



SFMTA Bond Oversight Committee

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

MINUTES – Wednesday, December 7, 2022 – 3:00-5:00pm
MEETING LOCATION—via MS Teams

- **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 3:04pm. Member Charles Perl was absent.

Public Comment: None

Approval of Minutes from September 7th, 2022, meeting: On motion to adopt September 7th, 2022, meeting minutes: Unanimously approved.

Public Comment: None

FY 2021-2022 Annual Report with Project Presentations: Joel Goldberg, SFMTA staff, reported that staff will present the Annual Report a little differently this year. Mr. Goldberg stated that the Grant Administration Office reached out to the project managers of all active projects so they could provide status updates about their projects. Also, Mr. Goldberg stated that the BOC is required to provide its Annual Report to the SFMTA Board of Directors by January 31st of each year covering the previous Fiscal Year.

- **LRV Procurement.** Janet Gallegos, Project Manager. Ms. Gallegos reported that Phase 1 LRVs are expansion vehicles and that the SFMTA ended up purchasing 68 expansion vehicles, including those necessary for Central Subway service. They are all accepted and are in revenue service now. Phase 2 car production is underway, and 29 vehicles have been delivered. There are 19 vehicles of the Phase 2 in revenue service. Ms. Gallegos stated that we're taking deliveries of 3 cars a month and will have all the Phase 2 vehicles delivered by December 2025. Also, Ms. Gallegos reported that it takes about six weeks after vehicle delivery for it to go on revenue service. Clipper and farebox units are installed here by us.
- **King Street Substation.** Kannu Balan, Project Manager. Mr. Balan reported that there has been a lot of progress. The contractor began installing the new electrical equipment

inside the King Street Substation. Concrete slab work was completed inside the King Substation as well.

- **Parking Meter Replacement.** Alexiy Sukhenko, Project Manager. Mr. Sukhenko reported that they are on schedule with the parking meter replacement. They are installing multi-pay station meters first and followed by single pay stations. Also, Mr. Sukhenko reported that, to date, approximately 7,500 metered spaces have been replaced with over 1,600 new multi-space pay stations. Mr. Sukhenko stated that in 2023 the SFMTA will start installing single pay stations.
- **1200-15th Street Renovation (green project).** Paul Bignardi, Project Manager. Mr. Bignardi reported that the recent progress to this project is that the Schematic Design was completed in October 2022. Also, Mr. Bignardi stated that we have a revised cost estimate for the Schematic Design, and unfortunately the cost went up. Mr. Bignardi gave a quick summary of the project, which consists of moving the Parking Enforcement Division out of leased space on 7th Street to this location, which was formerly the Animal Care Control building. Mr. Bignardi also reported that this project will begin construction in 2024 with a target to complete the project by Spring or Summer of 2026.
- **Train Control System Upgrade (TCUP) (green project).** Mark Hansen, Project Planner. Mr. Hansen reported that staff progressed the development of the RFP and contract documents for the train control supplier. Also, Mr. Hansen stated that they have been working closely with the City Attorney's Office, Stakeholders and Transit, IT, and the Contracts and Procurement team to review the RFP; this is nearing completion. Mr. Hansen also stated that during this quarter they gathered industry feedback on key concepts within the RFP and contract documents. They began a risk assessment evaluating our contracting strategy, incorporating industry feedback, market conditions and legal considerations. Mr. Hansen also reported that they developed an ordinance at the BOS to enable the project's contracting method and this ordinance was passed unanimously at it December 6, 2022 meeting. Mr. Hansen also stated that this ordinance will allow them to award a contract for a term greater than 10 years and to use a negotiated procurement process.
- **Van Ness BRT Transit Optimization (green project).** Peter Gabancho, Project Manager. Mr. Gabancho reported that the revenue service started on April 1, 2022 and is going smoothly. That services are primarily being provided by motorcoaches has more to do with hiring trolley coach drivers. The goal is that by beginning of 2023 the bulk of the service will be trolley coaches on the 49 line along Van Ness. Finally, Mr. Gabancho stated that they're working on minor punch list item and can begin the project closeout.

Public Comment: None

KPMG Presentations – FY 2022 Bond Agreed Upon Procedures Engagement:

Lisa Avis from KPMG, SFMTA external auditor, reported that at the last September 2022 BOC meeting she presented the procedures, and she will present the result today. Ms. Avis reported that this report is still in draft and will not be finalized until we get an acceptance from the Committee today. Ms. Avis also stated that this report is not an audit, and these are agreed upon procedures that BOC has agreed for KPMG to conduct to determine that the bond proceeds were being spent in accordance with the agreement. Ms. Avis presented that KPMG selected 40 sample items and of these samples KPMG ensures that these proceeds were spent in accordance and for the intended purposes of the bonds. Also, there are other transactions that KPMG selected and made sure that these transactions complied with MTA policies and procedures.

Ms. Avis reported KPMG did not have any findings to report. Ms. Avis also added as part of their procedures that payments were made to vendors on time. Ms. Avis reported that there were a handful of payments that did not make it to vendors timely but because the vendors did not provide the required support materials. Also, Ms. Avis stated that KPMG selected a separate sample of interdepartmental charges making sure that the money is not being moved around. Ms. Avis also reported samples on budget transfers and debt service payments were selected to make sure that they are in compliance with the Bond agreements.

Evelyn Bruce, SFMTA Financial Reporting, Grants & Compliance Unit Manager, that this is KPMG last year as external auditors of MTA. Crowe LLC will replace KPMG effective next year's audit.

Public Comment: None

Quarterly Report: FY 22-23 Quarter 1: Chair Tajel Shah acknowledged the staff for their work they have done in reformatting the report. Also, Chair Shah suggested that in 2021 C series to have a clarity on to have the percentage spend and percentage of completion would be helpful.

Joel Goldberg, SFMTA staff, offered for the next quarterly report to add a page to talk about interests' expenditures.

Public Comment: None

Schedule Upcoming Meeting date:

The next meeting of the BOC is scheduled on March 1, 2023. Members agreed to start the meeting at 3 o'clock. *In January, staff proposed moving the March 1, 2023 out one week to March 8, 2023.*

Adjournment: 3:55pm

- 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.