



# AGENDA

## FINANCE COMMITTEE Meeting Notice

**Date:** Tuesday, February 14, 2017; 11:30 a.m.  
**Location:** Committee Room 263, City Hall  
**Commissioners:** Fewer (Chair), Cohen (Vice Chair), Kim, Ronen, Yee and Peskin (Ex Officio)

**Clerk: Steve Stamos**

### 1. Roll Call

#### Consent Calendar

2. **Approve the Minutes of the December 6, 2016 Meeting – ACTION\***
3. **Accounting Report and Investment Report for the Six Months Ending December 31, 2016 – INFORMATION\***

The Transportation Authority's Fiscal Policy directs staff to give a quarterly report of expenditures including a comparison to the approved budget. The Transportation Authority's Investment Policy directs that a review of portfolio compliance be presented along with the quarterly report.

#### End of Consent Calendar

4. **State and Federal Legislative Update – ACTION\***

Every month we provide an update on state and federal legislation and, when appropriate, seek recommendations to adopt new positions on active legislation. The attached matrix is the first for the current legislative session, so all positions are new recommendations from staff. We are recommending watch positions for most bills, as well as the following active positions this month: support on Assembly Bill (AB) 1 (Frazier), AB 28 (Frazier), AB 342 (Chiu), and Senate Bill 1 (Beall), and an oppose position on AB 65 (Patterson).

5. **Recommend Approving an Eligible List for On-Call Project Management Oversight and General Engineering Services, Authorizing the Executive Director to Execute Contracts to Shortlisted Consultants for a Three-Year Period with an Option to Extend for Two Additional One-Year Periods in a Combined Total Amount Not to Exceed \$6,000,000, and Authorizing the Executive Director to Negotiate Payment Terms and Non-Material Contract Terms and Conditions – ACTION\***

On November 1, 2016, the Transportation Authority issued a Request for Qualifications (RFQ) for on-call project management and general engineering consultant services to augment and complement the Transportation Authority's internal resources over the next three years, up to a maximum of five years. These firms will serve as an on-call supplement to staff particularly for oversight and delivery support for major capital projects, handling tasks during peak workloads, and taking on tasks requiring specialized expertise and quicker response times than

existing staff resources alone would permit. The establishment of contracts with multiple consultant teams will enable the Transportation Authority to enlist the services of a broad range of engineering consultant specialists on an on-call, task order basis. By the due date of November 30, 2016, the Transportation Authority received 43 Statements of Qualifications in response to the RFQ. The review panel consisting of Transportation Authority and San Francisco Municipal Transportation Agency staff evaluated the proposals based on the qualifications and other criteria outlined in the RFQ. Based on this competitive selection process, the review panel recommends the approval of an eligible list and awarding consultant contracts to the 28 firms listed in Attachment 2.

**6. Recommend Authorization to Borrow up to \$46,335,835, to a Total Amount Not to Exceed \$140,000,000 from the Revolving Credit Agreement with State Street Public Lending Corporation – ACTION\***

The purpose of this memo is to brief the Finance Committee on our debt management strategy for the Prop K sales tax program and to request a recommendation for authorization to borrow up to \$46,335,836, to a total amount not to exceed \$140,000,000 in remaining capacity from our Revolver Credit Agreement (Revolver) with State Street Public Lending Corporation. We expect to need to draw down these funds within the next six months to meet the anticipated capital reimbursement requests for the Prop K program. The Revolver is short-term variable rate financing method and is basically a loan directly from a commercial bank. As of February 8, 2017, \$93,664,164 of the Revolver balance was outstanding and \$46,335,836 is available to draw upon to fund upcoming Prop K expenditures. Through ongoing discussions with our sponsors (particularly SFMTA) and financial advisors, KNN Public Finance, we have conducted cash flow analyses and anticipate the need to borrow \$25 million over the next few months from the Revolver and possibly up to \$46,335,835 in total over the next six-plus months to meet our financial commitments. This higher amount is not unexpected as we have been tracking some of the largest Prop K projects (largest in terms of the amount of Prop K funds allocated and remaining to be reimbursed), many of which are long-term projects that are now reaching completion or other milestones that will trigger large Prop K reimbursement requests. Among the major cash driver projects are the SFMTA's Radio Replacement Project, associated Central Control and Communications Projects, and the purchase of new fleets of motor coaches, trolleybuses and light-rail vehicles. Consistent with our debt management approach, we would use the Revolver to meet short-term cash needs, providing time for us to prepare to issue long-term debt (e.g. bonds). Based on our analysis of the Prop K major cash flow drivers, we are currently working on a schedule that calls for the Transportation Authority to be ready to issue a long-term bond in Fiscal Year 17/18.

**7. Introduction of New Items – INFORMATION**

During this segment of the meeting, Committee members may make comments on items not specifically listed above, or introduce or request items for future consideration.

**8. Public Comment**

**9. Adjournment**

\* Additional materials

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## Finance Committee Meeting Agenda

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