

SFMTA BOND OVERSIGHT COMMITTEE  
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January xx, 2014

SFMTA Board of Directors  
Tom Nolan, Chairman  
Cheryl Brinkman, Vice-Chairman  
Malcolm Heinicke, Director  
Jerry Lee, Director  
Joél Ramos, Director  
Cristina Rubke, Director

**Dear SFMTA Board of Directors:**

On behalf of my fellow Committee members, I am pleased to present the 2012-2013 Annual Report of the San Francisco Municipal Transportation Agency (SFMTA) Bond Oversight Committee. The SFMTA Bond Oversight Committee (BOC) was created by the Board of Directors of the SFMTA by Resolution #11-154 on December 6, 2011.

The BOC is required to provide its annual report to the SFMTA Board of Directors by January 31 of each year. The attached report of the BOC describes its activities during 2012 – 2013.

**We are happy to respond to any questions that you may have.**

Sincerely,

Rudy Nothenberg,  
Chairman  
SFMTA Bond Oversight Committee

## TABLE OF CONTENTS

1. INTRODUCTION
2. BACKGROUND
3. SFMTA BOC BY-LAWS
4. ISSUANCE OF 2012 REVENUE BONDS
5. PROJECT DELIVERY
6. SUBSEQUENT EVENTS
  - A. Reallocation of Proceeds
  - B. Additional Financings
  - C. Policies and Procedures
7. AUDITOR REVIEW
8. APPENDICES
  - A. SFMTA Board of Directors Resolution forming the BOC
  - B. SFMTA BOC Meeting Agendas and Minutes
  - C. SFMTA BOC By-Laws
  - D. 2012-13 Bond Project Delivery Reports
  - E. August 8, 2013 Memo to SFMTA Board: Update on the SFMTA Revenue Bond Program (Series 2012B)
  - F. Procedures for Work Authorizations Between the SFMTA & The CCSF Department of Public Works (DPW)
  - G. Auditor's Review

## **Section 1. Introduction**

The San Francisco Municipal Transportation Agency (SFMTA or Agency) Bond Oversight Committee (BOC) was created by the SFMTA Board of Directors. The BOC is required to provide its annual report to the SFMTA Board of Directors by January 31 of each year. The attached report of the Committee describes its activities during 2012-2013.

## **Section 2. Background**

The Board of Directors of the SFMTA created the BOC on December 6, 2011. Resolution #11-154 creating the BOC is included in Appendix A.

The BOC has been established to provide public oversight regarding the expenditure of bond proceeds for projects funded by the SFMTA's revenue bonds and other forms of indebtedness to ensure that bond proceeds are being spent for authorized purposes in accordance with law. Its purpose is to ensure accountability and transparency for SFMTA debt financed projects, and to ensure that prudent internal controls and practices are established and implemented by the SFMTA. The BOC also informs the SFMTA Board of Directors and the public on status of the projects funded by debt. The BOC's authority does not include the approval of projects included in any financing nor participation or interference in the selection process of any vendor hired to execute bond-funded projects or issue debt.

The BOC consists of seven members as follows: (1) three members recommended by the SFMTA Board Chairman and approved by the SFMTA Board of Directors; (2) two members of the Citizens' Advisory Council; (3) one member appointed by the Director of Transportation; and (4) one member appointed by the Controller. The three current members appointed by the SFMTA Board are Rudy Nothenberg, Leona Bridges (former SFMTA Board member) and Jose Cisneros (City Treasurer). The two current members appointed by the Citizen's Advisory Council are Dan Murphy and Steve Ferrario. The current member appointed by the Director of Transportation is Emilio Cruz (Assistant General Manager, San Francisco Public Utilities Commission) who replaced Harlan Kelly, Jr. (General Manager of the San Francisco Public Utilities Commission). The current member appointed by the Controller is Nadia Sesay (Director of the Office of Public Finance). The BOC elected Rudy Nothenberg as Chair and Dan Murphy as Vice Chair at its first meeting on April 25, 2012. BOC members do not receive compensation for their work.

The first meeting of the BOC was held on April 25, 2012 (Absent: Jose Cisneros, Steve Ferrario) followed by meetings on August 22, 2012, December 5, 2012 (Absent: Dan Murphy, Harlan Kelly, Jr.), March 20, 2013 (Absent: Dan Murphy), May 29, 2013 (Absent: Leona Bridges), August 28, 2013 (Absent: Emilio Cruz) and November 6, 2013 (Absent: Jose Cisneros). Agendas for all of the BOC meetings are included in Appendix B.

All Committee proceedings are subject to the California Public Records Act (Section 6254, et seq., of the Government Code of the State of California) and the City's Sunshine Ordinance

(Chapter 67 of the Government Code of the State of California). Minutes of the proceedings of the Committee and all documents received and reports issued are a matter of public record and are available on the SFMTA's Website.

### **Section 3. BOC By-Laws**

The BOC gave final approval to the By-laws on December 5, 2012. Subsequent to approval, the BOC approved a revision to the By-Laws to include all debt proceeds in addition to bond proceeds on August 28, 2013 (see Subsequent Events below). The By-Laws, as amended on August 28, 2013, are included in Appendix C. In addition to the purpose of the BOC described above and in the By-Laws, other major provisions of the By-Laws are as follows:

- The BOC meets quarterly at a minimum;
- Four members are required for a quorum;
- There is an opportunity for public comment at every meeting; and
- The BOC issues an annual report not later than January 31 of each year.

In addition, the By-laws provide for the following:

Section 3. The Committee shall convene to provide oversight to ensure that: (1) debt proceeds are expended only in accordance with the authorizing resolution and applicable law, (2) debt proceeds are expended solely for uses, purposes and projects authorized in the authorizing resolution, and (3) debt proceeds are appropriately expended for authorized capital improvements.

Section 4. The Committee shall convene to provide oversight for: (1) ensuring that bond proceeds are expended only in accordance with the documents securing the debt and approving legislation, and only on projects as specified in such legislation and approved by the Board; and (2) ensuring that no funds are used for any administrative salaries or other general Agency operating expenses unless specifically authorized in the documents securing the debt and approving legislation.

In order to perform these functions, the BOC may engage in any of the following activities:

1. Inquire into the disbursement and expenditure of the debt proceeds of the Agency by receiving any reports, financial statements, correspondence or other documents and materials related to the expenditure of debt funds;
2. Hold public hearings to review the disbursement and expenditure of debt proceeds of the Agency;
3. Inspect facilities and infrastructure financed with debt proceeds of the Agency;

4. Receive and review copies of any project statements and the status of projects, including expenditures incurred for projects funded through the debt of the Agency;
5. Review efforts by the Agency to maximize debt proceeds by implementing cost-saving measures, including, but not limited to, all of the following: (i) mechanisms designed to reduce the costs of professional fees and consulting services; and (ii) recommendations regarding the use of core facilities and use of cost-effective and efficient reusable facility plans; and
6. Commission independent review of the disbursement and expenditure of debt proceeds of the Agency and retain outside auditors, inspectors and necessary experts to conduct such independent review.

In interpreting the above and the intent of the SFMTA Board, the BOC views its mission to include the following:

- To assure that the process of selecting Financial Advisors for each of SFMTA's debt issues was open and fair and that the process met the City's and the SFMTA's standards for the selection process and that the costs charged by the Financial Advisors were competitive.
- That the debt issuance proceeds were invested immediately and at an optimal yield consistent with the highest possible degree of safety in accordance with the SFMTA's debt policy.
- That all projects selected for debt issuance funding were eligible projects under the law and the terms of the authorizing resolution and any security instrument (e.g. indenture of trust).
- That SFMTA had put into place a stringent system to assure that all encumbrances and resulting expenditures were directly project related and that the opportunity to "lay-off" unrelated or minimally related overhead costs against debt funded projects was eliminated.
- That change-orders are being properly controlled to assure that debt financed projects will be completed and delivered within the budgets originally established.
- That direct-charges or work order charges from other City Departments/Agencies were integral to each debt funded project, reasonable in amount and auditable by SFMTA, or the Controller or SFMTA's auditors.

The BOC spent a considerable amount of time with SFMTA and Controller's staff discussing these issues and, while the number of transactions and funds expended to date is still relatively small (as discussed below), the BOC believes that the systems are in place to allow it to report on these goals as the process moves forward.

The BOC has suggested to SFMTA staff that, as a matter of policy, debt financed projects should be eligible larger projects, those requiring significant investments of bond or other debt instrument investments rather than a smattering of smaller projects. The BOC believes that a smaller number of larger projects will enhance control of these legally constrained funds and enhance later audit

ability. The staff-reported fund requirements for a variety of smaller projects has not allowed that recommendation to be fully implemented. The BOC nevertheless repeats its recommendation in this report in the anticipation that in the future, SFMTA staff will be able to more fully adhere to it.

#### **Section 4. Issuance of 2012 Revenue Bonds**

In July 2012, SFMTA issued a total of \$63.8 million in Revenue Bonds, Series 2012A for \$38.0 million, and Series 2012B for \$25.8 million. The Series 2012A Bonds were issued to: (a) refund prior bonds issued by the Parking Authority, the City of San Francisco Ellis-O'Farrell Parking Corporation, the City of San Francisco Downtown Parking Corporation and the City of San Francisco Uptown Parking Corporation; (b) make a deposit to the 2012 Reserve Account of the bond Reserve Fund; and (c) pay a portion of the cost of issuance of the Series 2012 Bonds. The Series 2012B Bonds have been used to: (a) finance a portion of the costs of various capital projects for the SFMTA; (b) make a deposit to the 2012 Reserve Account of the Bond Reserve Fund; and (c) pay a portion of the costs of issuance of the Series 2012 Bonds. The refunded bonds were redeemed on July 27, 2012. This refunding resulted in net present value savings of \$6.7 million, representing 15.80% saving of refunded bonds, with the average coupon of refunded bonds 5.64%. The true interest cost (TIC) of the 2012 Revenue Bonds was 3.7%.

The bond proceeds were initially invested under in accordance with its indenture of trust, with its trustee, Bank of New York Mellon Trust Company. After the SFMTA confirmed that the City investment pool is a permitted investment under the bond indenture, except for the Reserve Funds which must be held by the Trustee, the remaining bond proceeds in the amount of \$25.7 million were transferred to the City Treasurer on October 1, 2012. Funds are made available to the SFMTA as needed. Interest earned on these funds is credited to the account of the SFMTA.

#### **Section 5. Project Delivery**

The Series 2012B bond issuance was authorized in July 2012 and funds seven SFMTA capital programs for a total of \$25.7 million. Of the \$25.7 million, \$5.0 million was designated for garage projects and \$20.7 for asset renewals and accessibility and reliability of the transit system (safe routes to transit including bicycle, pedestrian and signal improvements).

As of September 30, 2013, the Series 2012B bond funds were invested in total of 15 projects. A total of \$10.5 million bond funds was expended and slightly over \$6.6 million was encumbered in construction contracts.

Project delivery milestones include:

1. The Muni Metro Turnback (MMT) Rail Rehabilitation project to replace all worn track in the subway from the Folsom St. rail portal to Embarcadero Station reached substantial completion. This follows the completion in June of water proofing improvements and repair in the MMT.

2. Installation of the new roof at the Green Center light rail maintenance facility has been completed. The next step is replacement of the rooftop HVAC equipment.
3. Fiber and electrical installation was completed at various subway stations and tunnel sections under the Central Control and Communications (C3) Integrated Systems Replacement project.
4. The Request for Qualifications was issued to parking equipment vendors and manufacturers for the Parking Access and Revenue Control System.
5. Fiber and electrical installation was completed at various subway stations and tunnel sections under the Muni Metro System Public Announcement and Public Display System Replacement Project.
6. ADA improvements were completed at the 9<sup>th</sup> and Irving St. parking lot.
7. Design of Franklin Street Bulbouts and construction of Exploratorium Crosswalk were completed.
8. Two new projects were established under the Systemwide Transit Access and Reliability Program: (1) Bicycle Parking to procure and install bike racks throughout the City and (2) Gough Street Pedestrian Improvements that will increase pedestrian safety by adding bulbouts to DPW's repaving project in that area.

Bond project delivery reports for 2012 and 2013 are included in Appendix D.

## **Section 6. Subsequent Events**

### **A. Reallocation of Proceeds**

In August 2013, the SFMTA Board of Directors was notified of the reallocation of \$1.93 million of Series 2012B revenue bond funds to reflect changes in project funding needs (see letter included in Appendix E). First, the Muni Green Light Rail Facility Rehabilitation Project received an additional \$324,500 of the Series 2012B bonds from the Muni Metro System Public Announcement and Public Display System Replacement. Second, contract negotiations for the Radio Replacement Project deferred the need for the \$1.6 million in Series 2012B revenue bonds originally planned for the project. Those funds were transferred to the Systemwide Transit Access and Reliability Program to address a backlog of bicycle parking installation and street improvement projects.

### **B. Additional Financings**

The SFMTA established a commercial paper (CP) program in the amount of \$100 million on September 10, 2013 and closed a second issuance of revenue bonds on December 4, 2013.

CP Notes proceeds are expected to be used to pay for interim costs of projects pending the receipt of grant proceeds and/or to finance state of good repair and other capital projects. Such CP Notes, and the SFMTA's obligation to reimburse State Street Bank and Trust Company (State Street) for draws under the letter of credit to pay the principal of and interest on the CP Notes, will be secured by a pledge of Pledged Revenues that is junior and subordinate to the pledge securing any revenue bonds of the SFMTA. The letter of credit issued by State Street is scheduled to expire on September 10, 2018, subject to prior termination pursuant to its terms and as provided for in the related reimbursement agreement.

On August 28, 2013, the BOC By-laws were expanded to include oversight of all debt issuances of the SFMTA, including but not limited to the issuance of revenue bonds and commercial paper.

The 2013 Revenue Bonds Series was issued by the SFMTA on December 4, 2013 with US Bank National Association as Trustee, as approved by the SFMTA Board with the concurrence of the Board of Supervisors. The Series 2013 Bonds were issued to provide project funding of \$75 million and have been issued (a) to finance a portion of the costs of various capital projects for the SFMTA (b) to make a deposit to the Series 2013 Reserve Account of the Reserve Fund established under the Indenture for the Series 2012 and 2013 Bonds; and (c) to pay a portion of the costs of issuance of the Series 2013 Bonds.

With the issuance of the 2013 Revenue Bonds, the SFMTA consolidated trustee services with US Bank and Trust Company.

The City's auditor, KPMG, has conducted an Agreed Upon Procedures of the Revenue Bonds Series 2012, which is a review to verify that debt proceeds and interest income are expended solely for uses, purposes and projects authorized in the authorizing resolution (see below).

### **C. Policies**

Consistent with the goals established by the BOC, in August 2013, the BOC received a presentation from the Controller's Office and Department of Public Works (DPW) of new written procedures for work authorizations between SFMTA and DPW. The procedures outline a timeline for timely review and approval of DPW charges by SFMTA and a process for correction of expenditures if required (see documents included in Appendix F).

At its November 6, 2013 meeting, the BOC reviewed the SFMTA's Commercial Policy and Procedures to guide the use of CP to finance project cash flows. The procedures were jointly developed by the SFMTA and the Office of Public Finance and define the steps to access CP notes and the related procedures and accounting to ensure appropriate internal controls and accountability.



## **Section 7. Auditor Review**

At the November 6, 2013 BOC meeting, the BOC requested that KPMG, the City's auditor, complete a review of a sample set of transactions that occurred during fiscal year 2012-2013 related to the Series 2012 Revenue Bonds to ensure that debt proceeds and interest income were expended solely for uses, purposes and projects authorized. The auditor analyzed 25 expenditures from the SFMTA's revenue bond expenditure account and determined that expenditures were made for authorized capital projects, were properly supported and were processed in accordance with the SFMTA's internal procedures. The auditor also examined trustee payments for debt service and determined that trustee payments were in accordance with the debt service payment schedule, in the correct amounts and paid within the due date. The auditor further confirmed bond balances to supporting records. The auditors have affirmed that the bond proceeds were expended solely for the uses, purposes and projects authorized in the authorizing resolution. A copy of the review is included in Appendix G.

## **Section 8. Appendices**

- A. SFMTA Board of Directors Resolution forming the BOC
- B. SFMTA BOC Meeting Agendas and Minutes
- C. SFMTA BOC By-Laws
- D. 2012-13 Bond Project Delivery Reports
- E. August 8, 2013 Memo to SFMTA Board: Update on the SFMTA Revenue Bond Program (Series 2012B)
- F. Procedures for Work Authorizations Between the SFMTA & The CCSF Department of Public Works (DPW)
- G. Auditor's Review

# Appendix A – SFMTA Board of Directors Resolution forming the BOC

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. 11-154

WHEREAS, The purpose of the bond oversight committee is to provide oversight to the SFMTA to ensure that bond proceeds are being spent on permitted purposes and to establish prudent internal controls and practices; and,

WHEREAS, The proposed SFMTA bond oversight committee will consist of seven members and will oversee the spending of bond proceeds and inform the Board and the public on status of the projects funded by debt; and,

WHEREAS, All proceedings of the bond oversight committee shall be subject to the California Public Records Act (Section 6254, et seq., of the Government Code of the State of California) and the City's Sunshine Ordinance (Chapter 67 of the Government Code of the State of California) and minutes of the proceedings of the bond oversight committee and all documents received and reports issued shall be a matter of public record and be made available on the SFMTA's Website; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the creation of a bond oversight committee to oversee the expenditure of bond proceeds for projects funded by the San Francisco Municipal Transportation Agency's revenue bonds and other forms of indebtedness with the following seven members:

- (1) Three members recommended by the Chairman and approved by the SFMTA Board of Directors;
- (2) Two members of the Citizens' Advisory Council;
- (3) One member appointed by the Director of Transportation; and
- (4) One member appointed by the Controller.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of DEC 06 2011.

Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

## Appendix B – SFMTA BOC Meeting Agendas and Minutes

### SFMTA BOND OVERSIGHT COMMITTEE

April 25, 2012, 2:00PM

One South Van Ness Avenue, 3<sup>rd</sup> Floor  
Civic Center Conference Room

#### AGENDA

1. Call to Order and Introductions
2. Public Comment
3. Discuss Role of Committee
  - a. Overview from City Attorney
  - b. Meetings and Minutes
  - c. Annual Report
4. Election of Chair and Vice Chair
5. Discussion of Upcoming SFMTA Bond Financing
  - a. Financing Timeline
  - b. Project Delivery Schedule
6. Review Report Template for Ongoing Project Reporting
7. Set a Date for Next Meeting and Discussion of Calendar for Future Quarterly Committee Meetings
8. Adjournment

## SFMTA BOND OVERSIGHT COMMITTEE (BOC)

MINUTES—April 25, 2012, 2:00PM

One South Van Ness Avenue, 3<sup>rd</sup> Floor, Civic Center Conference Room

### 1. Call to Order and Introductions

Committee members:

Rudy Nothenberg - Chairman

Dan Murphy – Vice Chairman

Leona Bridges

Jose Cisneros (absent)

Steve Ferrario (absent)

Harlan Kelly, Jr.

Nadia Sesay

Others in Attendance:

Sonali Bose

Terrance Fahey

Shahnam Farhangi

Cindy Gumpal

Amit Kothari

Jennifer Kwok

Trinh Nguyen

Gail Stein

Monique Webster

Mark Blake (Deputy City Attorney)

Vincent McCarley (Financial Advisor)

### 2. Public Comment

- No Comment

### 3. Discuss Role of BOC

#### a. Overview from City Attorney

- City Attorney Mark Blake discussed the role of the BOC as set forth in the SFMTA Board calendar item and resolution of December 4, 2011. Mr. Nothenberg requested that the minutes note that the BOC does not have the power to choose individual projects, only to oversee and monitor the ones chosen by the SFMTA. The BOC then discussed the upcoming bond financing, the included projects and project delivery.

b. Meetings and Minutes

- The BOC agreed that a tape of the proceedings should be posted for the public to review. The minutes would then consist of summary of action points/follow-up items only. BOC agreed to meet quarterly. The BOC will discuss possible By-laws at the next meeting. It was noted that all BOC members are required to file Form 700 for their role on this Committee.

c. Annual Report

- The BOC will provide the Annual Report to the SFMTA Board in April of each year, given the first meeting was held in April.

4. Election of Chair and Vice Chair

- Mr. Nothenberg was elected as Chair and Daniel Murphy as Vice Chair.

5. Discussion of Upcoming SFMTA Bond Financing

a. Financing Timeline

- Vincent McCarley – Financial advisor discussed financing timeline. Series 2012A (\$49.3 million refunding) and Series 2012B (\$28.3 million New Money) Bonds projected to be sold in late June, early July 2012. Series 2013A (\$80.4 million remaining New Money) projected to be sold in summer 2013.

b. Project Delivery Schedule

- Mr. Farhangi and Mr. Kothari discussed the projects and presented preliminary timelines as described in more detail in the Preliminary Official Statement.

6. Review Report Template for Ongoing Project Reporting

- BOC members received a request for information from Mr. Nothenberg (see Attachment A).
- BOC received proposed project expenditure reports and project progress reports and bond expenditure report (see Attachment B).
- BOC discussed timing of the receipt of these reports.

7. Set a Date for Next Meeting and Discussion of Calendar for Future Quarterly BOC Meetings

- BOC will meet quarterly on the fourth Wednesday of February, May, August and November at 2:00PM, starting on August 22, 2012.

8. Adjournment

Actions items (and responsible individual(s)):

1. By-laws (Mark Blake to circulate by-laws of City Revenue Bond Oversight Committee and propose by-laws for this committee)
2. Annual Report (Mark Blake to circulate annual reports from similar committees)
3. Reports—Committee will receive the project expenditure reports monthly and project progress reports and bond expenditure report quarterly; the monthly reports will provide a greater level of detail than the quarterly reports (SFMTA)
4. Mr. Nothenberg circulated a list of questions to which he would like responses, BOC members to provide additional questions to Sonali Bose (BOC)
5. SFMTA to respond to BOC questions (SFMTA)
6. Research on posting the tape of Committee proceedings (SFMTA)
7. Provide timeline of bond financing events to Committee members (SFMTA)

## **SFMTA BOND OVERSIGHT COMMITTEE**

August 22, 2012, 2:00PM

One South Van Ness Avenue, 3<sup>rd</sup> Floor  
Civic Center Conference Room

### AGENDA

1. Call to Order and Introductions
2. Public Comment
3. Approval of Minutes from April 25, 2012 Meeting and Discussion of Posting of Tape of the Committee's proceedings (Attachment A)
4. Update on Bond Issuance
  - a. Funds Held by Trustee (Attachment B)
5. Introduction of Vince Harris, Director of Capital Programs and Construction Division
6. Review of Response to Mr. Nothenberg's Questions to SFMTA staff (Attachment C)
7. Review Project Reporting Information and Delivery Schedule (Attachment D)
  - a. Transit Projects
  - b. Parking Projects
8. Review of By-Laws and Annual Report Format Proposed by City Attorney's Office (Attachment E)
9. Discussion of Date for Next Meeting
10. Adjournment

## **SFMTA BOND OVERSIGHT COMMITTEE (BOC)**

MINUTES—August 22, 2012, 2:00 PM

One South Van Ness Avenue, 3<sup>rd</sup> Floor, Civic Center Conference Room

### 1. Call to Order and Introductions

#### Committee members:

Rudy Nothenberg - Chairman  
Dan Murphy – Vice Chairman  
Leona Bridges  
Jose Cisneros  
Steve Ferrario  
Harlan Kelly, Jr.  
Nadia Sesay

#### Others in Attendance:

Ed Reiskin  
Sonali Bose  
Terrance Fahey  
Shahnam Farhangi  
Cindy Gumpal, BOC Secretary  
Vince Harris  
Amit Kothari  
Tess Navarro  
Monique Webster  
Mark Blake - Deputy City Attorney  
Erwin Tam – Backstrom McCarley Berry & Co., LLC, Financial Advisor

### 2. Public Comment

- No Comment

### 3. Approval of Minutes from April 25, 2012 Meeting and Discussion of Posting of Tape of the Committee's proceedings

#### BOC Meeting Minutes:

- BOC Secretary to distribute hard copy to members if requested.



- The BOC members agreed to revise Line item 6 language: “BOC members received a Financial Reporting handout” to include language BOC members received “a request for information”.

*Action Item completed on 8/23/2012: Ms. Gumpal, the BOC Secretary, revised language and notified members via email. Final minutes approved, and posted on website for public reference.*

Posting of Tape of the Committee’s proceedings (for discussion only):

- BOC Secretary discussed posting of audio and minutes. BOC committee members agreed to post meeting minutes online and include information on the web site that audio recordings of the meetings are available to public upon request.

*Action Item completed on 9/20/2012: Ms. Gumpal posted language regarding audio recording availability on BOC website. Language includes, “A copy of the audio recordings of the meetings are on file with the Secretary of the San Francisco Municipal Transportation Agency Bond Oversight Committee and can be made available upon request. Please contact Cindy Gumpal at 415-701-5233 for information.”*

4. Update on Bond Issuance

a. Funds Held by Trustee (Attachment B)

Ms. Bose summarized and provided information regarding Series 2012A and 2012B Bonds.

b. *New Items*: distributed during meeting (attached to these minutes)

Chairman Nothenberg had requested that Ms. Bose provide a broader outline and provide the gross issue amount, fees and to whom they were paid and the net deposit with the trustee. SFMTA distributed spreadsheets during meeting.

Ms. Navarro provided a summary of Attachment C- Series 2012A Refinancing the garage bonds and 2012B (capital projects for both transit and parking and traffic) Revenue Bond spreadsheets.

- BOC members requested clarification regarding reserve funds on a refunding bond (\$2,684,051) in Attachment C.

*Action Item completed on August 23, 2012: Ms. Bose confirmed and provided BOC members confirmation via email that the (\$2,684,051) million on the Series 2012 A account reflects the debt service reserve funds only.*

c. **New Item:** Bond proceeds to be held in county pool

BOC members asked the SFMTA to invest the Series 2012B bond proceeds in the City Investment Pool pending review.

*Action Item Completed on September 20, 2012: Ms. Bose confirmed via a memorandum that the Series 2012B bond proceeds would be invested in the City Investment Pool.*

5. Introduction of Vince Harris, Director of Capital Programs and Construction Division
6. Review of Response to Chairman Nothenberg's Questions to SFMTA staff (Attachment C)

Chairman Nothenberg expressed concerns regarding approvals for SFMTA and other City agencies work orders and charges within the City and the propensity of the other departments, including divisions within SFMTA, to treat these bond funds to cover non-bond related overhead costs.

Mr. Reiskin explained the specifics of memoranda of understanding between departments that lay out the scope, schedule, budget and a fixed agreed-upon fee to manage projects, with overhead included. Ms. Bose explained that the system sets up the budget line item for the agreed-upon MOU and the not-to-exceed amount; the project manager then reviews cost and signs off.

Mr. Farhangi explained the timecard system in which project managers verify time charged to projects and identify the personnel being charged and then verify the charges against the work plan.

7. Review Project Reporting Information and Delivery Schedule (Attachment D)
  - a. Transit Projects
  - b. Parking Projects

Ms. Bose provided a summary of Attachment D and explained the various funding sources and total project amount and funding sources.

- BOC members agreed to include the funding source and specifics on the different aspects of the project.

*Action Item: Ms. Webster to provide additional information on funding sources and specifics on the different aspects of the projects and the phase along with the chart. Ms. Webster to circulate additional information to BOC members prior to next meeting.*

8. Review of By-Laws and Annual Report Format Proposed by City Attorney's Office (Attachment E)

- By-Laws - Article 3 section 10:

Vice Chairman Murphy requested to following revision to the draft language: "Each person wishing to speak on an item before the committee at a regular or special meeting shall be heard once for up to three minutes". BOC agreed that the time should be at discretion of the chair.

*Action Item: Deputy City Attorney Blake to revise language to reflect that the three minutes should be at discretion of the chair for public comment and it should be consistent with state and local law. Deputy City Attorney Blake to circulate draft edits to BOC members once completed.*

- By-Laws - Article IV – Section 2. Reports:

BOC members agreed to revise language "A report shall be issued at least once a year" with "A report shall be issued no later than seven months after the end of a fiscal year".

*Action Item: Deputy City Attorney Blake to revise language to include first report due 1/2014 (7 months after end of fiscal year). Deputy City Attorney Blake to circulate draft edits to BOC members once completed.*

- By-Laws - Article I – Section 3: Purpose

BOC members agreed to replace "The purpose of the Committee is to oversee and report publicly and to establish prudent internal control" with "the SFMTA to oversee and to establish prudent internal control".

*Action Item: Deputy City Attorney Blake to edit language and include that the SFMTA is to establish prudent internal control. Deputy City Attorney Blake to circulate draft edits to BOC members once completed.*

Chairman Nothenberg suggested removing language "Revenue bonds" to include "for the purpose of these Bylaws the terms bond or revenue bond shall include and not be limited to." BOC members agreed to revision.

*Action Item: Deputy City Attorney Blake to make necessary changes as requested by BOC members and circulate draft edits to BOC members once completed.*

- By Laws - Article I - Section 5: Activities and Powers

Chairman Nothenberg request to edit language: "Ensuring that bond proceeds are expended only in accordance with the bond documents and approving legislation" BOC members agreed to include language bond proceeds spent only on project approved by the SFMTA board. Chairman Nothenberg commented that Committee members will have no power to review or comment on any individual project or group of projects selected by the SFMTA for bond financing.

*Action Item: Deputy City Attorney Blake to edit and include language as specified by BOC members and circulates draft edits to BOC members once completed.*

- By Laws - Article III – Meetings

Deputy City Attorney Blake suggested to BOC members to include a new article regarding BOC members missing meetings without explanation. BOC members agreed to include language that if a person misses three consecutive meetings, without the absences being excused, that the Chair shall notify the appointing authority of that BOC member.

*Action Item: Deputy City Attorney Blake to edit to include language as specified by BOC members and circulates draft edits to members once completed.*

9. Discussion of Date for Next Meeting

Next meeting: December 5, 2013 2-3 pm – SFMTA 7<sup>th</sup> Floor Noe Valley Conference Room #7075

10. Adjournment

## **SFMTA BOND OVERSIGHT COMMITTEE**

December 5, 2012, 2:00PM

One South Van Ness Avenue, 7th Floor  
Noe Valley Conference Room #7075

### **AGENDA**

1. Call to Order and Introductions
2. Public Comment
3. Approval of Minutes from August 22, 2012 Meeting (Attachment A)
4. Review Project Reporting Information and Delivery Schedule (Attachment B)
  - a. Transit Projects
  - b. Parking Projects
5. Review Annual Report Format Proposed by City Attorney's Office (Attachment C)
6. Approval of By-Laws (Attachment D)
7. Discussion of Future Bond Issuance
8. Adjournment

Note: Next meeting is scheduled for February 27, 2013 – 2pm-4pm  
7<sup>th</sup> Floor Noe Valley Conference Room #7075

## **SFMTA BOND OVERSIGHT COMMITTEE (BOC)**

MINUTES—December 5, 2012, 2:00 PM

One South Van Ness Avenue, 7th Floor, Noe Valley Conference Room

### **1. Call to Order and Introductions**

Committee members:

Rudy Nothenberg - Chairman  
Dan Murphy – Vice Chairman – (excused absence)  
Leona Bridges  
Jose Cisneros  
Steve Ferrario  
Harlan Kelly, Jr. – (excused absence)  
Nadia Sesay

Others in Attendance:

Sonali Bose  
Lucien Burgert  
Cindy Gumpal, BOC Secretary  
Vince Harris  
Amit Kothari  
Tess Navarro  
Monique Webster  
Genie Wong  
Mark Blake - Deputy City Attorney

### **2. Public Comment**

- No Comment

### **3. Approval of Minutes from Aug. 22, 2012 Meeting (Attachment A)**

On motion to approve the minutes of August 22, 2012: Approved

#### 4. Review Project Reporting Information and Delivery Schedule (Attachment B)

- a. Transit Projects
- b. Parking Projects

- Chairman Nothenberg commented that the captioning of some of the projects on different parts of the report is inconsistent and suggested that they be labeled by common identification numbers. He also explained that the report format made it difficult to track the detail expenditure reports on individual projects back to the higher level at which the bond funds are budgeted.

**Action Item:** Mr. Bose agreed to provide identification or link back to project number.

- Ms. Bose provided BOC members with a summary of the Quarterly report (Attachment B) prepared by Ms. Webster and Ms. Wong of the SFMTA Capital Financial Planning and Grants section.
- i. Chairman Nothenberg asked the following question: When expenditures come in for any one of the projects, how is the decision made to use either bond funds or some other existing source of funds, and on what basis?
  - ii. Ms. Webster explained that individual expenditure line items in each project budget have been set up that specifically point to the bond funds. For non-bond funds, the project accountant decides based on direction from the analyst as to which funding source to bill first.
- iii. Chairman Nothenberg suggested that it may be easier for audit purposes to use the bond funds for discrete pieces and discrete objects rather than spreading the funds over a wide variety of projects.
- iv. Ms. Sesay suggested on page 5, to add language “Proposed or Future Issuance” Series 2013A to avoid confusion on funding that is not ready.

**Action Item:** Ms. Bose agreed to add language “Proposed” Issuance Series 2013A

- Mr. Harris provided a summary of one of the projects that is on the report, page 27 from quarterly report “ITS Radio System Replacement project- Total Contract value: \$87,498,689.

**Action Item:** Ms. Bose suggested to Mr. Harris that details on page 28 “breakdown of detailed budget by phase for ITS Radio Replacement Project” should be *before* page 27, and the contract value (\$87 million) should be tied to the

applicable line item. In addition, BOC members requested that amounts not be rounded.

- BOC committee suggested removing FAMIS report. Chairman Nothenberg suggested that no new data collection systems need be developed for BOC reports but that existing systems be used to generate understandable reports for BOC.

**Action Item:** Ms. Bose agreed to remove FAMIS report from Quarterly Report and provide continued data as shown on pages 5, 6, 27 and 28 from quarterly report.

## 5. Review Annual Report Format Proposed by City Attorney's Office (Attachment C)

- Chairman Nothenberg commented that the sample from the SF Public Utilities Commission indicated the availability of resources sufficient to engage independent auditors to review their projects.
  - i. Ms. Bose agreed that if an external resource is necessary, the SFMTA would possibly work with the Controller's office to hire audit services to ensure that the annual audit report is reviewed. Ms. Bose also commented that when the Board of Supervisors approved the bonds, it was requested to have the first issuance reviewed from an issuance and internal control perspective. During that time, Ms. Sesay was assigned for first set for review and the Controller's office to provide report on first issuance and the internal control. Ms. Bose and Ms. Sesay commented that this work is included in the budget. Ms. Bose also commented that this is a one-time request from the Board of Supervisors and suggested that the annual report should be reviewed through an independent auditor.
  - ii. Mr. Blake suggested inviting Tonia Lediju, Director of City Audits, City Services Auditor Division, Office of the Controller, to next meeting to discuss potential audit services; the BOC members agreed.

**Action Item:** BOC Secretary to invite Tonia Lediju to next meeting.

## 6. Approval of By-Laws (Attachment D)

SECTION 4. Activities and Powers:



- BOC members requested a re-phrasing of clause on Section 4. to add “and only on projects as specified in such legislation” to reflect“ and only on projects as ***approved by the SFMTA Board***”

**Action Item:** Mr. Blake agreed to edit the language on Section 4 as requested by BOC members.

SECTION 5. Restrictions on Activities and Powers:

- BOC members suggested that language be included for clarification purposes to the paragraph, “ the selection of projects is not within the power of the Bond Oversight Committee”

**Action Item:** Mr. Blake will include language for Section 5 suggested by BOC members.

***BOC members agreed that, with the language clarifications incorporated, these bylaws are approved.***

#### **7. Discussion of Future Bond Issuance (For discussion only)**

Ms. Bose discussed that the SFMTA is working on finalizing the list of projects for the next bond Issuance and that it will possibly be larger than the current Series 2013A amount as referenced on Page 5 of Quarterly Report. The increase is due to the need to fund additional needs. The timeline is to issue in the spring or late summer, but contingent on showing expenditure of the current bond proceeds. The SFMTA Financing team will start working with Mr. Blake in January 2013 to identify the attorneys and negotiate better terms and lower costs.

#### **8. SFMTA Memorandum dated September 19, 2012 – Re: Investment of Revenue Bond proceeds with City Investment Pool**

- Mr. Cisneros confirmed that the SFMTA moved the bond proceeds to the City Treasury and that the funds are now residing in the City Pool.
- Mr. Cisneros also requested that Ms. Bose provide an expenditure plan and a SFMTA staff point of contact for when funds are needed.

#### **9. Discussion of next meeting date and time:**

BOC members agreed that the next meeting will be scheduled for March 20, 2013 – 2pm - 4pm in the 7<sup>th</sup> Floor Noe Valley Conference Room #7075

#### **10. Adjournment**

## **SFMTA BOND OVERSIGHT COMMITTEE**

March 20, 2013, 2:00PM

One South Van Ness Avenue, 7th Floor  
Noe Valley Conference Room #7075

### **AGENDA**

1. Call to Order and Introductions
2. Public Comment
3. Approval of Minutes from December 5, 2012 Meeting (Attachment A)
4. Review Project Reporting Information and Delivery Schedule (Attachment B)
  - a. Transit Projects
  - b. Parking Projects
5. Discussion of Future Bond Issuance
6. Next scheduled meeting is May 22, 2013 – 2-4pm
7. Adjournment

## **SFMTA BOND OVERSIGHT COMMITTEE (BOC)**

MINUTES—March 20, 2013, 2:00 PM

One South Van Ness Avenue, 7th Floor, Noe Valley Conference Room

### **1. Call to Order and Introductions**

Committee members:

Rudy Nothenberg - Chairman  
Dan Murphy – Vice Chairman – (excused absence)  
Leona Bridges  
Jose Cisneros  
Emilio Cruz  
Steve Ferrario  
Nadia Sesay

Others in Attendance:

Sonali Bose  
Lucien Burgert  
Cindy Gumpal, BOC Secretary  
Vince Harris  
Amit Kothari  
Monique Webster  
Mark Blake - Deputy City Attorney

### **2. Public Comment**

- No Comment

### **3. Approval of Minutes from December 5, 2012 Meeting (Attachment A)**

Mr. Nothenberg and Ms. Sesay requested minor clarification edits to minutes. BOC Secretary included edits on 3/21/13.

On motion to approve the minutes of December 5, 2012: Approved

#### **4. Review Project Reporting Information and Delivery Schedule (Attachment B)**

- a. Transit Projects**
- b. Parking Projects**

Ms. Webster provided a summary of October – December 2012 report and summarized additional activity through January 31, 2013 on a separate monthly report.

- Ms. Webster explained that, as of February 2013, “Notice to Proceed” (NTP) was issued on a number of projects and encumbrances as of February 2013 has been brought up to \$15 million, which will be reflected on the next quarterly report.
- Mr. Nothenberg suggested adding a column that includes balances from the beginning of the reporting period to the amount that has been expended; this request is for reconciling purposes.

**Action Item:** Ms. Webster agreed to include column in next report.

#### **5. Discussion of Future Bond Issuance (For discussion only)**

Ms. Bose discussed the possible reallocation of funds from different line items depending on need and timeline of expenditures and indicated that if the SFMTA were to take this action, the BOC members would be notified.

#### **6. Discussion of next meeting date and time:**

BOC members agreed that the next meeting will be scheduled for May 22, 2013 – 2pm-4pm in the 3<sup>rd</sup> Floor Union Square Conference Room # 3074.

Agenda for Next Meeting will include a presentation from the City Controller’s Office and Office of Public Finance on accounting and bond issue review. SFMTA will also present their process on regular and timely review of accounting transactions and work order review and corrections related to bond proceeds.

#### **7. Adjournment**

## **SFMTA BOND OVERSIGHT COMMITTEE**

May 29, 2013, 3:00PM

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

### **AGENDA**

1. Call to Order and Introductions
2. Public Comment
3. Approval of Minutes from March 20, 2013 Meeting (Attachment A)
4. Presentations requested by Committee
  - a. Accounting and bond issue review—Controller's office
  - b. Review of accounting transactions and work order charges and corrections—SFMTA
5. Review Project Reporting Information and Delivery Schedule (Attachment B)
  - a. Transit Projects
  - b. Parking Projects
6. Discussion of Reallocation of Series 2012B Funds (Attachment C)
7. Discussion of Future Financings
8. Next scheduled meeting is August 28, 2013 – 2pm-4pm, 7<sup>th</sup> Floor Conference Room # 7080
9. Adjournment

## **SFMTA BOND OVERSIGHT COMMITTEE (BOC)**

MINUTES—May 29, 2013 – 3:00 pm – 5:00 pm

One South Van Ness Avenue, 7th Floor, Union Square Conference RM #7080

### **1. Call to Order and Introductions**

Committee members:

Rudy Nothenberg - Chairman  
Dan Murphy – Vice Chairman  
Leona Bridges – (excused absence)  
Jose Cisneros  
Emilio Cruz  
Steve Ferrario  
Nadia Sesay

Others in Attendance:

Sonali Bose  
Lucien Burgert  
Cindy Gumpal, SFMTA BOC Secretary  
Vince Harris  
Amit Kothari  
Monique Webster  
Mark Blake - Deputy City Attorney  
Mary Fitzpatrick – Controller's Office  
Jocelyn Quintos - Department of Public Works (DPW)

### **2. Public Comment:**

- No public comments were made.

### **3. Approval of Minutes from March 20, 2013 Meeting (Attachment A)**

On motion to approve the minutes of March 20, 2013: Approved

#### **4. Presentations requested by Committee**

##### **a. Accounting and bond issue review – Controller’s office**

###### Presenters:

Mary Fitzpatrick – Controller’s office

Jocelyn Quintos - Department of Public Works (DPW)

- Ms. Fitzpatrick provided SFMTA BOC Committee members with a summary of the Controller’s standard bond accounting requirements in FAMIS (the City’s financial system of record).
- SFMTA has entered into a MOU with DPW to work on the upgrade of parking facilities. In addition, DPW is supporting other bond funded projects. Ms. Quintos summarized DPW’s departmental systems for time keeping details, job ordering tracking, and work authorization. She also explained the agreement between the SFMTA and DPW ensuring that any charges deemed to be incorrect to the bond projects will be corrected by DPW.

##### **b. Review of accounting transactions and work order charges and corrections – SFMTA**

- Ms. Webster explained that policy and procedures have been drafted and reviewed by both DPW and the Controller’s Office that require DPW to produce a detailed schedule of all labor charges to provide to SFMTA project managers for approval within a set time frame and a framework for the resolution of any disputes. In the event SFMTA and DPW are unable to resolve disputes, the disputed transaction(s) would proceed to the Controller’s office for final decision. The final policy and procedures will be shared with the BOC at their next meeting.
- Mr. Burgert provided a presentation on SFMTA’s internal cost control and Capital program control systems. The slide presentation is attached to these minutes for BOC committee members reference.

## **5. Review Project Reporting Information and Delivery Schedule (Attachment B)**

- Chairman Nothenberg suggested that page two of the quarterly report entitled “Bond Program of Projects” on the Schedule “Overall Project Budget Detail” include separate columns identifying: (a) bond funds; and (b) other funds used for a project. Ms. Webster agreed to make this change for the next meeting.
- Ms. Sesay suggested including a column to reflect cost encumbrances. Ms. Webster agreed to make this change for the next meeting.

### **a. Transit Projects**

- Mr. Harris provided SFMTA BOC members with a summary of the status of Capital Programs and Construction projects for Items B. through F.

### **b. Parking Projects**

- Mr. Kothari provided SFMTA BOC members with a summary of the status on parking garage projects

## **6. Discussion of Reallocation of Series 2012B Funds (Attachment C)**

- Ms. Bose summarized the proposed SFMTA Revenue Bond Series 2012(B) programming changes. Based on feedback from the BOC members, SFMTA Board will be advised of any reprogramming of funds if the re-allocations are within the approved appropriations. If re-allocations are not within the original approved appropriation limits otherwise revised supplemental appropriations will be formally forwarded to the SFMTA Board and BOS for approval. To date, funds have been reprogrammed between line items within the current program of projects within the approved appropriations limits. A memo to the SFMTA Board is attached notifying them of the reprogramming.

## **7. Discussion of Future Financings**

- Ms. Bose discussed the SFMTA’s establishment of a commercial paper program.
- A letter was sent to the BOS requesting their oversight of the SFMTA Commercial paper program.



- At the next BOC meeting additional detail on the Series 2013 Revenue Bond will be presented.

**8. Next scheduled meeting is August 28, 2013 – 2-4pm, 7<sup>th</sup> Floor Union Square Conference Room #7080**

**9. Adjournment**

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## **SFMTA BOND OVERSIGHT COMMITTEE**

August 28, 2013, 2:00PM

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

### **AGENDA**

1. Call to Order and Introductions
2. Public Comment
3. Approval of Minutes from May 29, 2013 Meeting (Attachment A)
4. Review Project Reporting Information and Delivery Schedule (Attachment B)
  - a. Transit Projects
  - b. Parking Projects
5. Discussion of Reallocation of Series 2012B Funds (Attachment C)
6. Discussion of Written Policy and Procedures for Accounting for and Monitoring Bond Proceeds (Attachment D)
7. Discussion of Recently Approved Commercial Paper (Attachment E)
8. Discussion of Upcoming Revenue Bond, Series 2013 (Attachment F)
9. Discussion of Upcoming Scheduled Meeting dates:
  - November 27, 2013 – 2pm - 7<sup>th</sup> Floor Union Square Conf Rm #7080
  - February 26, 2014 – 2pm - 7<sup>th</sup> Floor Union Square Conf Room #7080
  - May 28, 2014 – 2 pm - 7<sup>th</sup> Floor Union Square Conf Room #7080
10. Adjournment

## **SFMTA BOND OVERSIGHT COMMITTEE (BOC)**

MINUTES—August 28, 2013 – 2:00 pm

One South Van Ness Avenue, 7th Floor, Union Square Conference RM #7080

### **1. Call to Order and Introductions**

Committee members:

Rudy Nothenberg - Chairman  
Dan Murphy – Vice Chairman  
Leona Bridges  
Jose Cisneros  
Emilio Cruz – (Excused absence)  
Steve Ferrario  
Nadia Sesay

Others in Attendance:

Sonali Bose – SFMTA, Chief Financial Officer  
Matt Brill – SFMTA, Principal Analyst for Capital Financial Planning & Analysis  
Lucien Burgert – SFMTA, Capital Controls Manager  
Cindy Gumpal, SFMTA, SFMTA BOC Secretary  
Vince Harris – SFMTA, Director of Capital Programs and Construction  
Amit Kothari – SFMTA, Deputy Director of Sustainable Streets  
Monique Webster – SFMTA, Manager of Capital Grants and Budgeting  
Mary Fitzpatrick – SF Controller's Office  
Vincent McCarley – Backstrom McCarley Berry & Co., LLC  
Lourdes Nicomedes- Department of Public Works (DPW)

### **2. Public Comment:**

Public Comment: None.

### **3. Approval of Minutes from May 29, 2013 Meeting (Attachment A)**

On motion to approve the minutes of May 29, 2013: Approved

### **4. Review Project Reporting Information and Delivery Schedule**

Ms. Webster (SFMTA) provided a summary of the quarterly report that covers the fourth quarter of FY 2012/2013 that ended on June 30, 2013.

Mr. Harris (SFMTA) summarized status report for Projects B through F.

- The BOC members agreed since these projects are bond fund investments that SFMTA should continue reporting on these projects even if all bond funds has been expended.

Mr. Kothari (SFMTA) summarized the status report on the Parking garage projects and responded to questions raised throughout discussion.

**Action Item:** BOC members requested that for each Bond funded project being reported on the quarterly report, the amount of bond funds in each category (“Budget”, Approved” etc) be identified and shown separately from other funds (if any) being used for the same project.

## 5. Discussion of Written Policy and Procedures for Accounting for and Monitoring Bond Proceeds

Ms. Fitzpatrick (Controller’s Office) and Lourdes Nicomedes (DPW) provided a summary to the BOC Committee members the written procedures for work authorization between SFMTA and DPW.

Chairman Nothenberg asked whether it was possible to retrospectively examine DPW charges already made for compliance with these procedures.

- Ms. Bose (SFMTA) explained that the written procedures outline the timelines for look back and process for correction of expenditures if required.

Chairman Nothenberg confirmed that SFMTA, DPW and Controller’s Office are satisfied with the current standard procedures and that the procedures are also applied retrospectively.

## 6. Discussion of Recently Approved Commercial Paper

Ms. Bose (SFMTA) suggested there should be a change to Bylaws and will consult with Mr. Blake (City Attorney).

Vice Chairman Murphy, seconded by Member Ms. Sesay, moved to amend Bylaws prior to next meeting.

**Action Item:** The Bylaws to be revised by City Attorney to reflect inclusion of oversight of all debt issued by the SFMTA not just revenue bonds.

Member Ms. Sesay and Ms. Bose (SFMTA) summarized recently approved \$100 million Commercial Paper Program and provided information and responded to questions raised throughout discussion.

Ms. Bose (SFMTA) agreed to draft a commercial paper program procedural document and circulate the draft to the BOC members prior to next meeting.

**7. Discussion of Upcoming Revenue Bond, Series 2013**

Ms. Bose (SFMTA) explains the upcoming Revenue Bond Series 2013 that is approximately \$150 million of project fund and requested a “Not to exceed” of \$175 million to cover other expenditures that will be forwarded to SFMTA Board for approval on September 3, 2013 and subsequently to Board of Supervisors (the amount was reduced to a “Not to exceed” amount of \$165 million prior to Board of Supervisor’s submission to reflect market conditions).

Mr. Brill (SFMTA) provided detailed information on upcoming projects that are funded on the next issuance.

The BOC requested that a more readable, updated summary of proposed projects for Series 2013 Bond issue be provided the Committee prior to the next BOC meeting .

**Action Item:** At the next BOC meeting provide an update on the status of the Series 2013 Revenue Bonds.

**8. Discussion of Next BOC meeting:**

BOC members agreed to tentatively meet November 6, 2013 – 2pm – 4pm.

**9. Adjournment**

## SFMTA BOND OVERSIGHT COMMITTEE

November 6, 2013, 2:00PM

One South Van Ness Avenue, 7th Floor  
Noe Valley Conference Room # 7075

### AGENDA

1. Call to Order and Introductions
2. Public Comment
3. Approval of Minutes from August 28, 2013 Meeting and Revised Bylaws (Attachment A)
4. Review Project Reporting Information and Delivery Schedule for Series 2012B Bonds (Attachment B)
  - a. Transit Projects
  - b. Parking Projects
5. Discussion of Draft Commercial Paper Policy and Procedure (Attachment C)
6. Discussion of first BOC audit report due by January 2014 (Attachment D)
  - KPMG Auditors invitees: Lisa Avis and Nancy Rose
7. Discussion of Upcoming Revenue Bond, Series 2013 (Attachment E)
  - a. List of Projects
8. Discussion of Upcoming Scheduled Meeting dates:
  - February 26, 2014 – 2pm - 7<sup>th</sup> Floor Union Square Conf Room #7080
  - May 28, 2014 – 2 pm - 7<sup>th</sup> Floor Union Square Conf Room #7080
9. Adjournment

## Appendix C – BOC By-Laws

### SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY BOND OVERSIGHT COMMITTEE BYLAWS

#### ARTICLE I Overview

##### Section 1. Name

The name of this committee is the San Francisco Municipal Transportation Agency Bond Oversight Committee (referred to herein as the "Committee").

##### Section 2. Authority

The Committee derives its authority from Resolution 11-154, adopted by the Agency on December 6, 2011.

##### Section 3. Purpose

The purpose of the Committee is to oversee and report publicly regarding the San Francisco Municipal Transportation Agency's (hereinafter the "Agency") expenditure of debt proceeds on permitted transportation projects and to ensure that the Agency has established prudent internal controls and practices. The Committee shall convene to provide oversight to ensure that: (1) debt proceeds are expended only in accordance with the authorizing resolution and applicable law, (2) debt proceeds are expended solely for uses, purposes and projects authorized in the authorizing resolution, and (3) debt proceeds are appropriately expended for authorized capital improvements. For purposes of these Bylaws, the term "debt proceeds" includes bonds, notes, leases, commercial paper and other forms of indebtedness that may be issued or caused to be issued by the Agency.

##### Section 4. Activities and Powers

The purpose of the Committee is to inform the SFMTA Board of Directors (the "Board") and the public on the expenditure of bond proceeds issued by the Agency. The Committee shall convene to provide oversight for: (1) ensuring that bond proceeds are expended only in accordance with the documents securing the debt and approving legislation, and only on projects as specified in such legislation and approved by the Board; and (2) ensuring that no funds are used for any administrative salaries or other general Agency operating expenses unless specifically authorized in the documents securing the debt and approving legislation.

In order to perform these functions, the Committee may engage in any of the following activities:

- (1) Inquire into the disbursement and expenditure of the debt proceeds of the Agency by receiving any reports, financial statements, correspondence or other documents and materials related to the expenditure of debt funds;
- (2) Hold public hearings to review the disbursement and expenditure of debt proceeds of the Agency;
- (3) Inspect facilities and infrastructure financed with debt proceeds of the Agency;
- (4) Receive and review copies of any project statements and the status of projects, including expenditures incurred for projects funded through the debt of the Agency;

As adopted by the Committee on December 5, 2012

- (5) Review efforts by the Agency to maximize debt proceeds by implementing cost-saving measures, including, but not limited to, all of the following: (i) mechanisms designed to reduce the costs of professional fees and consulting services; and (ii) recommendations regarding the use of core facilities and use of cost-effective and efficient reusable facility plans; and
- (6) Commission independent review of the disbursement and expenditure of debt proceeds of the Agency and retain outside auditors, inspectors and necessary experts to conduct such independent review.

To assist the Committee in carrying out its duties, the Agency's Finance Division will provide it with any necessary technical and administrative assistance, as well as sufficient resources to publicize its conclusions.

#### **Section 5. Restrictions on Activities and Powers**

The Committee shall not participate or interfere in the selection process of any vendor hired to execute revenue bond funded projects. Further, the Committee will have no power to review bond proposals prior to issuance. The selection of projects is not within the power of the Committee.

#### **Section 6. Committee Office**

For purposes of contacting the Committee, the Committee office shall be physically located at One South Van Ness Avenue, 8th Floor. The Committee's mailing address shall be One South Van Ness Avenue, 8th Floor, San Francisco, California 94103. The Committee's e-mail address shall be [BOCOversightCommittee@sfmta.com](mailto:BOCOversightCommittee@sfmta.com).

### **ARTICLE II Officers**

#### **Section 1. Officers**

There shall be a Chair and a Vice Chair of the Committee.

#### **Section 2. Term of Office**

The term of each office shall be one year. Officers serve at the pleasure of the Committee and may be removed from office before expiration of their one-year term by a vote of four members of the Committee.

#### **Section 3. Election of Officers**

Elections for officers shall be conducted at the first regular meeting of the Committee in each calendar year, or at the next succeeding meeting after such first meeting the call of order by any member of the Committee.

In the event the Chair is unable to complete his or her term of office, the Vice Chair shall serve as Chair until the next regular meeting. At the next regular meeting, the Committee shall elect a new Chair to fill the vacancy for the balance of the unexpired term. In the event the Vice Chair is elected as Chair, there shall be an election for a new Vice Chair at that meeting. If the office of Vice Chair is vacated before the expiration of a term, it shall remain vacant until the next regular meeting, at which time the Committee shall elect a new Vice Chair.

As adopted by the Committee on December 5, 2012



#### **Section 4. Duties of the Chair**

The Chair shall preside at all meetings of the Committee, shall preserve order and decorum, and shall decide all questions of order subject to appeal to the Committee by any member. In addition, the Chair, working with the Committee members and staff, shall oversee the preparation of the agenda for all Committee meetings.

Unless the Committee specifies otherwise, the Chair is empowered to appoint members to standing or special subcommittees formed by the Committee. In addition, as stated in Article III, Section 2, the Chair is empowered to call special meetings. The Chair shall endeavor to call such special meeting at such times to ensure maximum attendance by members of the Committee.

#### **Section 5. Duties of the Vice Chair**

In the absence of the Chair, the Vice Chair shall preside at meetings of the Committee. In addition, as stated in Article II, Section 3, if the Chair is unable to complete his or her term of office, the Vice Chair shall serve as Chair until the next regular meeting.

In the absence of both the Chair and Vice Chair, the members shall select by motion a member to preside over the meeting.

### **ARTICLE III Meetings**

#### **Section 1. Regular Meetings**

Regular meetings of the Committee shall be held during the months of February, May, August and November of each year, on the fourth Wednesday of said months. The Committee may agree to change its meeting dates and times. Meeting information shall be promptly posted on the Agency's website.

Members are required, to the extent possible, to attend all meetings of the Committee. A member shall be excused from a meeting with advanced courtesy notice to the Chair. Should a member miss three consecutive meetings, without explanation or notice to the Chair, the Chair shall notify the appointing authority regarding such absences and request that the appointing authority take appropriate action.

#### **Section 2. Special Meetings**

The Chair or a majority of the members of the Committee may call special meetings at any time by delivering written notice to each member of the Committee and to individuals who have requested such notice in writing. Special Meetings shall, to the extent practicable, be called to ensure maximum attendance by members of the Committee.

#### **Section 3. Notice and Agendas of Meetings**

Agendas of all regular and special meetings shall be posted at least 72 hours prior to the meeting on the Agency's website. If a special meeting will be at a site other than One South Van Ness Street, notice of the special meeting shall be given at least 15 days prior to said special meeting. Agendas and notices shall be mailed to each Committee member and to individuals who have requested such agendas and notices in writing.

As adopted by the Committee on December 5, 2012

#### **Section 4. Cancellation of Meetings**

The Chair may cancel a meeting if he or she is aware that a quorum of the body will not be present or if the meeting date conflicts with a holiday or other responsibilities of the Committee members. Notices of cancellations shall be posted on the Agency's website. If time permits, notice of meeting cancellations shall be mailed to all members of the public who have requested in writing to receive notices and agendas of Committee meetings.

If a regular meeting is cancelled, the Chair shall reschedule the regular meeting at a date and time that is after the originally scheduled date and time, that is reasonably close to the originally scheduled date and time, and that is calculated to result in the greatest number of Committee members in attendance at the rescheduled meeting.

#### **Section 5. Conduct of Meetings**

All Committee meetings shall be held in compliance with all applicable laws, including but not limited to, the Ralph M. Brown Act (Cal. Gov. Code, Sections 54950 *et. seq.*), the California Public Records Act (Cal. Gov. Code, Sections 6250 *et. seq.*), the San Francisco Charter, the San Francisco Sunshine Ordinance (S.F. Admin. Code, Chapter 67), the Ordinance establishing the Committee (S.F. Admin. Code, Sections 5A.30 *et. seq.*), and these Bylaws. Except where state or local laws or other rules provide to the contrary, the Committee, at the discretion of the Chair, may use Robert's Rules of Order as a guide to the conduct of meetings.

When a member desires to address the Committee, he or she shall seek recognition by addressing the Chair. When recognized, the member shall proceed to speak. The member shall confine his or her remarks to the question before the Committee.

#### **Section 6. Setting Agendas**

Committee staff, at the direction of the Chair, shall prepare the agenda for meetings. The Chair shall place any item requested by a member of the Committee on the agenda provided that it is received no less than five days prior to a regular meeting. Each agenda of all regular meetings shall contain an item during which members may request items for the Committee to consider at future meetings.

#### **Section 7. Quorum**

Four members of the Committee shall constitute a quorum for all purposes. In the event no quorum is present the Committee shall not be entitled to undertake any official action of the Committee.

#### **Section 8. Required Vote For Approval of a Matter**

The affirmative vote of four members of the Committee shall be required for the approval of any matter, except that the affirmative vote of a majority of the members present is sufficient for the approval of any procedural or parliamentary matter.

#### **Section 9. Voting and Abstention**

Each member present at a Committee or subcommittee meeting shall vote "yes" or "no" when a question is put, unless the member is excused from voting on a matter by a motion adopted by a majority of the members present, or if the member has a conflict of interest that legally precludes participation in the vote. Whether a Committee member has a conflict of

As adopted by the Committee on December 5, 2012

interest that precludes participation shall be determined by the individual members in consultation with the City Attorney.

The Committee shall take action on items on the agenda by roll call vote, voice vote, or show of hands. The minutes shall reflect how each Committee member voted on each item.

#### **Section 10. Public Comment**

Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Committee on items of interest to the public that are within the subject matter jurisdiction of the Committee.

Each person wishing to speak on an item before the Committee at a regular or special meeting shall be heard, for such time as permitted in the discretion of the Chair. The Chair may limit the time for public comment consistent with state and local law.

### **ARTICLE IV Maintenance of Committee Records and Issuance of Reports**

#### **Section 1. Meeting Minutes**

Minutes shall be taken at every regular and special meeting. Minutes shall be approved by the Committee and be made available on the Agency's website.

#### **Section 2. Reports**

The Committee shall issue regular reports on the results of its activities. A report shall be issued no later than seven months after the end of the fiscal year, but no later than January 31 of each year. The first such report shall be due in January 2014. Such reports shall be delivered to the Board and to such members of the public making a written request for such reports. All reports issued shall be posted on the Agency's website.

### **ARTICLE V Subcommittees**

#### **Section 1. Standing Subcommittees**

Upon approval of four members of the Committee, the Committee may form standing subcommittees to give advice on its ongoing functions. The standing subcommittees shall be composed of members of the Committee. The terms of the members of standing subcommittees shall be one year. Unless otherwise specified by the Committee, the Chair shall name the subcommittee's members and officers.

#### **Section 2. Special Subcommittees**

Upon approval of four members of the Committee, the Committee may form special subcommittees. Special subcommittees shall be formed for a specific purpose and cease to exist after completion of a designated task. Special subcommittees may be composed of members of the Committee and/or the public. Unless otherwise specified by the Committee, the Chair shall name the subcommittee's members and officers.

#### **Section 3. Conduct of Subcommittee Meetings**

As adopted by the Committee on December 5, 2012

All subcommittee meetings shall be held in compliance with all applicable laws, including but not limited to, the Ralph M. Brown Act (Cal. Gov. Code, Sections 54950 *et. seq.*), the California Public Records Act (Cal. Gov. Code, Sections 6250 *et. seq.*), and the San Francisco Sunshine Ordinance (S.F. Admin. Code, Chapter 67).

**Section 4. Abolishing Subcommittees**

Any subcommittee formed by the Committee may be abolished upon approval by four members of the Committee.

**ARTICLE VI  
Bylaws**

**Section 1. Amendment of Bylaws**

After presentation of a proposed amendment of the Bylaws as a scheduled agenda item at a meeting of the Committee, the Bylaws may be amended by a vote of a majority of the members.

**Section 2. Public Notice of Bylaws**

These Bylaws, and any amendments thereto, shall be available to the public at the on the Agency's website.

# Appendix D – 2012- 2013 Bond Project Delivery Reports



SFMTA | CAPITAL GRANTS & BUDGETING  
FINANCE AND INFORMATION TECHNOLOGY DIVISION

## BOND PROGRAM OF PROJECTS

### BOND PROJECT FUNDING SUMMARY AS OF SEPTEMBER 30, 2012

PROJECT	SERIES 2012B	SERIES 2013A	OTHER SOURCES	TOTAL BUDGET	Total Expenditures	Project Balance	Bond Code
A. Systemwide Transit Access and Reliability Program	\$1,500,000	\$6,000,000	\$1,300,000	\$8,800,000	\$0	\$8,800,000	various
B. Muni Metro Sunset Tunnel Rehabilitation	\$900,000	\$7,500,000	\$14,789,138	\$23,189,138	\$210,862	\$22,978,276	CPT658
C. Muni Metro Turnback Rehabilitation	\$3,000,000	\$4,700,000	\$96,227	\$7,796,227	\$69,773	\$7,726,454	CPT668
D. Muni Green Light Rail Facility Rehabilitation	\$7,200,000	\$3,200,000	\$37,600,000	\$48,000,000	\$266,217	\$47,733,783	CPT581&CPT664.1
E. Muni System Radio Replacement Project	\$1,600,000	\$2,400,000	\$111,000,000	\$115,000,000	\$11,644,806	\$103,355,194	CPT535
F. Muni Metro System Public Announcement and Public Display System Replacement	\$6,500,000	\$3,500,000	\$9,781,135	\$19,781,135	\$6,018,865	\$13,762,270	CPT630.2
G. Parking Projects	\$5,000,000	\$46,247,460	\$0	\$51,247,460	\$0	\$51,247,460	various
<b>PROJECT TOTALS</b>	<b>\$25,700,000</b>	<b>\$73,547,460</b>	<b>\$174,566,500</b>	<b>\$273,813,960</b>	<b>\$18,210,523</b>	<b>\$255,603,437</b>	

### BOND PROJECT FUNDING DETAILS AS OF SEPTEMBER 30, 2012

A. Systemwide Transit Access and Reliability Program (Various - see next page for detail) <span style="float:right">Various PMs</span>			
FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$7,500,000	\$0	\$7,500,000
Other Funds	\$1,300,000	\$0	\$1,300,000
<b>TOTAL</b>	<b>\$8,800,000</b>	<b>\$0</b>	<b>\$8,800,000</b>

C. Muni Metro Turnback Rehabilitation (CPT668) <span style="float:right">Lisa Chow</span>			
FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$7,700,000	\$0	\$7,700,000
Other Funds	\$166,000	\$69,773	\$96,227
<b>TOTAL</b>	<b>\$7,866,000</b>	<b>\$69,773</b>	<b>\$7,796,227</b>

E. Muni System Radio Replacement Project (CPT535) <span style="float:right">Henry Kim</span>			
FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$4,000,000	\$0	\$4,000,000
Other Funds	\$111,000,000	\$11,644,806	\$99,355,194
<b>TOTAL</b>	<b>\$115,000,000</b>	<b>\$11,644,806</b>	<b>\$103,355,194</b>

G. Parking Projects (Various - see next page for detail) <span style="float:right">Mike Robertson</span>			
FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$51,247,460	\$0	\$51,247,460
Other Funds	n/a	n/a	n/a
<b>TOTAL</b>	<b>\$51,247,460</b>	<b>\$0</b>	<b>\$51,247,460</b>

B. Muni Metro Sunset Tunnel Rehabilitation (CPT658) <span style="float:right">David Rojas</span>			
FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$8,400,000	\$0	\$8,400,000
Other Funds	\$15,000,000	\$210,862	\$14,789,138
<b>TOTAL</b>	<b>\$23,400,000</b>	<b>\$210,862</b>	<b>\$23,189,138</b>

D. Muni Green Light Rail Facility Rehab (CPT681 & CPT664.1) <span style="float:right">Kenny Ngan/Lisa Chow</span>			
FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$10,400,000	\$0	\$10,400,000
Other Funds	\$37,600,000	\$266,217	\$37,333,783
<b>TOTAL</b>	<b>\$48,000,000</b>	<b>\$266,217</b>	<b>\$47,733,783</b>

F. Muni Public Announcement And Public Display System (CPT630.2) <span style="float:right">Frank Lau</span>			
FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$10,000,000	\$0	\$10,000,000
Other Funds	\$15,800,000	\$6,018,865	\$9,781,135
<b>TOTAL</b>	<b>\$25,800,000</b>	<b>\$6,018,865</b>	<b>\$19,781,135</b>



**BOND PROGRAM OF PROJECTS**

**BOND PROJECT FUNDING SUMMARY AS OF DECEMBER 31, 2012**

PROJECT	SERIES 2012B	OTHER SOURCES	TOTAL BUDGET	Total Expenditures	Project Balance	Bond Code
A. Systemwide Transit Access and Reliability Program	\$1,500,000	\$1,300,000	\$2,800,000	\$0	\$2,800,000	various
B. Muni Metro Sunset Tunnel Rail Rehabilitation	\$900,000	\$31,100,000	\$32,000,000	\$557,610	\$31,442,390	CPT658
C. Muni Metro Turnback Rail Rehabilitation and Water Mitigation	\$3,000,000	\$1,605,054	\$4,605,054	\$365,875	\$4,239,179	CPT668.1 & 666.1
D. Muni Green Center Rail Replacement and Roof Rehabilitation	\$7,200,000	\$45,118,642	\$52,318,642	\$6,986,702	\$45,331,940	various
E. Muni System Radio Replacement Project	\$1,600,000	\$114,897,000	\$116,497,000	\$12,380,409	\$104,116,591	CPT535.1
F. Muni Metro System Public Announcement and Public Display System Replacement	\$6,500,000	\$46,711,000	\$53,211,000	\$6,373,579	\$46,837,421	CPT630.2
G. Parking Projects	\$5,000,000	\$0	\$5,000,000	\$0	\$5,000,000	various
<b>PROJECT TOTALS</b>	<b>\$25,700,000</b>	<b>\$240,731,696</b>	<b>\$266,431,696</b>	<b>\$26,664,175</b>	<b>\$239,767,521</b>	

**BOND PROJECT FUNDING DETAILS AS OF DECEMBER 31, 2012**

**A. Systemwide Transit Access and Reliability Program (Various - see next page for detail)** *Various PMs*

FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$1,500,000	\$0	\$1,500,000
Other Funds	\$1,300,000	\$0	\$1,300,000
<b>TOTAL</b>	<b>\$2,800,000</b>	<b>\$0</b>	<b>\$2,800,000</b>

**C. Muni Metro Turnback Rail Rehabilitation and Water Mitigation (CPT668.1 & CPT666.1)** *Kenny Ngan*

FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$3,000,000	\$59,807	\$2,940,193
Other Funds	\$1,605,054	\$306,068	\$1,298,986
<b>TOTAL</b>	<b>\$4,605,054</b>	<b>\$365,875</b>	<b>\$4,239,179</b>

**D2. Muni Green Roof Rehabilitation (CPT 664.1 & CPT618.2)** *Kenny Ngan*

FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$5,100,000	\$156,466	\$4,943,534
Other Funds	\$1,484,675	\$488,071	\$996,604
<b>TOTAL</b>	<b>\$6,584,675</b>	<b>\$644,537</b>	<b>\$5,940,138</b>

**F. Muni Public Announcement And Public Display System (CPT630.2)** *Frank Lau*

FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$6,500,000	\$0	\$6,500,000
Other Funds	\$46,711,000	\$6,373,579	\$40,337,421
<b>TOTAL</b>	<b>\$53,211,000</b>	<b>\$6,373,579</b>	<b>\$46,837,421</b>

**B. Muni Metro Sunset Tunnel Rail Rehabilitation (CPT658)** *David Rojas*

FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$900,000	\$290,512	\$609,488
Other Funds	\$31,100,000	\$267,098	\$30,832,902
<b>TOTAL</b>	<b>\$32,000,000</b>	<b>\$557,610</b>	<b>\$31,442,390</b>

**D1. Muni Green Rail Replacement (various CPTs)** *Lisa Chow*

FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$2,100,000	\$0	\$2,100,000
Other Funds	\$43,633,967	\$6,342,165	\$37,291,802
<b>TOTAL</b>	<b>\$45,733,967</b>	<b>\$6,342,165</b>	<b>\$39,391,802</b>

**E. Muni System Radio Replacement Project (CPT535.1)** *Henry Kim*

FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$1,600,000	\$0	\$1,600,000
Other Funds	\$114,897,000	\$12,380,409	\$102,516,591
<b>TOTAL</b>	<b>\$116,497,000</b>	<b>\$12,380,409</b>	<b>\$104,116,591</b>

**G. Parking Projects (Various - see next page for detail)** *Mike Robertson*

FUND	AMOUNT	\$ Spent	Fund Balance
SFMTA Revenue Bond	\$5,000,000	\$0	\$5,000,000
Other Funds	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$5,000,000</b>

BOND PROJECT FUNDING SUMMARY AS OF MARCH 31, 2013

PROJECT	SERIES 2012B	OTHER SOURCES	TOTAL BUDGET	Total Expenditures	Project Balance	Bond Code
A. Systemwide Transit Access and Reliability Program	\$1,500,000	\$0	\$1,500,000	\$15,592	\$1,484,408	various
B. Muni Metro Sunset Tunnel Rail Rehabilitation	\$900,000	\$31,100,000	\$32,000,000	\$1,005,091	\$30,994,909	CPT658
C1. Muni Metro Turnback Rail Rehabilitation	\$2,350,000	\$806,000	\$3,156,000	\$215,972	\$2,940,028	CPT668.1
C2. Muni Metro Turnback Water Intrusion Mitigation	\$650,000	\$3,506,000	\$4,156,000	\$374,142	\$3,781,858	CPT666.1
D1. Muni Green Center Rail Replacement	\$2,100,000	\$43,633,967	\$45,733,967	\$6,410,418	\$39,323,549	various
D2. Muni Green Center Roof Rehabilitation	\$5,424,500	\$1,160,175	\$6,584,675	\$732,243	\$5,852,432	CPT664.1 & CPT519.2
E. MUNI System Radio Replacement Project	\$1,600,000	\$114,897,000	\$116,497,000	\$13,193,954	\$103,303,046	CPT535.1
F. Muni Metro System Public Announcement and Public Display System Replacement	\$6,175,500	\$47,035,500	\$53,211,000	\$6,504,408	\$46,706,592	CPT630.2
G. Parking Projects	\$5,000,000	\$0	\$5,000,000	\$48,672	\$4,951,328	CPKF49
<b>PROJECT TOTALS</b>	<b>\$25,700,000</b>	<b>\$242,138,642</b>	<b>\$267,838,642</b>	<b>\$28,500,492</b>	<b>\$239,338,150</b>	

**BOND PROJECT FUNDING AND EXPENDITURE DETAILS AS OF MARCH 31, 2013**

<b>A. Systemwide Transit Access and Reliability Program (Various - see below for detail)</b>			
<a href="#">Various PMs</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$1,500,000	\$15,592	\$1,484,408
Other Sources	\$1,300,000	\$0	\$1,300,000
<b>TOTAL</b>	<b>\$2,800,000</b>	<b>\$15,592</b>	<b>\$2,784,408</b>

<b>B. Muni Metro Sunset Tunnel Rail Rehabilitation (CPT658)</b>			
<a href="#">Tess Kavanagh</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$900,000	\$735,588	\$164,412
Other Sources	\$31,100,000	\$269,503	\$30,830,497
<b>TOTAL</b>	<b>\$32,000,000</b>	<b>\$1,005,091</b>	<b>\$30,994,909</b>

<b>C1. Muni Metro Turnback Rail Rehabilitation (CPT688.1)</b>			
<a href="#">Kenny Ngan</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$2,350,000	\$100,176	\$2,249,824
Other Sources	\$806,000	\$115,796	\$690,204
<b>TOTAL</b>	<b>\$3,156,000</b>	<b>\$215,972</b>	<b>\$2,940,028</b>

<b>C2. Muni Metro Turnback Water Intrusion Mitigation (CPT666.1)</b>			
<a href="#">Kenny Ngan</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$850,000	\$163,784	\$486,216
Other Sources	\$3,506,000	\$210,356	\$3,295,642
<b>TOTAL</b>	<b>\$4,156,000</b>	<b>\$374,142</b>	<b>\$3,781,858</b>

<b>D1. Muni Green Center Rail Replacement (various CPTs)</b>			
<a href="#">Lisa Chow</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$2,100,000	\$0	\$2,100,000
Other Sources	\$43,633,967	\$6,410,418	\$37,223,549
<b>TOTAL</b>	<b>\$45,733,967</b>	<b>\$6,410,418</b>	<b>\$39,323,549</b>

<b>D2. Muni Green Center Roof Rehabilitation (CPT664.1 and CPT519.2)</b>			
<a href="#">Kenny Ngan</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$5,424,500	\$237,790	\$5,186,710
Other Sources	\$1,160,175	\$494,453	\$665,722
<b>TOTAL</b>	<b>\$6,684,675</b>	<b>\$732,243</b>	<b>\$5,952,432</b>

<b>E. Muni System Radio Replacement Project (CPT636.1)</b>			
<a href="#">Henry Kim</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$1,600,000	\$0	\$1,600,000
Other Sources	\$114,897,000	\$13,193,954	\$101,703,046
<b>TOTAL</b>	<b>\$116,497,000</b>	<b>\$13,193,954</b>	<b>\$103,303,046</b>

<b>F. Muni Metro System Public Announcement and Public Display System Replacement (CPT630.2)</b>			
<a href="#">Frank Lau</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$6,175,500	\$14,152	\$6,161,348
Other Sources	\$47,035,500	\$6,490,256	\$40,545,244
<b>TOTAL</b>	<b>\$53,211,000</b>	<b>\$6,504,408</b>	<b>\$46,706,592</b>

<b>G. Parking Projects (CPKF49)</b>			
<a href="#">Mike Robertson</a>			
<b>FUND</b>	<b>AMOUNT</b>	<b>Expenditures</b>	<b>Fund Balance</b>
SFMTA Revenue Bond	\$5,000,000	\$48,672	\$4,951,328
Other Sources	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$5,000,000</b>	<b>\$48,672</b>	<b>\$4,951,328</b>

**TOTAL SFMTA Revenue Bond Expenditures \$1,315,754**

<b>A. Systemwide Transit Access and Reliability Program (Various)</b>	<b>Series 2012B</b>	<b>OTHER SOURCES</b>	<b>TOTAL BUDGET</b>	<b>Total Expenditures</b>	<b>Project Balance</b>	<b>Bond Code</b>
Van Ness Station Elevator Modernization (Scott Broder)	\$750,000	\$0	\$750,000	\$0	\$750,000	CPT678
Franklin Street Bulbouts (Cathal Hennessey)	\$48,767	\$0	\$48,767	\$12,073	\$36,694	CPKF50
Exploratorium Crosswalk (Brian Dusseault)	\$250,000	\$0	\$250,000	\$3,519	\$246,481	CPKF64
<b>Unallocated</b>	<b>\$451,233</b>	<b>\$0</b>	<b>\$451,233</b>	<b>\$0</b>	<b>\$451,233</b>	<b>N/A</b>
<b>PROJECT TOTALS</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$15,592</b>	<b>\$1,484,408</b>	



**MTA Revenue Bond Program of Projects as of June 30, 2013**

Program/Project	Budget				Expended			Encumbered			Balance				
	Original Series 2012B Bond Funds	Current Series 2012B Bond Funds*	Bond Funds	Other Sources	Total Budget	Series 2012B Bond Funds	Other Sources	Total Expended	Series 2012B Bond Funds	Other Sources	Total Encumbered	Series 2012B Bond Funds	Other Sources	Total Balance	
<b>A Systemwide Transit Access &amp; Reliability Program</b>	\$ 1,500,000	\$ 1,500,000			\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ 750,000	
A1 Van Ness Station Elevator Modernization	\$ 750,000	\$ 750,000			\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ 750,000	
A2 Franklin Street Bulbouts			\$ 48,767	\$ 250,000	\$ 298,767	\$ 48,257	\$ -	\$ 48,257	\$ -	\$ -	\$ -	\$ 510	\$ 250,000	\$ 250,510	
A3 Exploratorium Crosswalk			\$ 250,000	\$ 399,458	\$ 649,458	\$ 250,000	\$ 71,523	\$ 321,523	\$ -	\$ -	\$ -	\$ -	\$ 327,035	\$ 327,035	
A4 Balboa Streetscape			\$ 126,242		\$ 126,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,242	\$ -	\$ 126,242	
A5 Church and Duboce Pedestrian Project			\$ 44,180	\$ 341,000	\$ 385,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,180	\$ 341,000	\$ 385,180	
A6 Geary-Gough Peter Yorke Bulbout			\$ 183,500		\$ 183,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,500	\$ -	\$ 183,500	
A7 Unallocated	\$ 750,000	\$ 750,000	\$ 97,311		\$ 847,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,311	\$ -	\$ 97,311	
<b>B Muni Metro Sunset Tunnel Rail Rehabilitation Improvements</b>	\$ 900,000	\$ 900,000	\$ 900,000	\$ 31,100,000	\$ 32,000,000	\$ 843,969	\$ 391,597	\$ 1,235,566	\$ 3,758	\$ -	\$ 3,758	\$ 52,253	\$ 30,708,403	\$ 30,760,656	
<b>C Muni Metro Turnback Rehabilitation</b>	\$ 3,000,000	\$ 3,000,000													
C1 Muni Metro Turnback Rail Rehabilitation	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 806,000	\$ 3,156,000	\$ 325,355	\$ 97,199	\$ 422,554	\$ 673,038	\$ -	\$ 673,038	\$ 1,351,607	\$ 708,801	\$ 2,060,408	
C2 Muni Metro Turnback Water Intrusion Mitigation	\$ 650,000	\$ 650,000	\$ 650,000	\$ 3,506,000	\$ 4,156,000	\$ 456,551	\$ 233,820	\$ 690,371	\$ -	\$ 1,500	\$ 1,500	\$ 289,200	\$ 3,270,680	\$ 3,539,880	
<b>D Muni Green Light Rail Facility Rehabilitation</b>	\$ 7,200,000	\$ 7,524,500													
D1 Muni Green Center Rail Replacement	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 43,833,967	\$ 45,733,967	\$ 380,800	\$ 6,900,297	\$ 6,981,097	\$ 1,719,200	\$ 28,217,197	\$ 29,936,397	\$ -	\$ 8,816,473	\$ 8,816,473	
D2 Muni Green Center Roof Rehabilitation	\$ 5,100,000	\$ 5,424,500	\$ 5,424,500	\$ 1,180,175	\$ 6,584,675	\$ 2,223,655	\$ 433,162	\$ 2,656,817	\$ 2,598,259	\$ -	\$ 2,598,259	\$ 602,598	\$ 727,013	\$ 1,329,599	
<b>E MUNI System Radio Replacement Project</b>	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 114,897,000	\$ 116,497,000	\$ -	\$ 16,640,321	\$ 16,640,321	\$ -	\$ 43,719,815	\$ 43,719,815	\$ 1,600,000	\$ 54,536,864	\$ 56,136,864	
<b>F Muni Metro System Public Announcement and Public Display System Replacement</b>	\$ 6,500,000	\$ 6,500,000	\$ 6,175,500	\$ 6,175,500	\$ 47,035,500	\$ 53,211,000	\$ 111,312	\$ 7,488,939	\$ 7,600,251	\$ 5,800,500	\$ 18,132,153	\$ 23,932,653	\$ 283,688	\$ 21,414,408	\$ 21,678,096
<b>G Parking Projects</b>	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 394,670	\$ -	\$ 394,670	\$ -	\$ -	\$ -	\$ 4,605,130	\$ -	\$ 4,605,130	
<b>Total</b>	\$ 25,700,000	\$ 25,700,000	\$ 25,700,000	\$ 243,129,100	\$ 270,329,100	\$ 5,034,789	\$ 31,956,858	\$ 36,991,647	\$ 10,794,755	\$ 90,070,665	\$ 100,865,420	\$ 9,946,207	\$ 121,101,577	\$ 131,047,784	

\* In early August 2013, the SFMTA Board of Directors was notified of a reallocation of \$1.93 million within the approved bond funded projects from the Series 2012B issuance. This reallocation is allowable under both the bond documents and the appropriation approval. As shown above, \$324,500 was transferred from the from the Muni Metro System Public Announcement and Public Display System to the Muni Green Light Rail Facility Rehabilitation Project. \$1.6M is being transferred to the Radio Replacement Project to the Systemwide Transit Access and Reliability Program to fund the current backlog in bicycle parking citywide and will be reflected in the next quarterly update.

MTA Revenue Bond Program of Projects as of September 30, 2013

Program/Project	Budget				Expended			Encumbered			Balance		
	Original Series 2012B Bond Funds	Current Series 2012B Bond Funds*	Other Sources Approved	Total Budget	Series 2012B Bond Funds	Other Sources Approved	Total Expended	Series 2012B Bond Funds	Other Sources Approved	Total Encumbered	Series 2012B Bond Funds	Other Sources Approved	Total Balance
<b>A Systemwide Transit Access &amp; Reliability Program</b>	\$ 1,500,000	\$ 3,100,000	\$ 990,458	\$ 4,090,458	\$ 351,152	\$ 275,223	\$ 626,375	\$ 45,815	\$ 34	\$ 45,849	\$ 2,703,033	\$ 715,201	\$ 3,418,234
A1 Van Ness Station Elevator Modernization	\$ 730,000	\$ 730,000	\$ -	\$ 730,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 730,000	\$ -	\$ 730,000
A2 Franklin Street Bulbouts	\$ 48,767	\$ 250,000	\$ 298,767	\$ 598,767	\$ 48,508	\$ -	\$ 48,508	\$ -	\$ -	\$ -	\$ 259	\$ 250,000	\$ 250,259
A3 Exploratorium Crosswalk	\$ 250,000	\$ 399,458	\$ 649,458	\$ 1,298,916	\$ 250,000	\$ 237,800	\$ 487,800	\$ -	\$ -	\$ -	\$ -	\$ 161,638	\$ 161,638
A4 Balboa Streetscape	\$ 126,242	\$ -	\$ 126,242	\$ 126,242	\$ -	\$ -	\$ -	\$ 45,815	\$ -	\$ 45,815	\$ 80,427	\$ -	\$ 80,427
A5 Church and Duboce Pedestrian Project	\$ 44,180	\$ 341,000	\$ 385,180	\$ 770,360	\$ -	\$ 37,423	\$ 37,423	\$ -	\$ 34	\$ 34	\$ 44,180	\$ 303,543	\$ 347,723
A6 Geary-Gough Peter Yorke Bulbout	\$ 183,300	\$ -	\$ 183,300	\$ 183,300	\$ 52,644	\$ -	\$ 52,644	\$ -	\$ -	\$ -	\$ 130,656	\$ -	\$ 130,656
A7 Bicycle Parking	\$ 730,000	\$ -	\$ 730,000	\$ 730,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 730,000	\$ -	\$ 730,000
A8 Gough Street Pedestrian Improvements	\$ 437,387	\$ -	\$ 437,387	\$ 437,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 437,387	\$ -	\$ 437,387
A9 Unallocated	\$ 750,000	\$ 309,724	\$ -	\$ 309,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309,724	\$ -	\$ 309,724
<b>B Muni Metro Sunset Tunnel Rail Rehabilitation Improvements</b>	\$ 900,000	\$ 900,000	\$ 30,703,544	\$ 31,603,544	\$ 868,912	\$ 476,947	\$ 1,345,859	\$ 4,688	\$ -	\$ 4,688	\$ 26,400	\$ 30,226,597	\$ 30,252,997
C Muni Metro Turnback Rehabilitation	\$ 3,000,000	\$ 3,000,000	\$ 1,605,054	\$ 4,605,054	\$ 1,583,666	\$ 331,019	\$ 1,914,685	\$ 378,315	\$ -	\$ 378,315	\$ 1,038,019	\$ 1,274,035	\$ 2,312,054
C1 Muni Metro Turnback Rail Rehabilitation	\$ 2,350,000	\$ 2,350,000	\$ 806,000	\$ 3,156,000	\$ 1,122,140	\$ 97,199	\$ 1,219,339	\$ 378,315	\$ -	\$ 378,315	\$ 849,543	\$ 708,801	\$ 1,558,346
C2 Muni Metro Turnback Water Intrusion Mitigation	\$ 650,000	\$ 650,000	\$ 799,054	\$ 1,449,054	\$ 461,526	\$ 233,820	\$ 695,346	\$ -	\$ -	\$ -	\$ 188,474	\$ 565,234	\$ 753,708
<b>D Muni Green Light Rail Facility Rehabilitation</b>	\$ 7,200,000	\$ 7,524,500	\$ 44,133,967	\$ 51,658,467	\$ 4,140,184	\$ 7,038,050	\$ 11,178,234	\$ 3,014,792	\$ 28,217,197	\$ 31,231,989	\$ 369,524	\$ 8,878,720	\$ 9,248,244
D1 Muni Green Center Rail Replacement	\$ 2,100,000	\$ 2,100,000	\$ 43,633,967	\$ 45,733,967	\$ 836,360	\$ 6,840,888	\$ 7,677,248	\$ 1,263,640	\$ 28,217,197	\$ 29,480,837	\$ -	\$ 8,573,882	\$ 8,573,882
D2 Muni Green Center Roof Rehabilitation	\$ 5,100,000	\$ 5,424,500	\$ 300,000	\$ 5,924,500	\$ 3,303,824	\$ 197,162	\$ 3,500,986	\$ 1,751,152	\$ -	\$ 1,751,152	\$ 369,524	\$ 302,838	\$ 672,362
E Muni Metro System Radio Replacement Project	\$ 1,600,000	\$ -	\$ 114,897,000	\$ 114,897,000	\$ -	\$ 16,988,518	\$ 16,988,518	\$ -	\$ 43,772,762	\$ 43,772,762	\$ -	\$ 54,135,720	\$ 54,135,720
F Muni Metro System Public Announcement and Public Display System Replacement	\$ 6,500,000	\$ 6,175,500	\$ 47,035,500	\$ 53,211,000	\$ 2,823,538	\$ 10,510,759	\$ 13,334,297	\$ 3,181,772	\$ 23,156,250	\$ 26,338,022	\$ 170,190	\$ 13,368,491	\$ 13,538,681
G Parking Projects	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 713,571	\$ -	\$ 713,571	\$ 3,130	\$ -	\$ 3,130	\$ 4,283,299	\$ -	\$ 4,283,299
<b>Total</b>	\$ 25,700,000	\$ 25,700,000	\$ 239,365,523	\$ 265,065,523	\$ 10,481,023	\$ 35,620,516	\$ 46,101,539	\$ 6,628,512	\$ 95,146,243	\$ 101,774,755	\$ 8,590,465	\$ 108,598,764	\$ 117,189,229

\* In early August 2013, the SFMTA Board of Directors was notified of a reallocation of \$1.88 million within the approved bond funded projects from the Series 2012B issuance. This reallocation is allowable under both the bond documents and the appropriation approval. As shown above, \$524,500 was transferred from the from the Muni Metro System Public Announcement and Public Display System to the Muni Green Light Rail Facility Rehabilitation Project. \$1.6M was transferred from the Radio Replacement Project to the Systemwide Transit Access and Reliability Program to fund the current backlog in street improvement projects. Other funding for Radio Replacement Project will be provided when needed.

# Appendix E – Memo to SFMTA Board: Update on the SFMTA Revenue Bond Program (Series 2012B)



## MEMORANDUM

**DATE:** August 8, 2013

**TO:** SFMTA Board of Directors  
 Tom Nolan, Chairman  
 Cheryl Brinkman, Vice-Chairman  
 Malcolm A. Heinicke, Director  
 Jerry Lee, Director  
 Joël Ramos, Director  
 Cristina Rubke, Director

**THROUGH:** Edward D. Reiskin  
 Director of Transportation

**FROM:** Sonali Bose  
 Chief Financial Officer

**SUBJECT:** Update on the SFMTA Revenue Bond Program (Series 2012B)

The purpose of this memorandum is to advise the SFMTA Board of Directors of a reallocation of \$1.93 million within the approved bond funded projects from the Series 2012B issuance. This reallocation is allowable under both the bond documents and the appropriation approvals.

### Background

In September 2013, \$25.7 million in revenue bonds was issued for new projects as approved by the SFMTA Board. Of the \$25.7 million, \$5 million was designed for garage projects and \$20.7 for accessibility and reliability of the transit system, i.e. safe routes to transit (bicycle, pedestrian and signal improvements). The original program of projects as approved by the Board was as follows:

PROJECT/PROGRAM	AMOUNT
Systemwide Transit Access and Reliability Program	\$1,500,000
Muni Metro Sunset Tunnel Rail Rehabilitation	\$ 900,000
Muni Metro Turnback Rehabilitation	\$3,000,000
Muni Metro System Public Announcement and Public Display System	\$6,500,000
Muni System Radio Replacement Project	\$1,600,000
Muni Green Light Rail Facility Rehabilitation	\$7,200,000
Parking Garage Projects	\$5,000,000
<b>TOTAL</b>	<b>\$25,700,000</b>



## Appendix F - Procedures for Work Authorizations between the SFMTA & The CCSF Department of Public Works (DPW)



**SFMTA**  
Municipal Transportation Agency

### Procedures for Work Authorizations Between the SFMTA & The CCSF Department of Public Works (DPW)

1. The SFMTA will establish direct charge work authorizations with DPW for the purposes of charging eligible expenditures against its funding sources at the time they are incurred or committed by DPW to permit proper tracking of expenditures and encumbrances. The SFMTA will establish index codes for use by DPW in making direct charges to SFMTA projects. The index codes shall be based on written agreements that include:
  - a. Detailed scope of work;
  - b. Budget, including identification of eligible expenditures;
  - c. Period of Performance; and
  - d. Billing terms. Unless otherwise stated in the MOU, all billing shall be submitted with 30 days after the end of each calendar quarter. Any subsequent corrections or amounts billed after project completion or post 30-days after quarter end are subject to approval at the discretion of the requesting department. Any ineligible expenditures will not be paid.
2. DPW is authorized to charge expenditures and encumbrances to the index codes provided for:
  - a. Salaries and wages;
  - b. Mandatory fringe benefits; and
  - c. Indirect Overhead as approved by their cognizant agent (typically that would be Caltrans)
  - d. Non-labor costs such as construction and personal service contracts related to the planning, design, acquisition, construction, reconstruction, rehabilitation, or improvement of projects identified in the scope of work.
3. DPW will submit documents supporting all charges to the Capital Projects & Grants Accounting Manager, or other designee, at SFMTA monthly within 15 days after the end of each month (*Appendix A*). Supporting documents (*Appendix B*) shall include:
  - a. Copies of Detailed Labor Cost Report for payrolls paid during the previous month, which includes: project number; index code; employee name; hours charged; salary; mandatory fringe benefits; overhead; and paid time off; and
  - b. Copies of invoices from 3<sup>rd</sup> parties supported by purchase orders and the FAMIS document numbers.
4. SFMTA staff will forward the documents to the applicable SFMTA project manager, who shall approve or disapprove the charges within 30 days (*Appendix A*). In the event charges are not approved, the project manager shall notify SFMTA staff as to the reason why and what the corrective action should be, if any. The PM will review the documents to ensure the following:
  - a. The supporting documentation is complete;
  - b. Time charges are in line with the project scope, schedule, and budget; and
  - c. Progress of work reasonably equates to the percentage of the budget expended.
5. The SFMTA project manager will concurrently notify the DPW project manager and the DPW CFO, or designee, regarding any charges that are disapproved, and DPW will be given 15 days (*Appendix A*) to provide missing documents or resolve issues.



### Procedures for Work Authorizations Between the SFMTA & The CCSF Department of Public Works (DPW)

- 6. Any unresolved charges that have not been reversed or resolved after 60 days will be referred to the Controller's Office for final resolution. The Controller's Office will review the written documents provided, including the scope of work, budget, period of performance and other supporting documentation to determine if the charges meet the terms and conditions agreed to within 15 days.

This procedure is hereby acknowledged and each department commits to comply with it.

*Jocelyn C. Quintos on behalf of Jocelyn Quintos*  
 Jocelyn Quintos  
 CFO, DPW

*August 19, 2013*  
 Date

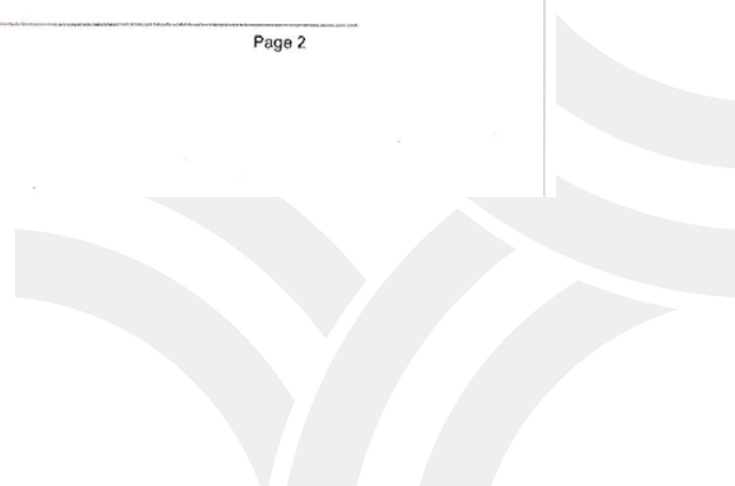
*Sonali Bose*

Sonali Bose  
 CFO, SFMTA

August 19, 2013  
 Date

*Cannon LeFranc, on behalf of Mary Fitzpatrick*  
 Mary Fitzpatrick  
 Deputy Controller, CCSF

August 19, 2013  
 Date





Procedures for Work Authorizations Between the SFMTA &  
The CCSF Department of Public Works (DPW)  
Appendix A – Schedule for Providing Approvals

Accounting Month	DPW Supporting Documents Due to MTA	SFMTA Project Manager Approval Due	SFMTA Notifies DPW of Disapproved Charges	DPW Provides Missing Documents or Resolves Issues	SFMTA Refers Unresolved Issues to CCSF Controller	CCSF Controller Determines Resolution
July 2012	8/15/2012	9/17/2012	9/17/2012	10/1/2012	10/2/2012	10/17/2012
August 2012	9/17/2012	10/15/2012	10/15/2012	10/31/2012	11/1/2012	11/16/2012
September 2012	10/15/2012	11/15/2012	11/15/2012	11/30/2012	12/3/2012	12/17/2012
October 2012	11/15/2012	12/17/2012	12/17/2012	12/31/2012	1/1/2013	1/16/2013
November 2012	12/17/2012	1/15/2013	1/15/2013	1/31/2013	2/1/2013	2/19/2013
December 2012	1/15/2013	2/15/2013	2/15/2013	2/28/2013	3/1/2013	3/18/2013
January 2013	2/15/2013	3/15/2013	3/15/2013	4/1/2013	4/2/2013	4/17/2013
February 2013	3/15/2013	4/15/2013	4/15/2013	4/30/2013	5/1/2013	5/16/2013
March 2013	4/15/2013	5/15/2013	5/15/2013	5/31/2013	6/3/2013	6/17/2013
April 2013	5/15/2013	6/17/2013	6/17/2013	7/1/2013	7/2/2013	7/17/2013
May 2013	6/17/2013	7/15/2013	7/15/2013	7/31/2013	8/1/2013	8/16/2013
June 2013	7/15/2013	8/15/2013	8/15/2013	9/3/2013	9/4/2013	9/19/2013
July 2013	8/15/2013	9/16/2013	9/16/2013	9/30/2013	10/1/2013	10/16/2013
August 2013	9/16/2013	10/15/2013	10/15/2013	10/31/2013	11/1/2013	11/18/2013
September 2013	10/15/2013	11/15/2013	11/15/2013	12/2/2013	12/3/2013	12/18/2013
October 2013	11/15/2013	12/16/2013	12/16/2013	12/31/2013	1/2/2014	1/16/2014
November 2013	12/16/2013	1/15/2014	1/15/2014	1/31/2014	2/3/2014	2/18/2014
December 2013	1/15/2014	2/17/2014	2/17/2014	2/28/2014	3/3/2014	3/18/2014
January 2014	2/17/2014	3/17/2014	3/17/2014	3/31/2014	4/1/2014	4/16/2014
February 2014	3/17/2014	4/15/2014	4/15/2014	4/30/2014	5/1/2014	5/16/2014
March 2014	4/15/2014	5/15/2014	5/15/2014	6/2/2014	6/3/2014	6/18/2014
April 2014	5/15/2014	6/16/2014	6/16/2014	6/30/2014	7/1/2014	7/16/2014
May 2014	6/16/2014	7/15/2014	7/15/2014	7/31/2014	8/1/2014	8/18/2014
June 2014	7/15/2014	8/15/2014	8/15/2014	9/2/2014	9/3/2014	9/18/2014
July 2014	8/15/2014	9/15/2014	9/15/2014	9/30/2014	10/1/2014	10/16/2014
August 2014	9/15/2014	10/15/2014	10/15/2014	10/31/2014	11/3/2014	11/17/2014
September 2014	10/15/2014	11/17/2014	11/17/2014	12/1/2014	12/2/2014	12/17/2014
October 2014	11/17/2014	12/15/2014	12/15/2014	12/31/2014	1/2/2015	1/16/2015
November 2014	12/15/2014	1/15/2015	1/15/2015	2/2/2015	2/3/2015	2/18/2015
December 2014	1/15/2015	2/17/2015	2/17/2015	3/2/2015	3/3/2015	3/18/2015
January 2015	2/17/2015	3/16/2015	3/16/2015	3/31/2015	4/1/2015	4/17/2015
February 2015	3/16/2015	4/15/2015	4/15/2015	4/30/2015	5/1/2015	5/18/2015
March 2015	4/15/2015	5/15/2015	5/15/2015	6/1/2015	6/2/2015	6/17/2015
April 2015	5/15/2015	6/15/2015	6/15/2015	6/30/2015	7/1/2015	7/16/2015
May 2015	6/15/2015	7/15/2015	7/15/2015	7/31/2015	8/3/2015	8/17/2015



Procedures for Work Authorizations Between the SFMTA &  
The CCSF Department of Public Works (DPW)  
Appendix A – Schedule for Providing Approvals

Accounting Month	DPW Supporting Documents Due to MTA	SFMTA Project Manager Approval Due	SFMTA Notifies DPW of Disapproved Charges	DPW Provides Missing Documents or Resolves Issues	SFMTA Refers Unresolved Issues to CCSF Controller	CCSF Controller Determines Resolution
June 2015	7/15/2015	8/17/2015	8/17/2015	8/31/2015	9/1/2015	9/16/2015
July 2015	8/17/2015	9/15/2015	9/15/2015	9/30/2015	10/1/2015	10/16/2015
August 2015	9/15/2015	10/15/2015	10/15/2015	11/1/2015	11/2/2015	11/17/2015
September 2015	10/15/2015	11/15/2015	11/15/2015	11/30/2015	12/1/2015	12/16/2015
October 2015	11/15/2015	12/16/2015	12/16/2015	12/31/2015	1/4/2016	1/19/2016
November 2015	12/16/2015	1/15/2016	1/15/2016	2/1/2016	2/2/2016	2/17/2016
December 2015	1/15/2016	2/16/2016	2/16/2016	2/29/2016	3/1/2016	3/16/2016
January 2016	2/16/2016	3/15/2016	3/15/2016	3/31/2016	4/1/2016	4/18/2016
February 2016	3/15/2016	4/15/2016	4/15/2016	5/2/2016	5/3/2016	5/18/2016
March 2016	4/15/2016	5/16/2016	5/16/2016	5/31/2016	6/1/2016	6/16/2016
April 2016	5/16/2016	6/15/2016	6/15/2016	6/30/2016	7/1/2016	7/16/2016
May 2016	6/15/2016	7/15/2016	7/15/2016	8/1/2016	8/2/2016	8/17/2016
June 2016	7/15/2016	8/15/2016	8/15/2016	8/31/2016	9/1/2016	9/16/2016
July 2016	8/15/2016	9/15/2016	9/15/2016	9/30/2016	10/3/2016	10/17/2016
August 2016	9/15/2016	10/17/2016	10/17/2016	10/31/2016	11/1/2016	11/16/2016
September 2016	10/17/2016	11/15/2016	11/15/2016	11/30/2016	12/1/2016	12/16/2016
October 2016	11/15/2016	12/15/2016	12/15/2016	1/3/2017	1/4/2017	1/19/2017
November 2016	12/15/2016	1/15/2017	1/15/2017	1/31/2017	2/1/2017	2/16/2017
December 2016	1/15/2017	2/15/2017	2/15/2017	2/28/2017	3/1/2017	3/16/2017



Procedures for Work Authorizations Between the SFMTA & The CCSF Department of Public Works (DPW)  
Appendix B – Sample Documents

12B Bond Report  
MTA Work Authorization to DPW  
October 2012 to April 2013

Project	Subfund	Work Authorization	UPW Project	Labor Expenditure				Non-Labor Expenditure		Total Expenditure
				BOA Labor	BOE Labor	BCM Labor	BSM Labor	Construction	Professional	
CPKF49 PARKING FACILITY RESTORE & COMPLY PHYS-A	SMCF12B MTA 2012 REVENUE BOND 52012EP-GARAGE	93,891.00	CPKF49/04W1			9,892.81				9,892.81
		402,280.00	CPKF49/04W2	29,338.05	74,673.12					104,011.15
		70,964.00	CPKF49/04W3	46.38						46.38
CPKF50 FRANKLIN STREET BULBOUYS CON	SMCF12B MTA 2012 REVENUE BOND 52012EP-GARAGE	45,245.00	CPKF50/01W1		9,118.87					9,118.87
CPKF64 68X019 EXPLORATORIUM CROSSWALK CON	SMCF12B MTA 2012 REVENUE BOND 52012EP-GARAGE	250,000.00	CPKF64/22W1					250,000.00		250,000.00
CP1658 SUNSET TUNNEL RAIL REHAB	SMCF12B MTA 2012 REVENUE BOND 52012E-TRANSIT	99,100.00	CP1658/3221		5,141.33	4,758.85				9,900.18
CP1664 GREEN CENTER ROOF REHAB	SMCF12B MTA 2012 REVENUE BOND 52012E-TRANSIT	167,000.00	CP1664/3222	63,815.57	37,433.15	2,653.41				103,902.13
		162,000.00	CP1664/3224							

Labor Cost Report

Last Name		First Name	PL1	PL2	PPE	Bureau	Classification	Index Code	Total Hours	Salary	MFB	Dept OH	Bureau OH	PTO	Total OH	Total Cost
<b>CPKF49/04W199 BCM LABOR</b>																
BEGLEY	ROBERT	CPKF49	04W199	3/15/2013	DPWCM	5620	PWAIKSNHFF12B		30	1434.75	629.98	727.28	578.63	411.34	1717.25	3781.98
BEGLEY	ROBERT	CPKF49	04W199	3/15/2013	DPWCM	5620	PWAIKSNHFF12B		20	956.5	412.69	484.85	385.76	274.23	1144.84	2514.03
BEGLEY	ROBERT	CPKF49	04W199	3/29/2013	DPWCM	3820	PWAIKSNHFF12B		28	1339.1	587.98	676.79	607.01	383.92	1669.72	3596.8
BEGLEY	ROBERT	SUBTOTAL							78	3730.35	1630.65	1890.92	1571.4	1069.49	4531.81	9892.81
GRAND TOTAL									78	3730.35	1630.65	1890.92	1571.4	1069.49	4531.81	9892.81
<b>CPKF49/04W211 BOA LABOR</b>																
CONRAD	DENNIS L	CPKF49	04W211	3/15/2013	DPWAT	5265	PWAIKSNHFF12B		25	1133.13	396.33	524.39	457	324.87	1356.26	2885.72
CONRAD	DENNIS L	CPKF49	04W211	3/29/2013	DPWAT	5265	PWAIKSNHFF12B		349	1581.19	56.55	88.19	71.7	45.35	197.34	411.98
CONRAD	DENNIS L	SUBTOTAL							374	2714.32	452.88	612.58	528.7	370.22	1553.5	3397.7
OKADA	SENA	CPKF49	04W211	3/15/2013	DPWAT	5261	PWAIKSNHFF12B		12	474.3	154.27	210.42	191.28	135.98	567.68	1196.25
OKADA	SENA	CPKF49	04W211	3/15/2013	DPWAT	5261	PWAIKSNHFF12B		18	711.45	258.83	350.63	286.93	203.97	851.53	1821.81
OKADA	SENA	CPKF49	04W211	4/12/2013	DPWAT	5261	PWAIKSNHFF12B		8.58	354.93	129.12	179.91	160.89	101.76	442.56	926.61
OKADA	SENA	SUBTOTAL							38.58	1540.68	542.22	780.96	639.1	441.71	1861.77	3944.67
ULLMAN	DOUGLAS	CPKF49	04W211	3/15/2013	DPWAT	5268	PWAIKSNHFF12B		24	1464.6	540.02	742.41	590.88	419.9	1732.99	3757.61
ULLMAN	DOUGLAS	CPKF49	04W211	3/29/2013	DPWAT	5268	PWAIKSNHFF12B		33.88	3288.03	1237.41	1646.7	1495.47	948.69	4699.85	8625.29
ULLMAN	DOUGLAS	CPKF49	04W211	4/12/2013	DPWAT	5268	PWAIKSNHFF12B		60.85	3713.37	1368.19	1892.11	1482.17	1044.62	4630.2	9712.76
ULLMAN	DOUGLAS	SUBTOTAL							118.73	8466	3146.62	4291.42	3764.42	2427.2	10483.04	21095.66
GRAND TOTAL									206.2	11298	4141.22	5726.96	4922.22	3219.13	13898.31	29938.03





# Procedures for Work Authorizations Between the SFMTA & The CCSF Department of Public Works (DPW)

## Appendix B – Sample Documents

### Sample Non-labor Documents

The last step was Approved.  
Here is the summary of the task.

**Contract Information**  
Contract No. 003-0744  
Contract Title: As-Needed Paving Contract No. 8  
Contract Start Date: 180586  
Contract End Date: 180586  
Contract Location: As-Needed (No CSO)  
Contract Owner: A. Ruiz Construction Co. & Assoc., Inc.  
Contract Address: 5487454.12

**Invoice Request Information**  
Invoice No: 003-0744  
Invoice Date: 03-27-2015  
Invoice Amount: \$1752266.47  
Invoice Due Date: \$318142.44  
Invoice Contact: 31075408.91

Here is the approval history of the task.

Approval Step	Approval Status	Approval Date	Approval By	Approval Reason
Payment RMC Initiation	Created	09-09-2013	DPW/TP/ARJUNING	
REJCH Approval	Rejected	09-09-2013	DPW/TP/PARK	Please correct payment period.
Contractor Review	Approved	09-09-2013	DPW/TP/COTTER	
REJCH Approval	On Hold	09-09-2013	DPW/TP/PARK	Waiting for Accounting for the Bonds for CO-02
REJCH Approval	Approved	10-10-2013	DPW/TP/PARK	
JOA Accounting	Approved	10-10-2013	DPW/TP/FERALLA	
Contract Manager Approval	Approved	10-10-2013	DPW/TP/KYI	
Division Manager Approval	Approved	10-10-2013	DPW/TP/WISE	
Project Manager Approval	Approved	10-10-2013	DPW/TP/WONGR	

**A. Ruiz Construction Co. & Associates, Inc.**  
1651 Courtland Avenue  
San Francisco, CA 94115  
License No. 427657  
Phone: (415) 647-0010 - Fax: (415) 647-0275

### Invoice

City & County of San Francisco	Application for Payment No.	Invoice No.
Department of Public Works	003	03-0744
Infrastructure Construction Management	Application for Payment	
Attn: Robin Park	April 4, 2015	
1600 Mission Street, 4th Floor	Client No.	
San Francisco, CA 94103	25	
Job #:	Project Order #:	
00213		
Project: As-Needed Paving Contract No. 8		
Spec. No.: 18734		
Reference:		
Original Contract Amount:	2,016,192.00	
Change Orders to Date: (Add)	979,174.56	
(Deduct)		
Adjusted Contract Amount:	3,005,272.56	
Percent of Work Completed to Date:	27.61%	1,015,403.00
Less Retention (Percentage):	10%	101,540.30
Less Previous Billings:		881,639.82
Total Amount Due this Invoice:		295,322.90
<b>Approved Change Orders</b>		
1	891,489.50	10/10/2013
2	207,206.56	03/27/2015
3		
4		
5		
6		
7		
8		
9		
10		
11		

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**APPLICATION AND CERTIFICATE FOR PAYMENT**

Contract No. 003-0744  
Contract Title: As-Needed Paving Contract No. 8  
Contract Start Date: 180586  
Contract End Date: 180586  
Contract Location: As-Needed (No CSO)  
Contract Owner: A. Ruiz Construction Co. & Assoc., Inc.  
Contract Address: 5487454.12

**APPROVALS:**  
Contractor: [Signature]  
Contract Manager: [Signature]  
Division Manager: [Signature]  
Project Manager: [Signature]

**REMARKS:**  
This invoice is submitted for payment for the work performed under the contract for the period of 03/27/2015 to 03/27/2015. The amount of the invoice is \$1,752,266.47. The amount of the invoice is subject to the final audit of the contract. The amount of the invoice is subject to the final audit of the contract. The amount of the invoice is subject to the final audit of the contract.

**AMOUNTS:**  
Contract Value: \$3,005,272.56  
Amount Due: \$295,322.90  
Retention: \$101,540.30  
Previous Billings: \$881,639.82

**DATE:** 03/27/2015

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Item No.	Description	Quantity	Unit	Rate	Amount
1	Asphalt Paving	1000	Sq Yd	1.00	1000.00
2	Concrete Paving	500	Sq Yd	2.00	1000.00
3	Gravel Paving	200	Sq Yd	0.50	100.00
4	Excavation	100	Cu Yd	10.00	1000.00
5	Backfill	100	Cu Yd	5.00	500.00
6	Compaction	100	Sq Yd	0.50	50.00
7	Site Preparation	100	Sq Yd	0.50	50.00
8	Final Grading	100	Sq Yd	0.50	50.00
9	Final Inspection	100	Sq Yd	0.50	50.00
10	Final Cleanup	100	Sq Yd	0.50	50.00
11	Final Report	100	Sq Yd	0.50	50.00

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# Procedures for Work Authorizations Between the SFMTA & The CCSF Department of Public Works (DPW)

## Appendix B – Sample Documents

### Sample Non-labor Documents

PROGRESS ESTIMATE NO. 3 FOR WORK PERFORMED THROUGH JAN 2013 SPEC. NO. 3752

PROJECT TITLE: Advanced Pump Control No. 8

CONTRACT NO.	ITEM NO.	DESCRIPTION	AMOUNT	CUMULATIVE AMOUNT	% COMPLETE	DATE PAID	DATE OF ESTIMATE	DATE PAID	DATE OF ESTIMATE
157173.00	1.0	Advanced Pump Control No. 8	\$10,000.00	\$10,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.1	Advanced Pump Control No. 8 - 1.1	\$5,000.00	\$5,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.2	Advanced Pump Control No. 8 - 1.2	\$5,000.00	\$10,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.3	Advanced Pump Control No. 8 - 1.3	\$5,000.00	\$15,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.4	Advanced Pump Control No. 8 - 1.4	\$5,000.00	\$20,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.5	Advanced Pump Control No. 8 - 1.5	\$5,000.00	\$25,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.6	Advanced Pump Control No. 8 - 1.6	\$5,000.00	\$30,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.7	Advanced Pump Control No. 8 - 1.7	\$5,000.00	\$35,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.8	Advanced Pump Control No. 8 - 1.8	\$5,000.00	\$40,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.9	Advanced Pump Control No. 8 - 1.9	\$5,000.00	\$45,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.0	Advanced Pump Control No. 8 - 2.0	\$5,000.00	\$50,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.1	Advanced Pump Control No. 8 - 2.1	\$5,000.00	\$55,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.2	Advanced Pump Control No. 8 - 2.2	\$5,000.00	\$60,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.3	Advanced Pump Control No. 8 - 2.3	\$5,000.00	\$65,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.4	Advanced Pump Control No. 8 - 2.4	\$5,000.00	\$70,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.5	Advanced Pump Control No. 8 - 2.5	\$5,000.00	\$75,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.6	Advanced Pump Control No. 8 - 2.6	\$5,000.00	\$80,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.7	Advanced Pump Control No. 8 - 2.7	\$5,000.00	\$85,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.8	Advanced Pump Control No. 8 - 2.8	\$5,000.00	\$90,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.9	Advanced Pump Control No. 8 - 2.9	\$5,000.00	\$95,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	3.0	Advanced Pump Control No. 8 - 3.0	\$5,000.00	\$100,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	GRAND TOTAL		\$100,000.00	\$100,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13

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PROGRESS ESTIMATE NO. 3 FOR WORK PERFORMED THROUGH JAN 2013 SPEC. NO. 3752

PROJECT TITLE: Advanced Pump Control No. 8

CONTRACT NO.	ITEM NO.	DESCRIPTION	AMOUNT	CUMULATIVE AMOUNT	% COMPLETE	DATE PAID	DATE OF ESTIMATE	DATE PAID	DATE OF ESTIMATE
157173.00	1.0	Advanced Pump Control No. 8	\$10,000.00	\$10,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.1	Advanced Pump Control No. 8 - 1.1	\$5,000.00	\$5,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.2	Advanced Pump Control No. 8 - 1.2	\$5,000.00	\$10,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.3	Advanced Pump Control No. 8 - 1.3	\$5,000.00	\$15,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.4	Advanced Pump Control No. 8 - 1.4	\$5,000.00	\$20,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.5	Advanced Pump Control No. 8 - 1.5	\$5,000.00	\$25,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.6	Advanced Pump Control No. 8 - 1.6	\$5,000.00	\$30,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.7	Advanced Pump Control No. 8 - 1.7	\$5,000.00	\$35,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.8	Advanced Pump Control No. 8 - 1.8	\$5,000.00	\$40,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	1.9	Advanced Pump Control No. 8 - 1.9	\$5,000.00	\$45,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.0	Advanced Pump Control No. 8 - 2.0	\$5,000.00	\$50,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.1	Advanced Pump Control No. 8 - 2.1	\$5,000.00	\$55,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.2	Advanced Pump Control No. 8 - 2.2	\$5,000.00	\$60,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.3	Advanced Pump Control No. 8 - 2.3	\$5,000.00	\$65,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.4	Advanced Pump Control No. 8 - 2.4	\$5,000.00	\$70,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.5	Advanced Pump Control No. 8 - 2.5	\$5,000.00	\$75,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.6	Advanced Pump Control No. 8 - 2.6	\$5,000.00	\$80,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.7	Advanced Pump Control No. 8 - 2.7	\$5,000.00	\$85,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.8	Advanced Pump Control No. 8 - 2.8	\$5,000.00	\$90,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	2.9	Advanced Pump Control No. 8 - 2.9	\$5,000.00	\$95,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	3.0	Advanced Pump Control No. 8 - 3.0	\$5,000.00	\$100,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13
157173.00	GRAND TOTAL		\$100,000.00	\$100,000.00	100%	1/31/13	1/31/13	1/31/13	1/31/13

APPROVED BY: [Signature]

DATE: 1/31/13

APPROVED BY: [Signature]

DATE: 1/31/13

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## Appendix G – Auditor Review



KPMG LLP  
 Suite 1400  
 55 Second Street  
 San Francisco, CA 94105

### Independent Accountants' Report on Applying Agreed-Upon Procedures

The Honorable Mayor, Board of Supervisors  
 and San Francisco Municipal Transportation Agency Board of Directors  
 City and County of San Francisco, California:

We have performed the procedures enumerated in the Attachment, which was agreed to by the San Francisco Municipal Transportation Agency (SFMTA), solely to assist the management of the SFMTA in evaluating SFMTA's Revenue Bond Series 2012 compliance with the provisions of the Bond Indenture of Trust (Agreement) between SFMTA and The Bank of New York Mellon Trust Company, dated as of July 1, 2012. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the Attachment either for the purpose for which this report has been requested or for any other purpose. The results of these procedures are enumerated in the Attachment.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of SFMTA and the City and County of San Francisco, and is not intended to be, and should not be, used by anyone other than these specified parties.

**KPMG LLP**

January 15, 2014

## ATTACHMENT

**Procedures and Results:**

- (1) **Provide statement that Revenue Bonds Series 2012 debt proceeds and interest income are expended solely for uses, purposes, and projects authorized in the authorizing resolution.**

We performed the testwork enumerated in Procedure 3 below and noted that each expenditure was expended for the uses, purposes, and projects authorized in the authorizing resolution.

- (2) **Perform the following procedures with respect to uses, expenditures, encumbrance, and balances through June 30, 2013:**

- Validate that uses are solely for purposes per authorizing resolution and applicable law.
- Validate that project expenditures and encumbrances are appropriately authorized capital projects.
- Validate if the trustee payments for debt service are according to terms, amounts are correct and dues dates met.
- Validate if balances are correct.

We performed the testwork enumerated in Procedures 3 and 4 below and noted the following:

- Each expenditure was expended for the purposes per authorizing resolution and applicable law.
- Each project expenditure and encumbrance was appropriately authorized for a capital project.
- Each trustee payment for debt service was in accordance with the terms, the amounts were correct, and due dates were met.
- Confirmed that bond balances for fiscal year ending June 30, 2013 were correct.

- (3) **Judgmentally select 25 expenditures from the Revenue Bond Expenditure Account and determine whether the related expenditures are (a) for authorized capital projects, (b) properly supported, and (c) was processed in accordance with SFMTA's internal procedures. Internal procedures include the following:**

- A required approval by the project manager and the accounting department,
- The expenditure must be related to a capital project, and
- The payment must be made prior to the reimbursement.

We judgmentally selected the following expenditures from the disbursement listing. For each expenditure tested, we noted the following:

- The expenditure was authorized for a capital project,
- The expenditure was properly supported,
- The required approvals were obtained by the project manager and accounting department,
- The expenditure related to a capital project, and
- The expenditure was approved and paid prior to the reimbursement.

## ATTACHMENT

No.	Project Title	Expenditure Type	Amount
1	GREEN CTR ROOF REHAB(DD)CONTING-BOND	NON PERSONNEL SERVICES	\$ 700.00
2	M.M.T.RAIL REHABILITAT-DD OTHER DIR BOND	NON PERSONNEL SERVICES	871.40
3	GREEN CTR ROOF REHAB(DD) ENG SVC-BOND	NON PERSONNEL SERVICES	219.47
4	GREEN CTR ROOF REHAB(CP)CONTINGENCY BOND	NON PERSONNEL SERVICES	25,072.00
5	M.M.T. WATER INTRU MIT-CP JOC CONT-BOND	NON PERSONNEL SERVICES	76,810.44
6	GREEN CENTER RAIL REPL(CP)CONST CON BOND	NON PERSONNEL SERVICES	271,350.00
7	M.M.T. RAIL REHABIL-CP-PUB OUTREACH BOND	NON PERSONNEL SERVICES	1,944.45
8	GREEN CENTER ROOF REHAB (CP)CC-BOND	NON PERSONNEL SERVICES	606,433.50
9	GREEN CENTER ROOF REHAB (CP)CC-BOND	NON PERSONNEL SERVICES	977,269.50
10	GREEN CENTER ROOF REHAB (CP)CC-BOND	NON PERSONNEL SERVICES	108,585.50
11	7378A-IHI ENVIRONMENT	NON PERSONNEL SERVICES	8,076.60
12	2175J-CONSULTING	NON PERSONNEL SERVICES	15,522.59
13	2135J-CONSTRUCTION	NON PERSONNEL SERVICES	225,000.00
14	686D01-RESERVE	NON PERSONNEL SERVICES	82,820.00
15	SUNSET TUNNEL RAIL REHAB-DD-ENG SVS BOND	MANDATORY FRINGE BENEFITS	7,052.16
16	SUNSET TUNNEL RAIL REHAB-DD-ENG SVS BOND	MANDATORY FRINGE BENEFITS	7,212.49
17	SUNSET TUNNEL RAIL REHAB-DD-ENG SVS BOND	OVERHEAD	15,838.99
18	SUNSET TUNNEL RAIL REHAB-DD-ENG SVS BOND	OVERHEAD	13,929.74
19	SUNSET TUNNEL RAIL REHAB-DD-ENG SVS BOND	OVERHEAD	20,462.32
20	7378A-BOE LABOR	OVERHEAD	467.81
21	7378A-BOA LABOR	OVERHEAD	424.48
22	GREEN CTR ROOF REHAB(DD) ENG SVC-BOND	OVERHEAD	37,178.79
23	SUNSET TUNNEL RAIL REHAB-DD-ENG SVS BOND	SALARIES	13,355.70
24	M.M.T. WATER INTRU MITI-CP OPERTNS-BOND	SALARIES	538.51*
25	GREEN CENTER ROOF REHAB (CP)CM-BOND	SALARIES	205.93

\* The salary expenditure amounts are a total amount that included several employees. We judgmentally selected one employee, employee ID 037053, from this amount, noting the amount was related to a holiday pay amount charged to the project. However, the amount was reversed out at the end of each month to avoid double counting of the Paid Time Off allocation.

**ATTACHMENT**

- (4) **Select sample trustee payments for debt service and determine if trustee payments are in accordance with the debt service payment schedule, the correct amounts, and within due dates.**

We selected five payments from the debt service schedule and performed the following procedures:

- Agreed the amount to the debt service payment schedule.
  - Verified the correct amount was paid according to the bond agreements terms (debt service payment schedule).
  - Ensured the payment was made by the due date by tracing the payment to trustee bank statements for receipt confirmation.
- (5) **Trace bond balances to supporting records**

KPMG agreed the bond balances from the debt service schedules to the debt confirmation that was returned directly from the trustee during the SFMTA financial statement audit for the year ending June 30, 2013.