

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 22-0096

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AIRPORT COMMISSION OF THE CITY AND COUNTY  
OF SAN FRANCISCO

Twenty-Fourth Supplemental Resolution

SAN FRANCISCO INTERNATIONAL AIRPORT  
SECOND SERIES REVENUE BONDS

Adopted on May 17, 2022

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TWENTY-FOURTH SUPPLEMENTAL RESOLUTION  
PROVIDING FOR AND APPROVING  
CERTAIN AMENDMENTS TO THE 1991 MASTER BOND RESOLUTION

WHEREAS, the Airport Commission of the City and County of San Francisco (the “Commission”), on December 3, 1991, duly adopted its Resolution No. 91-0210, providing for the issuance of San Francisco International Airport Second Series Revenue Bonds, which Resolution, as previously supplemented and amended, is herein called the “1991 Resolution”; and

WHEREAS, the Commission hereby finds and determines that it is necessary and desirable and in the best interest of the Commission to amend the 1991 Resolution in the manner set forth herein; and

WHEREAS, pursuant to Article IX of the 1991 Resolution, the Commission by Supplemental Resolution may, upon satisfaction of the requirements of said Article, make changes or additions to the 1991 Resolution for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the 1991 Resolution; and

WHEREAS, the amendment to the 1991 Resolution adopted hereunder will not be effective until (i) the City and County of San Francisco has enacted an ordinance amending Section 2.62(a) of the San Francisco Administrative Code to provide that the provisions of Section 54522 of the California Government Code shall not apply to the airport revenue bonds issued pursuant to said Section 2.62, (ii) the Opinion of Counsel has been delivered pursuant to Section 9.01(m) of the 1991 Resolution with respect to the amendment effected hereby; and (iii) the Airport Director has executed and delivered a certificate declaring that such amendment shall be effective;

NOW, THEREFORE, BE IT RESOLVED by the Airport Commission of the City and County of San Francisco, as follows:

Section 1. The 1991 Resolution is hereby amended and supplemented by adding the following Articles thereto, which are hereby incorporated therein, in each case with the appropriate alpha-numeric issue, section and article references:

ARTICLE I  
DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.01 Definitions. All capitalized terms used herein and not otherwise defined herein shall have the last defined meanings assigned to them in Article I of the 1991 Resolution.

SECTION 1.02 General Authorization. The appropriate officers, agents and employees of the Commission are each hereby authorized and directed in the name and on behalf of the Commission to take all actions and to make and execute any and all certificates, requisitions, instructions, agreements, notices, consents and other similar documents, warrants and other

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documents, which they, or any of them, deem necessary or appropriate in order to facilitate the effectiveness of the amendments to the 1991 Resolution contained herein.

SECTION 1.03 Ratification of the 1991 Resolution. This Twenty-Fourth Supplemental Resolution and all the terms and provisions herein contained shall form part of the 1991 Resolution as fully and with the same effect as if all such terms and provisions had been set forth in the 1991 Resolution. The 1991 Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented to the date hereof, including as supplemented and amended by this Twenty-Fourth Supplemental Resolution.

ARTICLE II  
AMENDMENT TO THE 1991 RESOLUTION

SECTION 2.01 Amendment to Section 6.08 of the 1991 Resolution. The first paragraph of Section 6.08 of the 1991 Resolution is hereby amended to read in full as follows:

“The Commission shall maintain proper books and records in which full and correct entries shall be made in accordance with generally accepted accounting principles, of all its business and affairs. The Commission shall have an annual audit made by an Independent Auditor and shall within ~~420~~210 days after the end of each of its Fiscal Years furnish to the Trustee copies of the audited financial statements of the Commission for such Fiscal Year.”

ARTICLE III  
MISCELLANEOUS

SECTION 3.01 Authority for Amendments. The amendments to the 1991 Resolution proposed in this Twenty-Fourth Supplemental Resolution are proposed to be made under the authority granted to the Commission in Section 9.01 of the 1991 Resolution.

SECTION 3.02 Effective Date of Amendments.

(a) Subject to paragraph (b), the amendments to the 1991 Resolution proposed herein will not be effective until (i) the City and County of San Francisco has enacted an ordinance amending Section 2.62(a) of the San Francisco Administrative Code to provide that the provisions of Section 54522 of the California Government Code shall not apply to the airport revenue bonds issued pursuant to said Section 2.62, (ii) the Opinion of Counsel has been delivered pursuant to Section 9.01(m) of the 1991 Resolution with respect to the amendment effected hereby; and (iii) the Airport Director has executed and delivered a certificate declaring that such amendment shall be effective.

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(b) The amendment proposed hereunder shall become effective when the conditions set forth in this Section have been satisfied. The effectiveness of any proposed amendment may occur independently of the effectiveness of any other proposed amendment.

Section 2. This Commission requests the San Francisco Board of Supervisors to enact an ordinance amending Section 2.62(a) of the San Francisco Administrative Code to provide that the provisions of Section 54522 of the California Government Code shall not apply to the airport revenue bonds issued pursuant to said Section 2.62, in order to facilitate the effectiveness of the amendment provided in this Resolution.

Section 3. The Airport Director is authorized, for, in the name and on behalf of the Commission, to seek such consents, if any, as shall be necessary for the amendments to the 1991 Resolution adopted hereunder to be effective.

Section 4. The Airport Director is authorized, for, in the name and on behalf of the Commission, to include the amendments to the 1991 Resolution adopted hereunder in any master trust indenture entered into by the Commission in substitution for the 1991 Resolution; provided that each such amendment shall be effective only as all conditions set forth herein and all required consents if any thereto have been obtained.

[END OF PAGE]

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

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ADOPTED by the Airport Commission of the City and County of San Francisco  
this 17th day of May, 2022, by the following vote:

Ayes: 4

Noes: 0

Absent: 1

[SEAL]

Approved as to Form:

DAVID CHIU  
City Attorney of the City and  
County of San Francisco

By: \_\_\_\_\_  
Deputy City Attorney

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*  
**MAY 17 2022**  
*at its meeting of* \_\_\_\_\_

\_\_\_\_\_  
Secretary



**MEMORANDUM**

May 17, 2022

TO: AIRPORT COMMISSION  
Hon. Eleanor Johns, President  
Hon. Malcolm Yeung, Vice President  
Hon. Everett A. Hewlett, Jr.  
Hon. Jane Natoli  
Hon. Jose F. Almanza

22-0096

= MAY 17 2022

FROM: Airport Director

SUBJECT: Adoption of the Twenty-Fourth Supplemental Resolution Providing for and Approving an Amendment to the 1991 Master Bond Resolution

DIRECTOR'S RECOMMENDATION: ADOPT RESOLUTION APPROVING AN AMENDMENT TO THE 1991 MASTER BOND RESOLUTION AND REQUESTING THAT THE BOARD OF SUPERVISORS ADOPT AN ORDINANCE TO ENABLE THE AMENDMENT.

**Executive Summary**

The attached resolution for approval is an amendment to the 1991 Master Bond Resolution to require the Commission's audited financial statements be provided to the bond trustee within 210 days after the end of each of its Fiscal Years. This amended deadline would be 90 days more than the 120 days currently specified in the 1991 Master Bond Resolution to provide the audited financial statements to the bond trustee. The amended deadline will provide additional time that is needed to complete the annual audited financial statements for Fiscal Year 2021/22 and future Fiscal Years.

Because a change in San Francisco Administrative Code Section 2.62 (Section 2.62) is needed to allow this amendment to become effective, the proposed resolution also authorizes the Airport Director to request the San Francisco Board of Supervisors (Board) to adopt enabling legislation. The amendment to the Master Bond Resolution would not become effective unless the Board approves such legislation.

The Airport's Financial Advisory Committee has reviewed and concurs with the proposed amendment.

THIS PRINT COVERS CALENDAR ITEM NO. 12

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED  
MAYOR

ELEANOR JOHNS  
PRESIDENT

MALCOLM YEUNG  
VICE PRESIDENT

EVERETT A. HEWLETT, JR.

JANE NATOLI

JOSE F. ALMANZA

IVAR C. SATERO  
AIRPORT DIRECTOR

**Background**

The 1991 Master Bond Resolution currently requires the Commission's audited financial statements be provided to the bond trustee within 120 days after the end of each of its Fiscal Years. Additional time is needed to coordinate among City staff and the City's outside auditors and actuary in implementing Governmental Accounting Standards Board financial reporting requirements that have been adopted since 2017, and Staff anticipates that more than 120 days will be needed to complete the audited financial statements going forward, including for the current Fiscal Year.

In order to avoid a technical default under the 1991 Master Bond Resolution, Staff recommends adopting the attached Twenty-Fourth Supplemental Resolution, allowing up to 210 days after the Fiscal Year-end to provide the audited financial statements to the bond trustee. This will also make the requirement in the 1991 Master Bond Resolution consistent with the Commission's Continuing Disclosure Certificate that requires providing the audited financial statements to bondholders no later than 210 days after each Fiscal Year-end.

To allow this amendment to become effective, a change is needed to Section 2.62. The Commission issues bonds under the 1991 Master Bond Resolution and pursuant to:

- (a) San Francisco Charter Sections 4.115 and 9.107(4); and
- (b) Section 2.62.

Section 2.62 provides, among other things, that revenue bonds shall be issued by the Commission in accordance with the Revenue Bond Law of 1941 (California Government Code sections 54300 and following). Finally, Section 2.62 states that certain provisions of the Revenue Bond Law of 1941 (namely, Sections 54380 through 54387, inclusive, of the California Government Code) do not apply to the issuance and sale of airport revenue bonds.

The Revenue Bond Law of 1941, at Section 54522, requires annual publication of year-end financial statements not more than 120 days after the close of each fiscal year. In order to allow the proposed amendment to the 1991 Master Bond Resolution to become effective, the Board must amend Section 2.62 to provide that Section 54522 of the California Government Code does not apply to the issuance and sale of airport revenue bonds.

Changing the requirement to provide the audit financial statements to the bond trustee within 210 days after Fiscal Year-end will be consistent with the requirements of other enterprise departments of the City.



**Recommendation**

I recommend the Commission adopt the attached resolution amending the 1991 Master Bond Resolution to require the Commission's audited financial statements be provided to the bond trustee within 210 days after the end of each of its Fiscal Years, and authorizing the Airport Director to request that the Board of Supervisors adopt enabling legislation.



Avar C. Satero  
Airport Director

Prepared by: Kevin Bumen  
Chief Commercial and Financial Officer (Acting)

Attachment