



SFMTA Bond Oversight Committee

Chair – Tajel Shah Vice Chair – John Lisovsky
Luke Brewer, Leona Bridges, Steve Heminger, Charles Perl

MINUTES – Wednesday, June 1, 2022 – 2:15pm
MEETING LOCATION—via MS Teams

1. Call to Order and Roll Call

Committee Members:

Luke Brewer
Leona Bridges
Steve Heminger
John Lisovsky
Charles Perl
Tajel Shah

A quorum being present, the meeting was called to order at 2:15pm. Chair Tajel Shah and Member Luke Brewer were absent.

Public Comment: None

2. Approval of Minutes from March 2nd meeting: On motion to adopt March 2, 2022, meeting minutes: Unanimously approved.

Public Comment: None

3. Revenue Bond Interest Income: SFMTA staff, Mark Lui presented an update to the BOC on the amounts of interest accrued for revenue bond interest and to recommend that the funds be spent on the Light Rail Vehicle program, consistent with Official Statements and BOC policy. Mr. Lui stated that between 2012 and 2017 the SFMTA issued four series of revenue bond worth \$365,700,000 to fund the capital projects. The four issuances have generated \$6.9 million of interest and has not been spent yet and the intent is to program the money for expenditures. Mr. Lui mentioned that SFMTA consulted with the City Attorney's Office and outside tax counsel and advised that revenue bond interest can be spent for capital projects, including LRVs, under the jurisdiction of the SFMTA. Any residual bond interest may be used to pay interest but not the principal on the SFMTA bonds. Also, Mr. Lui mentioned that SFMTA has BOC policy that interest earned from the revenue bonds will be programmed to capital projects on the approved Program of Projects. Interest will be allocated only after the principal of the series is fully spent down and in most cases it has. SFMTA is recommending that to spend the money on the agency's LRV replacement program which we had previously programmed money to from the revenue bonds for three of the different series of issuances. SFMTA is proposing to spend the 6.9 million on the LRV replacement project.

Vice Chair John Lisovsky questioned if this item is not an action item what is the role of the BOC to make recommendations. Mark Blake, City Attorney's Office, stated that the BOC is to see that the bond proceeds are efficiently spent and allocated to capital projects. Mr. Blake also stated that SFMTA is just checking in to BOC that there's residual funds and reporting on how they intend to allocate the funds and why they did not spend the funds sooner. Again, Vice Chair Lisovsky questioned that he would like to see newer LRVs but if the committee cannot call upon to make recommendations, then would it be the MTAB to decides to spend this \$7 million? Mr. Blake stated that the staff has the administrative authority to recommend and Kamini Lall, Acting Budget Financial Planning Analysis Manager second that it is the recommendation to spend these funds to LRV replacement project.

Member Charles Perl suggested that these funds being incorporated into the report so ultimately shows how the funds being used. Mr. Lui stated that the interest is on the quarterly report but not consolidated and reported that will make a change for the next report.

Vice Chair Lisovsky asked how many LRVs been replaced? SFMTA staff, Cody Hicks responded the total project contract has 219 LRVs. Phase 1, called expansion of LRVs is complete, 68 vehicles received; Phase 2, 8 vehicles received of a 151 total.

Public Comment: None

4. Quarterly Report: FY 21-22 Quarter 3

Mark Lui, SFMTA staff, presented a summary that this report covers the period through the third quarter of Fiscal Year 2021-2022, which ended on March 31, 2022. On February 23, 2021, the Series C 2021 Green Bonds were issued in the amount of \$118 million. SFMTA will use the proceeds of the bond to finance projects intended to improve the efficiency and environmental footprint of the municipal transportation network.

Mr. Lui reported that Series 2012 is fully spent. Series 2013 still has \$408,853 and Series 2014 has \$1.4 million left. Mr. Lui stated that a lot of these balances are locked up with encumbrances with our Public Works Department. Our Accounting department has been working hard on this it's very difficult and complex process to release the funds. These funds were released in the last quarter and planned to spend on both Van Ness BRT and LRV projects. Remaining balance for Series 2017 is also going to LRV replacement project. Series 2021C (Green Bonds), the \$23 million already been put in contract.

Also, Mr. Lui reported project status of the following:

1200-15th Street Renovation: Completed the due diligence investigation work, fund transfer for Conceptual, Schematic, and Design Development has been completed and Design Team started Concept Design Phase as of January. CEQA Determination review was led and completed by SF City Planning in coordination with SFMTA Environmental and project management staff, and SFPW project management staff.

King Street Substation Upgrade: PG&E shut down the power at the Permanent Station in February. Contractor demolished the concreted flooring inside the Permanent Station. PG&E inspected the installation of the conduit work in the Permanent Substation and the Contractor has completed the ductbanks.

Parking Meter Replacement: SFMTA Meter Shop has installed and commissioned the first 143 Pay-by-License Plate Pay Stations.

Mr. Lui responded to a question from the last meeting on how the agency prioritizes parking meter replacements? He responded that many of the meters have 3G cellular technology and the service providers that we used are planning to shut down the 3G service at the end of the calendar year and these are going to be the priority. There are over 29,000 parking meters to be replaced with updated to current wireless technology. SFMTA staff confirmed that this project will be concluded in December 2024 and clarified that replacing all the 3G hardware meters are to be completed end of this year.

Procurement of New Light Rail Vehicles (LRV4): Phase 1 is complete. 68 vehicles are in service. We're in Phase 2 now and the project still remains on schedule. We planned to use the interest income of \$6.9million to help subsidize this project. The approved date of construction completion is December 2026.

Train Control System Upgrade: The Project team completed a draft of the RFP and accompanying contract documents based on input from internal SFMTA stakeholders. This project has \$41 million issued from the latest bond series and spent \$780,000 to date and the overall approved budget is \$298 million and \$2.9 million total has been spent. This project is scheduled for completion in September 2030.

Public Comment: None

5. **Schedule Upcoming Meeting date:**

Next meeting is scheduled on September 7, 2022.

6. **Adjournment:** 3:02pm

7. For an audio recording of this meeting contact Ms. Aida Corpuz, Administrative Support for the SFMTA Bond Oversight Committee. Aida Corpuz can be reached at 415.646.2498 or via email at aida.corpuz@sfmta.com.