

**INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBank)
INFRASTRUCTURE STATE REVOLVING FUND PROGRAM (ISRF)**

**STAFF REPORT
THIRD AMENDMENT TO RESOLUTION NO. 14-06
MODIFY FINANCING STRUCTURE**

EXECUTIVE SUMMARY

<p>Sponsor: The City of Sacramento Applicant: Theatre for Children, Inc., dba The B Street Theatre, a California nonprofit public benefit corporation (B Street)</p>	<p>Amount Requested: \$8,400,000</p>
<p>Applicant Rating: Not rated Repayment Source: Ticket Sales Surcharge, All other net revenues, Payment Guarantee (Guarantee) from Sutter Health (Sutter Health)</p>	<p>Term Requested: 10 years Amortization Requested: 30 years</p>
<p>Project Name: The B Street Theatre Expansion Project (Project)</p>	<p>Interest Rate 2.06%</p>
<p>Security:</p> <ol style="list-style-type: none"> 1) Ticket sales surcharge deposited into a lock box account and pledged under a deposit account control agreement (Control Agreement) 2) All other net revenues of B Street 3) 1st deed of trust on land and improvements located at 2700-2710 Capitol Avenue & 1315 27th Street; Sacramento, CA 95816 4) Payment Guarantee from Sutter Health (Sutter Health) (Sutter Health Guarantee) 	
<p>Project Location: 2700-2710 Capitol Avenue & 1315 27th Street Sacramento, CA 95816 (Subject Property)</p>	<p>Project Type: <input type="checkbox"/> Infrastructure Project <input checked="" type="checkbox"/> Economic Expansion Project</p>
<p>Project Description: The construction of a new 45,000 square foot theatre complex on land to be donated by the Sutter Medical Center (Sutter Medical) to B Street and located at 27th and Capitol Avenue in Sacramento's midtown area.</p>	
<p>Use of Financing Proceeds: The proposed financing will provide funding for a portion of Project construction costs. See sources and uses table for listing of other sources of funding for balance of project construction costs.</p>	

Revised Project Sources and Uses:

REVISED PROJECT SOURCES and USES						
Uses	Sources					
	IBank	Sutter Medical Center	Sutter Health	City of Sacramento	B Street	Total
Land		\$5,958,000				\$5,958,000
Construction/Renovation & Contingency	\$8,400,000		\$3,000,000			\$11,400,000
Furniture, Fixtures, Machinery, & Equipment				\$2,500,000	\$142,000	\$2,642,000
Architectural/Engineering/Design/Permits/Environmental/Title, Appraisal, & Escrow Fees					\$1,300,000	\$1,300,000
IBank Origination Fee					\$84,000	\$84,000
Total	\$8,400,000	\$5,958,000	\$3,000,000	\$2,500,000	\$1,526,000	\$21,384,000
Source: B Street						

IBank Staff: Teveia Barnes/Diane Cummings	Date of Staff Report: 09/10/2015
Date of IBank Board Meeting: 09/22/2015	Resolution Number: 14-06
Staff Recommendation: Staff recommends amending Resolution No.14-06 to modify the financing structure of a previously-conditionally approved ISRF Program financing to the Theatre for Children, Inc., dba the B Street Theatre, for the B Street Theatre Expansion Project as discussed herein.	

REVISED PROJECT AND FINANCING STRUCTURE

The IBank Board (Board) originally conditionally approved ISRF Program financing (ISRF Loan) to the Theatre for Children, Inc., dba The B Street Theatre (B Street), for the B Street Theatre Expansion Project (Project) by its Resolution No. 14-06 (Resolution) at its May 30, 2014 meeting. (Original staff report attached herein as Exhibit A.) At such time, total Project financing included funding from anticipated New Markets Tax Credits (NMTC) to be allocated in June 2014.

The Community Development Entities (CDE's) with which B Street was working did not receive a NMTC allocation in June 2014 that would then be used to provide part of the project financing. Since the Board's approval under the Resolution was set to expire on November 25, 2014, 180 days from the date of the Board's adoption of its Resolution, B Street requested, and on November 18, 2014 received, from the Board an extension to consummate the ISRF Program financing by June 30, 2015.

By June 2015, the U.S. Department of the Treasury's Community Development Financial Institutions Fund had not announced the next allocation of its NMTC awards. B Street requested a 180 day extension from the Board to allow time for the NMTC allocations to be awarded and to allow time for closing. At its June 23, 2015 meeting, the Board approved a 90 day extension. Subsequently, B Street learned that the CDE's with which it had been working had again this year not received a NMTC allocation so began discussions with Sutter Health and IBank to modify the financing structure to eliminate NMTC funding from the project.

Below is the original Project Sources and Uses table.

ORIGINAL PROJECT SOURCES and USES					
Uses	Sources				
	IBank	B Street Theatre	Sutter	NMTC	Total
Land and Parking			\$5,958,000		\$5,958,000
Construction & Contingency	\$8,400,000			\$3,915,885	\$12,315,885
Furniture, Fixtures, & Equipment ⁽¹⁾		\$142,000		\$1,842,115	\$1,984,115
Architectural/Engineering/Design/ Permits/Environmental/Construction Management/Title & Escrow/Moving/Other Fees				\$1,730,000	\$1,730,000
Reserve Fund (Funded with Developer Fee)				\$1,100,000	\$1,100,000
IBank Origination Fee		\$105,000			\$105,000
Total	\$8,400,000	\$247,000	\$5,958,000	\$8,588,000	\$23,193,000

Sutter Health remains strongly committed to the Project. In addition to Sutter Medical donating the land for the Project to B Street, Sutter Health has offered to provide a loan to B Street in the amount \$3.0M towards the construction of the Project. The loan will have a 10 year term; no payments (neither principal nor interest) will be due during the 10 years (Sutter Loan). The Sutter Loan will be subordinate to the ISRF Loan. Staff has confirmed this offer through conversation with Keri Thomas, Director for Community and

Governmental Affairs--Sutter Health. The ISRF Program financing will be conditioned upon IBank's receipt and satisfactory review of such Sutter Loan documents.

In addition:

- Eliminating the use of NMTC reduced the overall Project costs by \$1.7M.
- The City of Sacramento (City) has approved a \$2.5M forgivable loan to B Street for the acquisition of furniture, fixtures, machinery, and equipment. At the time of approval of the Resolution, the City had proposed disbursing funds to B Street in equal installments over 10 years.
- B Street has worked with the contractor to value-engineer the Project and to eliminate the build-out of the proposed restaurant. Such changes have resulted in a \$2.0M reduction in construction costs.
- On August 17, 2015, B Street received from Sierra Vista Bank a non-revolving line of credit (Line) in the amount of \$1.2M as an advance on B Street's capital campaign pledges. Sierra Vista Bank has agreed to an advance rate of 75%. Pledges in excess of \$1.6M ($\$1.2M \div 0.75$) will be available to cover the ISRF Loan. The Line has a two-year draw down period followed by five years of repayment. The Line is secured by and repayment of the Line will come solely from the pledges. Sierra Vista Bank received an 80% IBank guarantee of the Line from the Small Business Financial Development Corporation of Orange County.
- Since the proposed structure is greatly simplified over the original structure, IBank has agreed to decrease its origination fee to its standard 1.0% fee, rather than the 1.25% originally contemplated.

Following is the revised Project Sources and Uses table with these changes reflected.

REVISED PROJECT SOURCES and USES						
Uses	Sources					
	IBank	Sutter Medical Center	Sutter Health	City of Sacramento	B Street	Total
Land		\$5,958,000				\$5,958,000
Construction/Renovation & Contingency	\$8,400,000		\$3,000,000			\$11,400,000
Furniture, Fixtures, Machinery, & Equipment				\$2,500,000	\$142,000	\$2,642,000
Architectural/Engineering/Design/Permits/Environmental/Title, Appraisal, & Escrow Fees					\$1,300,000	\$1,300,000
IBank Origination Fee					\$84,000	\$84,000
Total	\$8,400,000	\$5,958,000	\$3,000,000	\$2,500,000	\$1,526,000	\$21,384,000

Source: B Street

By eliminating NMTC from the overall Project financing, IBank's financing structure is no longer restricted to two loans. B Street requests one loan in the amount of \$8.4M to be amortized over 30 years with a 10 year maturity (ISRF Loan). The remaining balance of the ISRF Loan after 10 years will be \$6.4 million. B Street will exercise options available to it at that time to pay off or refinance the remaining balance on the ISRF Loan. If B

Street is not able to pay all principal and interest due at maturity on the ISRF Loan or B Street has a payment default at any time under the ISRF Loan, IBank may make demand on the Sutter Health Guarantee for Sutter Health's immediate payment of the ISRF Loan. Sutter Health will covenant to maintain an investment grade rating of BBB or better from at least one nationally recognized rating agency on its long term debt. A breach of the rating covenant or any other covenant that is non-technical in nature on any other Sutter Health indebtedness will constitute an event of default under the ISRF Loan to B Street. If there is any event of default under the ISRF Loan, IBank may accelerate the ISRF Loan and demand immediate payment from Sutter Health of all outstanding principal and interest of the ISRF Loan pursuant to the Sutter Health Guarantee.

SECURITY AND SOURCE(S) OF REPAYMENT

The primary source of repayment remains ticket surcharges that will be deposited into a lock box account and pledged under a deposit account control agreement (Control Agreement), as well as all other net revenues, including pledged receivables not pledged to Sierra Vista Bank. Additionally, Sutter Health will guarantee the immediate payment of all outstanding balances on the ISRF Loan in connection with a payment default at any time on the ISRF Loan. Eliminating the NMTC now allows IBank to take a first lien position on the Subject Property. Using the costs provided in the Revised Sources and Uses Table above, the estimated loan-to-value for the proposed ISRF Loan is approximately 44.2%.

Estimated Value and LTV	
Land	\$5,958,000
Construction/Renovation & Contingency	\$11,400,000
Architectural/Engineering/Design/Permits/Environmental/Title, Appraisal, & Escrow Fees	\$1,300,000
Total	\$18,658,000
say	\$19,000,000
Loan Amount	\$8,400,000
LTV	44.2%

The ISRF Loan will be conditioned upon receipt and satisfactory review by IBank of a complete appraisal prepared by an MAI appraiser. Appraised value to result in a loan-to-value calculation not to exceed 50%.

HISTORICAL FINANCIAL STATEMENT COMPARISON

B Street provided the following updated financial statements:

- 1) Audited Statement of Financial Position and Statement of Activities for fiscal year ending (FYE) June 30, 2014;
- 2) Company prepared Statement of Financial Position and Statement of Activities for FYE June 30, 2015;
- 3) Fiscal Year 2016 Budget.

The following tables summarize each respective financial statement from FYE 2011 through FYE 2015.

COMPARATIVE STATEMENTS of FINANCIAL POSITION										
For Fiscal Year Ending (FYE) June 30, Source:	2011		2012		2013		2014		2015	
	Audit	%	Audit	%	Audit	%	Audit	%	Co.Prepared	%
Assets										
Cash & Equivalents	\$75,943	4.7%	\$149,906	9.7%	\$441,057	20.7%	\$188,540	6.8%	\$397,422	15.0%
Investments	\$9,377	0.6%	\$5,100	0.3%	\$149,200	7.0%	\$150,495	5.4%	\$0	0.0%
Accounts Receivable	\$28,469	1.8%	\$47,043	3.0%	\$17,717	0.8%	\$3,650	0.1%	\$10,074	0.4%
Pledges Receivable	\$241,557	15.1%	\$213,235	13.8%	\$402,482	18.9%	\$687,526	24.7%	\$536,049	20.3%
Corporate Sponsorship Receivable	\$100,000	6.2%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Prepaid Expenses	\$34,527	2.2%	\$35,611	2.3%	\$35,352	1.7%	\$57,674	2.1%	\$0	0.0%
Other Current Assets	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$77,210	2.9%
Deposits	\$53,879	3.4%	\$54,129	3.5%	\$60,277	2.8%	\$58,206	2.1%	\$0	0.0%
Property and Equipment, net	\$1,059,915	66.1%	\$1,037,520	67.3%	\$1,021,073	48.0%	\$1,637,846	58.8%	\$1,620,508	61.4%
Total Assets	\$1,603,667	100.0%	\$1,542,544	100.0%	\$2,127,158	100.0%	\$2,783,937	100.0%	\$2,641,263	100.0%
Liabilities and Net Assets										
Liabilities										
Accounts Payable and Accrued Liabilities	\$60,584	3.8%	\$74,622	4.8%	\$85,304	4.0%	\$189,565	6.8%	\$53,407	2.0%
Deferred Revenue	\$731,482	45.6%	\$749,543	48.6%	\$757,356	35.6%	\$742,560	26.7%	\$660,713	25.0%
Note Payable	\$20,980	1.3%	\$14,919	1.0%	\$8,916	0.4%	\$2,913	0.1%	\$0	0.0%
Lines of Credit	\$0	0.0%	\$80,000	5.2%	\$150,000	7.1%	\$100,000	3.6%	\$0	0.0%
Other Current Liabilities	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$27,203	1.0%
Term Loan	\$0	0.0%	\$0	0.0%	\$83,784	3.9%	\$92,389	3.3%	\$201,459	7.6%
Total Liabilities	\$813,046	50.7%	\$919,084	59.6%	\$1,085,360	51.0%	\$1,127,427	40.5%	\$942,782	35.7%
Net Assets										
Unrestricted Assets	\$215,410	13.4%	\$189,267	12.3%	\$9,329	0.4%	\$709,441	25.5%	\$0	0.0%
Temporarily Restricted	\$575,211	35.9%	\$434,193	28.1%	\$1,032,469	48.5%	\$947,069	34.0%	\$0	0.0%
Total Net Assets	\$790,621	49.3%	\$623,460	40.4%	\$1,041,798	49.0%	\$1,656,510	59.5%	\$1,698,481	64.3%
Total Liabilities and Net Assets	\$1,603,667	100.0%	\$1,542,544	100.0%	\$2,127,158	100.0%	\$2,783,937	100.0%	\$2,641,263	100.0%

The above table reflects growth in Total Assets and Net Assets primarily as a result of increases in the number of tickets sold and in Pledges Receivable. Pledges Receivable are the result of B Street's fundraising activities for the Project. The table above reflects growth in Pledges Receivable of 122% over the five years presented.

Also noteworthy is Deferred Revenue, which is the largest liability category and represents the accrual of subscriptions sold. The balance in this category indicates ticket-holders' continued support of B Streets' programming.

COMPARATIVE STATEMENT of ACTIVITIES															
For Fiscal Year Ending (FYE) June 30,	2011			2012			2013			2014			2015		
Source:	Audit	%	Temporarily Restricted	In-house Prepared Statement	%	Temporarily Restricted									
% Change Ticket Sales and Subscriptions Y-T-Y															
REVENUE AND SUPPORT															
Ticket Sales and Subscriptions	\$1,732,476	70.2%		\$1,579,684	57.1%		\$1,565,738	59.5%		\$1,837,068	52.8%		\$1,649,263	59.0%	
Contributions and Grants	\$73,672	3.0%	\$257,364	\$249,977	9.0%	\$406,199	\$243,490	9.3%	\$1,059,365	\$292,771	8.4%	\$880,559	\$514,106	18.4%	\$348,961
Sponsorships	\$160,000	6.5%	\$100,000	\$116,600	4.2%		\$110,640	4.2%		\$127,470	3.7%			0.0%	
Special Events, Net of Direct Costs	\$100,353	4.1%		\$107,591	3.9%		\$79,528	3.0%		\$93,280	2.7%		\$439,704	15.7%	
Concessions	\$67,019	2.7%		\$71,807	2.6%		\$74,339	2.8%		\$72,472	2.1%		\$102,580	3.7%	
Summer Camp	\$50,168	2.0%		\$51,073	1.8%		\$0	0.0%		\$0	0.0%			0.0%	
Studio for Young Actors	\$0	0.0%		\$0	0.0%		\$50,384	1.9%		\$53,965	1.6%		\$61,985	2.2%	
Miscellaneous	\$38,633	1.6%		\$34,918	1.3%		\$41,597	1.6%		\$35,558	1.0%		\$27,690	1.0%	
Gain on Investments	\$410	0.0%		\$5,367	0.2%		\$3,471	0.1%		\$1,735	0.0%			0.0%	
Net Assets Released from Restrictions	\$245,088	9.9%	(\$245,088)	\$547,217	19.8%	(\$547,217)	\$461,089	17.5%	(\$461,089)	\$965,959	27.8%	(\$965,959)		0.0%	
TOTAL REVENUE AND SUPPORT	\$2,467,819	100.0%	\$112,276	\$2,764,234	100.0%	(\$141,018)	\$2,630,276	100.0%	\$598,276	\$3,480,278	100.0%	(\$85,400)	\$2,795,328	100.0%	
EXPENSES															
Programs (net of Depreciation)	\$1,724,491	69.9%		\$2,052,574	74.3%		\$2,091,948	79.5%		\$1,954,771	56.2%		\$1,460,272	52.2%	
Depreciation (Statement of Functional Expenses)	\$15,560	0.6%		\$16,622	0.6%		\$13,872	0.5%		\$12,262	0.4%			0.0%	
General and Administrative (Net of Dep)	\$386,449	15.7%		\$428,869	15.5%		\$382,008	14.5%		\$390,624	11.2%		\$1,033,218	37.0%	
Depreciation (Statement of Functional Expenses)	\$6,303	0.3%		\$5,322	0.2%		\$4,575	0.2%		\$4,988	0.1%			0.0%	
Fundraising	\$289,794	11.7%		\$286,990	10.4%		\$317,811	12.1%		\$417,521	12.0%		\$140,309	5.0%	
TOTAL EXPENSES	\$2,422,597	98.2%	\$0	\$2,790,377	100.9%	\$0	\$2,810,214	106.8%	\$0	\$2,780,166	79.9%	\$0	\$2,633,799	94.2%	
CHANGE IN NET ASSETS	\$45,222	1.8%	\$112,276	(\$26,143)	-0.9%	(\$141,018)	(\$179,938)	-6.8%	\$598,276	\$700,112	20.1%	(\$85,400)	\$161,529	5.8%	
Net Assets, Beginning of Year	\$170,188		\$462,935	\$215,410		\$575,211	\$189,267		\$434,193	\$9,329		\$1,032,469			
Net Assets, End of Year	\$215,410		\$575,211	\$189,267		\$434,193	\$9,329		\$1,032,469	\$709,441		\$947,069			

The Comparative Statement of Activities presents operating results (in the white columns) as well as the revenues and the use of (Net Assets Released from Restrictions) Contributions and Grants (in the shaded columns). Although fluctuations can be seen across the years presented, Ticket Sales and Subscriptions as well as Total Revenue and Support are generally increasing. Total Expenses also fluctuate as the costs of producing shows varies across shows.

In addition to providing current financial statements, B Street also updated attendance numbers as reflected in the following tables.

The following table reflects that the total number of tickets sold by B Street increased in each FY 2014 and FY 2015. Please note that the total tickets sold reflect “paid tickets” and does not include any comp tickets.

Total Attendance and 5-Year Average								
Revised 06/16/2015								
Fiscal Year	MAIN STAGE	FAMILY SERIES	STUDENT MATINEE	B3	SPECIAL ENGAGEMENT	TOTAL		
2002/2003	56,493		2,101			58,594		
2003/2004	59,238	9,126	7,628			75,992		
2004/2005	62,374	12,187	13,751			88,312		
2005/2006	72,434	10,984	15,088			98,506		
2006/2007	65,136	12,699	18,143			95,978		
2007/2008	62,221	13,148	22,874	9,077	7,022	114,342		
2008/2009	54,613	11,818	18,381	12,321	4,747	101,880		
2009/2010	53,156	8,125	16,331	9,465	5,128	92,205		
2010/2011	56,703	8,830	19,188	9,045	0	93,766		
2011/2012	52,323	8,641	18,941	7,605	0	87,510		
2012/2013	53,258	7,259	16,653	5,847	2,452	85,469	Increase Y-O-Y	
2013/2014	55,513	9,831	17,941	6,370	526	90,181	4,712	5.51%
2014/2015	58,817	9,383	18,444	5,939	0	92,583	2,402	2.66%
5 yr. average	55,323	8,789	18,233	6,961		89,902		

The following table is a subset of the table above, and reflects only the number of tickets sold historically that would have been subject to the surcharge. This table also reflects growth in FYs 2014 and 2015 and supports the use of 70,000 tickets sold subject to surcharge in the projections that follow.

Fiscal Year	# Attendees Paying Surcharge
2002/2003	56,493
2003/2004	68,364
2004/2005	74,561
2005/2006	83,418
2006/2007	77,835
2007/2008	84,446
2008/2009	78,752
2009/2010	70,746
2010/2011	74,578
2011/2012	68,569
2012/2013	66,364
2013/2014	71,714
2014/2015	74,139
5 yr. average	71,073

REVISED PROJECTIONS ASSUMPTIONS

The original cash flow and debt service analysis was presented under two scenarios: with and without restaurant lease revenues. Since B Street has elected to omit the restaurant build-out, only one revised cash flow and debt service analysis is presented below. Several changes were made to the original analysis, which will be identified below; however, the general layout remains the same as the original to facilitate comparing the two analyses. Changes to the analysis presented below includes:

- 1) The first two columns following the category titles reflect revenue and expenses as discussed in the original analysis.
- 2) The next two columns reflect the actual FY 2014 and 2015 operating results. Depreciation expense in each year was added back to total Expenses to provide comparability across the row.
- 3) The following column presents B Street’s 2016 Budget.
[These five columns are shaded in gray to assist the reader.]
- 4) Revenue and Expense items that will no longer occur because of the restructuring of the Project were zeroed out.
- 5) Interest on Reserves in FY 2016 was estimated on the June 30, 2015 cash balance; and in FY 2017 on the same cash balance plus \$350,000 surcharge revenue received but not spent in FY 2016.
- 6) The City’s \$2.5M forgivable loan to B Street that originally was to be disbursed to B Street in equal installments over 10 years has since been approved for the

acquisition of furniture, fixtures, machinery, and equipment. The annual installments of \$250.0K were deleted in the cash flow and added to the Sources and Uses of Proceeds table.

- 7) Surcharge Revenue, Sutter Cash Payments, and Interest on Reserves were added to the Actual Results columns and the Budget column to ease comparability across the row.
- 8) Loan payments for the Line and the ISRF Loan were adjusted to actual payment amounts.
- 9) The number of tickets subject to surcharge has been increased to 70,000 to be in-line with historical operations and B Street's trend toward increasing the number of tickets sold as reflected in FYs 2014 and 2015 in the table above.
- 10) B Street will begin charging a \$5 surcharge upon the commencement of construction of the new theatre and intends to increase the surcharge by \$1 in each FY 2017 and FY 2018. The Surcharge per Ticket in the spreadsheet below reflects a \$5 surcharge in FY 2016 followed by a \$0.50 increase each through 2020 at which time the surcharge is flat-lined at \$7 through maturity of the ISRF Loan.
- 11) Projected Total Revenues and Operating Expenses were adjusted in FY 2016 to be representative of B Street's actual operations.
- 12) Beginning with FY 2017 and through FY 2025 Projected Total Revenues and Operating Expenses were each increased a conservative 1.0% year-over-year each year.

REVISED PROJECTED CASH FLOW AND DEBT SERVICE ANALYSIS

		B Street Theater													
Cash Flow Analysis		Projections													
Fiscal Years Ending June 30,	2014	2015	2014	2015	2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	May 2014 Analysis		Actual Results		Budget										
Ticket Surcharge (Facility Fee)															
Number of Tickets Sold Subject to Surcharge			71,714	74,139	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Surcharge per Ticket			\$5.00	\$5.00	\$5.00	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Total Facilities Fee Revenues	\$0	\$0	\$358,570	\$370,695	\$350,000	\$350,000	\$385,000	\$420,000	\$455,000	\$490,000	\$490,000	\$490,000	\$490,000	\$490,000	\$490,000
Cash Flow from Operations Revenues															
Total Revenues w/o surcharge (full year ops)	\$2,283,000	\$2,283,000	\$3,480,278	\$2,795,328	\$2,796,000	\$2,750,000	\$2,777,500	\$2,805,275	\$2,833,328	\$2,861,661	\$2,890,278	\$2,919,180	\$2,948,372	\$2,977,856	\$3,007,634
Surcharge Revenues	\$0	\$0	\$350,000	\$350,000	\$350,000	\$350,000	\$385,000	\$420,000	\$455,000	\$490,000	\$490,000	\$490,000	\$490,000	\$490,000	\$490,000
Restaurant Lease - 3,000 sqft @	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sutter Cash Payments for 10 years	\$0	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
In-kind contributions	\$0	\$185,000			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on Reserves	\$0	\$29,328	\$14,203	\$14,206	\$14,206	\$14,206	\$19,981	\$20,506	\$21,031	\$21,556	\$21,556	\$21,556	\$21,556	\$21,556	\$21,556
Capital Campaign Contributions (not pledged to SierraVista Bank)	\$603,711	\$501,477				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sutter Guaranty Payments (\$1,000,000)	\$0	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City of Sacramento	\$0	\$250,000				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Revenues	\$2,886,711	\$3,248,805	\$3,894,481	\$3,209,534	\$3,210,206	\$3,164,206	\$3,232,481	\$3,295,781	\$3,359,359	\$3,423,217	\$3,451,834	\$3,480,736	\$3,509,928	\$3,539,412	\$3,569,191
Less															
In-kind Contributions	\$0	(\$185,000)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Campaign Contributions transferred to Reserves	(\$603,711)	(\$501,477)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses (Depreciation Added Back)	(\$2,307,000)	(\$2,307,000)	(\$2,762,916)	(\$2,616,549)	(\$2,634,000)	(\$2,634,000)	(\$2,660,340)	(\$2,686,943)	(\$2,713,813)	(\$2,740,951)	(\$2,768,360)	(\$2,796,044)	(\$2,824,005)	(\$2,852,245)	(\$2,880,767)
Net Revenues Available from Operations for Debt Service	(\$24,000)	\$255,328	\$1,131,565	\$592,985	\$576,206	\$530,206	\$572,141	\$608,838	\$645,546	\$682,266	\$683,473	\$684,692	\$685,924	\$687,167	\$688,424
Annual Debt Service Requirements															
Sierra Vista Note 5125-940, matures 09/26/2019	\$13,000	\$13,000	\$54,525	\$54,525	\$54,525	\$54,525	\$54,525	\$54,525	\$54,525	\$13,631	\$0	\$0	\$0	\$0	\$0
iBank Debt Service	\$0	\$72,100	\$410,616	\$410,616	\$410,616	\$0	\$241,500	\$410,616	\$409,927	\$409,223	\$408,505	\$407,772	\$407,025	\$406,261	\$405,482
Total Annual Debt Service	\$13,000	\$85,100	\$465,141	\$465,141	\$465,141	\$54,525	\$296,025	\$465,141	\$464,452	\$422,854	\$408,505	\$407,772	\$407,025	\$406,261	\$405,482
Net Revenues Available from Operations after Debt Service	(\$37,000)	\$170,228	\$666,424	\$127,844	\$111,065	\$475,681	\$276,116	\$143,697	\$181,094	\$259,412	\$274,968	\$276,920	\$278,899	\$280,906	\$282,941
Debt Service Coverage Ratio	n/a	3.00	2.43	1.27	1.24	9.72	1.93	1.31	1.39	1.61	1.67	1.68	1.69	1.69	1.70
Beginning Cash	\$507,040		\$590,257	\$397,422	\$397,422	\$397,422									
Cumulative Net Revenues Available after Debt Service	\$470,040	\$640,268	\$1,256,681	\$525,266	\$508,487	\$873,103	\$1,149,219	\$1,292,916	\$1,474,010	\$1,733,422	\$2,008,390	\$2,285,310	\$2,564,209	\$2,845,115	\$3,128,056

The above table reflects B Street's ability to meet all expenses and to service existing and proposed debt from operations and surcharges. Additionally, Cumulative Net Revenues Available after Debt Service reflect a build-up of cash reserves sufficient to support unexpected expenses and debt service, if needed.

GUARANTOR INFORMATION

Overview

Sutter Health (Sutter) is a California not-for-profit public benefit corporation headquartered in Sacramento, California. Sutter is the “parent” of affiliated entities that directly or indirectly, through one or more intermediaries, are controlled by or under common control with Sutter (Affiliates) (together, the “Affiliated Group”) that operate primarily in five geographic regions:

1. Central Valley Region: Merced, San Joaquin, and Stanislaus Counties
2. East Bay Region: Alameda and Contra Costa Counties
3. Peninsula Coastal Region: San Mateo, Santa Clara, and Santa Cruz Counties
4. Sacramento Sierra Region: Amador, El Dorado, Nevada, Placer, Sacramento, Solano, Sutter, Yolo, and Yuba Counties
5. West Bay Region: City and County of San Francisco; and Marin, Lake, Napa, and Sonoma Counties

The Affiliated Group comprises the Sutter Health system (System). The System provides a full range of health care and related services through an integrated health care delivery model. Sutter provides certain centralized support functions to the System including the operation of a system-wide laboratory, administrative services, and System initiatives.

The mission of the System is to enhance the well-being of people in the communities it serves through a not-for-profit commitment to compassion and excellence in health care services. The System’s vision is to lead the transformation of health care to achieve the highest levels of quality, access and affordability. At both local and regional levels, the System’s goal is to be the preferred provider to its patients and customers, the best place to work, and a role model of community citizenship.

To achieve its mission, Sutter provides health care, education, research, and administration services. The Affiliates provide acute care, medical foundations, fundraising foundations, and a variety of other specialized health care services. Most acute care Affiliates provide a full range of medical services (e.g., surgical, intensive care, emergency room, and obstetrics). All emergency rooms provide emergency care, regardless of a patient’s ability to pay. The Affiliated Group also serves their communities with programs including health education, health libraries, school-based clinics, home health care, hospice care, adult day care, prenatal clinics, community clinics, immunization services, and training health professionals.

Corporate Governance

Sutter is vested in a fifteen member Board of Directors (Exhibit C). One of those positions is ex-officio and is filled by Sutter’s President and Chief Executive Officer. Members are elected by the Board of Directors to serve three-year terms with a maximum of three consecutive terms.

Licensure and Memberships

All Affiliates are licensed by the Department of Health Services (DHS) and are required to report their fiscal and patient care data to DHS on a quarterly basis.

HISTORICAL FINANCIAL STATEMENT COMPARISON

Sutter provided consolidated audited financial statements for the Affiliated Group for each fiscal year ending December 31, 2010 through 2014 (five years). Intercompany accounts and transactions were eliminated. All audits were conducted by Ernst & Young, LLP and include a clean opinion.

The following tables summarize each respective financial statement. Please note that numbers are presented in millions.

SUTTER HEALTH
(Dollars in millions)
Comparative Balance Sheet

	2010		2011		2012		2013		2014	
Source:	Audit	% ⁽¹⁾								
Assets										
Current Assets:										
Cash and cash equivalents	\$356	3.3%	\$289	2.4%	\$438	3.5%	\$344	2.4%	\$257	1.8%
Short-term investments	\$2,167	20.1%	\$2,914	24.7%	\$3,033	24.5%	\$3,908	27.5%	\$4,030	28.2%
Patient accounts receivable (net of	\$1,058	9.8%	\$1,076	9.1%	\$1,086	8.8%	\$1,196	8.4%	\$1,105	7.7%
Other receivables	\$244	2.3%	\$240	2.0%	\$218	1.8%	\$218	1.5%	\$533	3.7%
Securities lending receivable	\$172	1.6%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Inventories	\$89	0.8%	\$87	0.7%	\$92	0.7%	\$91	0.6%	\$95	0.7%
Other	\$68	0.6%	\$70	0.6%	\$70	0.6%	\$63	0.4%	\$119	0.8%
Total Current Assets	4,154	38.5%	4,676	39.6%	4,937	39.8%	5,820	40.9%	6,139	43.0%
Non-current investments	939	8.7%	1,133	9.6%	794	6.4%	845	5.9%	655	4.6%
Property, plant and equipment, net	5,227	48.4%	5,668	48.0%	6,275	50.6%	6,705	47.2%	7,113	49.8%
Other	473	4.4%	343	2.9%	384	3.1%	845	5.9%	383	2.7%
Total Other Non Current Assets	6,639	61.5%	7,144	60.4%	7,453	60.2%	8,395	59.1%	8,151	57.0%
Total Assets	10,793	100.0%	11,820	100.0%	12,390	100.0%	14,215	100.0%	14,290	100.0%
Liabilities and net assets										
Current liabilities:										
Accounts payable	261	2.4%	275	2.3%	331	2.7%	433	3.0%	609	4.3%
Accrued salaries and related benefits	472	4.4%	469	4.0%	504	4.1%	536	3.8%	555	3.9%
Other accrued expenses	419	3.9%	458	3.9%	469	3.8%	476	3.3%	494	3.5%
Securities lending collateral payable	176	1.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Current portion of long-term obligations	71	0.7%	368	3.1%	17	0.1%	16	0.1%	22	0.2%
Total Current Liabilities	1,399	13.0%	1,570	13.3%	1,321	10.7%	1,461	10.3%	1,680	11.8%
Noncurrent Liabilities										
Long-term obligations, less current portion	2,422	22.4%	3,042	25.7%	2,996	24.2%	3,764	26.5%	3,751	26.2%
Other	639	5.9%	680	5.8%	711	5.7%	667	4.7%	867	6.1%
Total Noncurrent Liabilities	3,061	28.4%	3,722	31.5%	3,707	29.9%	4,431	31.2%	4,618	32.3%
Total Liabilities	4,460	41.3%	5,292	44.8%	5,028	40.6%	5,892	41.4%	6,298	44.1%
Net Assets:										
Unrestricted controlling	5,950	55.1%	6,128	51.8%	6,930	55.9%	7,846	55.2%	7,509	52.5%
Unrestricted noncontrolling	41	0.4%	56	0.5%	71	0.6%	90	0.6%	79	0.6%
Temporarily restricted	225	2.1%	219	1.9%	232	1.9%	257	1.8%	262	1.8%
Permanently restricted	117	1.1%	125	1.1%	129	1.0%	130	0.9%	142	1.0%
Total Net Assets	6,333	58.7%	6,528	55.2%	7,362	59.4%	8,323	58.6%	7,992	55.9%
Total Liabilities and Net Assets	10,793	100.0%	11,820	100.0%	12,390	100.0%	14,215	100.0%	14,290	100.0%

⁽¹⁾ Calculated as a percent of Total Assets.

Review of the audits found increases in all major categories between FY 2010 through FY 2014 as follows:

- Current Assets, 47.8%; Non-Current Assets, 22.8%; and Total Assets, 32.4%;
- Current Liabilities, 20.1%; Non-Current Liabilities, 50.9%; Total Liabilities, 41.2%; and
- Total Net Assets 26.2%.

Current Assets increased as a result of earnings from operations and the conversion of Non-Current Investments to Short-term Investments. Non-Current Assets increased due to Sutter's continued investment in its facilities. These events combined resulted in the increase in Total Assets.

Liabilities increased primarily due to the issuance of additional long-term debt through the California Health Facilities Financing Authority and the California Statewide Communities Development Authority for various capital projects including the completion of the new Sutter Hospital which will be located across from the new theatre. As of December 31, 2014, long-term debt consisted of:

- Non-taxable hospital revenue bonds and certificates of participation under a Sutter Health Master Indenture of Trust, with fixed interest at 3.0% to 6.0%, and maturities through 2052;
- Taxable hospital revenue bonds and certificates of participation under a Sutter Health Master Indenture of Trust, with fixed interest at 1.09% to 2.29%, and maturities through 2053;
- Various collateralized and unsecured obligations; and
- Obligations under capital leases.

Sutter Health's most recent bond issuance, the California Health Facilities Financing Authority Revenue Bonds (Sutter Health) Series 2013A, are rated AA- by Fitch Ratings and Standard & Poor's Ratings Services, and Aa3 by Moody's Investors Services.

SUTTER HEALTH
(Dollars in millions)

COMPARATIVE STATEMENTS OF OPERATIONS and CHANGES IN NET ASSETS

	2010		2011		2012		2013		2014	
Source:	Audit	%	Audit	%	Audit	%	Audit	%	Audit	%
% Change				3.4%		6.0%		1.8%		2.9%
Unrestricted net assets:										
Operating revenues:										
Patient service revenues	\$7,858	86.2%	\$8,128	89.5%	\$8,612	90.1%	\$8,771	90.9%	\$9,025	88.8%
Provision for bad debts	\$0	0.0%	(\$375)	-4.1%	(\$376)	-3.9%	(\$410)	-4.2%	(\$189)	-1.9%
Total: Patient service revenues less provision for bad debts	\$7,858	86.2%	\$7,753	85.4%	\$8,236	86.2%	\$8,361	86.7%	\$8,836	87.0%
Capitation revenues	\$940	10.3%	\$992	10.9%	\$976	10.2%	\$939	9.7%	\$922	9.1%
Contributions	\$10	0.1%	\$11	0.1%	\$10	0.1%	\$8	0.1%	\$9	0.1%
Other	\$308	3.4%	\$323	3.6%	\$338	3.5%	\$341	3.5%	\$394	3.9%
Total Operating Revenues	\$9,116	100.0%	\$9,079	100.0%	\$9,560	100.0%	\$9,649	100.0%	\$10,161	100.0%
Operating Expenses										
Salaries and employee benefits	\$4,001	43.9%	\$4,107	45.2%	\$4,314	45.1%	\$4,470	46.3%	\$4,585	45.1%
Purchased services	\$1,716	18.8%	\$1,929	21.2%	\$2,166	22.7%	\$2,354	24.4%	\$2,329	22.9%
Supplies	\$968	10.6%	\$1,001	11.0%	\$1,015	10.6%	\$1,056	10.9%	\$1,125	11.1%
Depreciation and amortization	\$424	4.7%	\$460	5.1%	\$469	4.9%	\$603	6.2%	\$564	5.6%
Capitated purchased services	\$216	2.4%	\$273	3.0%	\$267	2.8%	\$250	2.6%	\$246	2.4%
Provision for doubtful accounts	\$332	3.6%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Rentals and leases	\$124	1.4%	\$126	1.4%	\$126	1.3%	\$140	1.5%	\$151	1.5%
Interest	\$67	0.7%	\$84	0.9%	\$74	0.8%	\$78	0.8%	\$93	0.9%
Insurance	\$25	0.3%	\$28	0.3%	\$26	0.3%	\$30	0.3%	\$14	0.1%
Other	\$558	6.1%	\$374	4.1%	\$554	5.8%	\$690	7.2%	\$635	6.2%
Total Operating Expenses	\$8,431	92.5%	\$8,382	92.3%	\$9,011	94.3%	\$9,671	100.2%	\$9,742	95.9%
Income (loss) from operations	\$685	7.5%	\$697	7.7%	\$549	5.7%	(\$22)	-0.2%	\$419	4.1%
Investment income	\$124		\$156		\$105		\$177		\$280	
Change in net unrealized gains and losses on	\$112		(\$170)		\$137		\$203		(\$241)	
Nonoperating Revenues (Expenses)	\$921		\$683		\$791		\$358		\$458	
Less income attributable to noncontrolling interests	(\$43)		(\$49)		(\$56)		(\$58)		(\$56)	
Income attributable to Sutter Health	\$878		\$634		\$735		\$300		\$402	

Category percentages are calculated on *Total Operating Revenues*.

SUTTER HEALTH (Dollars in millions)						
COMPARATIVE STATEMENTS OF OPERATIONS and CHANGES IN NET ASSETS						
	2010	2011	2012	2013	2014	
Unrestricted net assets						
Income attributable to Sutter Health	\$878	\$634	\$735	\$300	\$402	
Change in net unrealized gains and losses on investments classified as other-than-trading	\$3	(\$11)	\$6	(\$25)	\$14	
Net assets released from restrictions for equipment acquisition	\$9	\$22	\$13	\$7	\$13	
Donated long-lived assets	\$2	\$0	\$0	\$0	\$0	
Pension-related changes other than net periodic pension cost	\$35	(\$478)	\$35	\$634	(\$764)	
Transfers with unrelated entities, net	\$16	\$0	\$0	\$0	\$0	
Other	\$5	\$11	\$13	\$0	(\$2)	
(Decrease) increase in unrestricted controlling net assets	\$948	\$178	\$802	\$916	(\$337)	
Unrestricted noncontrolling net assets:						
Unrestricted noncontrolling net assets: Income attributable to noncontrolling interests	\$43	\$49	\$56	\$58	\$56	
Distributions	(\$40)	(\$47)	(\$49)	(\$55)	(\$59)	
Contributed capital	\$2	\$4	\$6	\$0	\$0	
Other	\$0	\$9	\$2	\$16	(\$8)	
(Decrease) increase in unrestricted noncontrolling net assets	\$5	\$15	\$15	\$19	(\$11)	
Temporarily restricted net assets:						
Contributions	\$40	\$52	\$34	\$39	\$39	
Investment income	\$7	\$6	\$6	\$6	\$24	
Change in net unrealized gains and losses on investments	\$10	(\$13)	\$13	\$11	(\$20)	
Net assets released from restrictions	(35)	(44)	(41)	(\$28)	(38)	
Other	(1)	(7)	1	(\$3)	0	
Increase in temporarily restricted net assets	\$21	(\$6)	\$13	\$25	5	
Permanently restricted net assets:						
Contributions	3	10	2	\$1	12	
Investment income	1	0	1	\$1	2	
Change in net unrealized gains and losses on investments	1	(1)	1	\$2	(1)	
Other	(1)	(1)	0	(\$3)	(1)	
Increase in permanently restricted net assets	\$4	\$8	\$4	\$1	\$12	
(Decrease) increase in net assets	\$978	195	\$834	\$961	(\$331)	
Net assets, beginning of year	5,355	6,333	6,528	\$7,362	8,323	
Net assets, end of year	6,333	6,528	7,362	\$8,323	7,992	

Total Operating Revenues increased 11.5% over the five years reviewed with an increase of 14.9% in Patient Service Revenues and a combined decrease of 11.9% in Capitation Revenues and Contributions. The overall increase in Total Operating Revenues was offset by a five year increase in Total Operating Expenses of 15.5%. The largest expense categories are Salaries and Employee Benefits and Purchase Services.

Net Assets increased in each year reviewed except in FY 2014 during which time Sutter reported a loss in the amount of \$331.0M. The loss was primarily due to Pension-related Changes Other than Net Periodic Pension Cost in the amount of \$764.0M that resulted from a change in GAAP.

TEFRA	
Date of TEFRA Hearing	September 21, 2015
Publications	<i>The Sacramento Bee</i>
Oral/Written Comments	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, Explain:

Exhibits

- A. May 2014 Staff Report
- B. List of Pledged Receivables to Sierra Vista Bank
- C. Sutter Health Audited Financial
- D. List of Sutter Health Board Members

Staff Recommendations

Staff recommends amending Resolution No.14-06 to modify the financing structure of a previously-conditionally approved ISRF Program financing to the Theatre for Children, Inc., dba the B Street Theatre, for the B Street Theatre Expansion Project as discussed herein.

1. **Applicant/Borrower:** Theatre for Children, Inc. dba B Street Theatre
2. **Sponsor:** City of Sacramento
3. **Project:** The B Street Theatre Expansion Project
4. **Amount of Financing:** Not to exceed \$8,400,000
5. **Term:** 10 years; 30 years amortization
6. **Repayment/Security:**
 - a. Pledge of ticket sales surcharge to be deposited into a lock box account pledged under a deposit account control agreement (Control Agreement).
 - b. All other net revenues including additional Pledges Receivable not pledged to Sierra Vista Bank.
 - c. 1st deed of trust on land and improvements located at 2700-2710 Capitol Avenue & 1315 27th Street; Sacramento, CA 95816.
7. **Interest Rate:** 2.06%
8. **Guarantee:** Sutter Health Guarantee of the \$8,400,000 ISRF Loan (See 11.a.2)
9. **Financial Covenants of B Street:**
 - a. Maintain DSCR of at least 1.20x
 - b. Negative pledge
 - c. Additional debt prohibited without prior written approval
 - d. Quarterly reporting and compliance certificate
 - e. Annual audited financials within 150 days of fiscal year
 - f. No material litigation or material adverse change in financial condition or operations
10. **Financial Covenants of Sutter Health**
 - a. Maintain an investment grade rating of BBB or better from at least one nationally recognized rating agency on its long term debt.
 - b. No non-technical default on other Sutter Health indebtedness.
 - c. Quarterly reporting.
11. **Conditions Precedent**
 - a. IBank receipt and satisfactory review of the following:
 - 1) Sutter Health Loan documents reflecting:
 - (i) A loan in the minimum amount of \$3 million
 - (ii) Interest and principal payments deferred for 10 years
 - (iii) Subordinate to the ISRF Loan

- 2) Sutter Health Guarantee. If B Street is not able to pay all principal and interest due at maturity on the ISRF Loan or B Street has a payment default at any time under the ISRF Loan, IBank may make demand on the Sutter Health Guarantee for Sutter Health's immediate payment of the ISRF Loan. Sutter Health will covenant to maintain an investment grade rating of BBB or better from at least one nationally recognized rating agency on its long term debt. A breach of the rating covenant or any other covenant that is non-technical in nature on any other Sutter Health indebtedness will constitute an event of default under the ISRF Loan to B Street. If there is any event of default under the ISRF Loan, IBank may accelerate the ISRF Loan and demand immediate payment from Sutter Health of all outstanding principal and interest of the ISRF Loan pursuant to the Sutter Health Guarantee.
- 3) Sierra Vista Bank line of credit documents reflecting:
 - (i) A line in the minimum amount of \$1.2 million
 - (ii) Secured by a lien on Pledges Receivable
 - (iii) Interest only payments for the first two years; principal and interest payments allowed thereafter
- 4) City of Sacramento loan documents reflecting a forgivable loan in the amount of \$2.5 million to B Street (Forgivable Loan Agreement).
- 5) An "as-is" appraisal prepared by an MAI appraiser on the Project reflecting a minimum value of \$5,958,000 and an "as-built" appraisal reflecting a minimum value of \$16.8 million.
- 6) Control Agreement securing all pledged ticket sales surcharge deposited into a lock box account.
- 7) Grant of land located at 2700-2710 Capitol Avenue & 1315 27th Street, Sacramento, CA 95816 by Sutter Medical to B Street.
- 8) No material adverse change in B Street or Sutter Health's financial condition or operations.
- 9) No material litigation against B Street or Sutter Health that would adversely affects its, respective, financial condition, operations, or the Project.

12. Not an Unconditional Commitment: If approved by the IBank Board, IBank's Resolution shall not be construed as an unconditional commitment to finance the Project, but rather the IBank Board's approval pursuant to the Resolution is conditioned upon entry by IBank and B Street into a definitive financing agreement and execution of related ancillary and collateral documents, including the Guarantee from Sutter Health, in form and substance satisfactory to IBank.

Limited Time: If approved by the Board, the Board's approval expires 180 days from the date of its adoption. Thus, B Street and IBank, and related parties such as Sutter Health, Sutter Medical, and City of Sacramento, must execute appropriate financing agreements and instruments, including but not limited to a loan agreement, a Control Agreement, Sutter Health Guarantee, deed of trust, and related documents no later than 180 days from such date. Once the approval has expired, there can be no assurances that IBank will be able to grant the loan to B Street or consider extending the approval period.

Exhibit A
May 2014 Staff Report

Exhibit B

Sutter Health Audited Financial Statements

Exhibit C

List of Sutter Health Board of Directors

- Patrick Fry, President and Chief Executive Officer
- Michael R. Gaulke
- Lisa Gevelber
- Peter Jacobi
- Rick Jelinek
- John F. Koster, M.D.
- Richard M. Levy, Ph.D.
- Sharon L. McCollam
- Todd Murray
- David G. Nasaw
- Robert R. Peabody Jr., M.D.
- Michael A. Roosevelt
- Todd Smith, M.D., MBA
- Joan Smith-Maclean, M.D.
- Barry L. Williams

Pat Fry will be retiring on January 1, 2016 after more than 30 years at Sutter. He will be succeeded by Sarah Krevans, Chief Operating Officer. This transition has been announced to the public.