

SFMTA Bond Oversight Committee

Rudy Nothenberg, Chairman Dan Murphy, Vice Chairman
Leona Bridges, Jose Cisneros, Emilio Cruz, Steve Ferrario, Nadia Sesay

MINUTES— April 4, 2014 - 2:00 p.m.

1 South Van Ness Avenue, 7th Floor, Union Square Conference Room #7080

1. Call to Order and Roll Call:

Committee Members:

Rudy Nothenberg - Chairman
Dan Murphy - Vice Chairman – absent at Roll Call (arrived at 2:09 p.m.)
Leona Bridges
Jose Cisneros – absent at Roll Call (arrived at 2:09 p.m.)
Emilio Cruz
Steve Ferrario
Nadia Sesay

The meeting was called to order at 2:04 p.m. On the call of the roll, Members Murphy and Cisneros were noted absent; all other members were noted present. There was a quorum. Members Murphy and Cisneros was noted present at 2:09 p.m.

Others in Attendance:

Mark Blake – Deputy City Attorney
Sonali Bose – SFMTA, Chief Financial Officer
Lucien Burgert – SFMTA, Capital Controls Manager
Paula Florence – SFMTA, Manager of Capital Projects and Grants Accounting
Cindy Gumpal - SFMTA, BOC Secretary
Vincent Harris – SFMTA, Director of Capital Programs and Construction
Alicia John-Baptiste – SFMTA, Chief of Staff
Amit Kothari – SFMTA, Deputy Director of Sustainable Streets
Jonathan Rewers –SFMTA, Principal Lead/Manager, Capital Financial Planning & Analysis
Adrienne Ricker – SFMTA, Revenue Bond Reporting Analyst
Monique Webster – SFMTA, Senior Manager of Capital Finance

2. Public Comment:

There was no public comment.

3. Approval of Minutes from January 22, 2014 meeting:

On motion to approve the minutes of the August 28, 2013 meeting: unanimously approved.

(Members Cisneros and Murphy – Absent)

4. Approval of Revised Bylaws (Reference Attachment B) – Action Item:

Mark Blake (Deputy City Attorney) provided a summary of revised Bylaws. Mr. Blake explained amendments responded to public comments made at the January 22, 2014 meeting. Specifically under “Article III, Section 5 – Conduct of Meeting”- deletion of incorrect reference to the Admin Code and incorporated the resolution as the appropriate law. He also included last amendment date on the footer of the Bylaws.

Members Murphy and Cisneros arrived at (2:09 p.m.)

On motion to approve revised Bylaws:

ADOPTED: AYES – Unanimous consent

5. Presentation and Discussion of Mayor’s 2030 Transportation Task Force – (Reference Attachment C) - (Explanatory documents include a slide presentation.)

Alicia John-Baptiste (SFMTA) presented the item and discussed two possible ballot measures recommended by the Mayor 2030 Transportation Task Force to assist in funding a \$6 billion in transportation capital funding shortfall. These two ballot measures are a General Obligation Bond and 2) Vehicle License Fee (VLF) for the General Fund and allocated to transportation needs.

Ms. John-Baptiste explained the potential funding a general fund allocation related to the vehicle license fee would be subject to BOC oversight.

Member Murphy questioned if SFMTA anticipates the need to issue debt against the general fund allocation.

- Sonali Bose (SFMTA) said this was unlikely.

Member Nothenberg asked about the status of the proposals.

- Alicia John-Baptiste (SFMTA) stated the ordinances are drafted now and will be introduced no later than May 20, 2014. The last date for the

Board of Supervisors to vote and place an item on November ballot is July 22, 2014.

Presentation and Discussion of Capital Improvement Program – Reference Attachment C - (Explanatory documents include a slide presentation.)

Jonathan Rewers (SFMTA) presented the item.

Sonali Bose (SFMTA) stated that the general fund allocation related to VLF will come in annually.

BOC members requested a draft summary general fund allocation related to VLF and the BOC oversight role.

Sonali Bose (SFMTA) indicated she would draft a summary report and distribute to BOC members during next scheduled meeting should the Board of Supervisors approve placing the VLF on the November 2014 ballot.

6. Review Project Reporting Information and Delivery Schedule for Series 2012B and Series 2013A Bonds (Attachment D):

Monique Webster (SFMTA) presented the delivery schedule for Series 2012B and 2013A Bond Item.

Series 2012B – issued on July 11, 2012

Monique Webster (SFMTA) explained that as of end of December 31, 2013 of the total \$25.7 million dollars in revenue bond there has been \$14.5 million expended and \$3.5 million encumbered. She also stated that as of end of March 2014, there was another \$5 million dollars in expenditures (including approximately \$1 million of encumbered funds) bringing total expenditures to \$20 million. In summary, \$2.5 million remains encumbered and \$22.5 million encumbered or expended.

Series 2013A – issued on November 13, 2013

Monique Webster (SFMTA) explained that the first report to the BOC on the Series 2013A Bonds will be presented at the next meeting. She also commented that the first issuance of \$75 million, out of the \$150 million approved, occurred in December 2013 but due to the timing of the issuance, no projects had been set up as of the quarter ending December 31st. Ms. Webster also stated that as of the quarter ending March 31st, projects have been set up and a little under \$400,000 dollars was expended.

BOC Members requested SFMTA to provide a detailed project report of the Series 2013A Bonds at their next meeting.

Chairman Nothenberg expressed concern that the two reports reflected funding amounts that do not match. He explained that 1) Series 2012B Revenue Bond report reflected \$750,000 funding for Van Ness Station 2) Series 2012B Bond Expenditure report reflected \$1.9 million and \$1.8 million available. Chairman Nothenberg commented that the reports need to be consistent.

Paula Florence (SFMTA) explained that the amount on the Bond report reflected the amounts that had actually been posted in accounting system (FAMIS). The Revenue Bond Report reflected what was planned and approved to be moved with the accounting entries still in process.

Sonali Bose (SFMTA) explained that the Bond Expenditure Summary Report reflected funding that is currently in the system and the Series 2012B Revenue Bond Report included entries that are pending entry into the accounting system. She also commented that to avoid confusion in the future, SFMTA staff to prepare both of the reports from the accounting system (FAMIS).

a. Transit Projects:

Vince Harris (SFMTA) summarized projects Item B through Item F and explained that all of the projects are on schedule and none have exceeded their proposed budgets. Vince Harris also explained that C1 and C2 Muni Metro Turnback Rail and Water Intrusion are both completed and bond funds have been expended and closed out.

Chairman Nothenberg commented that on the spreadsheet the project reflected a remaining amount of close to \$900K.

Lucien Burgert (SFMTA) commented that an amount of \$700K was left in the overall Muni Metro Turnback Rail & Water program would be used to fund an immediate need within the Green Roof project, currently funded partially by 2012B funds. The funds would be used for a contract modification.

Vince Harris stated again that the C1 and C2 Muni Metro Turnback Rail and Water Intrusion are in fact complete.

Chairman Nothenberg commented that if a project is closed out and there are allocated bond funds left that there should be a mechanism in place to direct the money to other projects and policy makers notified.

Sonali Bose (SFMTA) agreed to draft a reallocation of bond procedures and distribute at the next scheduled BOC meeting.

b. Parking Garage Projects:

Amit Kothari (SFMTA) summarized parking garage projects and explained that there is an executed memorandum of understanding with DPW for waterproofing, ventilation and CO2 (carbon dioxide) monitoring work on the garages.

7. Discussion of Template Report for Commercial Paper Program (Attachment E)

Monique Webster (SFMTA) summarized Commercial Paper Program template (Reference Attachment E). She also stated that she will research templates used by other City departments.

8. Election of Officers - Action Item:

On motion to elect Rudy Nothenberg as Chairman:

ADOPTED: AYES - Rudy Nothenberg, Dan Murphy, Leona Bridges, Jose Cisneros, Emilio Cruz, Steve Ferrario, Nadia Sesay

On Motion to Elect Dan Murphy as Vice Chairman:

ADOPTED: AYES – Rudy Nothenberg, Dan Murphy, Leona Bridges, Jose Cisneros, Emilio Cruz, Steve Ferrario, Nadia Sesay

9. Discussion of Next BOC Meeting:

Members agreed to meet on August 27, 2014, 2pm at SFMTA – 1 South Van Ness Ave, 7th Floor Union Square Conference Room # 7080.

Chairman Nothenberg asked SFMTA to invite the KPMG Auditors during next meeting to discuss the procedures for the upcoming annual report.

10. Adjournment.

The meeting adjourned at 3:33 pm

A recording of the meeting is on file with the Secretary of the SFMTA Bond Oversight Committee and can be made available upon request. Please contact Cindy Gumpal at 415-701-5233 or email: BOCOversightCommittee@sfmta.com.