



SFMTA Bond Oversight Committee

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

MINUTES – Wednesday, September 7, 2022 – 2:07pm
MEETING LOCATION—via MS Teams

1. Call to Order and Roll Call

Committee Members:

Leona Bridges
Steve Heminger
John Lisovsky
Charles Perl
Tajel Shah

A quorum being present, the meeting was called to order at 2:07pm. Chair Tajel Shah and Member Luke Brewer were absent.

Public Comment: None

2. **Approval of Minutes from June 1st, 2022 meeting:** On motion to adopt June 1, 2022, meeting minutes: Unanimously approved.

Public Comment: None

3. **Election of Officers Bylaws:** this item was moved to next meeting.

4. Draft FY 2022 Bond Agreed Upon Procedures:

Lisa Avis from KPMG, SFMTA external auditor, presented a draft summary of the engagement letter. Ms. Avis reported that KPMG will apply the following agreed-upon procedures to SFMTA bond series accounts as of June 30, 2022, for the intended purpose of reporting to the Bond Oversight Committee (BOC). Also, Ms. Avis reported that they select samples within the active bond series that SFMTA has including bond series 2013, 2014, 2017 and 2021. Then KPMG filters general ledger activity, selects 25 highest dollar amounts, then randomly selects 15 items that were not within the highest dollar amounts and look at these items. Execution of this engagement letter will signify SFMTA's agreement to the procedures and that the procedures are appropriate for the intended purpose of the engagement. Also, Ms. Avis stated that KPMG selects a separate sample of interdepartmental charges making sure that the money is not being moved around. Ms. Avis also reported that it selects samples of budget transfers, if any, and also selects a separate sample if there are any debt service payments to make sure that they are in accord with the agreement.

5. **Series 2013, 2014 Revenue Bonds Reallocation Letters:** Joel Goldberg, SFMTA staff, presented updates to the BOC about work on series 2013 and 2014 to move unspent bond

proceeds to existing Revenue Bond projects that can use the funds. Mr. Goldberg reported that SFMTA spends the majority of project funding within 3 years as required but that small amounts of remaining funds in many of these projects are unspent for an extended period of time. The SFMTA and the BOC previously identified this situation and has been working to get these funds released and spent. Mr. Goldberg reported that the SFMTA's Capital Programs and Grants Accounting team, working together with SFPW, have completed this work. Also, Mr. Goldberg reported that with the joint effort of SFMTA and DPW are now able to reallocate \$1,043,968 of these funds that will soon be spent on other Revenue Bond projects that have additional funding needs. The Reallocation Letters have been prepared and will be sent to the SFMTA Board in June and July and that internal Budget Revisions to move the funds in the accounting system are in process.

Charles Perl, BOC member recommended to look at these small amounts periodically and use them to pay debt service. Mr. Goldberg will take this recommendation to the Acting CFO, Jonathan Rewers.

Public Comment: None

6. **Quarterly Report: FY21-22, Quarter 4:**

Mark Lui, SFMTA staff, presented a summary that this report covers the period through the fourth quarter of Fiscal Year 2021-2022, which ended on June 30, 2022.

Mr. Lui reported that Series 2012B is fully spent. Remaining balance of Series 2013 and 2014 bonds will be posted to the accounting system as expenditures to the Van Ness BRT project. Series 2017 is almost spent down with about a \$1 million left. Series 2021C "green bonds" are making progress with \$4 million in expenditures.

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

1200-15th Street Renovation: The design team started the concept design phase in January 2022. CEQA environmental determination for the project was obtained in April. The review was led and completed by SF City Planning in coordination with the SFMTA Environmental and SFPW project management.

King Street Substation Upgrade: PG&E shut down the power at the permanent station in February and this is delaying the construction work schedule. The contractor continues to work inside the King Substation and staff continues to evaluate the contractor's claims. Challenges continue to include contractor delay claims caused by PG&E service connection delays.

Parking Meter Replacement: SFMTA's Meter Shop has installed and commissioned 828 pay-by-license-plate pay stations as of August 15, 2022. The Shop also plans to install between 300 and 400 additional pay stations. Electronic components for the pay station keyboard and electronic locks are in limited supply and may cause project delays.

Procurement of New Light Rail Vehicles (LRV4): Phase 2 production continues at a pace of two cars delivered per month for a total of 16 cars to date. Six cars have gone through safety certification and been conditionally accepted. The project has a goal to consistently deliver and commission 3 cars per month to catch up with the contract schedule.

Train Control System Upgrade (Green): The project team redrafted the Request for Proposals (RFPs) in response to feedback from the City Attorney's Office and Contracts and Procurement. The RFP was progressed to 90%. Progressing the RFP continues to be slow going because the procurement process and contractual terms are unique and require special process and reviews.

Public Comment: None

7. **Schedule Upcoming Meeting date:**

The next meeting of the BOC is scheduled on December 7, 2022. Members agreed to start the meeting at 3 o'clock to accommodate Vice-Chair John Lisovsky 's schedule.

8. **Adjournment:** 2:51pm

9. 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.