

SFMTA Bond Oversight Committee

Rudy Nothenberg, Chairman Dan Murphy, Vice Chairman

Leona Bridges, Jose Cisneros, Emilio Cruz, Nadia Sesay, Stephen Taber

MINUTES— March 25, 2015 - 2:00 p.m.

SFMTA - 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)
Leona Bridges
Jose Cisneros - (Absent)
Emilio Cruz - Absent at roll call (arrived at 2:20 pm)
Nadia Sesay
Stephen Taber

A quorum being present, the meeting was called to order at 2:10 p.m. On the roll call, Members Murphy and Emilio Cruz were noted absent; all other members were present. Member Cruz was noted present at 2:20 pm.

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
Rob Malone – SFMTA, Deputy Director of Sustainable Streets
Adrienne Ricker – SFMTA, Revenue Bond Reporting Analyst
Stephen Taber – SFMTA Citizens’ Advisory Council Member (CAC)
Monique Webster – SFMTA, Senior Manager of Capital Finance

2. Public Comment:

There was no public comment.

3. Introduction of new member Stephen Taber:

Chairman Nothenberg announced that Stephen Taber, a member of the Citizen's Advisory Council (CAC), has joined the committee to replace Member Steve Ferrario. A copy of the appointment is available on the CAC Website, link provided:

<http://www.sfmta.com/sites/default/files/agendaitems/2015/1-8-15%20CAC%20Minutes.pdf>

4. Approval of Minutes from January 7, 2015 meeting:

Motion and second to approve the minutes of the January 7, 2015 meeting: unanimously adopted.

5. Election of Officers:

Chairman Nothenberg commented that due to the fact that not all BOC members were present, the election of Chair and Vice Chairman was postponed but the election would be included on the next meeting agenda. Chairman Nothenberg also noted that the membership may wish to consider lengthening the terms of officers when the by-Laws are next amended. The election of new officers and the desire to change the bylaws will be agendized at the next meeting.

6. Discussion of Letter to the Board dated 2/13/2015 (Attachment C) and Review project reporting information and Delivery Schedule for Series 2012B and 2013 Bonds (Attachment D):

Ms. Webster commented that since there are now 35 active projects, it is proposed to rotate and review one-third of the active projects at each meeting. By following that schedule, each project will be reviewed twice each year. The members accepted the proposal subject to continuing to receive written material and expenditure reports for all projects and requested that staff report on activity changes, problems, and highlights to each project.

Member Emilio Cruz arrived at 2:20pm. Mr. Cruz announced his last day with San Francisco Public Utilities Commission (SFPUC) is April 14' 2015. The Director of Transportation to determine his replacement.

Discussion of Letter to the Board dated 2/13/2015 Revenue Bond Reallocation of Proceeds for Series 2012B and 2013 (Attachment C):

Ms. Webster (SFMTA) provided a summary of the February 2015 letter to the SFMTA Board. Ms. Webster explained that it is the fourth reallocation of proceeds on the Series 2012B bond and first reallocation of proceeds on the Series 2013 bond programs. Ms. Webster further explained the fourth reallocation of Series 2012B revenue bonds was required to redirect \$1.3 million from two other projects to the Sunset Tunnel Rehabilitation Program in order to ensure the bond funds are spent within the allowable 3-year window. She also explained that the fourth reallocation also directs \$195,000 in interest earned to date on the Series 2012B bonds to the Sunset Tunnel Rehabilitation project.

Delivery Schedule for Series 2012B and 2013 Bonds (Attachment D):

Ms. Webster provided a summary of the Series 2012, 2013 and 2014 bond issuance as of December 31, 2014. Ms. Webster stated that the \$25.7 million of Series 2012 Bond was issued in July 2012 and total expenditures are \$20.5 million, total encumbrances are \$811,000 and the remaining balance is \$4.4 million. Ms. Webster also explained that the interest earned is \$260,000. Ms. Webster stated that of the \$75 million 2013 bonds issues in November 2013, total expenditures to date have been \$8.2 million. . She also commented that new projects have been set up with interest earnings of \$485,000. Ms. Webster commented that as of December 31, 2014, there was no expenditure activity on the Series 2014 Bonds that were issued in December 2014.

The BOC was informed that the staff was moving forward to request SFMTA Board of Directors and the Board of Supervisors approve a swap of \$10.2 million between funding sources to ensure timely delivery of the Masonic Streetscape Project. It was recently brought to the Agency's attention that lower federal funding capacity for Federal Fiscal Year 2016 will likely result in a funding delay in One Bay Area Grant (OBAG) funds which would impact the timeline of the Masonic Streetscape Project. Therefore, in order to keep this project on schedule, it has become necessary to use \$10.2M of Revenue Bonds in lieu of the OBAG funds. In turn, the OBAG funds will be allocated to the base LRV procurement project where funding is needed after Fiscal Year 2016. The LRV procurement project is eligible for the OBAG funds.

a. Transit Projects:

Lucien Burgert provided a summary on the following large transit projects:

C3 Blue light emergency phone replacement is on schedule. The Transit Division is working on a subway shutdown schedule that will allow the Contractor access to the tunnel. Mr. Burgert also mentioned there are no delays or cost impact currently.

Muni Metro Sunset Tunnel Rail Rehabilitation: Mr. Burgert explained that there was a noise complaint from the public associated with this project. A hearing was scheduled before the Board of Appeals which resolved the noise complaint. As a result the project is expected to be completed by end of July, a two month delay from original completion date.

Muni Metro Twin Peaks Tunnel Rail replacement project: Mr. Burgert stated that Construction staff continues to work with the Transit division to coordinate subway shutdown and related bus substitution schedule (bus service will need to replace rail service during construction).

Light rail vehicles: Ms. Webster summarized the new light rail vehicle procurement of project. Ms. Webster stated that SFMTA has been authorized to purchase a total of 260 cars under a contract awarded to Siemens Inc.; the projected first car to arrive in December 2016. Ms. Webster explained that a survey was gathered for public input in regards to the seats, colors and nose design, the results has been received which will inform the design of the vehicles.

b. Parking projects:

Rob Malone (SFMTA) provided a summary of the parking garage projects. Mr. Malone stated that the ventilation improvement design was completed on Japan Center, Golden Gateway and Sutter Stockton in February 2015. Mr. Malone also mentioned that the Golden Gateway and Sutter Stockton Ventilation improvement projects advertised for bid March 2015. Mr. Malone further explained that the elevator replacement project as Moscone garage is currently in the planning phase. The Chair asked if the funds allocated to the parking projects would be spent within the required window given the current balances.

Coordination between GOBOC and BOC

At the request of the chair, Sonali Bose (SFMTA) announced that a meeting would be scheduled between the leadership of the City General obligation Oversight Committee (GOBOC) and BOC to discuss the oversight responsibilities of the BOC and GOBOC project that have both SFMTA debt and GO funding sources. The intent is to keep both bodies

involved of relevant projects and reduce duplicative reports and maximize staff efficiency in project reporting.

7. Discussion of upcoming meeting dates:

BOC Members agreed to meet on Wednesday, May 27th 2015.

8. Adjournment.

The meeting adjourned at 3:09 p.m.

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 Ms. Cindy Gumpal at 415-701-5233 or Email: BOCOversightCommittee@sfmta.com.

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