



## MEETING MINUTES

Audit, Safety Compliance & Real Estate Committee Meeting

February 10, 2026

**Committee Members:** Mayor Weiss (Chair), Ms. Pacetti (Vice Chair), Ms. Elder, Mr. Sleasman

**Staff/Other:** Shawn Becker, Nick Biggar, India Birdsong Terry, Janet Burney, Floun'say Caver, Brent Charnigo, Nick Davidson, Wendy Feinn, George Fields, Bob Fleig, Anthony Garofoli, Sharon Jenkins, Chief Deirdre Jones, Lawrence Jupina, Carl Kirkland, Sheila Miller, Charles Morgan, Mike Schipper, Kay Sutula, John Togher, Carolyn Young

**Public:** Kevin Hinkle, Ron Jackson, Loh, Joseph Sopko, Carren Woods

### I. Roll Call

Mayor Weiss Called the meeting to order at 9:00 a.m. with a roll call. A quorum was present.

### II. Approval of Minutes

Mayor Weiss moved to approve the minutes of the November 12, 2025, meeting. Mr. Sleasman seconded. The motion carried.

Mayor Weiss moved to approve the minutes of the December 2, 2025, meeting. Mr. Sleasman seconded. The motion carried.

Mayor Weiss moved to approve the minutes of the December 16, 2025, meeting. Mr. Sleasman seconded. The motion carried.

### III. Internal Audit Report – Presentation of 4<sup>th</sup> Quarter 2025 Internal Audit Activities

Anthony Garofoli, Executive Director, Internal Audit, introduced the proposed 2026 risk-based Internal Audit plan and stated that the Audit charter requires the Executive Director to annually submit a risk-based internal audit plan for Board approval.

Steven Zimmerman, Audit Manager, detailed the methodology used to develop the plan, which examined external, economic and technological factors affecting the organization. For 2026, the department identified financial health as the headline audit theme, following the 2025 focus on customer experience. Staff is required to perform an entity-wide risk assessment to prioritize risk and establish a list of auditable entities which requires a documented assessment of the organization's strategies, objectives and risks.

Three (3) core strategic risks that can affect any objective in the organization: operational risk, financial risk. The objectives are the organizational goals set by management and the board, managing accounts, strategic risks and reputational and compliance risk aligned with industry best practices.

The 2025 audit theme was customer experience. In 2026, staff identified financial health as the headline theme.

Mr. Zimmerman explained that in 2025, staff established six (6) audit themes and will roll them to 2026. They remain the success outcomes of customer experience, employee investment, community impact and financial health, as well as two additional risk areas -- configuration management and IT governance.

The Committee discussed the eighteen (18) projects rolling forward from the previous year. Staff explained that these roll-forwards are standard for large construction efforts, such as the railcar project, and ensure audit staff remain productive at the start of the new plan year. Discussion also centered around the allocation of hours to certain high-priority projects.

Mr. Sleasman moved and Ms. Elder seconded to approve the 2026 Internal Audit Plan. The motion carried unanimously.

Moving to the Quality Assurance & Improvement Program (QAIP), Mr. Zimmerman advised that it enables an evaluation of Internal Audit activities' performance with global internal audit standards. The program also assesses the efficiency and effectiveness of audit activity and helps identify opportunities for improvement.

Staff presented its QAIP metrics for 2025, noting that approximately 50% of the audit plan was complete by the end of the fourth quarter. Mr. Zimmerman outlined a revised reporting framework for 2026 aimed at reducing delays in management responses. This initiative includes automating the response process through software and updating a 20-year-old administrative procedure to establish more modern, reasonable timelines for management feedback.

Staff improvements now involve all personnel in reviewing management recommendation actions, resulting in more effective recommendations. Quarterly reconciliation with senior management will identify high-risk implementation items needing timely updates

Every year, the Internal Audit Department is required to perform a self-assessment on a topic related to standards for improvement. This year staff focused on ways to improve reporting, issue tracking and follow-up.

Mr. Sleasman appreciated clear timelines and feedback regarding Internal Audit recommendations and feedback it has received from management.

Ms. Pacetti inquired regarding the process of management feedback, why responses may be lagging and how it relates to the proposed change. Mr. Garofoli explained that sometimes other solutions were implemented on a trial basis. The department's performance management tool will be used to improve. Staff intends to implement it by next quarter.

CEO Terry explained that she meets with Mr. Garofoli at least quarterly to discuss recommendations.

Moving to the railcar replacement program, 36% of the contract amount — approximately \$125 million — has been paid as of January 30, 2026. Management is currently scheduling inspections for the full railcar assemblies, with the first cars expected to arrive in June 2026 for commissioning and functional testing.

CEO Terry stated that a new railcar presentation will be given to the Board during March. While they begin arriving in June, they will be tested before being put into service.

Fourth quarter activities included safety reviews, administrative procedures, cybersecurity, and travel and expense reimbursement. The audit theme was configuration management, with satisfactory results. Recommendations included documenting changes to training programs within the ACM Tracker, prompting safety reviews, and creating standard operating procedures for safety within the Safety Department.

Ms. Pacetti sought clarification on the difference between safety reviews and hazard logs. Mr. Zimmerman explained that safety reviews are triggered by configuration changes, ensuring no adverse effects on safety control systems, while hazard logs identify inherent operational hazards regardless of changes.

Ms. Elder stated that it would be helpful to know what percentage of issues are of a certain kind of mechanical failure. Dr. Caver described robust vehicle maintenance practices, including mobile truck operations and efforts to reduce towing costs. Weekly reviews aim to increase fleet reliability, and recommendations focus on improving procedures for in-service failures. Maintenance trends are analyzed for redesign campaigns and obsolescence, and predictive maintenance is practiced to replace parts before failure.

Ms. Pacetti raised questions about evolving fare collection processes and audits. Mr. Garofoli explained that audits focus on internal controls and processes surrounding fare collection technology. Mobile electronic repair technicians address fare box issues, and comprehensive audits are planned as fare capping is implemented. Ridership versus fare collection will be analyzed in the second half of the year, with efforts to automate data collection and compare passenger counts to fare transactions.

The Committee discussed fare collection differences across transit lines. Dr. Caver detailed payment systems for the Shaker and Red Lines, on which fares are collected differently. Staff is looking at a model to ensure confidence that fares are being collected in a way that is not more costly than collecting the fare. Plans are underway to create more friction by installing fare gates at key stations, supported by cameras, to address fare evasion. Data-driven frameworks will guide future policy and operational changes.

Mr. Sleasman requested more granular data on routes instead of network-wide.

Addressing another security topic, Dr. Caver explained that staff is working on a policy for non-destinational riders — individuals using transit for purposes other than transportation. The majority of these riders have paid a fare. He noted an increase of this type of rider during the recent winter storm. Policies must be navigated with the right amount of care to make sure the transit system has a good customer experience.

CEO Terry described efforts to strengthen policies, maintain a safe customer experience, and engage unhoused individuals humanely through transit ambassadors and crisis intervention teams. The Authority is working with Transit Police and legal counsel to strengthen policies ensuring the transit system is used for its intended transportation purposes while maintaining a safe customer experience.

CEO Terry stated that staff has been talking about fare collection processes and the Board will be given a presentation in March or April regarding safety and security update.

Transit Police representatives emphasized a humanitarian approach, utilizing transit ambassadors and crisis intervention teams to engage with unhoused individuals on the system. The Committee emphasized balancing safety, customer experience, and humanitarian

considerations, noting that many unhoused riders possess valid fare media but use transit as shelter.

CEO Terry stressed the importance of treating all riders with dignity while ensuring the transit system remains safe and reliable. The committee discussed ongoing policy development, transit police tactics, and the impact of social service systems providing bus passes as alternatives to housing.

Ms. Elder stated appreciated a comment that the unhoused are human beings and are not innately a threat.

Closing the report with emerging issues and compliance, Mr. Garofoli reported on an emerging issue regarding lost and found processes, with evaluations underway to improve controls for collecting, documenting, retaining, and disposing of items.

The Federal Transit Administration continues monthly oversight of the railcar replacement program and will conduct a triennial compliance review this year.

The healthcare claims audit is also in progress

Closing the meeting, Mayor Weiss informed the Committee and Board that the final form of the Internal Audit Charter is expected to be distributed within the next week and is on track for consideration in March.

#### IV. Adjourn

There being no further business to bring before this Committee, a motion to adjourn the meeting was moved by Mayor Weiss and seconded by Mr. Sleasman. The meeting was adjourned at 10:37 a.m.

  
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Rajan D. Gautam  
Secretary/Treasurer

  
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Brent Charnigo  
Board Administrator