous Equipment and Helicopters 1996) Lease Payment: \$ 3,482,643

9. Equipment Acquisition and Sanitation Yard Improvements, Program X (Lease Revenue Bonds, 1996)

The proceeds of this issue were used to acquire refuse collection equipment and to finance improvements at sanitation yards.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 24,625,000
 Principal Outstanding, July 1, 2003: 8,590,000
 Final Payment: 2005-06

2003-04 MICLA X (Sanitation Equipment and Landfills 1996) Lease Payment: \$ 3,076,085

10. Equipment and Real Property Acquisition, Program AA (Certificates of Participation, 1997)

The proceeds of this issue were used to acquire vehicles, heavy duty equipment, fire apparatus, police vehicles, police helicopter equipment, sites for parking lots and library furnishings.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 88,770,000
 Principal Outstanding, July 1, 2003: 37,915,000
 Final Payment: 2011-12

2003-04 MICLA AA (Miscellaneous Equipment and Parking Lots 1997) Lease Payment: \$ 7,295,409

11. Equipment and Real Property Acquisition, Program AC (Certificates of Participation, 1997)

The proceeds of this issue were used to acquire vehicles, heavy duty equipment, fire apparatus, police vehicles, police helicopter equipment and a new fire station.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 83,240,000
 Principal Outstanding, July 1, 2003: 39,430,000
 Final Payment: 2014-15

2003-04 MICLA AC (Miscellaneous Equipment 1997) Lease Payment: \$ 10,565,854

12. Equipment and Real Property Acquisition, Program AE (Certificates of Participation, 1998)

The proceeds of this issue were used to acquire vehicles, heavy duty equipment, fire apparatus, police vehicles, police helicopter equipment and a new fire station in the San Fernando Valley.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 74,555,000
 Principal Outstanding, July 1, 2003: 44,435,000
 Final Payment: 2014-15

2003-04 MICLA AE (Miscellaneous Equipment 1998) Lease Payment: \$ 10,067,494

13. Hollywood and Highland Theater Project, Program AK (Taxable Certificates of Participation, 1999)

The proceeds of this issue were used to design and construct a live broadcast theater within the Hollywood and Highland development project located in the historic Hollywood area.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 43,210,000
 Principal Outstanding, July 1, 2003: 42,045,000
 Final Payment: 2028-29

2003-04 MICLA AK (Kodak Theatre 1999) Lease Payment: \$ 3,611,300

14. Equipment and Real Property Acquisition, Program AL (Certificates of Participation, 1999)

The proceeds of this issue were used to acquire vehicles, heavy duty equipment, fire apparatus, a fire rescue helicopter, police vehicles, police helicopter equipment and various miscellaneous vehicles.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 72,600,000
 Principal Outstanding, July 1, 2003: 57,045,000
 Final Payment: 2015-16

2003-04 MICLA AL (Miscellaneous Equipment 1999) Lease Payment: \$ 10,711,100

15. Equipment Acquisition, Program AM (Certificates of Participation, 2000)

The proceeds of this issue were used to acquire vehicles, heavy duty equipment, fire apparatus, a fire rescue helicopter, police vehicles, a police helicopter and various miscellaneous vehicles.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 56,085,000
 Principal Outstanding, July 1, 2003: 49,080,000
 Final Payment: 2010-11

2003-04 MICLA AM (Miscellaneous Equipment 2000) Lease Payment: \$ 8,970,710

16. Equipment Acquisition, Program AN (Certificates of Participation, 2002)

The proceeds of this issue were used to acquire vehicles, heavy duty equipment, fire apparatus, police vehicles and various miscellaneous vehicles.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 53,880,000
 Principal Outstanding, July 1, 2003: 53,360,000
 Final Payment: 2011-12

2003-04 MICLA AN (Miscellaneous Equipment 2002) Lease Payment: \$ 9,846,600

17. North Valley Police Station Project, Program AQ (Certificates of Participation, 2002)

The proceeds of this issue were used mainly to design and construct a police station building, a 330-car parking structure and a 10,000 square-foot Motor Transport Division.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 28,130,000
 Principal Outstanding, July 1, 2003: 28,130,000
 Final Payment: 2031-32

2003-04 MICLA AQ (North Valley Police Station 2002) Lease Payment: \$ 1,395,330

18. Real Property Acquisition, Program AR (Certificates of Participation, 2002)

The proceeds of this issue were used to acquire property for the City's share of a joint development with the State of California Department of Transportation (CALTRANS); to retrofit several floors of City Hall East with fire and life safety improvements; to acquire property for the Department of Transportation's Central Yard; to acquire and improve property for the Bureau of Street Services' West Valley Yard; and, to assist in the renovation of the Griffith Park Observatory.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 62,105,000
 Principal Outstanding, July 1, 2003: 60,690,000
 Final Payment: 2026-27

2003-04 MICLA AR (Real Property 2002) Lease Payment: \$ 4,390,704

19. Pershing Square Refunding, Program AS (Certificates of Participation, 2002)

The proceeds of this issue were used to fully refund the Pershing Square Certificates of Participation, resulting in lowered assessments to property owners. The 1992 issuance of COPs financed the construction, design and installation of improvements to Pershing Square and related costs. Funding for lease payments and City administrative costs is provided through Mello-Roos assessments on various properties in the vicinity of the square.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 7,655,000
 Principal Outstanding, July 1, 2003: 7,420,000
 Final Payment: 2022-23

2003-04 MICLA AS (Pershing Square Refunding 2002) Lease Payment: \$ 577,050

20. **Central Library Refunding, Program AT (Certificates of Participation, 2002)**

The proceeds of this issue were used to fully refund Central Library Leasehold Revenue Bonds, resulting in savings to the City. Proceeds from the original 1990 issuance were issued to finance the acquisition, construction, delivery and installation of the East Wing of the Central Library Rehabilitation and Expansion Project.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 30,305,000
 Principal Outstanding, July 1, 2003: 30,305,000
 Final Payment: 2019-20

2003-04 MICLA AT (Central Library Refunding 2002) Lease Payment: \$ 1,768,958

21. **Equipment and Real Property Acquisition, Program AU (Certificates of Participation, 2002)**

The proceeds of this issue were used primarily to acquire vehicles, fire apparatus, police vehicles and various miscellaneous vehicles.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 70,700,000
 Principal Outstanding, July 1, 2003: 70,700,000
 Final Payment: 2027-28

2003-04 MICLA AU (Equipment and Real Property 2002) Lease Payment: \$ 3,625,830

22. **Real Property Acquisition, Program AW (Certificates of Participation, 2003)**

The proceeds of this issue will be used to acquire the newly constructed Marvin Braude Constituent Services Center building.

Lessor: Municipal Improvement Corporation of Los Angeles
 Anticipated Amount of Principal: \$ 38,250,000
 Anticipated Principal Outstanding, July 1, 2003: 38,250,000
 Final Payment: 2033-34

2003-04 MICLA AW (Real Property 2003) Lease Payment: \$ 2,632,000

23. **Los Angeles Convention and Exhibition Center Authority (Lease Revenue Bonds 1990, 1993, 2003)**

Financing costs for the Convention Center, which were previously budgeted in the Los Angeles Convention Center budget, are transferred to the Capital Finance Administration Fund (see Convention Center Item 8). The proceeds of the 2003 issuance were used to refund most of the 1990 and 1993 bonds, resulting in savings to the City.

Lessor: Los Angeles Convention and Exhibition Center Authority
 Amount of Principal: \$ 549,540,000
 Principal Outstanding, July 1, 2003: 559,570,000
 Final Payment: 2024-25

2003-04 Los Angeles Convention and Exhibition Center Authority Lease Payment: \$ 25,000,000

24. **Staples Arena (Convention Center Taxable Lease Revenue Bonds, 1998)**

The proceeds of this issue were used to fund a portion of the City's contribution towards the development of a new sports arena adjacent to the Los Angeles Convention Center known as the Staples Center. Pursuant to a Gap Funding Agreement with the project developer, the developer is obligated to offset all debt service costs from an admissions fee on arena events. Funds for debt service are paid from the Staples Arena Special Fund.

Lessor: Los Angeles Convention and Exhibition Center Authority
 Amount of Principal: \$ 45,580,000
 Principal Outstanding, July 1, 2003: 43,145,000
 Final Payment: 2024-25

2003-04 Staples Arena (1998) Lease Payment: \$ 3,873,957

25. **General Administration**

Funds are provided for arbitrage calculations, corporate tax filings and related administrative expenses.

Amount required: \$ 70,000

26. **Reserve Fund Surety Fees**

The 1995-96 Budget included replacement of the MICLA S debt service reserve fund with a surety policy. Budgeted within this account is the fee for the Reserve Fund surety policy.

MICLA S \$ 15,000

27. **Trustee Fees**

Funds are provided for trustee services required pursuant to the terms of each project financing.

\$ 125,000

2003-04 PROPOSED LEASE FINANCING ADMINISTRATION PROGRAM \$ 132,725,717

2003-04 Proposed MICLA Projects

	Proposed Project/ Equipment	MICLA Funding	+12.5% Financed Amount
1.	Fire Vehicle Replacement	16,800,000	18,900,000
2.	Fire Miscellaneous Equipment	2,200,000	2,475,000
3.	GSD Fleet Replacement	30,000,000	33,750,000
4.	ITA Voice/Mobile Data Radio System	2,310,000	2,598,750
5.	Police Vehicle Replacement	9,200,000	10,350,000
6.	Recreation & Parks Misc. Items	890,000	1,001,250
7.	Various Departments Technology Upgrades	900,000	1,012,500
CAPITAL IMPROVEMENT EXPENDITURE PROGRAM:			
8.	Alternative Fuel Infrastructure	10,400,000	11,700,000
9.	DOT - Caltrans Building Tenant Improvements	7,050,000	7,931,250
10.	DOT – Central Yard	900,000	1,012,500
11.	Fire/Life Safety Improvements	17,000,000	19,125,000
12.	Fire/Life Safety Improvements	2,300,000	2,587,500
13.	Street Services – Southwest Maintenance Yard	465,000	523,125
14.	Street Services – Topanga Canyon Yard	2,000,000	2,250,000
15.	Zoo – Exhibit Construction	2,200,000	2,475,000
16.	Zoo – Front Entry Complex	<u>980,000</u>	<u>1,102,500</u>
	TOTAL	<u>\$105,595,000</u>	<u>\$118,794,375</u>

The following projects are recommended for MICLA financing in 2003-04:

1. **FIRE** – Vehicle Replacement: Funding is provided for the acquisition of a helicopter and new vehicles, including combination trucks and aerial truck ladders.
2. **FIRE** – Miscellaneous Equipment: Funding is provided for the acquisition of equipment, including defibrillators and extraction devices (“Jaws of Life”).
3. **GENERAL SERVICES** - Fleet Replacement: Funding is provided for the acquisition of new vehicles and heavy-duty construction equipment to replace similar equipment that has exceeded its useful life.
4. **ITA** – Voice/Mobile Data Radio System: Funding is provided for the acquisition of a replacement Voice/Mobile Data Radio System for the Fire Department.
5. **POLICE** – Vehicle Replacement: Funding is provided for the acquisition of new vehicles, including undercover and hybrid sedans.
6. **RECREATION & PARKS** – Miscellaneous Items: Funding is provided for the acquisition of equipment and vehicles for the 39 new and expanded facilities expected to open in 2003-04.
7. **VARIOUS DEPARTMENTS** – Technology Upgrades: Funding is provided for the acquisition of computer servers, and for an ethernet connectivity project.

CAPITAL IMPROVEMENT EXPENDITURE PROGRAM:

8. **ALTERNATIVE FUEL INFRASTRUCTURE:** Funding is provided to comply with the South Coast Air Quality Management District’s (SCAQMD) Clean Fleet Rules. These regulations require municipalities to purchase low-emission or alternative fuel vehicles when adding or replacing vehicles to their fleet. New fuel stations are needed to comply with these regulations.
9. **DOT** – Caltrans Building Tenant Improvements: Funding is provided for tenant improvements in the new Caltrans building.
10. **DOT** – Central Yard: Funding is provided for the design of the Central Yard building.
11. **FIRE/LIFE SAFETY IMPROVEMENTS:** Funding is provided for Fire/Life Safety and related improvements to those City Hall East floors that have not been previously refurbished.
12. **FIRE/LIFE SAFETY IMPROVEMENTS:** Funding is provided for Fire/Life Safety and related improvements to City Hall East parking levels and Piper Technical Center areas that have not been previously refurbished.
13. **STREET SERVICES** – Southwest Maintenance Yard: Funding is provided for the reconstruction of damaged areas.
14. **STREET SERVICES** – Topanga Canyon Yard: Funding is provided for construction of the Topanga Canyon Yard building.
15. **ZOO** – Exhibit Construction: Funding is provided for construction of an exhibit area.
16. **ZOO** – Front Entry Complex: Funding is provided for the implementation of an automated ticketing system.

ADDITIONAL INFORMATION:

Sanitation Equipment Charge Financings. Payments in connection with the following financings are budgeted within the Sanitation Equipment Charge Special Revenue Fund (see Special Purpose Fund Schedule No. 2):

In February 1995, the City issued \$31,500,000 for the acquisition of waste collection trucks and landfill closure costs. The City issued \$23,420,000 in February 1996 for landfill preparation and closure costs. In January 1997, the City issued \$15,585,000 for miscellaneous vehicles, automated recycling containers, communications equipment and acquisition of the former Chevron property for use as a sanitation yard. In November 1997, the City issued \$42,060,000 for additional sanitation trucks and automated recycling containers. In January 1999, the City issued \$22,255,000 for additional sanitation trucks and automated recycling containers. The City issued \$86,640,000 in October 2001 for miscellaneous vehicles, automated recycling containers and capital expenditures to a refuse yard. It is anticipated that the City will issue approximately \$55 million in Spring 2003 for miscellaneous vehicles, automated recycling containers and capital improvements. It is proposed that the City issue approximately \$65 million in Fall 2003 for miscellaneous vehicles, automated recycling containers and capital improvements.

Total: Projected Outstanding Revenue Certificates of Participation or
Certificates of Participation as of July 1, 2003: \$ 197,905,000

The following is listed for informational purposes only.

**Sanitation Equipment Charge Financings
Debt Service for Outstanding Lease Revenue Certificates of Participation**

	2002-03 Budget	2003-04 Proposed Budget	2004-05	2005-06	2006-07
Solid Waste Collection Project V - 1995	\$ 4,966,100	\$ --	\$ --	\$ --	\$ --
Solid Waste Collection Project Y - 1996	8,666,825	--	--	--	--
Solid Waste Collection Project BB - 1997	791,985	3,621,985	3,618,975	3,618,375	3,618,250
Solid Waste Collection Project AD - 1997	3,379,735	14,183,010	14,188,090	14,188,990	--
Solid Waste Collection Project AH - 1999	2,783,048	2,781,368	2,779,783	2,777,953	2,826,115
Solid Waste Collection 2001	4,068,648	4,668,648	4,646,448	4,624,248	18,755,248
Solid Waste Collection 2003	--	2,500,000	8,500,000	8,500,000	8,500,000
Solid Waste Collection 2004	--	<u>3,500,000</u>	<u>8,500,000</u>	<u>8,500,000</u>	<u>8,500,000</u>
Subtotal of Debt Service	<u>\$ 24,656,341</u>	<u>\$ 31,255,011</u>	<u>\$ 42,233,296</u>	<u>\$ 42,209,566</u>	<u>\$ 42,199,613</u>
Trustee Fees	<u>35,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
GRAND TOTAL	<u>\$ 24,691,341</u>	<u>\$ 31,300,011</u>	<u>\$ 42,278,296</u>	<u>\$ 42,254,566</u>	<u>\$ 42,244,613</u>

1. **Solid Waste Collection, Program V (Revenue Bonds, 1995-A)**

The proceeds of this issue financed the final phase of the program to replace manual waste collection vehicles with automated solid waste collection vehicles and to finance landfill preparation and closure costs.

Lessor: Municipal Improvement Corporation of Los Angeles			
Amount of Principal:	\$	31,500,000	
Principal Outstanding, July 1, 2003:		--	
Final Payment:		2002-03	
2003-04 Lease Payment:			\$ --
Trustee Fee Payment:			<u>--</u>
Subtotal:			<u>\$ --</u>

2. **Solid Waste Collection, Program Y (Revenue Bonds, 1996-A)**

The proceeds of this issue financed landfill preparation and closure costs.

Lessor: Municipal Improvement Corporation of Los Angeles			
Amount of Principal:	\$	23,420,000	
Principal Outstanding, July 1, 2003:		--	
Final Payment:		2002-03	
2003-04 Lease Payment:			\$ --
Trustee Fee Payment:			<u>--</u>
Subtotal			<u>\$ --</u>

3. **Solid Waste Collection, Program BB (Revenue Bonds, 1997-A)**

The proceeds of this issue financed the acquisition of automated recycling containers, miscellaneous Sanitation vehicles, communications equipment and the acquisition of the former Chevron property for use as a Sanitation yard.

Lessor: Municipal Improvement Corporation of Los Angeles			
Amount of Principal:	\$	15,585,000	
Principal Outstanding, July 1, 2003:		15,585,000	
Final Payment:		2007-08	
2003-04 Lease Payment:			\$ 3,621,985
Trustee Fee Payment:			<u>5,000</u>
Subtotal			<u>\$ 3,626,985</u>

4. **Solid Waste Collection, Program AD (Revenue Bonds, 1997-B)**

The proceeds of this issue financed the acquisition of automated recycling containers and refuse collection trucks.

Lessor: Municipal Improvement Corporation of Los Angeles			
Amount of Principal:	\$	42,060,000	
Principal Outstanding, July 1, 2003:		38,985,000	
Final Payment:		2005-06	
2003-04 Lease Payment:			\$ 14,183,010
Trustee Fee Payment:			<u>5,000</u>
Subtotal			<u>\$ 14,188,010</u>

5. **Solid Waste Collection, Program AH (Revenue Bonds, 1999-A)**

The proceeds of this issue financed the acquisition of automated recycling containers and refuse collection trucks.

Lessor: Municipal Improvement Corporation of Los Angeles			
Amount of Principal:	\$	22,255,000	
Principal Outstanding, July 1, 2003:		14,695,000	
Final Payment:		2008-09	
2003-04 Lease Payment:			\$ 2,781,368
Trustee Fee Payment:			<u>5,000</u>
Subtotal			<u>\$ 2,786,368</u>

6. **Solid Waste Collection Program (Revenue Bonds, 2001)**

The proceeds of this issue financed the acquisition of automated recycling containers and refuse collection trucks, and capital expenditures to a refuse yard.

Amount of Principal:	\$	86,640,000	
Principal Outstanding, July 1, 2003:		86,640,000	
Final Payment:		2019-20	
2003-04 Lease Payment:			\$ 4,668,648
Trustee Fee Payment:			<u>10,000</u>
Subtotal			<u>\$ 4,678,648</u>

7. **Solid Waste Collection Program (Revenue Bonds, 2003)**

The proceeds of this issue will finance the acquisition of miscellaneous vehicles, automated recycling containers and capital improvements.

Amount of Principal:	\$	55,000,000	
Projected Principal Outstanding, July 1, 2003:		55,000,000	
Final Payment:		2022-23	
2003-04 Lease Payment:			\$ 2,500,000
Trustee Fee Payment:			<u>10,000</u>
Subtotal			<u>\$ 2,510,000</u>

8. **Solid Waste Collection Program (Revenue Bonds, 2003)**

The proceeds of this proposed issue will finance the acquisition of miscellaneous vehicles, automated recycling containers and capital improvements.

Amount of Principal:	\$	65,000,000	
Principal Outstanding, July 1, 2003:		---	
Final Payment:		2023-24	
2003-04 Lease Payment:			\$ 3,500,000
Trustee Fee Payment:			<u>10,000</u>
Subtotal			<u>\$ 3,510,000</u>

2003-04 PROPOSED SEC FINANCING PROGRAM \$ 31,300,011

