

# SFMTA Bond Oversight Committee

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April 30, 2025

SFMTA Board of Directors

Janet Tarlov, Chair

Stephanie Cajina, Vice Chair

Mike Chen, Director

Steve Heminger, Director

Dominica Henderson, Director

Fiona Hinze, Director

Dear SFMTA Board of Directors:

On behalf of the San Francisco Municipal Transportation Agency (SFMTA) Bond Oversight Committee (BOC), we are pleased to present the Fiscal Year 2023-2024 (FY24) Annual Report.

The BOC was created by the SFMTA Board of Directors by Resolution #11-154 on December 6, 2011. The BOC provides independent oversight regarding the expenditure of SFMTA revenue bond proceeds.

Since the launch of the Revenue Bond program, the BOC has provided an Annual Report to the SFMTA Board of Directors (MTAB) by January 31 for the previous fiscal year. However, to align with the BOC's new meeting schedule, the BOC will move the submittal deadline for the Revenue Bond Annual Report from January 31 to April 30. The attached report describes BOC activities during FY24, and a description of any notable BOC actions since the end of the fiscal year.

We would be pleased to respond to any questions you may have.

Sincerely,

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Chair, Tajel Shah

cc: Bree Mawhorter, Chief Financial Officer  
Julie Kirschbaum, Director of Transportation  
Greg Wagner, Controller

Attachment: Fiscal Year 2023-2024 Annual Report

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# Annual Report to the SFMTA Bond Oversight Committee

**July 1, 2023 to June 30, 2024**

(Fiscal Year 2023-24)

**Budget And Capital Finance**

Finance & Information Technology Division

**March 5, 2025**



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## Section 1. Introduction

The San Francisco Municipal Transportation Agency (SFMTA) or “Agency” Bond Oversight Committee (BOC) was created by the SFMTA Board of Directors. Under its Bylaws, the BOC must provide an annual report to the SFMTA Board of Directors by April 30 of each year for the previous fiscal year. This report covers activities for Fiscal Year 2023-2024 (FY24).

## Section 2. Background

The Board of Directors of the SFMTA created the BOC on December 6, 2011, by Resolution #11-154. The Resolution creating the BOC is available on the SFMTA website under Policies at the following link: <https://www.sfmta.com/investor-relations>.

The BOC was established to provide independent 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. The purpose of the BOC 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 the status of the projects funded by debt.

The BOC’s authority does not include the approval of projects included in any financing or the selection process of any vendor hired by the SFMTA to execute bond-funded projects or issue debt.

The BOC consists of seven members as follows: (1) three members recommended by the SFMTA Board Chair and approved by the SFMTA Board of Directors; (2) two members of the Citizens’ Advisory Council; (3) one member appointed by the SFMTA’s Director of Transportation; and (4) one member appointed by the San Francisco Controller.

The three current members appointed by the SFMTA Board are Tajel Shah (Chair), Steve Heminger, and Mina Yu. The two current members appointed by the Citizens’ Advisory Council are John Lisovsky (Vice Chair) and Yensing Sihapanya. Nikolai Sklaroff was appointed by the SFMTA Director of Transportation. Vishal Trivedi was appointed by the San Francisco Controller.

In FY24, the BOC convened five times: on October 30, 2023, December 6, 2023, January 17, 2024, March 6, 2024, and May 29, 2024. 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 San Francisco Administrative Code). Meeting Agenda, Minutes, reports, and other documents related to the proceedings of the Committee are a matter of public record and are available on the SFMTA’s website at:

<http://sfmta.com/about-sfmta/organization/committees/bond-oversight-committee-boc>.

### Section 3. Agreed Upon Procedures

The Final Agreed Upon Procedures (AUP) Report from Crowe LLP, is included in Appendix 2 of this report. For more information, see Policies and Procedures (Section 9). There were no changes to existing policies and procedures during Fiscal Year 2023–2024. Additionally, the Policies and Procedures can be found at the following link:

[https://www.sfmta.com/system/files/finance/revenue\\_bond\\_policies\\_and\\_procedures\\_9.18.18.pdf](https://www.sfmta.com/system/files/finance/revenue_bond_policies_and_procedures_9.18.18.pdf).

Crowe LLP performed AUP without exception. Management asserts that the SFMTA complied with the requirements of the sources and uses of funds as it relates to the 2021C bonds along with annual reporting as prescribed in the Bond Oversight Committee bylaws. Management chose not to engage Crowe LLP to include earlier bond series 2012B, 2013, 2014, and 2017, for lack of material activities.

### Section 4. Bond Oversight Committee Bylaws

BOC meetings are conducted in accordance with its Bylaws. A copy of the current BOC Bylaws is available on the SFMTA website:

<https://www.sfmta.com/committees/sfmta-bond-oversight-committee-boc>.

In its October 2, 2024, meeting, BOC changed its bylaws to reduce meeting frequency from quarterly to "at least twice per year."

### Section 5. Revenue Bonds

The SFMTA Board of Directors has authorized the issuance of \$483.7 million in Revenue Bonds for projects. The SFMTA also issued an additional \$212.9 million of Revenue Bonds used to refund previously issued debt and reduce SFMTA interest costs. \$38.0 million of bond refunding was completed in July of 2012. The remaining \$174.9 million of bond refunding was completed during Fiscal Year 2021 with Revenue Bond Series 2021A and 2021B.

Revenue Bond proceeds are invested in the City Treasury and interest earned on these funds is credited to the bond account to be available for bond-funded projects. Information related to SFMTA indebtedness and detailed information on issuances is available at the following link:

<http://www.sfmta.com/about-sfmta/investor-relations>.

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The table below displays the bond principal amounts available for projects for each bond series.

Bond Series	Bond Amounts for Projects
2012B Bond	\$25,700,000
2013 Bond	75,000,000
2014 Bond	75,000,000
2017 Bond	190,000,000
2021C Bond	118,000,000
<b>Total</b>	<b>\$483,700,000</b>

### A. Series 2012A and 2012B Revenue Bonds

In July 2012, SFMTA issued \$63.7 million of its Revenue Bonds, comprised of two series of bonds: (1) Series 2012A and (2) Series 2012B.

The Series 2012A allocated \$38.0 million for the purpose of refunding bonds previously issued by San Francisco Parking Authority and three non-profit parking corporations. The refunding transaction resulted in net present value savings of \$6.7 million, representing 15.8 percent debt service savings.

The Series 2012B allocated \$25.7 million to finance a portion of the costs of various capital projects for the SFMTA. The SFMTA Board of Directors and the Parking Authority Commission approved the issuance of these bonds on December 6, 2011, and May 1, 2012 (Resolution Numbers 11-150, 11-151, 12-065). The San Francisco Board of Supervisors concurred with the issuance on April 10, 2012 (Resolution Number 120-12).

### B. Series 2013 Revenue Bonds

In December 2013, the SFMTA issued \$75.0 million of its Revenue Bonds, Series 2013 (2013 Bonds). The SFMTA Board of Directors approved the issuance of the 2013 Bonds on September 3, 2013, and October 15, 2013 (Resolution Numbers 13-206, 13-234) and the San Francisco Board of Supervisors concurred with the issuance on September 24, 2013 (Resolution Number 337-13). The 2013 Bonds were issued to finance various transportation capital projects.

### C. Series 2014 Revenue Bonds

In December 2014, the SFMTA issued \$75.0 million of its Revenue Bonds, Series 2014 (2014 Bonds), to finance various transportation capital projects. The SFMTA Board of Directors approved issuing the 2014 Bonds on September 3, 2013, and October 21, 2014 (Resolution Numbers 13-206, 14-154) and the San Francisco Board of Supervisors concurred with the issuance on September 24, 2013 (Resolution Number 337-13).

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### D. Series 2017 Revenue Bonds

In June 2017, the SFMTA issued \$190.0 million of its Revenue Bonds, Series 2017 (2017 Bonds) to finance Mission Bay Transportation Capital Improvements, procurement of new Muni vehicles, and the Van Ness Transit Improvement Project. The SFMTA Board of Directors approved issuing the 2017 Bonds on April 5, 2016 (Resolution Number 16-044) and the San Francisco Board of Supervisors concurred with the issuance on June 7, 2016 (Resolution 16-231).

### E. Series 2021C Revenue Bonds

In June 2021, the SFMTA issued \$118.0 million of its Revenue Bonds, Series 2021C (2021 Bonds) to finance several Green Projects, as defined by Green Transaction Evaluation by S&P Global Ratings, totaling \$96.0 million as well as a \$22.0 million Parking Meter Replacement Project. The SFMTA Board of Directors approved issuing the 2021C Bonds on December 15, 2021 (Resolution Number 211215-110) and the San Francisco Board of Supervisors concurred with the issuance on February 9, 2021(Resolution 60-21).

### F. Bond Expenditures

As of June 30, 2024, the remaining bond funds for each series and percentage spent are shown in Table 1 as follows. Encumbered funds are considered unexpended and are not separated out.

**Table 1: Bond Project Expenditures**

<b>Bond Series</b>	<b>Project Bond Proceeds</b>	<b>Expended</b>	<b>Unexpended</b>	<b>Percent Expended</b>
2012B	25,700,000	25,700,000	-	100.0%
2013	75,000,000	74,587,312	412,688	99.4%
2014	75,000,000	73,719,679	1,280,321	98.3%
2017	190,000,000	189,802,337	197,663	99.9%
2021C	118,000,000	62,451,901	55,548,099	52.9%
<b>Total</b>	<b>\$ 483,700,000</b>	<b>\$ 426,261,228</b>	<b>\$ 57,438,771</b>	<b>88.1%</b>

## Section 6. Commercial Paper Program

The SFMTA established a \$100.0 million Commercial Paper (CP) Program on September 10, 2013. The CP Program was approved by the SFMTA Board of Directors on June 4, 2013 (Resolution Number 13-071) and the San Francisco Board of Supervisors concurred on June 10, 2013 (Resolution Number 246-13). The CP Program was intended to finance, on a short-term basis, the costs of transportation capital projects in advance of the issuance of Revenue Bonds. Commercial Paper can also be issued in anticipation of the receipt of grants. By providing continuous flows of



funds to SFMTA capital projects, the CP Program can lower project costs by limiting schedule slippage.

At its November 6, 2013, meeting, the BOC reviewed the SFMTA's Commercial Paper Policies and Procedures to guide the use of CP. The procedures were jointly developed by the SFMTA and the Controller's Office of Public Finance. The Policies and Procedures were intended to define the steps to issue Commercial Paper and the related procedures and accounting to ensure appropriate internal controls and accountability. The BOC has no oversight responsibility for the daily use of CP. One CP note for \$41.0 million was issued on January 18, 2017, and repaid in 90 days (about 3 months). No CP notes are outstanding. Detailed information is available at the following link: <http://www.sfmta.com/about-sfmta/investor-relations>.

The SFMTA decided to terminate the Commercial Paper Program in July of 2020 at the discretion of the SFMTA Chief Financial Officer. The annual cost of maintaining the program exclusive of borrowing costs was about \$500,000. There were no outstanding Commercial Paper issuances at the time of termination.

### **Section 7. Project Delivery & Management of Bond Funds**

This section summarizes bond expenditures by bond series. The first three series of project revenue bonds aggregated related projects by program. These included series 2012B, 2013, and 2014 revenue bonds. The 2017 and 2021C revenue bonds funded fewer projects with larger amounts of bonds. The main difference between the 2017 and 2021C bonds is that the latter series includes projects with a recognized Green Transaction Evaluation by S&P Global Ratings.

The following are the SFMTA's ongoing general practices of ensuring that revenue bond funds are spent as quickly as possible once programmed to projects:

- i) Determine if the bond-funded projects are complete so their unexpended funds can be reprogrammed to other projects.
- ii) Determine if revenue bond funds are being spent in a timely manner.
- iii) For projects that are active but cannot spend revenue bond funds quickly, identify alternative funding sources.
- iv) Reprogram available funds from above to projects eligible for bond funds that can draw down funds faster.

Please see Appendix 3 for a listing of all revenue bond funded projects for all bond series.

#### **A. Series 2012B Revenue Bond Funded Programs**

The Series 2012B Bonds were authorized in July 2012 for a total of \$25.7 million in project funds. Of the \$25.7 million, \$5.0 million was designated for parking garage projects and \$20.7 million for state-of-good-repair improvements to existing assets as well as accessibility and reliability of the

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transportation system including transit, bicycle, pedestrian, and signal improvements. The Series 2012B bond funds were fully expended by October 2016 and funded 15 projects.

### *Program Summary*

The following section summarizes the programs included in the 2012B Revenue Bonds.

<b><u>Program Title &amp; Funding</u></b>	<b><u>Program Description</u></b>
<p><b>Muni Metro Sunset Tunnel Rail Rehabilitation</b></p> <p><b>Bond Funding:</b> \$2,210,474</p>	<p>The Muni Metro Sunset Tunnel Rail Rehabilitation upgrades and reconstructs aging N-Line railway infrastructure in the Sunset Tunnel, which includes replacing track work, overhead catenary system components, feeder cables, the curve signal system, and firefighting standpipe components; cleaning drain lines; and adding conduit for a future emergency blue light telephone system.</p>
<p><b>Muni Metro Turnback Rehabilitation</b></p> <p><b>Bond Funding:</b> \$2,097,478</p>	<p>The Muni Metro Turnback (“MMT”) extends the Muni Metro Light Rail Transit Line underground approximately one mile from Embarcadero Station to a tunnel portal connecting to the Mission Bay surface line. The MMT includes 800 feet of bored tunnel, cut-and-cover structure, and an extensive underground turnback complex with two pocket tracks. The MMT was designed to improve turnback operations, reduce headways, and provide underground train storage to increase system capacity. The turnback and pocket track just east of Embarcadero Station have been damaged over time by water intrusion from the San Francisco Bay. The worn track has in the past caused service delays. The MMT Rehabilitation is designed to improve service reliability by reducing train and control failures and to improve safety. It is also expected to reduce on-going maintenance costs.</p>
<p><b>Muni Green Light Rail Facility Rehabilitation</b></p> <p><b>Bond Funding:</b> \$8,318,051</p>	<p>The Muni Green Light Rail Facility Rehabilitation project enhances system reliability while reducing the need for excess maintenance. The project calls for the replacement of approximately 11,200 track-feet of worn rails and track switches at the SFMTA’s Green Light Rail Facility, where more than 89 LRVs are regularly stored, and possible improvements to the facility.</p>
<p><b>Muni System Radio Replacement Project</b></p> <p><b>Bond Funding:</b> \$62,197</p>	<p>This project replaces and modernizes SFMTA’s radio communication system using 700 MHz voice and 800 MHz data channels as the basis for the communication network. The new system will use four base station sites and will meet the regional Intelligent Transportation Standard and the P25 interoperability criteria.</p>

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**Program Title & Funding**

**Program Description**

<p><b>Muni Metro System Public Announcement and Public Display System Replacement</b></p> <p><b>Bond Funding:</b> \$6,175,500</p>	<p>The Muni Metro System Public Announcement and Public Display System Replacement project improves customer experience within the Muni Metro system by replacing the existing 28-year-old subway Public Address System &amp; Platform Display systems with new devices. Specific improvements include installing LED passenger information displays at nine stations, for 108 signs. Station improvements will also include speakers, microphones, ambient noise sensors and a digital voice announcement system.</p>
<p><b>Parking Garage Projects</b></p> <p><b>Bond Funding:</b> \$5,000,000</p>	<p>This program assesses the condition of 18 garages and provides partial funding for waterproofing and ventilation projects.</p>
<p><b>Systemwide Transit Access and Reliability Program</b></p> <p><b>Bond Funding:</b> \$1,836,300</p>	<p>This program supports non-motorized connectivity to transit by providing the funds to plan, design and construct safe, transit-complementary pedestrian and bicycle infrastructure. The program includes pedestrian crosswalks, sidewalk bulb-outs, bikeways and bicycle parking, and targeted traffic calming projects.</p>

*Financial Summary*

Series 2012B Revenue Bonds are fully expended and there are no FY 2023-2024 Milestones to report.

**Table 2: 2012B Revenue Bonds Funded Project Delivery Milestones**

<b>Program Title</b>	<b>Amount</b>	<b>Expended</b>	<b>Unexpended</b>	<b>Percent Expended</b>
Muni Metro Sunset Tunnel Rail Rehabilitation	2,210,474	2,210,474	-	100.0%
Muni Metro Turnback Rehabilitation	2,097,478	2,097,478	-	100.0%
Muni Green Light Rail Facility Rehabilitation	8,318,051	8,318,051	-	100.0%
Muni System Radio Replacement Project	62,197	62,197	-	100.0%
Muni Metro System Public Announcement and Public Display System Replacement	6,175,500	6,175,500	-	100.0%
Parking Garage Projects	5,000,000	5,000,000	-	100.0%
Systemwide Transit Access and Reliability Program	1,836,300	1,836,300	-	100.0%
<b>Total 2012B</b>	<b>\$ 25,700,000</b>	<b>\$ 25,700,000</b>	<b>\$ -</b>	<b>100.0%</b>

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### B. Series 2013 Revenue Bond Funded Programs

On December 4, 2013, the SFMTA issued \$75.0 million in Revenue Bonds, Series 2013 (2013 Bonds) to fund various transportation system, safety, traffic signal, garage, and street and facility improvements. As of June 30, 2024, the 2013 Bonds has funded 38 projects. A total of \$74.6 million of bond funds have been expended leaving an unexpended balance of \$0.4 million.

In FY24, Islais Creek Phase II Improvement project had a \$3,835 expenditure adjustment to reverse overstated retention. In addition, a total remaining balance of \$408,853 from various projects in five programs was reallocated to the L-Taraval Track Rail and Overhead Rehabilitation project in the Transit Fixed Guideway Improvements program. Projects from which bond proceeds were reduced have been completed. L-Taraval will spend down the remaining balances in FY25.

#### *Program Summary*

The following section summarizes the programs included in the Series 2013 Revenue Bonds.

<b><u>Program Title &amp; Funding</u></b>	<b><u>Program Description</u></b>
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<p><b>Pedestrian Safety &amp; Traffic Signal Improvements</b></p> <p><b>Bond Funding:</b> \$5,213,399</p>	<p>This program promotes walking and improves the safety and usability of City streets by providing the funds required to plan, design and construct pedestrian and traffic signal infrastructure. The program includes the installation of red-light photo enforcement equipment; pedestrian islands in the medians of major thoroughfares; sidewalk bulb-outs and sidewalk widening; installation of traffic and pedestrian signals which include countdown and accessible pedestrian signal equipment; and targeted traffic calming projects.</p>
<p><b>Transit System Safety and Other Improvements</b></p> <p><b>Bond Funding:</b> \$9,869,225</p>	<p>The Transit System Safety and Other Transit Improvements program improves the safety of the Muni transit system. It includes project development and capital costs for: (i) the replacement of the communication and dispatching system to provide interoperable digital voice communications for SFMTA staff and the Public Works Emergency Radio System; (ii) new vehicle on-board and fixed route components that will provide information for core operational capabilities including Computer Aided Dispatch and Automatic Vehicle Location, vehicle health monitoring, on-board ADA-compliant traveler information, transit signal priority, and automated fare collection; (iii) training equipment and simulators for Muni operators; (iv) replacement of fire-safety mandated emergency telephones including phone switches, phone stations, blue-light units, raceways, communication cables, uninterrupted power supply units, networking system, operator consoles and management servers; and (v) transit improvements including signal changes, bus bulbs, striping changes and other localized uses of the transit priority toolkit.</p>

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**Program Title & Funding**

**Program Description**

<p><b>Street Capital Improvements</b></p> <p><b>Bond Funding:</b> \$9,047,052</p>	<p>The Street Capital Improvements program focuses on the development of safe and complete streets through integrated major corridor capital projects. It includes project development and capital costs for: the construction of bicycle facilities and improvements to the existing bicycle network; bicycle sharing, new bicycle lanes and paths, bicycle parking facilities, bicycle boxes, bicycle boulevards, buffered bicycle lanes, cycle tracks, bicycle signals, and “green wave” traffic signal coordination; curb extensions, storm water management features, traffic signal timing changes, signs, installation of pedestrian signals, including countdown and accessible pedestrian signal equipment, sidewalk extensions, medians, refuge islands, and bulb outs.</p>
<p><b>Facility Improvements</b></p> <p><b>Bond Funding:</b> \$21,986,650</p>	<p>The Facility Improvements program includes safety and seismic upgrades to SFMTA parking garages and expansion of Muni operations and maintenance facilities, including projects intended to maintain the state of good repair of certain existing garages and SFMTA operations facilities, to improve working conditions for staff, and to otherwise expand existing facilities.</p>
<p><b>Transit Fixed Guideway Improvements</b></p> <p><b>Bond Funding:</b> \$14,719,484</p>	<p>Transit Fixed Guideway Improvements is a capital program that addresses certain transit operational issues and maintenance needs and increases system reliability. It includes project development and costs relating to replacement of overhead wires and related poles and traction power systems serving light rail and trolley coach lines, improvement to the transportation central control facility and systems, and replacement of trackway and related systems serving the light rail and cable car lines to mitigate excessive noise and/or vibration.</p>
<p><b>Muni Fleet</b></p> <p><b>Bond Funding:</b> \$14,164,190</p>	<p>Under the Light Rail Vehicle Procurement program, SFMTA will purchase replacement light rail vehicles along with new vehicles to provide growth in transit service.</p>

*Financial Summary*

Series 2013 Revenue Bonds are 99.4% expended. Islais Creek Phase II Improvement and L-Taraval Track Rail and Overhead Rehabilitation are the only active projects.

Islais Creek Phase II improvement has a small balance of \$3,835 due to expenditure adjustments. It will be spent down in FY25.

L-Taraval Track Rail and Overhead Rehabilitation project will replace approximately 23,000 track feet of existing tie and ballast paved track along the L Taraval between Forrest Side Avenue near

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West Portal to La Playa with a new direct fixation track, new rails and fastening systems. The project will also replace worn Overhead Catenary System special work, trolley wire and trolley poles west of 15th Avenue/ Taraval Street. The project was near substantial completion at the end of FY24. The remaining balance of \$408,853 will be spent in FY25.

**Table 3: 2013 Revenue Bonds Funded Project Delivery Milestones**

<b>Program Title</b>	<b>Amount</b>	<b>Expended</b>	<b>Unexpended</b>	<b>Percent Expended</b>
Pedestrian Safety & Traffic Signal Improvements	5,213,399	5,213,399	-	100.0%
Transit System Safety and Other Improvements	9,869,225	9,869,225	-	100.0%
Street Capital Improvements	9,047,052	9,047,052	-	100.0%
Facility Improvements	21,986,650	21,982,815	3,835	100.0%
Transit Fixed Guideway Improvements	14,719,484	14,310,630	408,853	97.2%
Muni Fleet	14,164,190	14,164,190	-	100.0%
<b>Total 2013</b>	<b>\$ 75,000,000</b>	<b>\$ 74,587,312</b>	<b>\$ 412,688</b>	<b>99.4%</b>

### C. Series 2014 Revenue Bond Funded Programs

On December 10, 2014, \$75.0 million of Revenue Bonds, Series 2014 (2014 Bonds) were issued to fund various transportation system, safety, traffic signal, garage, and street and facility improvements. As of June 30, 2024, the 2014 Bonds has funded 41 projects. A total of \$73.7 million of bond funds have been expended leaving an unexpended balance of \$1.3 million.

In FY24, of the 41 revenue bond funded projects, only one, the SFgo Van Ness Corridor Management project, incurred expenditures of \$40,980.

A total remaining balance of \$1,280,321 from various projects in three programs was reallocated to the L-Taraval Track Rail and Overhead Rehabilitation project in the Transit Fixed Guideway Improvements program. Projects from which bond proceeds were reduced have been completed. L-Taraval will spend down the remaining balances in FY25.

L-Taraval Track Rail and Overhead Rehabilitation project will replace approximately 23,000 track feet of existing tie and ballast paved track along the L Taraval between Forrest Side Avenue near West Portal to La Playa with a new direct fixation track, new rails and fastening systems. The project will also replace worn Overhead Catenary System special work, trolley wire and trolley poles west of 15th Avenue/ Taraval Street.

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### Program Update

The following section summarizes the programs included in the Series 2014 Revenue Bonds.

<b><u>Program Title &amp; Funding</u></b>	<b><u>Program Description</u></b>
<p><b>Pedestrian Safety &amp; Traffic Signal Improvements</b></p> <p><b>Bond Funding:</b> \$11,531,793</p>	<p>This program promotes walking and improves the safety and usability of City streets by providing the funds required to plan, design and construct pedestrian and traffic signal infrastructure. The program includes the installation of red-light photo enforcement equipment; pedestrian islands in the medians of major thoroughfares; sidewalk bulb-outs and sidewalk widening; installation of traffic and pedestrian signals which include countdown and accessible pedestrian signal equipment; and targeted traffic calming projects.</p>
<p><b>Transit System Safety and Other Improvements</b></p> <p><b>Bond Funding:</b> \$15,719,429</p>	<p>The Transit System Safety and Other Transit Improvements program improves the safety of the Muni transit system. It includes project development and capital costs for: (i) the replacement of the communication and dispatching system to provide interoperable digital voice communications for SFMTA staff and the Public Works Emergency Radio System; (ii) new vehicle on-board and fixed route components that will provide information for core operational capabilities including Computer Aided Dispatch and Automatic Vehicle Location, vehicle health monitoring, on-board ADA-compliant traveler information, transit signal priority, and automated fare collection; (iii) training equipment and simulators for Muni operators; (iv) replacement of fire-safety mandated emergency telephones including phone switches, phone stations, blue-light units, raceways, communication cables, uninterrupted power supply units, networking system, operator consoles and management servers; and (v) transit improvements including signal changes, bus bulbs, striping changes and other localized uses of the transit priority toolkit.</p>
<p><b>Street Capital Improvements</b></p> <p><b>Bond Funding:</b> \$14,051,493</p>	<p>The Street Capital Improvements program focuses on the development of safe and complete streets through integrated major corridor capital projects. It includes project development and capital costs for: the construction of bicycle facilities and improvements to the existing bicycle network; bicycle sharing, new bicycle lanes and paths, bicycle parking facilities, bicycle boxes, bicycle boulevards, buffered bicycle lanes, cycle tracks, bicycle signals, and "green wave" traffic signal coordination; curb extensions, storm water management features, traffic signal timing changes, signs, installation of pedestrian signals, including countdown and accessible pedestrian signal equipment, sidewalk extensions, medians, refuge islands, and bulb outs.</p>

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<b><u>Program Title &amp; Funding</u></b>	<b><u>Program Description</u></b>
<b>Facility Improvements</b>  <b>Bond Funding:</b> \$29,530,504	The Facility Improvements program includes safety and seismic upgrades to SFMTA parking garages and expansion of Muni operations and maintenance facilities, including projects intended to maintain the state of good repair of certain existing garages and SFMTA operations facilities, to improve working conditions for staff, and to otherwise expand existing facilities.
<b>Transit Fixed Guideway Improvements</b>  <b>Bond Funding:</b> \$1,280,321	Transit Fixed Guideway Improvements is a capital program that addresses certain transit operational issues and maintenance needs and increases system reliability. It includes project development and costs relating to replacement of overhead wires and related poles and traction power systems serving light rail and trolley coach lines, improvement to the transportation central control facility and systems, and replacement of trackway and related systems serving the light rail and cable car lines to mitigate excessive noise and/or vibration.
<b>Muni Fleet</b>  <b>Bond Funding:</b> \$2,886,460	Under the Light Rail Vehicle Procurement program, SFMTA will purchase replacement light rail vehicles along with new vehicles to provide growth in transit service.

### *Financial Summary*

Series 2014 Revenue Bonds are 98.3% expended. L Taraval Track Rail and Overhead Rehabilitation is the only active project. See project description above.

The project was near substantial completion at the end of FY24. The remaining balance of \$1,280,321 will be spent down in FY25.

**Table 4: 2014 Revenue Bonds Funded Project Delivery Milestones**

<b>Program Title</b>	<b>Amount</b>	<b>Expended</b>	<b>Unexpended</b>	<b>Percent Expended</b>
Pedestrian Safety & Traffic Signal Improvements	11,531,793	11,531,793	-	100.0%
Transit System Safety and Other Improvements	15,719,429	15,719,429	-	100.0%
Street Capital Improvements	14,051,493	14,051,493	-	100.0%
Facility Improvements	29,530,504	29,530,504	-	100.0%
Muni Fleet	2,886,460	2,886,460	-	100.0%
Transit Fixed Guideway Improvements	1,280,321	-	1,280,321	0.0%
<b>Total 2014</b>	<b>\$ 75,000,000</b>	<b>\$ 73,719,679</b>	<b>\$ 1,280,321</b>	<b>98.3%</b>



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### D. Series 2017 Revenue Bond Funded Programs

On June 7, 2017, \$190.0 million of Revenue Bonds, Series 2017 (2017 Bonds) were allocated to various transportation system, safety, traffic signal, and street and facility improvements. As of June 30, 2024, the 2017 Bonds were allocated to four projects across three programs. \$189.8 million has been spent, leaving \$0.2 million remaining.

In FY24, of the four revenue bond funded projects, only the Procurement of Light Rail Vehicle project incurred revenue bond expenditures totaling \$883,904.

#### *Program Update*

The following section summarizes the programs and projects included in the Series 2017 Revenue Bonds.

<b><u>Program Title &amp; Funding</u></b>	<b><u>Program Description</u></b>
<b>Mission Bay Transportation Capital Improvements</b>  <b>Bond Funding:</b> \$14,000,000	Construct a single-track transit loop for the Third Street Light Rail Line (T Line), including adjacent roadway surface improvements on Illinois Street, between 18 <sup>th</sup> and 19 <sup>th</sup> Streets. The addition of this short line to SFMTA's T Line is designed to double the frequency of light rail transit service to Mission Bay and provide enhanced connections between Mission Bay and downtown San Francisco.
<b>Van Ness Bus Rapid Transit Project</b>  <b>Bond Funding:</b> \$48,000,000	Construct a package of transit, streetscape, and pedestrian safety improvements along a two-mile corridor of Van Ness Avenue between Mission and Lombard Streets. Key features include conversion of two mixed-flow traffic lanes into dedicated bus lanes, consolidated transit stops, high quality stations, transit signal priority, all-door low floor boarding, elimination of most left turn opportunities for mixed traffic, and pedestrian safety enhancements.
<b>Procurement of Light Rail Vehicles</b>  <b>Bond Funding:</b> \$128,000,000	Under the Light Rail Vehicle Procurement program, SFMTA will purchase replacement light rail vehicles along with new vehicles to provide growth in transit service.

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### Financial Summary

Series 2017 Revenue Bonds are 99.9% spent. Fiscal Year 2023-2024 Project Delivery Milestones for the 2017 Revenue Bonds:

- King Street Substation Upgrade:** Install upgrades and additional power capacity at the King Street Power Substation to provide capacity to support light rail vehicles along the Embarcadero. More capacity is needed to accommodate planned system growth and to support special event service associated with Oracle Park and the Chase Center. In FY24, the project team completed negotiation with the contractor and was packaging a contract modification for the final closeout.

Total Revenue Bond funding was \$6,555,000, with remaining bond funds of \$197,663. The remaining balance will be spent down in FY25.

- Procurement of New Light Rail Vehicles (LRVs):** Purchase 151 LRVs to replace the existing fleet, 24 LRVs for revenue service on Central Subway Extension and to manage current demand, 85 option LRVs to accommodate projected ridership increase in the coming ten years.

All bond funds have been spent.

**Table 5: 2017 Revenue Bond Funded Project Delivery Milestones**

Program Title	Amount	Expended	Unexpended	Percent Expended
Mission Bay Transportation Capital Improvements	14,000,000	13,802,337	197,663	98.6%
Van Ness Bus Rapid Transit Project	48,000,000	48,000,000	-	100.0%
Muni Fleet: LRV Procurement	128,000,000	128,000,000	-	100.0%
<b>Total 2017</b>	<b>\$ 190,000,000</b>	<b>\$ 189,802,337</b>	<b>\$ 197,663</b>	<b>99.9%</b>

### E. Series 2021C Revenue Bond Funded Programs

On February 23, 2021, \$118.0 million of Revenue Bonds, Series 2021C (2021 Bonds) were allocated to several transportation system and facility improvements. As of June 30, 2024, the 2021C Revenue Bonds were allocated to five projects. \$62.5 million was spent, leaving \$55.5 million remaining.

In FY24, projects expended \$8,074,273.

The SFMTA engaged BLX Group LLC to perform arbitrage rebate analysis related to the 2021C Revenue Bond Issuance. Arbitrage rebate analysis is the calculation that determines if a borrower has earned too much return on the bond proceeds and must rebate the excess to the government. Arbitrage return is based on the difference between the lower tax-exempt interest rate that the issuer pays to the holders of the tax-exempt bonds and the higher taxable interest

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rate that the issuer receives on the invested bond proceeds. For the period of March 11, 2021 through June 30, 2024, the SFMTA has a yield restriction liability of \$223,614.77. This liability will change (increase/decrease) based upon investment activity from July 1, 2024 through March 1, 2026, the end of the fifth bond year. MTA will set aside \$700,000 to pay the projected yield restriction liability.

### *Program Update*

The following section summarizes the projects included in the Series 2021C Revenue Bonds.

<b><u>Project Title &amp; Funding</u></b>	<b><u>Project Description</u></b>
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<b>Parking Meter Replacement</b>  <b>Bond Funding:</b> \$22,000,000	Replacement of 26,000 metered spaces in the City with updated equipment, due to end-of-life issues and need to update to current wireless technology. SFMTA is planning to install approximately 12,000 single-space meters and 2,365 multi-space pay stations; each hardware type will cover approximately 50% of metered spaces in the City.
<b>1200-15<sup>th</sup> Street Renovation</b>  <b>Bond Funding:</b> \$20,000,000	This project rebuilds the existing structure at 1200-15th Street as a mixed-use development, consolidating Enforcement Operations on the first two floors and adding a mix of affordable and market rate housing on the upper floors. Enforcement space will include work areas, office space, locker rooms, and storage areas with vehicle storage provided next door on the upper floors of the existing Scott Facility.
<b>Train Control System Upgrade</b>  <b>Bond Funding:</b> \$30,139,703	Plan, design, procure and install the next-generation communications-based train control (CBTC) system for the rail network, including surface and subway alignments. Investing in a new CBTC system will bring the train control system into a state of good repair and will result in a more efficient, reliable, and safe way to manage LRV traffic. The CBTC system will improve transit service by reducing congestion-related delays, providing more consistent travel times, reducing headways, and improving overall system safety for all Muni Metro LRV lines.

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<u>Project Title &amp; Funding</u>	<u>Project Description</u>
<p><b>Central Subway</b></p> <p><b>Bond Funding:</b> \$27,655,650</p>	<p>Planning for the T Third light rail extension, including Central Subway, began in the late 1980s to provide more transit on 3rd Street and in Chinatown. After six years of construction, the first part of the T Third opened on 3rd Street in 2007, connecting neighborhoods in Mission Bay, Bayview, Hunter’s Point, and Visitacion Valley. In 2013, work on Phase 2 of the T Third line, the Central Subway, began to add 1.7 miles to the T Third, with four new stations in SoMa (two stations), Union Square and Chinatown.</p>
<p><b>Van Ness Bus Rapid Transit Project</b></p> <p><b>Bond Funding:</b> \$18,204,647</p>	<p>Construct a package of transit, streetscape, and pedestrian safety improvements along a two-mile corridor of Van Ness Avenue between Mission and Lombard Streets. Key features include conversion of two mixed-flow traffic lanes into dedicated bus lanes, consolidated transit stops, high quality stations, transit signal priority, all-door low floor boarding, elimination of most left turn opportunities for mixed traffic, and pedestrian safety enhancements.</p>

### *Financial Summary*

Series 2021C Revenue Bonds are 52.9% spent. Fiscal Year 2023-2024 Project Delivery Milestones for the 2021C Revenue Bonds:

- **Parking Meter Replacement:** Replace existing meters with meters using 3G cellular technology. Through June 2024, approximately 2,500 multi-space paystations and 7,550 new single-space meters have been installed. Total Revenue Bond funding is \$22,000,000 with \$17,259,321 spent, \$4,626,205 encumbered, and an unencumbered balance of \$114,474. Remaining funds are expected to be expended by the end of FY25.
- **1200-15<sup>th</sup> Street Renovation:** Rehabilitate existing building to create a new headquarters for SFMTA’s Parking and Traffic Enforcement Division at 1200 15th Street. Total Revenue Bond funding is \$20,000,000 with \$26,785 spent, \$710,642 encumbered, and an unencumbered balance of \$19,262,573. Remaining funds are expected to be expended by mid FY27.
- **Train Control System Upgrade:** Replace the outdated system that currently controls the subways trains with a new, state-of-the-art system, and extend the new system to all on-street Metro corridors. In FY23-24 the project team managed the Request for Proposals (RFP) for the train control supplier and in October 2023, two responsive proposals were received. Following the initial evaluation round, the project team developed and issued a Request for Best and Final Offers (BAFO), with responses expected in early FY25. Additionally, the project team assembled several competitive grant applications to

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decrease the funding need for the nine-year long project procurement phase. Lastly, the project team developed and released the RFP for the project consultants to support project delivery and selected the highest-ranking proposer. Total Revenue Bond funding is \$30,139,703 with \$8,707,047 spent, \$384,500 encumbered, and an unencumbered balance of \$21,048,156. Remaining funds are expected to be spent by the end of FY26.

- **Central Subway:** Build a Muni Metro light rail tunnel from Chinatown to South of Market with intermediate stops in Union Square and Yerba Bunea/Moscone station. The Central Subway achieved substantial completion and launched revenue service on January 7, 2023. Total Revenue Bond funding is \$27,655,650 with remaining bond funds of \$7,703. The balance represents cost saving that will be reallocated to other project(s).
  
- **Van Ness Bus Rapid Transit Project:** Build a rapid transit corridor, including safety enhancements, utility replacements, and transportation upgrades on Van Ness from Lombard to Mission streets. The project was completed and launched revenue service on April 1, 2022. Total Revenue Bond funding is \$18,204,647 with \$8,810,801 spent, and an unencumbered balance of \$9,393,846. The balance represents cost saving that will be reallocated to other project(s).

**Table 6: 2021C Revenue Bond Funded Project Delivery Milestones**

Program Title	Amount	Expended	Unexpended	Percent Expended
Parking Meter Replacement	22,000,000	17,259,320	4,740,680	78.5%
1200 15th Street Renovation	20,000,000	26,785	19,973,215	0.1%
Train Control System Upgrade	30,139,703	8,707,047	21,432,655	28.9%
Central Subway	27,655,650	27,647,947	7,703	100.0%
Van Ness Bus Rapid Transit Project*	18,204,647	8,810,801	9,393,846	48.4%
<b>Total 2021C</b>	<b>\$ 118,000,000</b>	<b>\$ 62,451,901</b>	<b>\$ 55,548,099</b>	<b>52.9%</b>

### Section 8. Reallocation of Proceeds

The SFMTA Board of Directors and BOC are notified when reallocations are made between authorized programs and/or projects. In Fiscal Year 23-24, \$359,852 of 2013 and \$1,280,321 of 2014 Series Revenue Bonds in multiple programs were reallocated to the L Taraval Track Rail and Overhead Rehabilitation project.

Remaining funds from the completed Central Subway and Van Ness BRT Projects are being evaluated to be reprogrammed to other projects that can spend those funds quickly to avoid additional arbitrage. As those reprogramming actions are taken, the SFMTA Board of Directors and BOC will be notified.

## **Section 9. Policies & Procedures**

There were no changes to existing policies and procedures during Fiscal Year 2023–2024.

## **Appendix 1: Fiscal Year 2023 - 2024 Meeting Schedule**

All meetings are hybrid. Meeting agendas and minutes of the SFMTA BOC meetings are posted at the following link: <http://sfmta.com/about-sfmta/organization/committees/bond-oversight-committee-boc>. Audio recordings are on file with the Committee Coordinator and can be made available. Scheduled meetings are open to the public, and the BOC encourages public participation.

### Fiscal Year 2023-2024 Bond Oversight Committee Meeting Dates

- October 30, 2023
- December 6, 2023
- January 17, 2024
- March 6, 2024
- May 29, 2024

**Appendix 2: Fiscal Year 2023 - 2024 Agreed Upon Procedures**

Please see the following attached Agreed Upon Procedures Report.



INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Board of Supervisors,  
City and County of San Francisco

Board of Directors, Bond Oversight Committee,  
and the Management of SFMTA,  
San Francisco Municipal Transportation Agency

We have performed the procedures enumerated in the Attachment on the San Francisco Municipal Transportation Agency's (SFMTA) Compliance with the requirements of its bond authorizations and resolutions for bond series 2021C accounts for the year ended June 30, 2024. SFMTA is responsible for its compliance with the requirements of its bond authorizations and resolutions related to the 2021C bonds.

SFMTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in determining whether the entity complied with the requirements over the sources and uses of funds related to the 2021C bonds, along with the annual reporting, as presented in the *Bond Oversight Committee Bylaws*, as set forth in Article IV, Section 2: Report, for the year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and the associated findings are contained in the Attachment.

We were engaged by SFMTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the requirements of its bond authorizations and resolutions for bond series 2021C accounts. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SFMTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of SFMTA and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

San Francisco, California  
January 21, 2025

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**Procedures and Results:****High-dollar Samples:**

1. We will obtain the general ledger detail of all recorded transactions related to bond series 2021C for the fiscal year ended June 30, 2024. We will test amounts over \$100,000 with a maximum of 5 samples total for each non construction Account Level 3 expense type (Materials & Supplies, etc.). There is no maximum sample for amounts with Construction Contract as the Account Description.

**Results: Selected a total of 15 sample items, which comprised of the following:**

- **5 Materials & Supplies amounts**
  - **2 Non-Personnel Services – Other amounts**
  - **5 Overhead and Allocations amounts**
  - **3 Non-Personnel Services - Construction Contracts amounts**
2. For the sampled items in procedure #1, we will observe that the expenditures are solely for purposes per the bond authorization and resolution by comparing the project description on the approved invoice and encumbrance payment request form to the respective bond authorization and resolution to observe whether the respective bond authorization and resolution includes the projects' purpose.

**Results: No exceptions were found as a result of applying these procedures. We observed that the expenditures are solely for purposes per the bond authorization and resolution by comparing the project description on the approved invoice and encumbrance payment request form to the respective bond authorization and resolution. We obtained the following bond resolutions that describe management's intention of the bond proceeds and interest income for the source, intended use, and expenditure and balances of bond revenue to use as a basis of determining that the debt proceeds and interest income were recorded correctly, as detailed below:**

- **The SFMTA Board of Directors Resolution 201215-110 resolving to issue series 2021 "New Money" (2021C) revenue bond for the purpose of financing (as capital projects) the cost of transportation projects.**
  - **CCSF Board of Supervisors Resolution 023-21 authorizing the issuance of series 2021C bond in concurrence with the resolutions passed by the SFMTA Board of Directors**
3. For the sampled items in procedure #1, we will observe that the expenditures are for authorized capital projects by obtaining the approved invoice and Certificate of Progress Payment and observing that the invoice and progress payment are signed by the project manager and contract administrator.

**Results: No exceptions were found as a result of applying these procedures. For all Construction Contracts type expenditures, we obtained the approved invoice and Certificate of Progress Payment and observed that both are signed by the project manager and contract administrator. For Materials & Supplies and Non-Personnel Services (other than Construction contract) type expenditures, we obtained the approved invoice and observed that the invoice is signed by the project manager and contract administrator. This procedure does not apply to the Overhead and Allocations type expenditures as invoices and Certificates of Progress Payment are not applicable.**

4. For the sampled items in procedure #1, we will observe that the transactions are properly supported based on City and Departmental policies and are processed in accordance with SFMTA's internal procedures by obtaining the approved invoice, encumbrance payment request form, the Peoplesoft screenshot showing the amount paid prior to reimbursement, Certificate of Progress Payment, request for progress payment memorandum, bank statement showing payment, and Subcontractor Payment Declaration or B2Gnow screenshot showing subcontractor payment certification, as applicable. For each selection, we will agree the amount in the progress payment memorandum to the amount in the encumbrance payment request form. We will obtain the Certificate of Progress Payment and observe that it was signed by the project manager and contract administrator. We will calculate the number of days between date of receipt of the invoice and date of payment per bank statement and observe payment was made within 30 days per the City and County of San Francisco's (CCSF) Prompt Payment Guideline. As applicable, we will also calculate the number of days between SFMTA payment to prime contractor and related payment from prime contractor to subcontractors.

**Results: One exception was identified as a result of applying these procedures. We obtained the approved invoice, encumbrance payment request form, the Peoplesoft screenshot showing the amount paid prior to reimbursement, Certificate of Progress Payment, request for progress payment memorandum, bank statement showing payment, and Subcontractor Payment Declaration or B2Gnow screenshot showing subcontractor payment certification, as applicable. For Construction Contract and Non-Personnel Services type expenditures we agreed the amount in the payment memorandum to the amount in the encumbrance payment request form. Additionally, for Construction Contract type expenditures we obtained the Certificate of Progress Payment and observed that it was signed by the project manager and contract administrator. As Materials and Supplies type expenditures would not require a payment memorandum or Certificate of Progress Payment, we obtained the related invoice and observed that the invoice amount agreed to the amount in the encumbrance payment request form and was signed by the project manager and contract administrator. For samples #1 through #10 we calculated the number of days between date of receipt of the invoice and date of payment per the bank statement. This procedure does not apply to samples #11 through #15 which follows procedure #6. Of the ten payments tested one was made 54 days after date of receipt of the invoice, which is in excess of the 30 days within the City and County of San Francisco's (CCSF) Prompt Payment Guideline. For samples #7 and #8 we calculated the number of days between SFMTA payment to prime contractor and related payment from prime contractor to subcontractor. For sample #7 we observed the related Subcontractor Payment Declaration and calculated 0 days between the SFMTA payment to prime contractor and related payment from prime contractor to subcontractor. For sample #8 we observed a screenshot of the certification in B2Gnow and calculated 3 days between the SFMTA payment to prime contractor and related payment from prime contractor to subcontractor.**

5. For the direct salary samples in procedure #1, we will obtain the labor distribution system report and select one employee from the report. We will obtain the respective employee's timesheet and agree the hours from the timesheet to the labor distribution report. We will obtain the payroll register for each sampled employee and agree the pay rate to the pay rate on the labor distribution report. We will recalculate the payroll expense for each sampled employee.

**Results: The procedure above is not applicable. There were no direct salary expenditures selected for testing.**

6. For the indirect cost and fringe benefit samples in procedure #1, we will recalculate the indirect cost and fringe benefit amounts.

**Results: No exceptions were found as a result of applying these procedures. Samples #11-#15 pertain to the allocation of department overhead costs incurred in relation to the MT Train Control System Upgrade and Central Subway Project. We recalculated the allocated costs by multiplying the direct salaries and wages base by the approved indirect cost rate.**

7. For the journal entry adjustments sampled items in procedure #1, we obtained the PeopleSoft screenshot and agreed the amount to the screenshot. We compared the preparer name on the screenshot to the approver name on the screenshot to observe that the approver name is different from the preparer name. Lastly, we observed the approved date on the screenshot is after the prepared date.

**Results: The procedure above is not applicable. There were no journal entry adjustments selected for testing.**

**Figure 1–Summary of High-Dollar Samples Selected**

Sample No.	Project Description	Expenditure Type	Amount
1	PK Parking Meter Replacement	Materials & Supplies	\$ 499,675
2	PK Parking Meter Replacement	Materials & Supplies	\$ 499,675
3	PK Parking Meter Replacement	Materials & Supplies	\$ 499,675
4	PK Parking Meter Replacement	Materials & Supplies	\$ 499,675
5	PK Parking Meter Replacement	Materials & Supplies	\$ 499,675
6	MT Van Ness Ave BRT-CPT640	Non-Personnel Services - Construction Contract	\$ 8,810,801
7	MT 10032900 Train CTL Upgrade	Non-Personnel Services - Construction Contract	\$ 403,442
8	MT 10032900 Train CTL Upgrade	Non-Personnel Services - Construction Contract	\$ 366,050
9	MT 10032900 Train CTL Upgrade	Non-Personnel Services	\$ 102,288
10	MT 10032900 Train CTL Upgrade	Non-Personnel Services	\$ 121,066
11	MT Central Subway Project	Overhead & Allocation	\$ 132,625
12	MT 10032900 Train CTL Upgrade	Overhead & Allocation	\$ 132,269
13	MT 10032900 Train CTL Upgrade	Overhead & Allocation	\$ 122,313
14	MT 10032900 Train CTL Upgrade	Overhead & Allocation	\$ 121,760
15	MT 10032900 Train CTL Upgrade	Overhead & Allocation	\$ 107,119

**Interdepartmental Charges:**

8. Using the same general ledger data file in procedure #1, we will randomly select 15 interdepartmental charges by filtering the general ledger detail by department group code and selecting items that are not identified as 'MTA'.
9. For the sampled items in procedure #8, we will observe the expenditures are solely for purposes per authorization and resolution by obtaining the SFMTA Work Authorization to Department of Public Works (DPW) form, the Peoplesoft screenshot, project description and project cost details provided by DPW. We will compare the project description on the form to the respective bond authorization and resolution.
10. For the sampled items in procedure #8, we will observe the project expenditures and encumbrance are for authorized projects by obtaining the SFMTA Work Authorization to DPW forms, respective invoices submitted by DPW, encumbrance amount (provided by management), Certificate of Progress Payment, and progress payment report (SBE form No. 7). We will agree the encumbrance amount to the progress payment report, agree the invoice amount to the encumbrance and to the subcontractor or contractor payment (check copy or wire transfer form). We will obtain the SFMTA Work Authorization to DPW to verify if these are interdepartmental transfers by comparing the project descriptions on the Work Authorization to the project descriptions on the general ledger detail.

11. For the sampled items in procedure #8, we will observe whether the transactions are properly supported based on CCSF and SFMTA policies and are processed in accordance with SFMTA's internal procedures by performing the following:
- Obtain the Work Authorization and observe that it is signed by a SFMTA project manager to verify documentation for charges is correct, that the charges are in line with the project scope, schedule and budget, and progress of work reasonably equates to the percentage of the budget expended.
  - Calculate that the SFMTA project manager approved the charges within 30 days of the end of the month the charges were recorded.
  - Observe that the Work Authorization has a project description and project code to which the expenditures can be charged for tracking purposes.
  - Obtain the invoices and Work Authorizations and compare the project descriptions to the project descriptions in the general ledger detail and to observe that expenditures were for capital projects per the respective bond authorization and resolution.
  - Observe that the invoices were submitted by DPW within 15 days of end of the month the charges were recorded.

**Results: There is one amount identified as DPW relating to payment of permit fees for the 1200 15<sup>th</sup> Street Project. We obtained the SFMTA Work Authorization to DPW form, invoice submitted by DPW, encumbrance amount, and the Peoplesoft screenshot. Certificate of Progress Payment and progress payment report (SBE form No. 7) are not applicable to the expense type. Additionally, as the 1200 15<sup>th</sup> Street Project is managed by DPW, there is no required SFMTA project manager approval for the charge. We agreed the project description on the SFMTA Work Authorization to DPW form to the respective bond authorization and resolution and observed that the form is signed by a SFMTA project manager. Additionally, we agreed the invoice amount to the encumbrance and verified that the project description on the general ledger detail agreed to the SFMTA Work Authorization to DPW form.**

**Figure 2–Summary of Intergovernmental Samples Selected**

Sample No.	Project Description	Expenditure Type	Amount
1	15th Street Planning	Intergovernmental	\$26,785

**Budget Funding:**

12. We will obtain an expenditure budget query report related to bond series 2021C for the fiscal year ended June 30, 2024, from management that includes Commitment Control Detail Ledger. From this report, we will filter the column name "Fund description" for any sustainable Streets (SS) and Transit (TS) Capital Revenue Bond as well as "Budget Ledger Name" for Commitment Control Detail Budget. We will randomly select 2 budget (funding) transfers from the filtered data.
13. For the sampled items in procedure #12, we will observe the uses are solely for purposes per the bond authorization and resolution by obtaining the SFMTA Work Authorization Request and compare the project description to the respective bond authorization and resolution.
14. For the sampled items in procedure #12, we will observe the project expenditures and encumbrances are for authorized capital projects by obtaining the SFMTA Work Authorization Request and confirm it was signed by a project manager prior to the creation of the Peoplesoft entry recorded by the SFMTA accounting staff.

15. For each selection in procedure #12, we will observe the transactions are properly supported based on CCSF and SFMTA policies and are process in accordance with SFMTA's internal procedures by obtaining the work authorization request and observe that it has a project description and a project code. We will obtain the Peoplesoft screenshot and agree the amount from the screenshot to the amount on the work authorization request.

**Results: No exceptions were found as a result of performing these procedures. For the two budget transfers, we obtained the SFMTA Work Authorization Request and compared the project description to the respective bond authorization and resolution. Additionally, we confirmed the authorization request was signed by a project manager prior to the creation of the Peoplesoft entry recorded by the accounting staff. Lastly, we obtained the Peoplesoft screenshot and agreed the amount from the screenshot to the amount on the authorization request.**

**Figure 3–Summary of Budget Funding Samples Selection**

Sample No.	Project Description	Transaction Type	Amount
1	MT Revenue Bond S2021C	Budget Funding	\$ 7,344,350
2	MT 1200 15th St. Renovation	Budget Funding	\$ 5,000,000

**Trustee Payments:**

16. We will obtain a listing of all bond debt service payments to trustee related to the bond series 2021C from management for the fiscal year ended June 30, 2024 and randomly select 5 payments.
17. For the sampled items in procedure #16, we will observe the trustee payments for debt service were made in accordance with terms by performing procedures to determine whether the amounts paid were correct and the payments were paid by the due date. We will obtain the monthly payment request and agree the interest and principal payment amounts to the respective amounts posted per the bank statement and compare the payment date per the bank statement to the that of the due date per the monthly payment request.
18. We will agree the bond balances per the general ledger for each series as of June 30, 2024, to the debt roll forward and debt service schedule provided by management.

**Results: No exceptions were found as a result of applying these procedures. For the five trustee payments, we obtained the monthly payment request and agreed the interest and principal payment amounts to the respective amounts posted per the bank statement and compared the payment date per the bank statement to that of the due date per the monthly payment request. Additionally, we agreed the bond balances per the general ledger for each series as of June 30, 2024, to the debt roll forward and debt service schedule provided by management.**

**Figure 4–Summary of Trustee Payment Samples Selected**

Sample No.	Month Ending	Principal	Interest	Total Debt Service
1	AUGUST 2023	\$ -	\$ 383,008	\$ 383,008
2	NOVEMBER 2023	\$ -	\$ 383,008	\$ 383,008
3	FEBRUARY 2024	\$ -	\$ 383,008	\$ 383,008
4	MARCH 2024	\$ -	\$ 383,008	\$ 383,008
5	MAY 2024	\$ -	\$ 383,008	\$ 383,008

**SFMTA Bond Oversight Committee Fiscal Year 2023 - 2024 Annual Report**

**Appendix 3: Funded Projects by Revenue Bond Series (Through June 30, 2024)**

PROJECT	Bond Series					Interest	Bonds + Interest	Bonds Expended	Balance
	2012B	2013	2014	2017	2021C				
1 California: Laurel Village Transit Priority Project	-	-	174,276	-	-	-	174,276	174,276	-
1200 15th Street Renovation	-	-	-	-	20,000,000	-	20,000,000	26,785	19,973,215
14 Mission: Mission Street and South Van Ness Avenue Transit Priority Project	-	-	-	-	-	192,957	192,957	192,957	-
19 Polk: Polk Street Transit Priority Project	-	-	430,000	-	-	-	430,000	430,000	-
33 Stanyan Overhead Replacement Project Phase I	-	1,892,852	-	-	-	-	1,892,852	1,892,852	-
7th and 8th Street Streetscape	-	-	366,751	-	-	-	366,751	366,751	-
9th and Division Improvements	-	100,000	137,701	-	-	-	237,701	237,701	-
Above Grade PCS & Signal Visibility Improvement	-	421,718	-	-	-	-	421,718	421,718	-
Annual Traffic Calming Removal and Replacement	-	1,668	-	-	-	-	1,668	1,668	-
Balboa Streetscape	126,234	-	-	-	-	-	126,234	126,234	-
Bicycle Parking	750,000	-	-	-	-	-	750,000	750,000	-
Bicycle Strategy Capital Projects - Oak and Fell Bikeways Resurfacing	-	290,732	56,536	-	-	-	347,268	347,268	-
Bicycle Strategy Capital Projects - Polk Street Northbound Separated Bikeway	481,267	89,972	-	-	-	-	571,239	571,239	-
Bicycle Strategy Capital Projects - Wiggle Neighborhood Green Corridor	-	267,972	-	-	-	-	267,972	267,972	-
Broadway Chinatown Streetscape	-	411,335	1,867,263	-	-	-	2,278,598	2,278,598	-
C3 Blue Light Emergency Phone Replacement	-	6,016,000	3,500,000	-	-	-	9,516,000	9,516,000	-
C3 Integrated Systems Replacement	6,175,500	-	-	-	-	-	6,175,500	6,175,500	-
Central Subway	-	-	-	-	27,655,650	-	27,655,650	27,647,947	7,703
Church and Duboce Project	37,466	-	-	-	-	-	37,466	37,466	-
Columbus Ave. Streetscape Project	-	-	744,925	-	-	-	744,925	744,925	-
Contract 64 Signals	-	-	573,487	-	-	-	573,487	573,487	-
Diamond Heights Boulevard Pedestrian Safety Improvements	-	-	316,084	-	-	-	316,084	316,084	-
Elevator Safety & Reliability Project	-	-	345,569	-	-	-	345,569	345,569	-
Excelsior & South Bernal Areawides	-	231,024	-	-	-	-	231,024	231,024	-
Exploratorium Crosswalk	250,000	-	-	-	-	-	250,000	250,000	-
Franklin Street Bulbouts	48,508	-	-	-	-	-	48,508	48,508	-
Geary BRT Phase I	-	-	910,361	-	-	-	910,361	910,361	-
Geary-Gough Peter Yorke Bulbout	142,825	-	-	-	-	-	142,825	142,825	-
Gough Street Pedestrian Safety Improvements	-	405,092	-	-	-	-	405,092	405,092	-
Islais Creek Phase II Improvements*	-	18,317,715	5,992,970	-	-	-	24,310,685	24,306,850	3,835
King Street Substation Upgrade	-	-	-	6,555,000	-	-	6,555,000	6,357,337	197,663
L Taraval Track Rail & Overhead Rehab	-	508,853	1,280,321	-	-	682,185	2,471,360	100,000	2,371,360
Lombard Street Safety Project	-	434,913	890,986	-	-	-	1,325,900	1,325,900	-
M Ocean View Track Replacement	-	111,737	-	-	-	-	111,737	111,737	-
Masonic Avenue Streetscape	-	5,734,494	10,711,390	-	-	-	16,445,884	16,445,884	-
Mission and Silver Fast Track Transit Enhancements	-	-	342,576	-	-	-	342,576	342,576	-
Mission Valencia Raised Cycletrack	-	-	139,600	-	-	-	139,600	139,600	-
Muni Green Center Rail Rehabilitation	2,100,000	-	-	-	-	-	2,100,000	2,100,000	-
Muni Green Center Roof Rehabilitation	6,218,051	-	-	-	-	-	6,218,051	6,218,051	-

## SFMTA Bond Oversight Committee Fiscal Year 2023 – 2024 Annual Report

### Appendix 3: Continued

PROJECT	Bond Series					Interest	Bonds + Interest	Bonds Expended	Balance
	2012B	2013	2014	2017	2021C				
Muni Metro Sunset Tunnel Rail Rehabilitation	2,210,474	7,500,000	-	-	-	-	9,710,474	9,710,474	-
Muni Metro Turnback Rail Rehabilitation	1,635,366	-	-	-	-	-	1,635,366	1,635,366	-
Muni Metro Turnback Water Intrusion Mitigation	462,112	-	-	-	-	-	462,112	462,112	-
Muni Metro Twin Peaks Tunnel Rail Replacement	-	4,706,041	-	-	-	-	4,706,041	4,706,041	-
Muni System Radio Replacement Project	62,197	-	-	-	-	-	62,197	62,197	-
Operator Restrooms (Operator Convenience Facilities Phase I)	-	1,529,751	-	-	-	-	1,529,751	1,529,751	-
Operator Restrooms (Operator Convenience Facilities Phase II)	-	1,139,184	3,510,577	-	-	-	4,649,761	4,649,761	-
Parking Garage Project - Elevator Modernization Condition Assessment of 7 Garages	-	-	389,076	-	-	-	389,076	389,076	-
Parking Garage Project - Ellis O'Farrell Seismic Upgrade	-	-	174,316	-	-	-	174,316	174,316	-
Parking Garage Project - Golden Gateway Garage Ventilation	-	-	2,741,064	-	-	-	2,741,064	2,741,064	-
Parking Garage Project - Japan Center Garage Ventilation	-	-	2,314,411	-	-	-	2,314,411	2,314,411	-
Parking Garage Project - Lombard Garage Waterproofing	-	-	5,044,266	-	-	-	5,044,266	5,044,266	-
Parking Garage Project - Sutter Stockton Garage Ventilation	-	-	1,725,231	-	-	-	1,725,231	1,725,231	-
Parking Garage Projects - Condition Assessment, Waterproofing & Ventilation	5,000,000	1,000,000	36,421	-	-	-	6,036,421	6,036,421	-
Parking Meter Replacement	-	-	-	-	22,000,000	-	22,000,000	17,259,320	4,740,680
Pedestrian Countdown Signals (Construction)	-	-	2,055,228	-	-	-	2,055,228	2,055,228	-
Pedestrian Countdown Signals (Design)	-	510,933	-	-	-	-	510,933	510,933	-
Persia Triangle Street Improvements	-	424,103	-	-	-	-	424,103	424,103	-
Polk Street Signal Upgrade	-	-	350,733	-	-	-	350,733	350,733	-
Polk Streetscape	-	-	2,841,837	-	-	-	2,841,837	2,841,837	-
Procurement of Light Rail Vehicles	-	14,164,190	2,886,460	128,000,000	-	2,453,271	147,503,921	147,503,921	-
PX Parcs Replacement -20 Garage	-	-	7,256,604	-	-	-	7,256,604	7,256,604	-
Radio Replacement	-	2,000,000	11,000,000	-	-	-	13,000,000	13,000,000	-
Safe Routes to School Projects - Alamo Elementary	-	87,800	-	-	-	-	87,800	87,800	-
Safe Routes to School Projects - Denman	-	30,292	456,207	-	-	-	486,500	486,500	-
Safe Routes to School Projects - Tenderloin	-	275,266	178,945	-	-	-	454,211	454,211	-
SFgo Van Ness Corridor Management	-	-	2,024,784	-	-	331,274	2,356,058	2,356,058	-
Terry Francois Blvd Bikeway	-	-	-	-	-	123,225	123,225	123,225	-
Traffic Calming Improvements - Applications	-	238,364	-	-	-	-	238,364	238,364	-
Traffic Calming Improvements - Area Wide	-	796,981	-	-	-	-	796,981	796,981	-
Traffic Calming Improvements - Backlog Spot Improvements	-	764,532	178,642	-	-	-	943,174	943,174	-
Traffic Calming Improvements - Site Specific	-	492,380	-	-	-	-	492,380	492,380	-
Traffic Calming Program Implementation	-	-	781,825	-	-	-	781,825	781,825	-
Train Control System Upgrade	-	-	-	-	30,139,703	-	30,139,703	8,707,047	21,432,655
Transit Spot Improvement - 24th Street & Castro Bus Bulb Construction	-	273,954	-	-	-	-	273,954	273,954	-
Transit Spot Improvement - Columbus Bus Bulbs	-	400,745	91,168	-	-	-	491,914	491,914	-
Transit Spot Improvement - Evans at Phelps	-	-	57,408	-	-	-	57,408	57,408	-
Transit Spot Improvement - Muni Forward – 5 Fulton Mid Route Phase I	-	455,055	-	-	-	-	455,055	455,055	-
Transit Spot Improvement - Muni Forward – 5 Fulton Outer	-	723,470	-	-	-	-	723,470	723,470	-
UCSF Platform Extension	-	-	-	7,445,000	-	-	7,445,000	7,445,000	-
Van Ness Bus Rapid Transit Project*	-	2,250,879	124,000	48,000,000	18,204,647	3,296,648	71,876,174	62,482,328	9,393,846
<b>Total</b>	<b>\$ 25,700,000</b>	<b>\$ 75,000,000</b>	<b>\$ 75,000,000</b>	<b>\$ 190,000,000</b>	<b>\$ 118,000,000</b>	<b>\$ 7,079,560</b>	<b>\$ 490,779,560</b>	<b>\$ 432,658,603</b>	<b>\$ 58,120,957</b>