



City of Los Angeles

2017 Tax and Revenue Anticipation Notes

Investor Presentation



June 9, 2017



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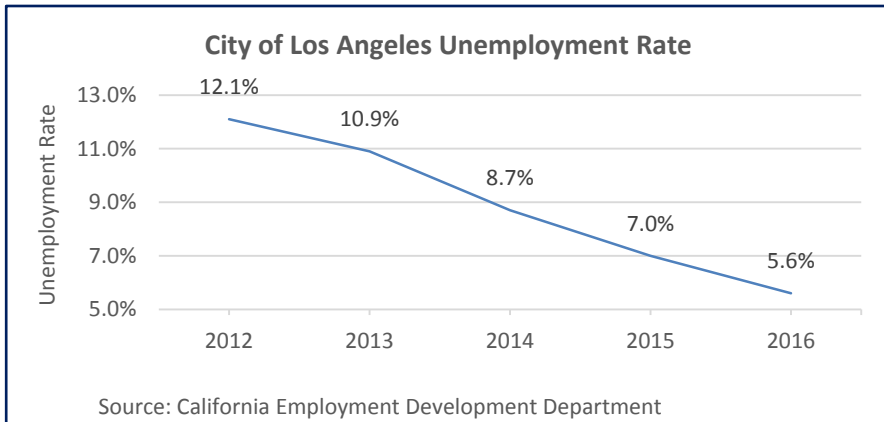
Transaction Summary

Par Size	\$1.46 billion*
Ratings	Moody's: MIG1 S&P: SP-1+
Use of Proceeds	Proceeds of the Notes will be used to provide effective cash flow management of the City's General Fund for Fiscal Year 2017-18 and to prepay the City's Fiscal Year 2017-18 annual contributions to the Los Angeles Fire and Police Pension Plan (LAFPP) and the Los Angeles City Employees' Retirement System (LACERS)
Security	General obligations of the City payable from Unrestricted Moneys including taxes, income, revenue, cash receipts and other moneys received for the General Fund during Fiscal Year 2017-18
Tax Status	Federally tax-exempt; California state tax-exempt
Amortization	One or more maturities with final maturity date no later than June 28, 2018*
Pricing Date	Week of June 19, 2017*
Closing Date	July 11, 2017*
Underwriters	BofA Merrill Lynch (Book-Running Senior Manager) Siebert Cisneros Shank & Co., LLC (Co-Senior Manager) Jefferies (Co-Manager) William Blair (Co-Manager)

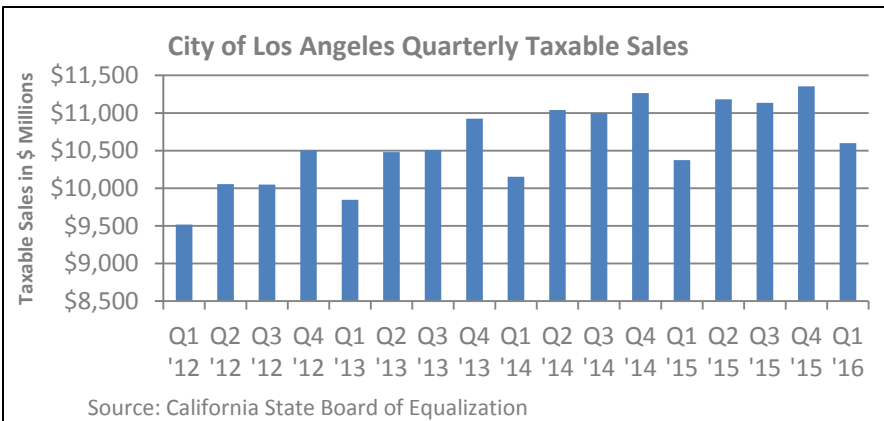
*Preliminary; subject to change



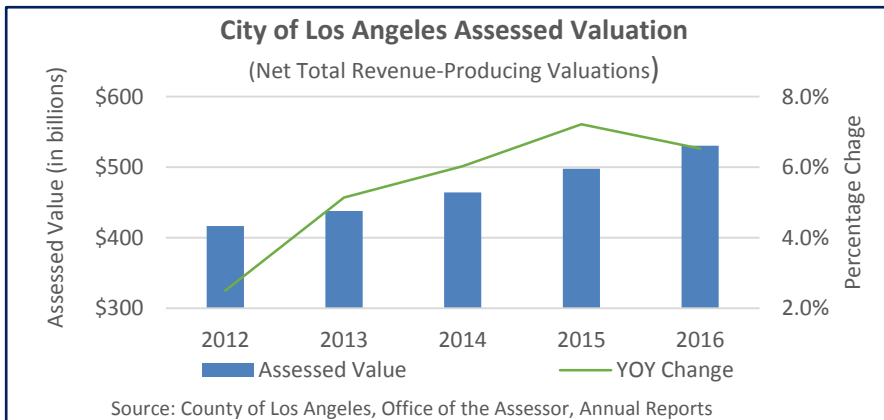
Economic Highlights



- Unemployment rate continues to decline in Los Angeles
- Wages and private employment continue to rise
- Significant employment gains in high-wage jobs (e.g., higher education and information sectors)



- Continued job growth and wage gains have increased personal income for residents and boosted taxable sales
- Q1 2016 saw an improvement of 2.2% over the same period in 2015



- Property values continue to rise in Los Angeles
- Fueled by strong homebuyer demand



Fiscal Year 2016-17 Budget Highlights

- Strong reserve balances
 - Began Fiscal Year 2016-17 with Reserve Fund of 5.99% and total reserves of 7.94%
 - After addressing unanticipated liability expenditures and other shortfalls, Reserve Fund continues to be strong, estimated in the Adopted Budget to be at 6.70% at year-end
 - Including the Budget Stabilization Fund, total reserves are estimated at 8.40% at year-end

- Managed budget challenges through Financial Status Reports
 - At mid-year, budget shortfall projected at \$57 million
 - At year-end, managed budget shortfalls by identifying surpluses within budgeted funds and additional revenue
 - Revenues slightly trail revised budget; any shortfall to be addressed primarily from reversions
 - Reserve Fund was used to pay unexpected liability claims
 - City considering issuance of Judgment Obligation Bonds
 - Bonds currently in validation process



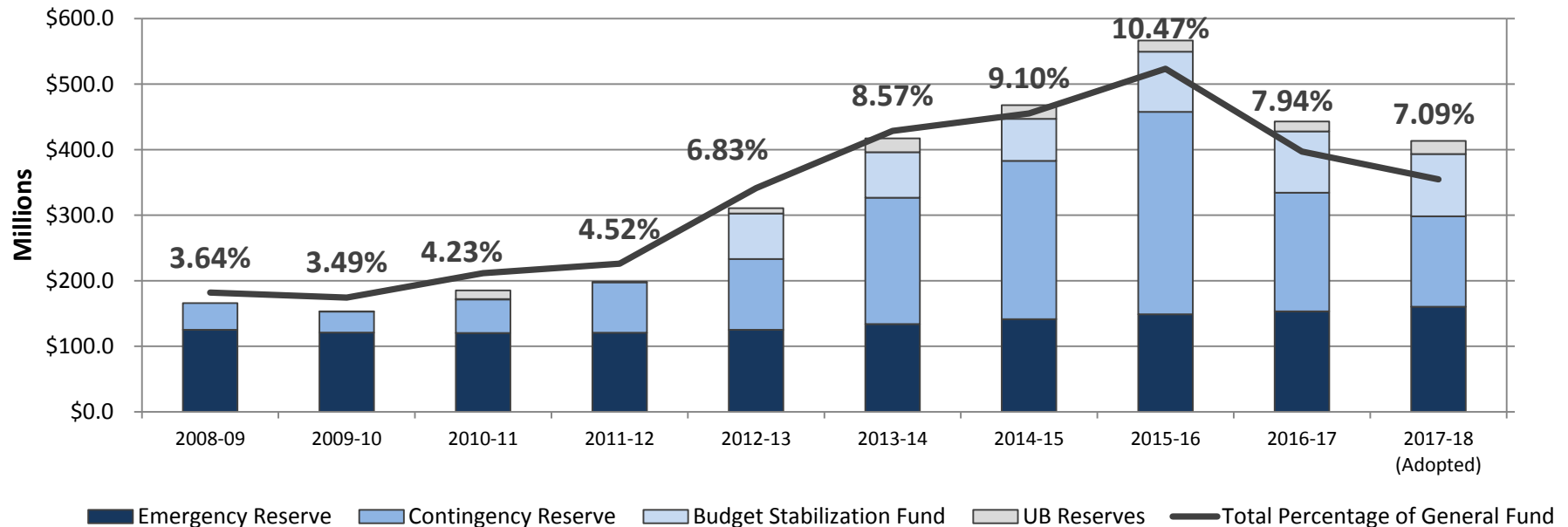
Fiscal Year 2017-18 Adopted Budget

Budget Component	Budget (\$ Millions)		
	Adopted 2016-17	Adopted 2017-18	Percent Change
General Fund	\$ 5,576.4	\$ 5,826.5	4.5%
Special Funds	\$ 3,200.6	\$ 3,465.6	8.3%
Total	\$ 8,777.0	\$ 9,292.1	5.9%

- Budget projects meeting the City’s major policy targets
 - Appropriated 1.28% of General Fund to capital improvements, exceeding target of at least 1%
 - Reserve Fund at 5.12% of General Fund revenues, above the 5% policy level
 - Nominal deposits to the Budget Stabilization Fund, but \$75 million of growth in economically sensitive tax revenues are budgeted for capital improvements
 - Applied all one-time revenues (\$65 million) for one-time expenditures (\$108 million)

BUDGET RESERVES

(Reserve Fund, Budget Stabilization Fund, and Unappropriated Balance Reserves)



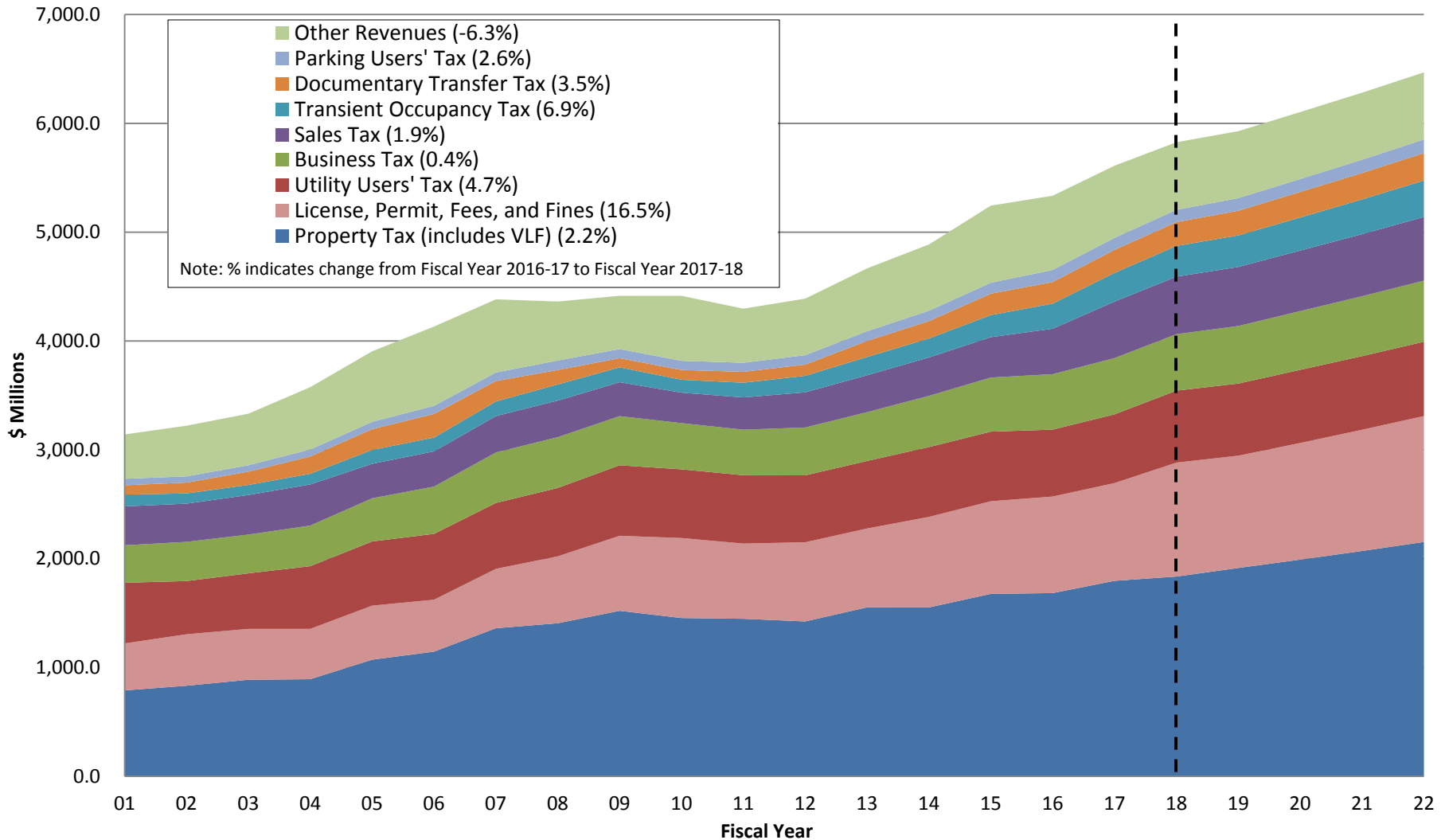
*Actuals as of July 1st for each year except 2017-18
 Source: City of Los Angeles, Office of the City Administrative Officer



General Fund Revenues

GENERAL FUND REVENUE

(2001-2016 Actual, 2017 Estimated, 2018 Adopted Budget, 2019-2022 Projected)



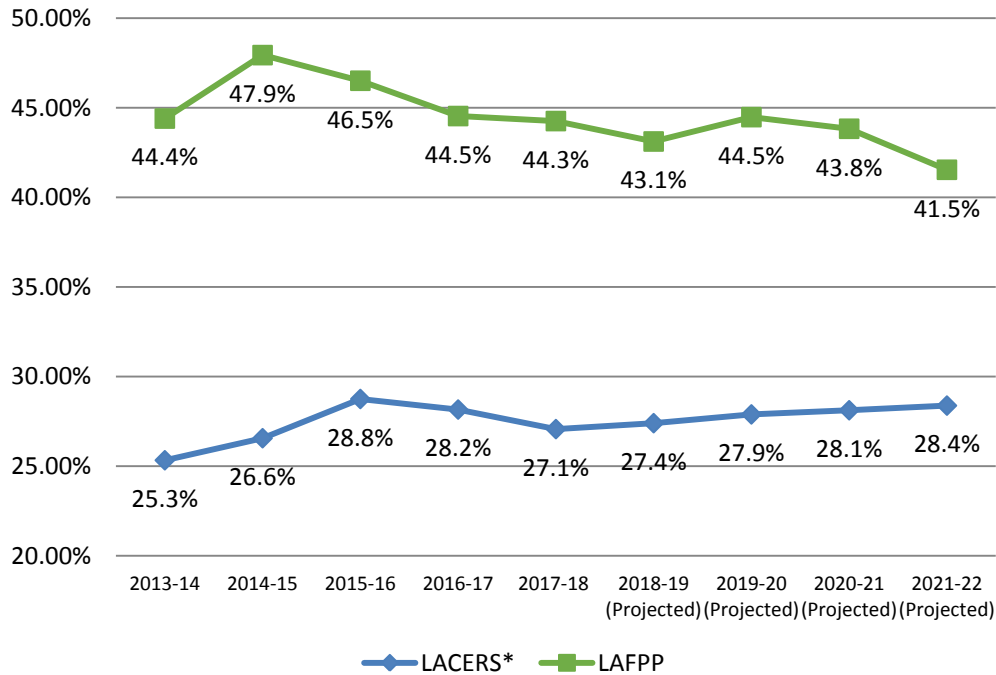
- “Other Revenues” include power revenue transfer, parking fines, Reserve Fund transfer, ex-CRA tax increment, franchise income, Special Parking Revenue Fund transfer, interest, grants, tobacco settlement, Telecommunications Development Account transfer, and residential development tax.

Source: City of Los Angeles, Office of the City Administrative Officer

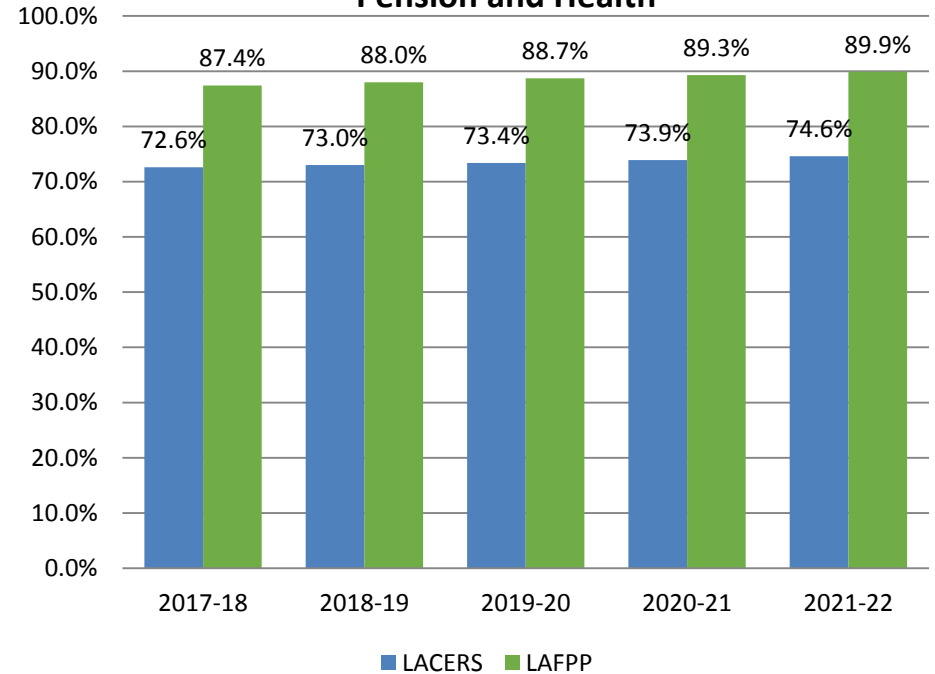


City Pension Systems

LACERS and LAFPP Contribution Rates**



Projected Funded Ratio for LACERS and LAFPP Pension and Health**



* LACERS rates are Tier 1 only through 2016-17

** Projections are based on an analysis by an actuary commissioned by the CAO, based on 7.5% investment rate

- LAFPP reduced its investment rate of return from 7.50% to 7.25% and adopted new demographic assumptions, which will impact City contributions beginning in 2018-19. LACERS will consider reduction of its investment rate of return later in the year. Impact to the General Fund will be based on the Contribution Rates that include the investment rate as well as other factors such as economic and demographic assumptions.



2017 TRANs Overview

Estimated Sources and Uses¹ (\$ in Thousands)

TRAN Proceeds: ²	\$1,486,742
Components:	
Cash Flow	\$400,000
LACERS	\$450,812
LAFPP	\$634,905
Cost of Issuance:	\$1,025

- Proceeds from the 2017-18 TRAN will be used to prepay LACERS and LAFPP
 - Prepaying LACERS saves \$15.7 million
 - Prepaying LAFPP saves \$21.5 million
- The City has never failed to make its TRAN set-aside payments
- Estimated cash flows provide strong coverage for the TRAN

Month Ending	Set-Aside Payment Dates	Set-Aside Set-Aside Percentage	Set-Aside Payments (Millions \$) ¹	Total General Fund Receipts (GFR) (Millions \$) ³	Total GFR + Borrowable Funds (Millions \$) ³	Coverage (incl. Borrowable Resources) ⁴	Coverage (excl. Borrowable Resources)
Jan 31	Jan 25	20%	\$ 300.50	\$ 911.36	\$ 1,931.05	6.43x	3.03x
Feb 28	Feb 23	20%	300.50	691.70	1,749.47	5.82x	2.30x
Mar 31	Mar 23	20%	300.50	674.88	1,749.42	5.82x	2.25x
Apr 30	Apr 25	20%	300.50	770.87	1,848.74	6.15x	2.57x
May 31	May 24	20%	300.50	840.07	1,079.67	3.60x	2.80x
Total			\$ 1,502.50				

¹ Preliminary, subject to change

² Includes estimated original premium

³ Total general fund receipts include beginning cash balance

⁴ Coverage Pursuant to Section 340 of the City Charter, the City may borrow from special funds up to the last Monday in April during the fiscal year. The City has access to the Reserve Fund all year round. The Set-Aside Payment on May 24, 2018, occurs after the City Charter restriction on borrowing from Special Funds

Source: City of Los Angeles, Office of the City Administrative Officer



2016-17 Projected vs. Revised Cash Flows

General Fund Cash Flow

FISCAL YEAR 2016-17 ¹

(In Thousands)

Projected 2016-17 as of
June 2016

Revised 2016-17 ¹

Increase/ (Decrease)

% Change

RECEIPTS

Property Tax	1,840,663	1,887,233	46,570	2.5%
Utility Users' Tax	634,000	617,196	(16,804)	(2.7%)
Licenses, Permits, Fees and Fines ²	923,482	885,854	(37,628)	(4.1%)
Sales Tax	520,020	518,145	(1,875)	(0.4%)
Business Tax	502,300	521,374	19,074	3.8%
Expenditure Transfers and Reimbursement ³	1,099,366	1,217,552	118,186	10.8%
Other Revenues	864,970	857,295	(7,675)	(0.9%)
Power Revenue Transfer ⁴	291,000	264,427	(26,573)	(9.1%)
TRAN Proceeds	1,475,635	1,475,635	-	-
Total Receipts	8,151,436	8,244,711	93,275	1.1%

DISBURSEMENTS

Salaries ⁵	3,321,575	3,300,428	(21,147)	(0.6%)
Allocations to Other Funds ⁶	425,198	488,775	63,577	15.0%
Services, Equipment and Supplies ⁷	918,626	1,065,096	146,470	15.9%
Other Disbursements ⁸	1,966,202	1,896,386	(69,816)	(3.6%)
TRAN Debt Service Fund	1,485,729	1,485,729	-	-
Total Disbursements	8,117,330	8,236,414	119,084	1.5%

1 Fiscal Year 2016-17 Projections as of June 2016 versus Revised 2016-17. Figures for Revised 2016-17 are based on actual figures through May 24, 2017, and the remainder of the fiscal year (May 25 – June 30) are estimates

2 The majority of the decrease to Licenses, Permits, Fees, and Fines are due to 1) the County performed the March election so reimbursements from the school district and college board are greatly reduced by \$12.4 million and 2) reimbursements from Special Funds are reduced by \$19.8 million due to overpayments in Fiscal Year 2015-16 and more realistic overhead estimates

3 Increase primarily due to reappropriations from the Reserve Fund to the General Fund for ongoing capital projects and additional transfers from the Reserve Fund for payment of liability claims

4 Actual surplus calculation of the Power Revenue Transfer was lower than budgeted amount

5 Decreases primarily due to vacancies

6 Increase primarily due to transfers from the General Fund to Special Funds

7 Increase primarily due to payment of liability claims

8 Lower actual interfund billing and transfer and lower lease payments due to refunding of lease revenue bonds



Cash Flow Projections

GENERAL FUND CASH FLOW PROJECTIONS

FISCAL YEAR 2017-18

(In Thousands)

MONTH ENDING	July 31	August 31	September 30	October 31	November 30	December 31	January 31	February 28	March 31	April 30	May 31	June 30	Total
BEGINNING CASH BALANCE	\$ 439,780	\$ 645,134	\$ 492,703	\$ 364,361	\$ 186,317	\$ 154,390	\$ 593,846	\$ 510,230	\$ 320,807	\$ 313,103	\$ 307,725	\$ 396,733	
RECEIPTS													
Property Taxes	15,788	53,092	--	--	25,848	499,626	377,386	94,029	7,917	377,095	400,765	56,377	1,907,923
Utility Users Tax	42,675	56,114	52,240	56,463	67,698	59,500	56,207	57,764	51,779	53,712	54,226	52,822	661,200
Licenses, Permits, Fees and Fines ¹	23,348	65,854	43,870	87,370	64,553	109,092	103,077	70,771	100,226	70,285	89,412	219,136	1,046,994
Sales Tax	34,945	45,783	47,845	35,474	46,840	46,893	36,320	47,739	49,061	36,055	48,109	53,606	528,670
Business Tax	6,798	5,552	5,345	5,241	3,529	8,977	27,286	148,195	265,084	9,392	22,398	11,103	518,900
Expenditure Transfers and Reimbursements ²	72,206	104,346	109,806	110,047	111,172	76,805	106,141	85,376	111,611	102,536	100,532	148,525	1,239,103
Other Revenues ³	60,964	93,345	61,697	56,641	80,049	79,523	72,821	71,769	54,639	76,815	93,685	118,321	920,269
Power Revenue Transfer	--	--	--	--	--	--	--	--	121,250	40,425	40,425	40,400	242,500
2017 TRANs Proceeds	1,485,717	--	--	--	--	--	--	--	--	--	--	--	1,485,717
Total Receipts	1,742,441	424,086	320,803	351,236	399,689	880,416	779,238	575,643	761,567	766,315	849,552	700,290	8,551,276
DISBURSEMENTS													
Salaries	274,780	399,405	265,570	265,570	266,017	266,429	410,202	268,787	267,550	267,550	267,965	267,550	3,487,375
Allocations to Other Funds	55,000	36,680	34,416	34,093	37,142	38,436	33,215	34,139	36,864	34,693	43,147	47,719	465,544
Services, Equipment and Supplies	72,456	85,224	95,314	74,084	81,012	81,933	71,596	89,629	94,165	84,273	89,681	99,195	1,018,562
Other Disbursements ⁴	1,134,851	55,208	53,845	155,533	47,445	54,162	47,340	72,009	70,191	84,676	59,250	227,909	2,062,419
2017 TRANs Debt Service Fund	--	--	--	--	--	--	300,501	300,501	300,501	300,501	300,501	--	1,502,506
Total Disbursements	1,537,087	576,517	449,145	529,280	431,616	440,960	862,854	765,065	769,271	771,693	760,544	642,373	8,536,406
SURPLUS/DEFICIT	205,354	(152,431)	(128,342)	(178,044)	(31,927)	439,456	(83,616)	(189,422)	(7,704)	(5,378)	89,008	57,917	
ENDING CASH BALANCE	\$ 645,134	\$ 492,703	\$ 364,361	\$ 186,317	\$ 154,390	\$ 593,846	\$ 510,230	\$ 320,807	\$ 313,103	\$ 307,725	\$ 396,733	\$ 454,650	
Available Borrowable Resources ⁵													
Reserve Fund	270,481	197,505	199,448	205,618	205,146	213,382	225,466	238,557	239,061	239,109	239,603	240,097	
Other Borrowable Funds	725,404	719,638	748,459	747,510	765,919	790,731	794,224	819,219	819,219	838,765	-	-	
Total Borrowable Funds	995,885	917,143	947,907	953,128	971,065	1,004,113	1,019,690	1,057,776	1,058,280	1,077,874	239,603	240,097	

¹ Licenses, permits, fees and fines include reimbursements to the General Fund from various special revenue and enterprise funds of the City, and charges for special services performed by City departments

² Expenditure Transfer and Reimbursements represent reimbursements from special funds for direct costs

³ Other Revenues include parking fines, transient occupancy tax, documentary transfer tax, parking users' tax, franchise income, interest income, grants, tobacco settlement, Telecommunication Development Account transfer, surplus transfer from the Special Parking Revenue Fund, and residential development tax

⁴ Other Disbursements include inter-fund billings such as water and electricity, health and dental insurance subsidy, lease payments, and the annual contribution payments to the Los Angeles City Employees' Retirement System and the Fire and Police Pension Plan

⁵ Pursuant to Section 340 of the City Charter, the City may borrow from special funds up to the last Monday in April during the fiscal year. The City has access to the Reserve Fund all year round. The Set-Aside Payment on May 24, 2018, occurs after the City Charter restriction on borrowing from Special Funds



Financing Schedule

Key Dates*

POS Available

Friday, June 9, 2017

Pricing

Week of June 19, 2017

Closing

Tuesday, July 11, 2017

June						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

*Preliminary; subject to change.



Finance Team Contact Information

Issuer and Obligor: City of Los Angeles		
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Ha To	<i>Finance Specialist Office of the City Administrative Officer</i>	(213) 473-7500 ha.to@lacity.org

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Gary Hall	<i>Siebert Cisneros Shank & Co., LLC (Co-Senior Manager)</i>	(510) 645-2248 ghall@scscapital.com
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City's Investor Relations Website

<http://cao.lacity.org/Debt/>

City of Los Angeles
Debt Management / Investor Relations

CAO

Home

Debt Programs Managed by the CAO

1. General Obligation Bonds
2. Los Angeles Wastewater System Revenue Bonds
3. Solid Waste Resources Revenue Bonds
4. Municipal Improvement Corporation of Los Angeles Lease Obligations
5. Judgment Obligation Bonds
6. Mello-Roos Bonds
7. Tax and Revenue Anticipation Notes (TRAN)

City of Los Angeles - Investor Information

Budget

- City Budget
- Financial Status Reports

Debt

- 2017 GO Bonds & TRAN Press Release
- Calendar of Bond Offerings
- Credit Ratings
- IRMA Letter
- Electronic Municipal Market Access (EMMA)

Financial Disclosure

- Preliminary Financial Report for Fiscal Year ended June 30, 2016
- 2016 Appendix A: City of Los Angeles Information Statement
- Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2015
- Beacon Report City of Los Angeles: A Comparative Analysis June 2017

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