

File No. 220655

Committee Item No. 3

Board Item No. 28

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date July 13, 2022

Board of Supervisors Meeting Date July 19, 2022

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- Airport Commission Resolution No. 22-0096 5/17/2022
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Completed by: Brent Jalipa Date July 7, 2022

Completed by: Brent Jalipa Date July 14, 2022

1 [Administrative Code - Airport Revenue Bonds]

2

3 **Ordinance amending the Administrative Code to provide that Section 54522 of the**
4 **California Government Code, which requires annual publication of year-end financial**
5 **statements not more than 120 days after the close of each fiscal year, shall not apply to**
6 **airport revenue bonds.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
9 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
10 **Board amendment additions** are in double-underlined Arial font.
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Code
13 subsections or parts of tables.

11

12 Be it ordained by the People of the City and County of San Francisco:

13

14 Section 1. Background and Findings.

15 (a) The Airport Commission issues airport revenue bonds from time to time pursuant to
16 its Resolution No. 91-0210, as amended (the “1991 Master Bond Resolution”). The Airport
17 Commission adopted Resolution No. 22-0096 (the “Twenty-Fourth Supplemental Resolution”),
18 which would amend the 1991 Master Bond Resolution to allow the Commission’s audited
19 financial statements to be provided to the bond trustee within 210 days after the end of each
20 of its fiscal years, instead of 120 days after. Airport Department staff reported to the Airport
21 Commission that additional time is needed to coordinate among City staff and the City’s
22 outside auditors and actuary in implementing Governmental Accounting Standards Board
23 financial reporting requirements that have been adopted since 2017, and Airport Department
24 staff anticipate that more than 120 days will be needed to complete the audited financial
25 statements going forward, including for Fiscal Year 2021/22. The Twenty-Fourth

1 Supplemental Resolution provides that it shall not become effective until the City has enacted
2 an ordinance amending Section 2.62(a) of the Administrative Code to provide that the
3 provisions of Section 54522 of the California Government Code shall not apply to the airport
4 revenue bonds issued pursuant to said Section 2.62.

5 (b) The Airport Commission issues airport revenue bonds under the 1991 Master Bond
6 Resolution and pursuant to (a) Sections 4.115 and 9.107(4) of the Charter and (b) Section
7 2.62 of the Administrative Code. Section 2.62 provides, among other things, that revenue
8 bonds shall be issued by the Commission in accordance with the Revenue Bond Law of 1941
9 (California Government Code sections 54300 and following). Finally, Section 2.62 states that
10 certain provisions of the Revenue Bond Law of 1941 (namely, Sections 54380 through 54387,
11 inclusive, of the California Government Code) do not apply to the issuance and sale of airport
12 revenue bonds.

13 (c) The Revenue Bond Law of 1941, at Section 54522, requires annual publication of
14 year-end financial statements not more than 120 days after the close of each fiscal year. In
15 order to allow the proposed amendment in the Twenty-Fourth Supplemental Resolution to
16 become effective, it is necessary to amend Section 2.62 to provide that Section 54522 of the
17 California Government Code does not apply to the issuance and sale of airport revenue
18 bonds.

19
20 Section 2. Chapter 2, Article VII of the Administrative Code is hereby amended by
21 revising Section 2.62, to read as follows:

22 **SEC. 2.62. AIRPORT REVENUE BONDS.**

23 (a) Subject to the approval, amendment, or rejection of the Board of Supervisors in
24 each instance, the Airport Commission shall have authority to issue airport revenue bonds for
25 the purpose of acquiring, constructing, improving, or developing airports or airports facilities

1 under its jurisdiction under such terms and conditions as the Commission may authorize by
2 appropriate resolution. Such revenue bonds shall be issued in accordance with the Revenue
3 Bond Law of 1941 as it now reads or may hereafter be amended. The provisions of Sections
4 54380 through 54387, inclusive, *and Section 54522* of the *California* Government Code shall not
5 apply to the issuance and sale of such revenue bonds.

6 (b) Revenue bonds issued pursuant to this Section 2.62 shall bear a rate of interest
7 not to exceed that which may be fixed and prescribed by the Airport Commission subject to
8 the approval or rejection of the Board of Supervisors without regard to the limitations
9 contained in the Revenue Bond Law of 1941. The bonds issued by the Commission pursuant
10 to the provisions of this Section shall not constitute or evidence indebtedness of the City and
11 County but shall constitute and evidence only indebtedness of the said Commission payable
12 solely out of revenues received by the Commission from airports or airport facilities operated
13 or controlled by it.

14 (c) Airport revenue bonds issued for such purposes pursuant to this Section 2.62 shall
15 not be included in the bonded debt limit provided for in Section 2.60 of this Code. Nothing in
16 this Section 2.62 shall prevent the City and County from issuing general obligation bonds for
17 the purpose of acquiring, constructing, improving, or developing airports or airport facilities
18 under the Commission's jurisdiction, subject to the bond issue procedure provided for in the
19 Charter.

20
21 Section 3. Effective Date. This ordinance shall become effective 30 days after
22 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
23 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
24 of Supervisors overrides the Mayor's veto of the ordinance.

1 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the
4 Administrative Code that are explicitly shown in this ordinance as additions, deletions, Board
5 amendment additions, and Board amendment deletions in accordance with the "Note" that
6 appears under the official title of the ordinance.

7
8
9 APPROVED AS TO FORM:
10 DAVID CHIU, City Attorney

11 By: Brooke D. Abola /s/
12 BROOKE D. ABOLA
13 Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Airport Revenue Bonds]

Ordinance amending the Administrative Code to provide that Section 54522 of the California Government Code, which requires annual publication of year-end financial statements not more than 120 days after the close of each fiscal year, shall not apply to airport revenue bonds.

Existing Law

Administrative Code Section 2.62 authorizes the Airport Commission to issue airport revenue bonds for specified airport purposes, subject to the approval, amendment, or rejection of the Board of Supervisors in each instance. Section 2.62 further provides that airport revenue bonds shall be issued in accordance with the Revenue Bond Law of 1941 (California Government Code sections 54300 and following), but that the provisions of Sections 54380 through 54387, inclusive, of the California Government Code shall not apply to the issuance and sale of such revenue bonds.

Amendments to Current Law

The proposed ordinance would add Section 54522 of the California Government Code, which requires annual publication of year-end financial statements not more than 120 days after the close of each fiscal year, to the list of provisions from the Revenue Bond Law of 1941 that shall not apply to the issuance and sale of airport revenue bonds.

Background Information

The Airport Commission issues airport revenue bonds from time to time pursuant to its Resolution No. 91-0210, as amended (the "1991 Master Bond Resolution") and pursuant to (a) Sections 4.115 and 9.107(4) of the Charter and (b) Chapter 2, Article VII, Section 2.62 of the Administrative Code, which states that such bonds shall be issued in accordance with certain provisions of the Revenue Bond Law of 1941.

At present, the Airport Commission covenants in the 1991 Master Bond Resolution to provide audited financial statements to the bond trustee within 120 days after the end of each of its fiscal years. The Revenue Bond Law of 1941, at Section 54522, also requires annual publication of year-end financial statements not more than 120 days after the close of each fiscal year. Airport Department staff anticipate that more than 120 days will be needed to complete the audited financial statements going forward, including for Fiscal Year 2021/22, because 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. Airport Department staff recommended that the Airport Commission amend the 1991 Master Bond Resolution to allow

more time to provide the audited financial statements to the bond trustee, to avoid a technical default.

The Airport Commission adopted Resolution No. 22-0096 (the “Twenty-Fourth Supplemental Resolution”), which would amend the 1991 Master Bond Resolution to allow the Commission’s audited financial statements to be provided to the bond trustee within 210 days after the end of each fiscal year, instead of the current 120-day timeline. The 210-day deadline would be consistent with the Airport Commission’s Continuing Disclosure Certificate that requires providing audited financial statements to bondholders no later than 210 days after the end of each fiscal year. The Twenty-Fourth Supplemental Resolution provides that it shall not become effective until the City has enacted an ordinance amending Section 2.62(a) of the 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. The proposed ordinance would allow the Twenty-Fourth Supplemental Resolution to become effective, allowing 90 additional days to provide audited financial statements to the airport revenue bond trustee each year.

The proposed ordinance would also make Section 2.62 of the Administrative Code more consistent with Chapter 43, Article VI of the Administrative Code, which provides for issuance and sale of refunding revenue bonds by the City using the procedures of certain provisions of the Revenue Bond Law of 1941. Chapter 43, Article VI lists Section 54522 of the California Government Code as one of the provisions of the Revenue Bond Law of 1941 that shall not apply to the issuance and sale of such refunding revenue bonds.

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AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 22-0096

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

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 22-0096

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AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 22-0096

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

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 22-0096

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 ~~120~~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.

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 22-0096

(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

RESOLUTION NO. 22-0096

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

State of California

GOVERNMENT CODE

Section 54522

54522. The local agency shall cause to be published a summary statement showing the amount of gross revenues and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of the principal of and interest on the bonds, the disbursements from such revenues and other funds in reasonable detail, and a general statement of the financial and physical condition of the enterprise. The statement shall be published annually, not more than 120 days after the close of each fiscal year. The local agency shall furnish a copy of the statement to any bondholder upon request.

(Amended by Stats. 1953, Ch. 526.)




OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller
Anna Van Degna
Public Finance Director

MEMORANDUM

TO: Honorable Members, Board of Supervisors

FROM: Anna Van Degna, Controller's Office – *Director, Office of Public Finance* 

DATE: July 6, 2022

SUBJECT: San Francisco Airport Commission Ordinance Approving an Amendment to Administrative Code Section 2.62

The Office of Public Finance ("OPF") has been briefed by San Francisco International Airport ("Airport") staff with respect to their request for the Board of Supervisors to approve an ordinance amending the Administrative Code to provide that Section 54522 of the California Government Code, which requires annual publication of year-end financial statements not more than 120 days after the close of each fiscal year, shall not apply to airport revenue bonds. This amendment would allow for Airport Commission ("Commission") legislation to become effective that would extend the deadline to provide the audited financial statements to its bond trustee by 90 additional days to 210 days after each fiscal year-end. Based on the information provided by the Airport regarding the proposed ordinance, I support this amendment to the Administrative Code.

Background:

The Commission issues airport revenue bonds from time to time for purposes that include financing capital projects at the Airport pursuant to its 1991 Master Bond Resolution, as supplemented and amended, and pursuant to Sections 4.115 and 9.107(4) of the Charter and Chapter 2, Article VII, Section 2.62 of the Administrative Code which states that such bonds shall be issued in accordance with certain provisions of the Revenue Bond Law of 1941.

The Commission currently covenants in the 1991 Master Bond Resolution to provide audited financial statements to the bond trustee within 120 days after the end of each fiscal year, and the Revenue Bond Law of 1941, at Section 54522, also requires annual

publication of financial statements not more than 120 days after the close of each fiscal year.

Airport staff anticipate that more than 120 days will be needed to complete the audited financial statements going forward, including for Fiscal Year 2021/22, because additional time is needed to coordinate among City staff and the City's outside auditors and actuary in implementing additional Governmental Accounting Standards Board financial reporting requirements that have been adopted since 2017.

In order to avoid the risk of a technical default under the 1991 Master Bond Resolution in future years, the Commission adopted Resolution No. 22-0096 (the "Twenty-Fourth Supplemental Resolution") to amend the 1991 Master Bond Resolution to allow its audited financial statements to be provided to the bond trustee within 210 days after the end of each fiscal year. Further, the Twenty-Fourth Supplemental Resolution provides that it shall not become effective until the City has enacted legislation amending Section 2.62(a) of the 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.

Changing the requirement to provide the audit financial statements to the bond trustee within 210 days after each fiscal year will be more consistent with the requirements of other enterprise departments of the City, which have deadlines as long as 270 days. The 210-day deadline would also align with the Commission's Continuing Disclosure Certificate requirement to provide audited financial statements to bondholders.

The proposed ordinance would also make Section 2.62 of the Administrative Code more consistent with Chapter 43, Article VI of the Administrative Code, which provides for issuance and sale of refunding revenue bonds by the City using the procedures of certain provisions of the Revenue Bond Law of 1941. Chapter 43, Article VI lists Section 54522 of the California Government Code as one of the provisions of the Revenue Bond Law of 1941 that shall not apply to the issuance and sale of such refunding revenue bonds by the City.

May 27, 2022

Angela Calvillo
Clerk of the Board
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Subject: Ordinance Amending the Administrative Code Provision Governing Airport Revenue Bonds

Dear Ms. Calvillo:

We have enclosed a Board of Supervisors Ordinance amending the Administrative Code to provide that Section 54522 of the California Government Code, which requires annual publication of year-end financial statements not more than 120 days after the close of each fiscal year, shall not apply to airport revenue bonds.

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.

On May 17, 2022, the Airport Commission adopted Resolution No. 22-0096 (the "Twenty-Fourth Supplemental Resolution") providing for and approving 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, instead of within 120 days. Through the adoption of the Twenty-Fourth Supplemental Resolution, the Airport Commission requested the Board of Supervisors to enact an ordinance amending Chapter 2, Article VII, Section 2.62(a) of the 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 the Twenty-Fourth Supplemental Resolution. The enclosed proposed Ordinance would enact the Airport Commission's requested amendment.

The following is a list of accompanying documents:

- Board of Supervisors Ordinance;
- Legislative Digest;
- Section 54522 of the California Government Code;

Angela Calvillo
Clerk of the Board
Board of Supervisors
May 27, 2022
Page 2

- Twenty-Fourth Supplemental Resolution; and
- Airport Director's Memorandum accompanying the Twenty-Fourth Supplemental Resolution.

The following person may be contacted regarding this matter:

Ronda Chu
Capital Finance Director
(650) 821-2823
ronda.chu@flysfo.com

Very truly yours,

Kantrice Ogletree /s/

Kantrice Ogletree
Commission Secretary

Enclosures

cc: Ronda Chu, Finance
Cathy Widener, Governmental Affairs