

# CITY OF SAN DIEGO COUNCIL DOCKET



## COUNCIL PRESIDENT

**Sherri Lightner • First District**

## COUNCIL PRESIDENT PRO TEM

**Marti Emerald • Ninth District**

## COUNCILMEMBERS

**Lorie Zapf • Second District**  
**Todd Gloria • Third District**  
**Myrtle Cole • Fourth District**  
**Mark Kersey • Fifth District**  
**Chris Cate • Sixth District**  
**Scott Sherman • Seventh District**  
**David Alvarez • Eighth District**

**Andrea Tevlin**  
**Independent**  
**Budget Analyst**

**Jan Goldsmith**  
**City Attorney**

**Liz Maland**  
**City Clerk**

**Council Chambers, 12<sup>th</sup> Floor, City Administration Building**

**Monday, May 16, 2016**  
**2:00 p.m. (Adjourned) and 6:00 p.m.**

**AGENDA FOR THE  
REGULAR COUNCIL MEETING OF  
MONDAY, MAY 16, 2016, AT 6:00 PM  
CITY ADMINISTRATION BUILDING  
COUNCIL CHAMBERS – 12<sup>TH</sup> FLOOR  
202 “C” STREET  
SAN DIEGO, CA 92101**

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This information will be made available in alternative formats upon request, as required by the Americans with Disabilities Act (ADA), by contacting the City Clerk at (619) 533-4000 or <mailto:cityclerk@sandiego.gov>. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters, require different lead times. Please keep this in mind and provide as much advance notice as possible in order to ensure availability. Assistive Listening Devices (ALDs) are available in Council Chambers upon request.

Pursuant to California Senate Bill 343 (Section 54957.5(b) of the Brown Act), late-arriving documents related to City Council meeting agenda items which are distributed to the legislative body prior to and during the Council meeting are available for public review in the Office of the City Clerk on the second floor of the City Administration Building, 202 C Street, San Diego, CA 92101. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Please note: Approximately one hour prior to the start of the Council Meeting, the documents will be available just outside Council Chambers in the lobby of the 12th floor of the City Administration Building in a binder labeled “SB 343.” Late-arriving materials received during the City Council meeting are available for review by making a verbal request of City Clerk staff located in Council Chambers.

**ROLL CALL**

**INVOCATION**

**PLEDGE OF ALLEGIANCE**

**MAYOR, COUNCIL, INDEPENDENT BUDGET ANALYST, CITY ATTORNEY, CITY CLERK COMMENT**

**UPDATES ON PENDING LEGISLATION (MAYOR'S OFFICE)**

**REQUESTS FOR CONTINUANCE**

The Council will consider requests for continuance based on when the item was noticed to be heard.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

ITEM-200: Public Hearing and City Council Discussion on the Mayor's Proposed Fiscal Year 2017 Budget.

**NOTE:** Please see the following link to review the Mayor's Fiscal Year 2017 Budget.

<https://www.sandiego.gov/fm/proposed>

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS****RESOLUTIONS:**

ITEM-201: Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds Preliminary Official Statement Authorization. (Citywide.)

**ITEM DESCRIPTION:**

Authorize the form of and distribution of the Preliminary Official Statement (“POS”) for the Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Series 2016A, and Water Revenue Refunding Bonds, Series 2016B (the “2016 Water Revenue Bonds”), and authorize the execution, delivery and distribution of the Official Statement. This is a companion item a to a Public Facilities Financing Authority (PFFA) action item for the May 16, 2016 PFFA docket.

**STAFF'S RECOMMENDATION:**

Adopt the following resolution:

(R-2016-575)

Approving the Form of a Preliminary Official Statement relating to the Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Bonds, Series 2016A and Subordinated Water Revenue Bonds, Refunding Series 2016B (Payable Solely from Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund of the City of San Diego); authorizing the execution, delivery and distribution of an Official Statement for such issue of Bonds; and approving certain other actions in connection therewith.

**STAFF SUPPORTING INFORMATION:****FISCAL CONSIDERATIONS:**

The pricing and closing of the 2016 Water Revenue Bonds would be subject to market conditions and the fulfillment of the City’s net present value savings threshold of at least 4% for advance economic refundings and 3% for current refundings for the portion of the 2016 Bonds.

Based on current market conditions, approximately \$565 million in outstanding 2009A, 2009B, and 2010A Bonds are expected to be refunded. This advance refunding (“Series 2016B Bonds”) could provide a cumulative debt service savings to the Water System of approximately \$102 million, for an average annual savings of approximately \$4.2 million over the remaining life of the bonds, Fiscal Years 2017-2040. The net present value (NPV) savings is estimated at 12%. With the refunding, the new total debt service of the Series 2016B Bonds is \$806 million compared to \$908 million of the refunded bonds.

In addition, approximately \$11.6 million in outstanding principal payments for one State Revolving Fund (SRF) Loan is expected to be refunded. The current full refunding of the SRF loan could provide cumulative loan repayment savings of approximately \$2.1 million, for an average annual savings of approximately \$211,110 in Fiscal Years 2017-2026. The NPV savings is estimated at 4.5%.

The new money CIP Bonds will provide \$80 million in construction fund proceeds for Water System CIP expenditures. The \$80 million funding is provided with the release of \$34 million from the Debt Service Reserve Funds and a new borrowing ("Series 2016A Bonds") of \$46 million. The average annual debt service for the Series 2016A Bond issuance is estimated to be \$2.5 million for Fiscal Years 2017-2046 (based on net new money proceeds) and estimated to have an All-in True Interest Cost of 3.41%. The estimated costs of issuance for the 2016 Water Revenue Bonds offering including the underwriting syndicate fees and additional proceeds due to rounding are \$853,000. The estimated interest cost and debt service savings reflected above are inclusive of the costs of issuance.

**PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:**

On November 17, 2015, the City Council held a Public Hearing on Water Rates in accordance with Proposition 218. The Public Utilities Department conducted a Proposition 218 noticing process as part of the approval for the rate increases necessary to support the CIP and corresponding bond issuance projections for the Water System.

On January 27, 2016, Debt Management presented the 2016 Water Revenue Bonds (Capital Improvement Projects & Advance Refunding Opportunity) item to the Budget and Government Efficiency Committee. The Budget and Government Efficiency Committee forwarded the item to the City Council for approval.

**ACTION:** Motion by Councilmember Cate, second by Councilmember Cole, to recommend Council approve of the resolution.

**VOTE:** 4-0; Gloria-yea, Sherman-yea, Cole-yea, Cate-yea.

Resolution R-310310 and Ordinance No. O-20635 were approved by City Council on March 15, 2016, and April 5, 2016, respectively, together authorizing the issuance of the 2016 Water Revenue Bonds and the related financing documents - See Report to City Council No. 16-018.

**NOTE:** See the Public Facilities Financing Authority Agenda of May 16, 2016, for a companion item.

Kommi/Chadwick

Primary Contact\Phone: Lakshmi Kommi\619-236-6928

Secondary Contact\Phone: Jyothi Pantulu\619-236-6917

City Attorney Contact: Will, Brant C.

**NON-AGENDA PUBLIC COMMENT**

This portion of the agenda provides an opportunity for members of the public to address the Council on items of interest within the jurisdiction of the Council. (Comments relating to items on today's docket are to be taken at the time the item is heard.)

Per Section 22.0101, Rule 2.6.2, of the San Diego Municipal Code, comments are limited to two minutes per speaker. Speakers may not allocate their time to other speakers. If there are eight (8) or more speakers on a single issue, the maximum time allotted for that issue will be sixteen (16) minutes. Non-Agenda Comment is taken toward the end of the Monday afternoon Council session.

**PUBLIC NOTICES:**

Items are listed under Public Notice as a matter of public record only. These items do not require Council action and there is no public testimony.

ITEM-250: Submission of Ballot Proposals for the November 8, 2016 Ballot.

**SUBMISSION OF BALLOT PROPOSALS  
FOR THE NOVEMBER 8, 2016 BALLOT**

City Council Policy 000-21 establishes the procedure for submittal of ballot proposals. The Council Policy states that members of the public shall submit proposals to the City Clerk, who shall then transmit them promptly to Committee for review and comment. The proposals must be submitted in time to allow the City Clerk to list on the Council Docket, prior to the election, the ballot proposals which have been referred to Council following Committee review.

Therefore, the City Clerk has established the following administrative guidelines for the November 8, 2016, election.

<u>DAY</u>	<u>DATE</u>	<u>DAYS BEFORE ELECTION</u>	<u>EVENT</u>
Tuesday	6/7/16	154	LAST DATE (5:00 p.m.) for public, departments and agencies to submit ballot proposals to City Clerk for review by Committee
Wednesday	6/15/16	146	Committee review
Monday	6/27/16	134	Council Docket (PUBLIC NOTICE) lists proposals referred by Committee
Monday - Tuesday	7/11/16 - 8/2/16	120 - 98	Council to discuss propositions, direct City Attorney to prepare ordinances placing measures on the ballot, and adopt prepared ordinances
Friday	8/12/16	88	Last day for City Clerk to file with Registrar of Voters all elections material
Monday	8/22/16	78	Impartial and Fiscal Analyses and ballot titles/summaries due to the City Clerk
Thursday	8/25/16	75	Last day to file ballot arguments with City Clerk

If you have questions, please contact the Office of the City Clerk at (619) 533-4000.

ITEM-251: **Notice** of Pending Final Map Approval - Castlerock Units 1, 2, 3, and 4.

Notice is hereby given that the City Engineer has reviewed and will approve on the date of this City Council meeting that certain final map entitled "Castlerock Units 1, 2, 3 and 4" (V.T.M. No. 1004468, PTS No. 397277) located on Mast Boulevard between "State Route 52 freeway and Medina Drive", in the RS-1-8 zone, within the East Elliot Area Council District 7, a copy of which is available for public viewing at the office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- (2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- (3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 PM, 10 calendar days from the date of this City Council meeting stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the map approval findings or need additional information about the map or your appeal rights, please feel free to contact Frederick R. LePage (619) 446-5434.

NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT