

**San Francisco Bay Area Rapid Transit District**

**Measure RR Program**

**BART Bond Oversight Committee**

**Friday, September 19, 2025**

**9:30 AM – 12:00 PM**

**Draft Minutes**

Agenda Item	Meeting Notes
1. Call to Order	9:30am Chair Rosenthal calls meeting to order
2. General Public Comment	No written public comment was received. No virtual public comment was received. No in-person public comment was received.
3. Administrative Items a. Approval of June 20, 2025, Meeting Minutes b. AB 1234 Ethics Training Schedule	Chair Rosenthal also welcomed a new BART staff member, Erin Spragan, Assistant General Manager for Finance, and invited Rachel Russell to introduce her. Russell highlighted Ms. Spragan's extensive public-sector financial background, including leadership roles with the City of Oakland and the Transbay Joint Powers Authority. Spragan briefly addressed the committee, expressing enthusiasm for her role.  Staff conducts roll call. All members present.  The Committee moved to approve the June 20, 2025 meeting minutes.  Vice Chairperson Sonja Stewart requested clarification regarding term limits, noting the April resolution did not reflect the current amendment increasing terms to four two-year terms.  Russell clarified the correction pertains to the standing rules and will be brought forward as a draft at the next meeting.  Motion to approve June 20, 2025 Minutes Rosenthal. Second Wang. Roll Call Vote. Motion Passes. 4 Yes.  Chair McGill nominated Vice Chair Rosenthal to serve as Chair of the Bond Oversight Committee for the period of July 1, 2025, to June 30, 2027.  Russell informed the Committee that AB 1234 ethics training must be completed again. Since the online option is no longer available, the

		training will be held in person with BART Legal Counsel. Members expressed preference for holding the session immediately following the January 16, 2026 meeting.
4. 2025 Annual Report Presentation	<ul style="list-style-type: none"> <li>a. Staff and Subcommittee Presentation of the Annual Report</li> <li>b. Committee Q&amp;A</li> <li>c. Recommendations, if any, for Next Year's Annual Report</li> <li>d. Vote on Adopting 2025 Measure RR Annual Report</li> <li>e. Appoint Member to Present to BART Board</li> </ul>	<p>Rachel Russell, Measure RR Program Manager, presented the draft 2025 Annual Report, outlining its theme, "Delivering Results in Uncertain Times," and highlighting several key features. The report reflects the Committee's mid-course review of the Measure RR program, places expanded emphasis on leveraging external funding, and presents improved active and completed project lists along with updated program spending and progress data. It also includes project highlight stories such as the Ashby Bicycle Access Improvements and downtown San Francisco traction power upgrades, introduces a new acronyms appendix for clarity, and features an In Memoriam section honoring colleagues Vinit and Lynn.</p> <p>Committee Member Wang appreciated the clarity of charts and visuals, noting their value to the public.</p> <p>Committee Member Loosen emphasized the Committee's role in ensuring the report is readable and accessible and also noted significant schedule delays prevented full subcommittee participation this year and thanked Chair Rosenthal for reviewing the majority of articles.</p> <p>Chair Rosenthal emphasized the usefulness of a unifying theme and recommended reducing internal project naming conventions in favor of public-friendly descriptions.</p> <p>Assistant General Manager (AGM) Sylvia Lamb noted the importance of maintaining project traceability for public accountability and suggested including both narrative descriptions and technical identifiers.</p> <p>Committee Member Loosen recommended establishing a clear schedule presented at the January meeting. She suggested drafting unchanged or recurring articles earlier in the</p>

	<p>year and using shared Word documents for collaborative editing.</p> <p>Chair Rosenthal proposed that after each quarterly presentation, the Committee identify content deserving emphasis in the Annual Report.</p> <p>Committee Members Wang and Stewart requested a transparent, predictable timeline so members can plan adequate review time.</p> <p>The Committee agreed that the Annual Report should appear as a recurring agenda item for brief updates at each meeting.</p> <p>Motion to approve 2025 Measure RR Annual Report Stewart. Second Wang. Roll Call Vote. Motion Passes. 4 Yes.</p> <p>Chair Rosenthal volunteered to present the Annual Report to the BART Board on October 23, 2025. Vice Chair Stewart will attend.</p> <p>Motion to appoint presenter for 2025 Measure RR Annual Report at the BART Board Meeting Loosen. Second Wang. Roll Call Vote. Motion Passes. 4 Yes.</p>
<p>5. Issuance and Sale of BART General Obligation and Revenue Bonds Update</p>	<p>Rachel Russell introduced Chief Financial Officer Joseph Beach and Assistant General Manager (AGM) for Finance Erin Spragan, who presented an update on the District's recent general obligation and revenue bond issuance and refinancing activities.</p> <p>Mr. Beach provided an overview of BART's debt-issuance framework, explaining that Measure AA and Measure RR bonds are secured by property taxes, while separate sales tax revenue bonds are supported by dedicated sales tax proceeds. He noted that BART consistently labels its bonds as green bonds under internationally recognized standards and strategically times and structures bond issuances to minimize interest costs. Mr. Beach also emphasized the District's active use of refinancing, or "refunding," to reduce long-term</p>

debt service and lessen the burden on taxpayers.

Mr. Beach further explained that BART's green bonds undergo third-party review under the Climate Bond Standard, ensuring compliance with international green-finance principles. While the green bond designation does not materially change bond pricing, it enhances transparency, reinforces BART's commitment to sustainability, and provides independent validation that bond proceeds are used for environmentally beneficial projects.

Ms. Spragan presented the results of the August 2025 bond sale, which totaled approximately \$1 billion across new issuances and refunding. The sale included \$700 million in new Measure RR bonds issued at a true interest cost of 3.92 % and attracted strong investor demand, with orders exceeding available bonds by approximately 2.5 times. She also reported on the refunding of Measure AA bonds, which achieved a true interest cost of 2.61 %, and the refunding of sales tax revenue bonds, which generated lifetime savings of 7.76 % without extending bond maturities.

Ms. Spragan attributed the success of the sale to BART's strong credit ratings, careful market timing, and robust investor demand, particularly from California retail buyers.

Committee members asked questions regarding recent credit rating outlooks, including negative outlooks issued by some rating agencies.

Ms. Spragan explained that rating pressures are occurring across the public transit sector due to post-pandemic revenue challenges and broader economic uncertainty. She emphasized that BART continues to maintain a high credit rating due to strong and stable assessed-value growth across San Francisco, Alameda, and Contra Costa counties, and noted that the District expects its rating to remain stable while continuing to work toward future improvement.

	<p>Mr. Beach also discussed local investor participation, noting that district residents and California buyers are given priority during the retail order period. Approximately 7 percent of retail bond orders were placed by district residents, while more than 90 percent of retail participation came from California buyers, reflecting strong local and regional interest in BART's bond offerings.</p> <p>During the discussion, committee members sought clarification on the refinancing process, which staff explained using a homeowner-mortgage analogy to illustrate how refinancing reduces interest costs over time. Members also asked why San Mateo County does not contribute sales-tax revenue to BART, and staff clarified that this is due to BART's original formation boundaries, which include only San Francisco, Alameda, and Contra Costa counties. Finally, members discussed how bond performance, refinancing savings, and financial strategies could be more clearly communicated to the public in future Annual Reports to enhance transparency and understanding.</p>
<p>6. 10-Minute Break</p>	<p>10-Minute Break</p>
<p>7. Measure RR BART Safety, Reliability and Traffic Relief Program Presentation</p> <ul style="list-style-type: none"> <li>a. Measure RR Overall Progress</li> <li>b. Measure RR Program Updates</li> </ul>	<p>Rachel Russell, Program Manager of the Measure RR Program provided an overview of the Bond Oversight Committee's responsibilities and introduced Chief Infrastructure Delivery Officer Joy Sharma, who presented the quarterly Measure RR Program update. As of June 2025, the program has expended approximately \$2.06 billion, with leveraged funds reflected in earned value calculations, and has completed about 66 % of total work. Key accomplishments during the quarter included completion of aerial structures catwalks, transformer upgrades at the San Francisco Transition Structure, continued progress on downtown San Francisco canopies with full completion anticipated in early 2026, and ongoing escalator replacements targeted for completion by 2029.</p> <p>Russell reviewed the program's financial status, noting that five funding tranches have been</p>

issued since 2017. Quarterly cash flow has generally ranged from \$56 million to \$80 million, and total expenditures are forecasted to reach approximately \$2.9 billion by August 2028. Staff continues to monitor cash flow across all eight Measure RR programs.

The Committee reviewed program schedules and noted that three programs are forecasted to complete later than their original baselines but remain within bond resolution deadlines. Staff will present a refined schedule following an ongoing program-wide review. An Earned Value Management (EVM) update was also provided, including separate roll-ups for RR-only funding and mixed-fund performance. Staff indicated that reporting will increasingly focus on overall project performance, with a deeper discussion planned for the January meeting.

Staff presented cost and schedule performance metrics for each of the eight Measure RR programs and identified projects outside the target range, citing external agency approvals, supply-chain constraints, and reassignment of field forces for emergency repairs as contributing factors. Committee members asked about the relationship between funds expended and earned value, the management of funding gaps, scope re-evaluation, and future mixed-fund reporting. Staff responded that funding gaps are tracked through risk registers, go/no-go decisions occur prior to construction contract awards, and project scope is aligned with available funding to avoid under-resourced project starts.

Joseph Towner, Manager of Program Planning Support, Office of Civil Rights (OCR) reported that small business participation in Measure RR remains steady at 26%, with an additional \$9 million in RR contracts awarded to small businesses since the last quarterly update. He noted 29 new small business contract awards and \$4 million in additional payments, keeping the small business payment share steady at 29% and reflecting continued positive trends in

	subcontracting and payments. Towner also highlighted robust outreach efforts, including partnerships with regional agencies and BART-hosted events across the Bay Area. To date, 18 events have engaged over 1,700 participants, and he emphasized the success of the Second Annual Small Business Summit, which focused on informal contracting opportunities and provided direct connections between small businesses and BART departments.
8. Future Agenda Items & Questions	Russell also announced efforts to fill three vacant seats - Civil Engineer, Electrical Engineer and CPA.
9. Committee Member Announcements	Russell acknowledged and congratulated Chair Rosenthal and Vice Chair Stewart on the successful facilitation of their first meeting as Chair and Vice Chair.
10. General Public Comment	No virtual public comment was received. No in-person public comment was received.
11. Adjournment	Meeting Adjourned at 12:06 PM.

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