

SFMTA Bond Oversight Committee

Rudy Nothenberg, Chairman Dan Murphy, Vice Chairman
Leona Bridges, Kathryn How, Bob Shaw, Nadia Sesay, Stephen Taber

SPECIAL MEETING

MINUTES - Wednesday, December 6, 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-Chair
Kathryn How
Leona Bridges
Nadia Sesay
Bob Shaw
Stephen Taber

A quorum being, the meeting was called to order at 2:20 p.m. On the roll call, Committee Members Nadia Sesay and Stephen Taber were noted absent.

2. Public Comment

None.

3. FY16-17 Annual Report:

Draft of Audit Report – Jie Hua Lee KPMG Senior Audit Manager presented a summary of the draft report of Agreed-Upon Procedures' (Series 2012A, 2012B, 2013, 2014 and 2017 year ended June 30, 2017) between SFMTA and KPMG. Ms. Lee stated that KPMG selected 65 sample items in a variety of transactions, obtained the supporting documentation, and reviewed the policy and procedures. The report contains the results as well as any discrepancies.

Rudy Nothenberg (BOC Chairman) asked whether SFMTA had Project Manager approval processes similar to those we have with DPW and other City Departments? KPMG stated that SFMTA established formal procedures for work authorization management and oversight with DPW in 2016 as DPW delivers a significant number of projects for SFMTA. However, SFMTA does not have a similar formal procedure with other departments. SFMTA will assess whether a similar formal procedure is needed for work authorization with other departments in fiscal year 2018 taking into account the relative volume as well as the functionality of the City's new financial system.

Draft of Annual Report A draft of the Annual Report was presented. Chairman Nothenberg suggested to change the available amount to \$25.7 million in place of \$25,835,000 showing on the

table on page 5 for 2012B Bond series. The change will be consistent with how the available amount is shown elsewhere in the report.

Also, BOC Member suggested that the report should reflect on page 12 that the remaining balance of \$24.7 million from the \$75 million Revenue Bonds, Series 2014 is expected to be spent down within the time limits that would avoid arbitrage issues.

BOC members unanimously approved the Audit and Annual Reports.

Public Comment: None

Special meeting adjourned at 2:35pm.