



CITY AND COUNTY OF SAN FRANCISCO
Finance Corporation

MEMORANDUM

DATE: APRIL 6, 2021

TO: CHRISTINE CARR
BREE MAWHORTER
BILL MADISON

FROM: ANGELA WHITTAKER
OFFICE OF PUBLIC FINANCE

SUBJECT: ANNUAL AND SPECIAL MEETING OF THE BOARD OF DIRECTORS

Meeting Time and Location:

DATE & TIME: Tuesday, April 13, 2021 at 10:30 a.m.

LOCATION: REMOTE MEETING VIA TELECONFERENCE/MICROSOFT TEAMS

PUBLIC COMMENT CALL IN: [1-415-906-4659](tel:1-415-906-4659) / PARTICIPANT CODE: 389 504 178#

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Purpose:

This staff report describes the proposed actions by the Corporation (the "Corporation") and other informational items to be heard on the scheduled April 13, 2021 meeting.

Summary of Proposed Actions:

- Consideration for review and adoption of minutes of September 19, 2019
- Consideration for review and adoption of the Corporation Resolution 2021-1 approving the annual meeting to be held on April 13, 2021, and appointing Officers of the Corporation;

Summary of Informational Items:

- Consideration for review and discussion the Corporation's account balances as of the end of fiscal year 2019-2020; and
- Consideration for review and discussion of the status of the Corporation's Audited Financials for the fiscal year ended June 30, 2020.

Overview of Items on the Agenda:

Agenda Item #2: Resolution 2021-1 approving the annual meeting and appointing Officers of the Corporation (Action Item)

Pursuant to the bylaws of the Corporation, the Board is required to meet annually on the second Tuesday of September or another date as designated in writing by the Secretary of the Corporation. The Directors have agreed to hold the annual meeting on April 13, 2021, and a written designation from the Secretary to that effect will be distributed to the Directors at this meeting.

Agenda Item #3: Approval of Minutes from September 19, 2019 (Action Item)

See draft minutes of September 19, 2019 meeting attached.

Agenda Item #4 Report on Account Balances of the Corporation and Related Matters (Informational Item)

The following provides an update on the status of the equipment lease program and other capital projects under the review of the Corporation, as well as a summary of account balances of each program for the period ending June 30, 2020.

The Equipment Lease Program:

In June 1990, the voters approved Proposition C which authorizes the City to issue lease revenue bonds to acquire equipment for various City departments. The Proposition C authorization provides for \$20,000,000 million in aggregate principal amount outstanding (subject to a 5% annual adjustment made each July 1). As of June 30, 2020, the total authorized amount is \$82,322,712 (see [Attachment B-1](#)).

As noted above, the equipment lease program functions as a revolving bond authorization fund. That is, for each dollar in bond principal that is repaid, a new dollar can be issued. As indicated in [Attachment B-2](#), the Finance Corporation has issued \$193,225,000 in equipment lease revenue bonds since 1990. As of June 30, 2020, \$193,225,000 has been repaid leaving \$0.00 in equipment lease revenue bonds outstanding.

Projects and Account Balances:

Each year when principal is repaid, interest earnings and reserve funds are transferred from the reserve account into the base rental account to be applied to the debt service payment. The funds in the working capital account are used to pay trustee fees, legal fees, auditor fees and insurance. A report of the account balances is attached hereto as [Attachment A](#).

Equipment Purchase Program:

- [Lease Revenue Bonds, Series 2013A](#) were issued on June 13, 2013 in the amount of \$11.1 million. The proceeds of the Bonds were used to finance the acquisition of various pieces of equipment for sixteen departments. As of June 30, 2020, the project fund has been closed. The bonds matured on April 1, 2019.

Emergency Communications Project:

In 1993, voters approved Proposition H, which authorized the issuance of up to \$50.0 million in lease revenue bonds to finance the acquisition and construction of a Citywide Emergency Radio Communication System. In

1998 and 1999, the Finance Corporation issued \$32.2 million and \$18.7 million of Proposition H lease revenue bonds, Series 1998-1 and Series 1999-1, respectively. There is no remaining authorization under this proposition. Both projects were completed and the project accounts were closed.

In 1994, voters approved Proposition B, which authorized the issuance of up to \$60.0 million in lease revenue bonds for the acquisition and construction of a combined dispatch center for the City's emergency 911 communication system. In 1997 and 1998, the Corporation issued \$22.6 million and \$23.3 million of Proposition B lease revenue bonds, Series 1997 and Series 1998, respectively, leaving \$14.0 million in remaining authorization. There is no current plan to issue additional series of bonds under Proposition B. Both projects were completed and the project accounts were closed.

In July 2010, the Corporation issued Lease Revenue Refunding Bonds, Series 2010-R1 (Emergency Communications System Refinancing) in the amount of \$22.2 million. Proceeds from the bonds, together with existing available funds, were used to refund the outstanding Lease Revenue Bonds, Series 1997, 1998, 1998-1 and 1999-1, reserve fund and cost of issuance fund. The par amount outstanding as of June 30, 2020 was \$6.0 million and the final maturity of the bonds is April 1, 2024.

Moscone Center Expansion Project:

In 1996, voters approved Proposition A, which authorized the issuance of up to \$157.5 million in lease revenue bonds for the expansion of the Moscone Convention Center. Lease Revenue Bonds, Series 2000-1, 2000-2, and 2000-3 was issued on October 25, 2000 in the amount of \$157.5 million. The proceeds were used to finance a portion of the costs to acquire, construct, improve, and expand the City's George R. Moscone Convention Center. The project was completed and the project account was closed. On September 11, 2008, the Moscone Center Expansion Project Bonds were refunded under Revenue Refunding Bonds Series 2008-1 and 2008-2 in the amount of \$145.3 million. The par amount outstanding as of June 30, 2020 was \$72.2 million. The final maturity of the bonds is April 1, 2030.

The proceeds of the Bonds were used to finance a portion of the costs of acquiring, construction and improving a free-standing expansion to the City's George R. Moscone Convention Center located in the City's business district, one half block west of the existing Moscone Center, on the northwest corner of Howard and Fourth Streets in the City. Moscone West, as the Facility is known, is free-standing convention facility encompassing almost 800,000 gross square feet of space which provides 300,000 square feet of exhibit and meeting space on three floors including 38 meeting rooms totaling 125,000 square feet.

Open Space Fund Projects:

On March 7, 2000, voters approved Proposition C, which extended a two and one-half cent per \$100.0 in assessed valuation property tax set-aside for the benefit of the Recreation and Park Department (the "Open Space Fund"). Proposition C also authorizes the issuance of lease revenue bonds or other forms of indebtedness payable from the Open Space Fund. In 2006 and 2007, the Corporation issued approximately \$27.0 million and \$42.4 million of such Open Space Fund Lease Revenue Bonds, Series 2006 and Series 2007, respectively. Series 2006 and Series 2007 projects included: Buena Vista Park, Chinese Recreation Center, Hamilton Playground, Junipero Serra Playground and Clubhouse, Kelloch-Velasco Park, Lake Merced, Larsen Park Sava Pool, Lincoln Playground, Midtown Terrace Playground, Moscone Recreation Center, Potrero Hill Playground, and St. Mary's Recreation Center. Series 2007 projects includes, the Chinese Recreation Center, Larsen Park Sava Pool, Hamilton Recreation Center, and Franklin Square Playground Renovation The projects were completed and the project accounts were closed.

In December 2018, the Corporation issued Lease Revenue Refunding Bonds, Series 2018A (Open Space Fund – Various Park Projects) in the amount of \$34.95 million. Proceeds from the bonds, together with existing available funds, were used to refund the outstanding Lease Revenue Bonds, Series 2006 and 2007 bonds. The par amount outstanding as of June 30, 2020 was \$29.0 million and the final maturity of the bonds is July 2029.

Branch Library Improvement Bonds:

In November 2007, voters approved Proposition D, which amended the Charter and renewed the Library Preservation Fund. Proposition D continues the two and one-half cent per \$100.0 in assessed valuation property tax set-aside and establishes a minimum level of City appropriations, moneys that are maintained in the Library Preservation Fund. Proposition D also authorizes the issuance of revenue bonds or other evidences of indebtedness. The Finance Corporation issued the first series of Lease Revenue Bonds, Series 2009A (Branch Library Improvement Bonds) in the amount of approximately \$34.3 million in March 2009. Series 2009A projects included Anza Branch Library, Golden Gate Valley Branch Library, Merced Branch Library, North Beach Branch Library, and Ortega Branch Library. The project was completed, and the project account was closed.

In December 2018, the Corporation issued Lease Revenue Refunding Bonds, Series 2018B (Branch Library Improvement Program) in the amount of \$13.36 million. Proceeds from the bonds, together with existing available funds, were used to refund the outstanding Lease Revenue Bonds, Series 2009A bonds. The par amount outstanding as of June 30, 2020 was \$11.0 million and the final maturity of the bonds is July 2028.

Agenda Item #5: Report on the Status of Audited Financial Statements and Related Matters (Informational Item) Presentation by Accounting staff.

Documents Enclosed Herewith:

In preparation for the meeting, enclosed please find the following items:

- 1) Public Notice of Meeting and Meeting Agenda;
- 2) Resolution No. 2021-1 approving the annual meeting to be held on April 13, 2021 and appointing New Officers of the Corporation.
- 3) Extract of Minutes of the meeting held September 19, 2019 (Draft, Un-adopted);

[Attachments A & B]

Cc: Vishal Trivedi, Finance Corporation
Angela Whittaker, Finance Corporation
Kenneth Roux, City Attorney's Office
Janet Mueller, Dannis Woliver Kelley
Marilyn Jacobs, Dannis Woliver Kelley



CITY AND COUNTY OF SAN FRANCISCO

Finance Corporation

NOTICE AND AGENDA

Board of Directors:
Christine Carr
Bree Mawhorter
Bill Madison

Tuesday, April 13, 2021 – 10:30 am

LOCATION: REMOTE MEETING VIA TELECONFERENCE/MICROSOFT TEAMS

PUBLIC COMMENT CALL IN: 1-415-906-4659 / Participant Code: 389 504 178#

[Click here to join the meeting](#)

COVID-19 ACCOMODATIONS

Due to the COVID-19 health emergency, members of the public are encouraged to participate remotely by calling the number above and entering the access code.

In compliance with the Governor's Executive Order N-25-20 (March 12, 2020) as superseded by Order N-29-20 (March 17, 2020), this meeting will be held exclusively via teleconference participation of a quorum of the Finance Corporation Board members in locations not open to the public. The purpose of the order is to provide the safest environment for all persons consistent with San Francisco Department of Public Health Order of the Health Officer No. C19-07b and current public health recommendations, while allowing the public to observe and address the Finance Corporation Board.

1) **CALL TO ORDER / ROLL CALL**

2) **ACTION ITEM:**

Consideration for review and adoption of Resolution 2021-1 approving the annual meeting to be held on April 13, 2021 and appointing Officers of the Corporation.

3) **ACTION ITEM:**

Consideration for review and adoption of the minutes from September 19, 2019 meeting.

4) **INFORMATION ITEM:**

Consideration for review and discussion of the Corporation's Account Balances as of June 30, 2020.

5) **INFORMATION ITEM:**

Consideration for review and discussion of the status of the Corporation's Audited Financial Statements for the fiscal year ended June 30, 2020.

- 6) ANNOUNCEMENTS
- 7) GENERAL PUBLIC COMMENT
- 8) ADJOURNMENT

Explanatory Documents:

Copies of Explanatory Documents listed in this agenda, and other related materials received by the Finance Corporation after the posting of the agenda, are available for public inspection and/or copying at: 1 Dr. Carlton B. Goodlett Place, City Hall, Room 336. Please email Angela Whittaker at angela.whittaker@sfgov.org to make arrangements to receive an electronically document..

Policy on use of Cell Phones, Pagers and Similar Sound-Producing Electronic Devices at and During Public Meetings:

The ringing and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Public Comment:

Public Comment will be taken before or during the Board's consideration of each agenda item. Speakers may address the Board for up to three minutes. During General Public Comment, members of the public may address the Board on matters that are within the Board's jurisdiction and are not on today's agenda.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Frank Darby by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine>

San Francisco Lobbyist Ordinance:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

Information on Disability Access:

In accordance with the Americans with Disabilities Act, California Law, and the Governor's Executive Orders, any individual with a disability may request reasonable modifications or accommodations so that they may observe and address the Finance Corporation Board at this teleconference meeting. If you are disabled and require special accommodations to

participate, please contact Angela Whittaker at angela.whittaker@sfgov.org, at least 72 hours prior to the meeting. Late requests will be honored if possible. Calendars and minutes of the meeting may be available in alternative formats; please contact Angela Whittaker at angela.whittaker@sfgov.org at least 72 hours in advance of need.

If you need to use the services of a language interpreter, contact Finance Corporation at (415) 554-6643 or at Angela.Whittaker@sfgov.org. We require an advance notice of three business days to accommodate your request.

Si necesita usar los servicios de un intérprete de idioma, comuníquese con Finance Corporation llamando al (415) 554-6643 o en Angela.Whittaker@sfgov.org. Solicitamos un aviso previo de tres días hábiles para atender su solicitud.

如果您需要使用语言口译员，请联系 Finance Corporation，电话：(415) 554-6643，或电子邮件：Angela.Whittaker@sfgov.org。我们需要您在三个工作日之前告知，以满足您的要求。