



SFMTA Bond Oversight Committee

Chair – Tajel Shah Vice Chair – John Lisovsky
Leona Bridges, Steve Heminger, Charles Perl, Yensing Sihapanya, Anna Van Degna

MINUTES – Wednesday, June 7, 2023 – 3:00-5:00pm

MEETING LOCATION— Union Square Conference Room, SFMTA 7th Floor
1 So. Van Ness Avenue, San Francisco, CA 94103

- **Call to Order and Roll Call**

Committee Members:

Tajel Shah – Chair
John Lisovsky – Vice Chair
Leona Bridges
Steve Heminger
Charles Perl
Yensing Sihapanya
Anna Van Degna

A quorum being present, the meeting was called to order at 3:18pm. Chair Shah was noted present at 3:54pm. Vice Chair Lisovsky and member Perl were noted absent; all other members were present.

Special Recognition: Member Bridges resignation effective June 30, 2023. Member Perl retired as of June 30, 2023.

Public Comment: None

Approval of Minutes from June 7th, 2023, meeting (Action Item) – Attachment A

2021C Revenue Bonds

- a. 1200 15th Street Project Update (Information) – Attachment B
- b. Reallocation of 2021C Revenue Bonds (Discussion Item) – Attachment C

Quarterly Report: FY 2022-23 Quarter 3 (Discussion Item) – Attachment D

Future Agenda Items (Discussion)

Rules and Responsibilities of the BOC: Joel Goldberg, SFMTA Manager of Programming and Grants, introduced Mark Blake, City Attorney, who drafted a Bond Oversight Committee Question/Answer form to give a refresh to old members and introduce new members to their positions. The form will be posted to the BOC website.

Mark Blake, City Attorney, reported that the purpose of the SFMTA BOC is to provide independent oversight with respect to the expenditure of SFMTA bond proceeds. The oversight is intended to confirm that the SFMTA revenue bonds have been spent for authorized purposes in accordance with law and resolutions of the Board, and to inform the public on the progress of debt financed projects. Also, the BOC is designed to ensure the accountability and transparency for SFMTA debt

financed projects, and to ensure that internal controls and practices are established and implemented by the SFMTA.

The BOC Committee was established by SFMTA Resolution 11-154, and consists of seven members:

- 3 members appointed by the Chair and approved by the SFMTA Board of Directors
- 2 members of the Citizen’s Advisory Council
- 1 by the SFMTA’s Director of Transportation; and
- 1 by the Controller of the City and County of San Francisco

Meetings of the BOC are presided over by an elected Chair, who serves a two-year term in office. The BOC also has a Vice Chair, who serves a two-year term in office. The Vice Chair presides over meetings if the Chair is unavailable. The two-year terms are for officers only. Neither the resolution nor bylaws establish term limits. The members serve at the pleasure of the appointing authority.

The committee all approved to post this Rules and Responsibilities of the BOC and Question/Answer form to the website and to add the BOC email address BOCOversightCommittee@sfmta.com or RevenueBonds@sfmta.com.

Public Comment: None

FY 2022-23, Quarterly Report 3: This report to SFMTA BOC covers the period through the third quarter of Fiscal Year 2022-2023, which ended on March 31, 2023. The purpose of this memo is to update the Bond Oversight Committee (BOC) on the programming of series 2021C “Green” Revenue Bonds (“2021C”).

When issuing tax-exempt bonds, issuers must have a reasonable expectation that proceeds will be expended within three years of issuance. The 2021C bonds were issued February 23, 2021. As such, 85% of funds should be expended by February 23, 2024. As indicated in the January to March 2023 Quarterly Report to the SFMTA Bond Oversight Committee, due to project delays, only 12.8% of the 2021C bonds were expended as of March 31, 2023.

To facilitate bond expenditure by the required timeline, SFMTA is reallocating expenditure of the 2021C proceeds. The original allocation of the bonds included \$35,000,000 for Transit Optimization projects. While this allocation was originally intended to fund Van Ness BRT, SFMTA will reallocated these funds to Central Subway to fund a payment of \$27,655,661.72 to Tutor Perini that will be

paid out in June 2023. This payment will increase the percent of bond proceeds expended from 12.8% to 36.3%. As Central Subway is a Transit Optimization project, this allocation is consistent with the authorization of the bonds.

SFMTA is currently in project close-out negotiations of Van Ness BRT. Pending the outcome of these negotiations, additional re-allocations may be necessary to fund the final Van Ness BRT project costs. Should additional re-allocations be necessary, staff will inform the BOC.

Public Comment: None

Schedule Upcoming Meeting date:

The next meeting of the BOC is scheduled on October 11, 2023, at 3pm.

Adjournment: 4:11pm

For an audio recording of this meeting contact Ms. Vivian Tan, Administrative Support for the SFMTA Bond Oversight Committee. Vivian Tan can be reached at 415.646.2109 or via email at BOCOversightCommittee@sfmta.com or RevenueBonds@sfmta.com.