

SFMTA Bond Oversight Committee

Rudy Nothenberg, Chairman Dan Murphy, Vice Chairman

Leona Bridges, Kathryn How, Pauline Marx, Nadia Sesay, Stephen Taber

DRAFT MINUTES— March 3, 2017 - 2:00 p.m.

MEETING LOCATION--SFMTA - 1 South Van Ness Avenue, 3rd Floor
Civic Center Conference Room # 3074

1. **Call to Order and Roll Call:**

Committee Members:

Rudy Nothenberg - Chairman
Daniel Murphy - Vice Chairman
Leona Bridges
Kathryn How
Pauline Marx
Nadia Sesay
Stephen Taber

A quorum being, the meeting was called to order at 2:05 p.m. On the roll call, Committee Members Leona Bridges and Stephen Taber were noted absent.

2. **Public Comment on Matters Not on the Agenda:**

None.

3. **Approval of Minutes for December 2, 2016 Meeting (Action):**

On motion to approve the minutes of the December 2, 2016 meeting minutes:
Unanimously approved (Committee Members Leona Bridges and Stephen Taber absent)

Public comment: None.

4. **BOC Discussion Regarding General Obligation Bond Funds (Item not on agenda):**

BOC members noted the questions raised by the Board of Supervisors recently on the rate of spending needs of General Obligation Bond Funds. SFMTA staff reported that the \$500 million of General Obligation Funds were authorized by the voters in 2014. SFMTA staff also stated that the Agency received approximately \$66 million from the first issuance of the bond issue in 2015 to fund thirteen Muni Forward projects including the L-Taraval and 14-Mission, several pedestrian safety projects, the Better Market Street project, and Caltrain's positive train control system. SFMTA staff stated that slower than expected rate of spending the bond money is in part due to various factors including the need for additional community outreach that originally anticipated, complex project coordination with other agencies, and

contracting challenges. The BOC has no authority over the administration of General Obligation Bond funds even where allocated to SFMTA. The Citywide GOBOC is assigned that responsibility.

Public comment: None.

5. **Review of Bond Funded Projects Expenditures and Delivery (Action)** [Reference Item #4 on agenda]:

- a. Fiscal year 2016-2017 Quarter 2 report: (link to report provided here: [SFMTA Quarter report](#))

Monique Webster (SFMTA) provided a summary of bond funded project expenditures and indicated that 2012 revenue bond funds have been fully expended (except for interest income which will be appropriated during the 2-year budget approval process). The BOC members asked questions regarding three projects which appear to have a larger than expected unspent balance: Fulton, Masonic and Islais Creek. Staff agreed to revisit the spending timeline on these projects and report back.

The BOC discussed inviting Public Works representatives given that many of the bond funded projects are being delivered by Public Works.

Ms. Webster also mentioned that a reallocation of proceeds memorandum will be sent to the SFMTA Board with a copy to the BOC.

- b. Project Presentations –

Streets projects: (link to report provided here: [SFMTA streets presentation](#))

BOC members indicated that they could not differentiate the difference between the two Traffic Calming projects (Design engineering and site project) [reference page 15 and 16 on slides]. Mr. Montoya explained that the Traffic Calming projects are separated based on past and present implementation. BOC member suggested staff to provide clear description to distinguish the different phases and history of the Traffic Calming projects. **[FOLLOW UP]**

BOC members asked if there was a risk in spending funds on the Geary BRT project given the possible litigation regarding this project recently in the news. SFMTA has been advised as there is no injunction at this point, SFMTA may continue to move forward on the project unless and until petitioners request and the court grants an injunction. However, there is some risk that a court could either issue an injunction or require further environmental review that would delay the project. In which case Revenue Bond Funds allocated to this project might have to be reallocated to another project that would spend down the funds in a timely manner.

BOC member requested that staff verify the correct contract amount for the Van Ness Bus Rapid Transit (BRT) project (reference page 61). SFMTA staff agreed to amend the report and provide BOC members the correct amount. **[FOLLOW UP]**

Parking garage projects: (Link to presentation provided [SFMTA Garage presentation](#))

Rob Malone (SFMTA) provided a summary of the parking garage projects.

Public comment: None.

6. Discussion of terms of office of Chair/Vice Chair and bylaws revision (Action) [\[Reference Item #5 on agenda\]](#) :

BOC members approved changes to the bylaws. Mark Blake (Deputy City Attorney) indicated that the amendment was a clean-up revision, and includes edits to Article II Section 3 to specify the section of officers shall be conducted at the first regular meeting of the committee in “each even-numbered calendar year” rather than “each calendar year.” This change was required since the Chair and Vice Chair term of office was changed to two years.

On motion to approve the bylaws:

Unanimously approved (Committee Members Leona Bridges and Stephen Taber absent)

Public comment: None.

7. Announcement of BOC member transition (Discussion item) [\[Reference Item #6 on agenda\]](#):

Member Pauline Marx announced her pending retirement from the City. The BOC requested Ms. Marx continue to serve on the BOC. Ms. Marx will advise the BOC as to her decision.

Public comment: None.

8. Schedule upcoming meeting date and future agenda items: (Discussion/Administration) [\[Reference Item #7 on agenda\]](#)

BOC members agreed to tentatively meet Wednesday, June 7, 2017 at 2:00pm. The BOC requested that staff confirm member availability for this meeting.

Public comment: None.

9. **Future agenda item :**

Mark Blake (Deputy City Attorney) suggested the inclusion of an item on a future agenda regarding Whistleblower Complaints, and how the resolution of such complaints would be transmitted to the BOC, specifically those involving the expenditure of bond funds. The BOC indicated that they be made aware of any whistleblower complaints regarding SFMTA Revenue Bond or Commercial Paper issuances as well as the SFMTA's response to the claim subject to City rules around confidentiality. **[FOLLOW UP]**

Public comment: None.

10. **Adjournment:**

The meeting adjourned at 3:02 pm.

An audio recording of this meeting is on file with Ms. Cindy M. Gumpal, Administrative support for the SFMTA Bond Oversight Committee. Please contact Ms. Gumpal at 415-646-2531 or email: BOCOversightCommittee@sfmta.com if there are any questions or comments.