

# CITY OF BURLINGAME

## CONTINUING DISCLOSURE ANNUAL REPORT

FISCAL YEAR ENDING JUNE 30, 2018

### IN CONNECTION WITH THE FOLLOWING CONTINUING DISCLOSURE OBLIGATIONS:

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**\$9,805,000**

**BURLINGAME FINANCING AUTHORITY**  
Storm Drainage Revenue Bonds, Series 2010

**\$10,030,000**

**BURLINGAME FINANCING AUTHORITY**  
Lease Revenue Bonds, Series 2012  
(Burlingame Avenue Streetscape Improvement Project)

**\$32,975,000**

**CITY OF BURLINGAME**  
Taxable Pension Obligation Bonds  
2006 Series A

**\$8,205,000**

**BURLINGAME FINANCING AUTHORITY**  
Lease Revenue Refunding Bonds, Series 2010

**\$5,935,000**

**BURLINGAME FINANCING AUTHORITY**  
Water and Wastewater Revenue Refunding Bonds  
Series 2011 (Bank Qualified)

**\$10,615,000**

**BURLINGAME FINANCING AUTHORITY**  
Storm Drainage Revenue Bonds, Series 2012

**\$14,260,000**

**BURLINGAME FINANCING AUTHORITY**  
Water and Wastewater Revenue Refunding Bonds,  
Series 2013

**\$9,855,000**

**BURLINGAME FINANCING AUTHORITY**  
Storm Drainage Revenue Bonds, Series 2016

**\$17,585,000**

**BURLINGAME FINANCING AUTHORITY**  
Water and Wastewater Revenue Refunding Bonds,  
Series 2016

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**CITY OF BURLINGAME**  
501 Primrose Road, Burlingame, CA 94010

**CITY OF BURLINGAME  
AND THE  
BURLINGAME FINANCING AUTHORITY**

**Governing Board  
and  
Mayor and City Council**

Michael Brownrigg  
*Mayor*

Donna Colson  
*Vice Mayor*

Emily Beach

Ricardo Ortiz

Ann Keighran

**Authority Staff/City Staff**

Lisa Goldman  
*City Manager*

Carol Augustine  
*Finance Director and Treasurer*

Karen Huang  
*Deputy Finance Director*

Syed Murtuza  
*Director of Public Works*

Kathleen Kane  
*City Attorney*

**Bond and Disclosure Counsel**

Orrick, Herrington & Sutcliffe LLP  
*San Francisco, California*

**Trustee**

The Bank of New York Mellon Trust Company, N.A.  
*San Francisco, California*

**\$32,975,000**  
**CITY OF BURLINGAME**  
**Taxable Pension Obligation Bonds, 2006 Series A**

<b>Maturity (June 1)</b>	<b>CUSIP</b>
2021	12145RAL5
2036	12145RAM3

**\$8,205,000**  
**BURLINGAME FINANCING AUTHORITY**  
**Lease Revenue Refunding Bonds, Series 2010**

<b>Maturity (June 1)</b>	<b>CUSIP</b>
2019	121459DA6
2020	121459DB4
2021	121459DC2

**\$9,805,000**  
**BURLINGAME FINANCING AUTHORITY**  
**Storm Drainage Revenue Bonds, Series 2010**

<b>Maturity (July 1)</b>	<b>CUSIP</b>
2019	12145LAJ3
2020	12145LAK0
2021	12145LAL8
2025	12145LAM6
2030	12145LAN4
2038	12145LAP9

**\$5,935,000**  
**BURLINGAME FINANCING AUTHORITY**  
**Water and Wastewater Revenue Refunding Bonds, Series 2011**  
**(Bank Qualified)**

<b>Maturity (April 1)</b>	<b>CUSIP</b>
2019	12145NDD9
2020	12145NDE7
2021	12145NDF4
2022	12145NDG2
2023	12145NDH0
2024	12145NDJ6
2025	12145NDK3
2026	12145NDL1
2027	12145NDM9
2028	12145NDN7

**\$10,030,000**  
**BURLINGAME FINANCING AUTHORITY**  
**Lease Revenue Bonds, Series 2012**  
**(Burlingame Avenue Streetscape Improvement Project)**

<b>Maturity (June 1)</b>	<b>CUSIP</b>
2019	121459DK4
2020	121459DL2
2021	121459DM0
2022	121459DN8
2023	121459DP3
2024	121459DQ1
2025	121459DR9
2026	121459DS7
2027	121459DT5
2028	121459DU2
2029	121459DV0
2030	121459DW8
2031	121459DX6
2032	121459DY4
2037	121459DZ1
2042	121459EA5

**\$10,615,000**  
**BURLINGAME FINANCING AUTHORITY**  
**Storm Drainage Revenue Bonds, Series 2012**

<b>Maturity (July 1)</b>	<b>CUSIP</b>
2019	12145LAW4
2020	12145LAX2
2021	12145LAY0
2022	12145LAZ7
2023	12145LBA1
2024	12145LBB9
2025	12145LBC7
2026	12145LBD5
2027	12145LBE3
2028	12145LBF0
2029	12145LBG8
2032	12145LBH6
2038	12145LBJ2



**\$14,260,000**  
**BURLINGAME FINANCING AUTHORITY**  
**Water and Wastewater Revenue Refunding Bonds, Series 2013**

<b>Maturity (July 1)</b>	<b>CUSIP</b>
2019	12145NDU1
2020	12145NDV9
2021	12145NDW7
2022	12145NDX5
2023	12145NDY3
2024	12145NDZ0
2025	12145NEA4
2026	12145NEB2
2027	12145NEC0
2028	12145NED8
2029	12145NEE6

**\$9,855,000**  
**BURLINGAME FINANCING AUTHORITY**  
**Storm Drainage Revenue Bonds, Series 2016**

<b>Maturity (July 1)</b>	<b>CUSIP</b>
2019	12145LBN3
2020	12145LBP8
2021	12145LBQ6
2022	12145LBR4
2023	12145LBS2
2024	12145LBT0
2025	12145LBU7
2026	12145LBV5
2027	12145LBW3
2028	12145LBX1
2029	12145LBY9
2030	12145LBZ6
2031	12145LCA0
2032	12145LCB8
2033	12145LCC6
2034	12145LCD4
2035	12145LCE2
2036	12145LCF9
2038	12145LCG7

**\$17,585,000**  
**BURLINGAME FINANCING AUTHORITY**  
**Water and Wastewater Revenue Refunding Bonds, Series 2016**

<b>Maturity (April 1)</b>	<b>CUSIP</b>
2019	12145NEH9
2020	12145NEJ5
2021	12145NEK2
2022	12145NEL0
2023	12145NEM8
2024	12145NEN6
2025	12145NEP1
2026	12145NEQ9
2027	12145NER7
2028	12145NES5
2029	12145NET3
2030	12145NEU0
2031	12145NEV8

**CONTINUING DISCLOSURE ANNUAL REPORT  
FOR FISCAL YEAR ENDING JUNE 30, 2018**

This Continuing Disclosure Annual Report has been prepared to satisfy the obligations of the City of Burlingame, California (the “City”), as provided under those certain continuing disclosure undertakings executed by the City in connection with each of the issuances listed on the cover page hereof (each, a “Disclosure Certificate”).

This Continuing Disclosure Annual Report includes the City’s continuing disclosure undertakings for the following bonds: Part I: Lease Revenue Bonds and Pension Obligation Bonds; Part II: Water and Wastewater Revenue Bonds; and Part III: Storm Drainage Revenue Bonds.

**PART I - LEASE REVENUE AND PENSION OBLIGATION BONDS**

The following information is being provided as required by the Disclosure Certificates relating to the Lease Revenue and Pension Obligation Bonds:

1. The audited financial statements of the City for the fiscal year ending June 30, 2018 are included herein as Appendix A.

2. The following is an update to information contained in (i) the Official Statement, dated September 19, 2006, relating to the Taxable Pension Obligation Bonds, 2006 Series A, (ii) the Official Statement, dated September 15, 2010, relating to the Lease Revenue Refunding Bonds, Series 2010, and (iii) the Official Statement, dated November 8, 2012, relating to the Lease Revenue Bonds, Series 2012 (Burlingame Avenue Streetscape Improvement Project):

**I.A. General Fund Comparison of Budgeted and Actual Revenue, Expenditures, and Fund Balances**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A.

The General Fund Comparison of Budgeted and Actual Revenue, Expenditures, and Fund Balances for the fiscal year ended June 30, 2018 can be found on page 120 of the City’s audited financial statements attached hereto as Appendix A.

**I.B. General Fund Revenue, Expenditures and Fund Balances**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

A summary of the General Fund Revenue, Expenditures and Fund Balance for the fiscal year ended June 30, 2018 can be found on page 34 of the City’s audited financial statements attached hereto as Appendix A.

**I.C. General Fund Comparative Balance Sheet**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

A summary of the General Fund Balance Sheet for the fiscal year ended June 30, 2018 can be found on page 32 of the City's audited financial statements attached hereto as Appendix A.

**I.D. Tax Revenues by Source**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

A summary of the Tax Revenue by Source for the fiscal year ended June 30, 2018 can be found on page 34 of the City's audited financial statements attached hereto as Appendix A.

**I.E. Taxable Transactions by Type of Business**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

A history of taxable sales in the City for the calendar year 2016 and preliminary taxable sales for the calendar year 2017 are shown below:

**CITY OF BURLINGAME**  
**Taxable Transactions by Type of Business**  
**For Calendar Year 2016 and 2017**  
**(Amounts in Thousands)**

<u>Type of Business</u>	<u>2016</u>	<u>2017<sup>(1)</sup></u>
Auto and Transportation	409,254	419,603
Building and Construction	52,057	62,710
Business and Industry	137,848	149,381
Food and Drug	44,420	43,730
Fuel and Service Stations	38,267	42,288
General Consumer Goods	165,388	150,213
Restaurants and Hotels	192,051	207,301
Transfers & Unidentified	(204)	(1,454)
<b>TOTAL</b>	<u><u>1,039,081</u></u>	<u><u>1,073,772</u></u>

(1) Preliminary and subject to change.

**I.F. Assessed Valuations**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

The following table sets forth assessed valuations for fiscal years 2017-18 and 2018-19.

**CITY OF BURLINGAME**  
**Assessed Valuations**

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	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2017-18	10,015,772,431	2,763,435	338,411,794	10,356,947,660	6.66%
2018-19	10,621,963,371	2,763,435	344,682,252	10,969,409,058	5.91%

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Source: San Mateo County.

**I.G. Largest Taxpayers**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

The following table sets forth the largest taxpayers located within the City in terms of their assessed value for Fiscal Year 2018-19.

**CITY OF BURLINGAME  
LARGEST TAXPAYERS (SECURED ROLL)  
FISCAL YEAR ENDING 2019**

	<u>Property Owner</u>	<u>Primary Land Use</u>	2018-19 <u>Assessed Valuation</u>	% of <u>Total (1)</u>
1.	HMC Burlingame Hotels LLC	Hotel	\$ 223,639,145	2.11%
2.	EQR-Northpark LP	Apartments	125,410,528	1.18
3.	Inland Amer Lodging Burlingame LLC	Hotel	114,916,690	1.08
4.	Burlingame Bay LLC	Office Building	93,636,000	0.88
5.	Burlingame Point LLC	Industrial	59,383,892	0.56
6.	MNCVAD Harvest One Bay LLC	Office Building	57,013,920	0.54
7.	EQR Skyline Terrace LP	Apartments	47,998,338	0.45
8.	Romel Chicago LLC	Apartments	42,214,230	0.40
9.	Green Banker LLC	Office Building	42,169,890	0.40
10.	DCT Rollins Road LLC	Industrial	38,802,317	0.37
11.	SHAC Carolan Apartments LLC	Undeveloped	33,580,000	0.32
12.	Bit Holdings Seventy Three Inc.	Industrial	32,252,397	0.30
13.	BW RR II LLC	Hotel	32,025,987	0.30
14.	Sunrise BG Sr Liv Propco LLC, Lessee	Assisted Living Facility	31,763,985	0.30
15.	Harbor View Hotels Inc.	Hotel	31,290,692	0.29
16.	GRM Bayshore Property Owner LLC	Hotel	30,658,114	0.29
17.	Safeway Inc., Lessee	Supermarket	30,515,525	0.29
18.	ECRPA LLC	Office Building	29,070,000	0.27
19.	Burlingame Properties LP	Auto Dealership	27,060,987	0.25
20.	Waterfront Plaza Properties LLC	Office Building	<u>27,050,400</u>	<u>0.25</u>
			<u>\$1,150,453,037</u>	<u>10.83%</u>

(1) 2018-19 Local Secured Assessed Valuation: \$10,621,963,371

**I.H. Secured Tax Charges and Delinquencies**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

The total tax levies and year-end delinquencies for fiscal year 2017-18 are set forth in the following table. Information relating to the amount of property tax levies and collection allocable to the general fund for the fiscal year ended June 30, 2018 can be found on page 161 of the City’s audited financial statements attached hereto as Appendix A.

**CITY OF BURLINGAME  
Secured Tax Charges and Delinquencies**

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<b>Fiscal Year</b>	<b>Secured Tax Charge<sup>(1)</sup></b>	<b>Amount Delinquent June 30</b>	<b>Percent Delinquent June 30</b>
2016-17	\$110,334,444	\$448,933	0.41%
2017-18	\$119,900,400	\$726,847	0.61%

<sup>(1)</sup> All taxes collected by the County within the City. Includes special charges.

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Source: California Municipal Statistics, Inc. / County of San Mateo



## I.I. Transient Occupancy Taxes

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

Because of the City's location near San Francisco International Airport, transient occupancy taxes have historically provided one of the largest single revenue sources for the City's General Fund. Sometimes referred to as a hotel tax, this tax is imposed on occupants for the privilege of occupying rooms in hotels, motels, inns and other taxed properties. As of January 1, 2010, the City's transient occupancy tax rate increased from 10% to 12%. In fiscal years 2016, 2017 and 2018, the transient occupancy taxes totaled \$26,092,240, \$26,262,930, and \$27,935,991, respectively. For 2018, the City received \$27,935,991 in transient occupancy taxes (approximately 38.95% of General Fund revenues.) The following table lists as of June 30, 2018, the major hotels located within the City and their room totals:

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**CITY OF BURLINGAME**  
**Major Hotel Room Totals**  
**June 30, 2018**

<u>Hotel</u>	<u>Number of Rooms</u>
Hyatt	789
Marriott	688
Hilton	400
Doubletree	393
Embassy Suites	340
Crowne Plaza	309
Red Roof	213
Holiday Inn Express	146
Hilton Garden	132
Bay Landing	130
Vagabond	90
Hampton Inn	<u>77</u>
Total	3,707

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Source: City of Burlingame.

**I.J. Market Value of Investments**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

The market value of the City's investment portfolio as of June 30, 2018 is set forth below. Additional information relating to the City's investment can be found under Note 3 of the City's audited financial statements attached hereto as Appendix A.

**CITY OF BURLINGAME  
Market Value of Investments  
June 30, 2018**

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	<u>Market Value</u>	<u>Percent of Portfolio</u>	<u>Days to Maturity</u>
Local Agency Investment Fund & County Pool	33,936,815	20.65%	Less than 1 Year
California Asset Management Program	23,149,118	14.08	Less than 1 Year
U.S. Treasury Notes/Bonds	24,811,106	15.09	1-5 Years
Federal Agencies	29,603,184	18.01	1-5 Years
Supernational Agency Bonds/Notes	6,881,204	4.19	1-5 Years
Certificates of Deposit	19,833,489	12.07	1-5 Years
Asset-Backed Security	2,649,335	1.61	1-5 Years
Corporate Notes	<u>23,503,322</u>	<u>14.30</u>	1-5 Years
TOTAL	164,367,573	100.00%	

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Source: The City of Burlingame.

## **PART II - WATER AND WASTEWATER REVENUE BONDS**

The following information is being provided as required by the Disclosure Certificates relating to the Water and Wastewater Revenue Bonds:

1. The audited financial statements of the City for the Fiscal Year ending June 30, 2018 are included herein as Appendix A.

2. The following is an update to information contained in (i) the Official Statement, dated November 22, 2011, relating to the Water and Wastewater Revenue Refunding Bonds, Series 2011, (ii) the Official Statement, dated May 16, 2013, relating to the Water and Wastewater Revenue Refunding Bonds, Series 2013, and (iii) the Official Statement, dated June 14, 2016, relating to the Water and Wastewater Revenue Refunding Bonds, Series 2016:

### **II.A. Outstanding Indebtedness**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

A summary of the Outstanding Indebtedness of the City for the fiscal year ended June 30, 2018 can be found under Note 6 of the City's audited financial statements attached hereto as Appendix A.

### **II.B. Number of Connections by User**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The following table shows the number of connections by user category for the previous 5 years.

**CITY OF BURLINGAME**  
**Number of Connections by User**  
**(As of June 30)**

Use Category	2014	2015	2016	2017	2018
Single Family Residential	6,835	6,837	6,840	6,835	6,844
Multi-Family Residential	739	739	740	740	738
Commercial/Industrial	855	857	855	852	850
Institutional	90	89	81	82	82
Irrigation/Other	643	661	678	680	684
Total	<u>9,161</u>	<u>9,183</u>	<u>9,194</u>	<u>9,189</u>	<u>9,198</u>

Source: City of Burlingame.

## II.C. Historical Water Consumption

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The following table represents a five fiscal year history of water consumption by user category.

**CITY OF BURLINGAME  
WATER SYSTEM  
Historical Water Consumption  
(In Millions of Gallons)**

<u>Use Category</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2017/18 Pct. of Total</u>
Single Family Residential	629.1	523.2	425.0	462.9	523.9	43.2%
Multi-Family Residential	254.9	230.0	216.5	224.9	228.0	18.8
Commercial	284.4	271.7	162.1	167.3	180.9	14.9
Industrial	75.9	60.4	159.3	156.1	170.4	14.0
Institutional	42.3	34.7	18.3	22.0	25.5	2.1
Irrigation/Other	87.7	64.9	71.0	60.5	85.0	7.0
Total Annual Consumption	1,374.3	1,184.9	1,052.2	1,093.7	1,213.7	100.0%
Average Per Day	3.76	3.25	2.88	3.00	3.3	
Pct. Change from Prior Year	(0.42%)	(13.78%)	(11.20%)	3.94%	11.0%	

Source: City of Burlingame.

**II.D. 4 Year History of Water Rates and Approved Rates**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The table below represents a history of water rates and rates as of January 1, 2019.

**CITY OF BURLINGAME  
WATER SYSTEM  
4 Year History of Water Rates and Rates as of January 1, 2019  
(Bi-Monthly Rates)**

	2015 (1/1/15 – 12/31/15)	2016 (1/1/16 – 12/31/16)	2017 (1/1/17 – 12/31/17)	2018 (1/1/18 – 12/31/18)	Current
Bi-Monthly Meter Charge					
5/8" & 3/4"	\$ 83.60	\$ 83.60	\$ 72.72	\$ 78.17	\$ 84.03
1"	142.16	142.16	121.20	130.28	140.05
1 1/2"	276.00	276.00	242.40	260.57	280.10
2"	443.24	443.24	387.84	416.91	448.16
3"	836.34	836.34	727.20	781.70	840.30
4"	1,396.68	1,396.68	1,212.00	1,302.83	1,400.50
6"	2,784.98	2,784.98	2,424.00	2,605.67	2,801.00
8"	4,457.68	4,457.68	3,878.40	4,169.07	4,481.60

Source: City of Burlingame.

**II.E. Tiered Rate Charges**

The following information is being provided in connection with the Disclosure Certificates for the following bond issue: Water and Wastewater Revenue Refunding Bonds, Series 2013 and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The adopted consumption rates included a tiered rate structure for single-family residential customers as set forth below:

**CITY OF BURLINGAME  
WATER SYSTEM  
Tiered Rate Charges  
(Bi-Monthly Rates)**

	<b>2018</b> (1/1/18 – 12/31/18)	Current
<b>Single Family Residential</b>		
Tier 1 – 0 to 4,000 gallons	9.11	9.79
Tier 2 – 4,001 to 8,000 gallons	10.21	10.98
Tier 3 – 8,001 to 16,000 gallons	11.33	12.18
Tier 4 – 16,001 to 24,000 gallons	12.45	13.38
Tier 5 – 24,001 gallons and above	13.56	14.58
All other customer classifications	10.66	11.46
San Mateo County Unincorporated	Same as Single Family Residential	

Per 1,000 gallons.  
Beginning from 1/1/13 for Single-Family residential and 1/1/17 for San Mateo County Unincorporated customers are billed according to a tiered rate structure.

Source: City of Burlingame.

**II.F. Water Fund Statement of Net Position**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The Statement of Net Position of the Water Fund for the fiscal year ended June 30, 2018 can be found on page 38 of the City’s audited financial statements attached hereto as Appendix A.

**II.G. Water Fund Statement of Revenues, Expenses and Changes in Fund Net Position**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The Statement of Revenues, Expenses and Changes in Fund Net Position of the Water Fund for the fiscal year ended June 30, 2018 can be found on page 40 of the City’s audited financial statements attached hereto as Appendix A.

**II.H. Water System Debt Service Coverage**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

A calculation of the Water System Debt Service Coverage for the fiscal year ended June 30, 2018 can be found on page 83 of the City’s audited financial statements attached hereto as Appendix A.

### II.I. Wastewater System Bi-Monthly Meter Charge

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The City's wastewater rates for the fiscal years 2014 through 2018 and rates as of January 1, 2019 are as set forth below:

**CITY OF BURLINGAME  
WASTEWATER SYSTEM  
Bi-Monthly Meter Charge**

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>Current</u>
Single Family/Duplex <sup>(a)</sup>	\$ 12.25	\$ 12.25	\$ 12.25	\$ 12.25	\$ 12.25	\$ 12.25
Multi-family <sup>(a)</sup>	11.45	11.45	11.45	11.45	11.45	11.45
Light Commercial <sup>(b)</sup>	13.53	13.53	13.53	13.53	13.53	13.53
Moderate Commercial <sup>(b)</sup>	21.97	21.97	21.97	21.97	21.97	21.97
Food Related <sup>(b)</sup>	32.59	32.59	32.59	32.59	32.59	32.59
Hospital <sup>(b)</sup>	21.97	21.97	21.97	21.97	21.97	21.97
Institutional <sup>(b)</sup>	4.80	4.80	4.80	4.80	4.80	4.80
% Change	0%	0%	0%	0%	0%	0%

<sup>(a)</sup> Per thousand gallons of average winter (January-April) water consumption over the last 3 years.

<sup>(b)</sup> Per thousand gallons of average water consumption.

Source: City of Burlingame.



## **II.J. Wastewater System Sewer Connection Fees**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The City's current connection fees are set forth below:

**CITY OF BURLINGAME  
WASTEWATER SYSTEM  
Sewer Connection Fees  
(As of January 1, 2019)**

<u>Land Use</u>	<u>Connection Fees</u>
Single-Family and Duplex	\$264/unit
Multi-Family	201/unit
Commercial/Retail	420/TSF
Office	91/TSF
Warehouse	118/TSF
Restaurant	1,040/TSF
Hotel with Restaurant	663/room
Hotel without Restaurant	410/room

TSF = Thousand Square Feet  
Source: City of Burlingame

**II.K. Sewer Fund Statement of Net Position**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The Statement of Net Position of the Sewer Fund for the fiscal year ended June 30, 2018 can be found on page 38 of the City's audited financial statements attached hereto as Appendix A.

**II.L. Sewer Fund Statement of Revenues, Expenses and Changes in Fund Net Position**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The Statement of Revenues, Expenses and changes in Fund Net Position of the Sewer Fund for the fiscal year ended June 30, 2018 can be found on page 40 of the City's audited financial statements attached hereto as Appendix A.

**II.M. Wastewater System Debt Service Coverage**

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

A calculation of the Wastewater System Debt Service Coverage for the fiscal year ended June 30, 2018 can be found on page 84 of the City's audited financial statements attached hereto as Appendix A.

### **PART III - STORM DRAINAGE REVENUE BONDS**

The following information is being provided as required by the Disclosure Certificates relating to the Storm Drainage Revenue Bonds:

1. The audited financial statements of the City for the Fiscal Year ending June 30, 2018 are included herein as Appendix A.

2. The following is an update to information contained in (i) the Official Statement, dated August 3, 2010, relating to the Storm Drainage Revenue Bonds, Series 2010, (ii) the Official Statement, dated December 6, 2012, relating to the Storm Drainage Revenue Bonds, Series 2012, and (iii) the Official Statement, dated February 17, 2016, relating to the Storm Drainage Revenue Bonds, Series 2016:

### III.A. Fees Paid by Largest Fee Payers

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Storm Drainage Revenue Bonds, Series 2010, Storm Drainage Revenue Bonds, Series 2012, and Storm Drainage Revenue Bonds, Series 2016.

The following table sets forth the fees paid by the largest fee payers for Fiscal Year 2017-18.

#### CITY OF BURLINGAME Fees Paid By Largest Fee Payers Fiscal Year Ending 2017 and 2018

<u>Entity</u>	<u>2016-17 Storm Drain Fee</u>	<u>2016-17 Percentage of Total</u>	<u>2017-18 Storm Drain Fee</u>	<u>2017-18 Percentage of Total</u>
1. MILLS PENINSULA	\$37,072	1.3%	\$37,814	1.3%
2. PAULS ROLLINS ROAD LLC	25,610	0.9%	26,123	0.9%
3. SAN MATEO UNION HIGH SCH DIST	23,198	0.8%	23,662	0.8%
4. STATE OF CALIFORNIA	20,140	0.7%	20,544	0.7%
5. EQR-NORTHPARK LP	19,670	0.7%	20,064	0.7%
6. CITY OF BURLINGAME	18,405	0.7%	18,774	0.7%
7. SISTERS OF MERCY	18,081	0.7%	18,443	0.7%
8. MERCY HIGH SCHOOL BURLINGAME	17,185	0.6%	17,529	0.6%
9. HMC BURLINGAME HOTEL LLC	17,184	0.6%	17,528	0.6%
10. HMH SFO INC	17,168	0.6%	17,512	0.6%
11. BAY PARK PLAZA ASSOCIATES	17,006	0.6%	17,346	0.6%
12. VANGUARD REAL ESTATE HOLDINGS LLC	15,933	0.6%	16,252	0.6%
13. STATE OF CALIFORNIA	13,808	0.5%	14,085	0.5%
14. SEVEN SPRINGS L P	12,422	0.4%	12,671	0.4%
15. PUBLIC STORAGE INC	10,924	0.4%	11,143	0.4%
16. CALIF TEACHERS ASSOCIATION	10,306	0.4%	10,513	0.4%
17. CRP BAHF SFO	9,467	0.3%	9,657	0.3%
18. 99 OLD BAYSHORE LLC	9,100	0.3%	9,283	0.3%
19. 1633 BAYSHORE ASSOCIATES LLC	8,968	0.3%	9,147	0.3%
20. GUITTARD CHOCOLATE CO	8,900	0.3%	9,078	0.3%
21. ONE BAY PLAZA ASSOC LLC	8,889	0.3%	9,067	0.3%
22. CITY OF BURLINGAME CITY PARK	8,625	0.3%	8,798	0.3%
23. 350 BEACH ROAD LLC	8,301	0.3%	8,468	0.3%
24. SANDRA & JEFFREY DAVIS LP	7,579	0.3%	7,731	0.3%
25. HARBOR VIEW HOTELS INC	<u>7,441</u>	<u>0.3%</u>	<u>7,590</u>	<u>0.3%</u>
Total Top 10 Fee Payers	\$217,713	7.7%	\$217,993	7.7%
Total Top 25 Fee Payers	\$371,382	13.4%	\$378,822	13.4%
Total Parcels (8,651)				

### III.B. Debt Service Coverage

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Storm Drainage Revenue Bonds, Series 2010, Storm Drainage Revenue Bonds, Series 2012, and Storm Drainage Revenue Bonds, Series 2016.

The following table sets forth the debt service coverage for the Storm Drainage Revenue Bonds for the fiscal year ended June 30, 2018. Debt Service on the Bonds represents debt service paid on January 1, 2018 and July 1, 2018.

<u>Bond Year</u>	<u>Storm Drain Fees</u> <sup>(1)</sup>	<u>2010 Bond Debt Service</u> <sup>(2)</sup>	<u>2012 Bond Debt Service</u>	<u>2016 Bond Debt Service</u>	<u>Total Net Debt Service</u>	<u>Debt Service Coverage</u>
2018	\$ 2,959,633	\$616,862	\$623,544	\$652,325	\$1,892,731	1.56x

<sup>(1)</sup> Based on Storm Drainage Fees collected through Fiscal Year 2017-18.

<sup>(2)</sup> Net of Refundable Credit. Refundable Credit was reduced as a result of the federal sequestration.

### III.C. Assessed Valuations

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Storm Drainage Revenue Bonds, Series 2016.

The assessed valuation of the City can be found under Section I.F. Assessed Valuations as set forth herein.

### III.D. Largest Taxpayers

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Storm Drainage Revenue Bonds, Series 2016.

The largest taxpayers in the City can be found under Section I.F. Assessed Valuations as set forth herein.

Dated: January 11, 2019

CITY OF BURLINGAME

  
Finance Director and Treasurer

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS  
OF THE CITY OF BURLINGAME  
FOR FISCAL YEAR ENDING JUNE 30, 2018**

(See Attachment)