



April 18, 2008

**BOARD OF DIRECTORS MEETING**  
**FRIDAY, APRIL 25, 2008**

**5. CONSENT CALENDAR:**

**A. Approve the Minutes of the Following Meetings:**

1. Finance-Auditing Committee/Committee of the Whole of April 10, 2008; and,
2. Regular Meeting of the Board of Directors of April 11, 2008.

**Motion**

**B. Attorney's Report  
Denial of Claims**

1. Claim of Reverend Marc L. Carr
2. Claim of Suzanne Rischman
3. Subrogation Claim of California State Automobile Association  
(Insured: John Kurylo)

**Motion**

**Motion**

**Motion**

Attachments

April 10, 2008



## **REPORT OF THE FINANCE-AUDITING COMMITTEE**

Honorable Board of Directors  
Golden Gate Bridge, Highway  
and Transportation District

Honorable Members:

A meeting of the Finance-Auditing Committee was held in the Board Room, Administration Building, Toll Plaza, San Francisco, California, on Thursday, April 10, 2008, at 10:00 a.m., Chair Stroeh presiding.

**Committee Members Present (7):** Chair Stroeh; Vice Chair Pahre; Directors Boro, Cochran, Eddie and Middlebrook; President Moylan (Ex Officio)

**Committee Members Absent (2):** Directors Grosboll and Reilly

**Other Directors Present (0):** None

**Staff Present:** General Manager Celia G. Kupersmith; District Engineer Denis J. Mulligan; Auditor-Controller Joseph M. Wire; Secretary of the District Janet S. Tarantino; Attorney David J. Miller; Deputy General Manager/Bridge Division Kary H. Witt; Deputy General Manager/Bus Division Susan C. Chiaroni; Deputy General Manager/Administration and Development Teri W. Mantony; Procurement and Retail Operations Director Lori Murray; Director of Planning Alan R. Zahradnik; Deputy District Engineer Ewa Z. Bauer; Property Management and Development Specialist Norma Jellison; Assistant Clerk of the Board Karen B. Engbretson; Executive Assistant to the General Manager Amorette Ko

**Visitors Present:** David Bullock and Cynthia Pon, Macias, Gini & O'Connell LLP; Leonard Danna and Ahmad Gharaibeh, Vavrinek, Trine, Day & Co., LLP

**1. Authorize Actions Relative to the FY 07/08 California Transit Assistance Grant Program Administered by the Governor's Office of Homeland Security**

In a memorandum to Committee, Capital and Grant Programs Manager Gayle S. Prior, Auditor-Controller Joseph Wire and General Manager Celia Kupersmith reported on staff's recommendation to authorize all actions necessary relative to the FY 07/08 California Transit Assistance Grant Program administered by the Governor's Office of Homeland Security. The report stated that in November 2006, California voters approved

**FINANCE-AUDITING COMMITTEE**  
**APRIL 10, 2008/PAGE 2**

Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. This bond provides almost \$20 billion in state general obligation bonds for approximately 14 different categories of transportation projects. One bond category, the Transit System Safety, Security and Disaster Response program (Transit Assistance Funds), will be administered by the Governor's Office of Homeland Security (OHS). Funds from this program are available to State Transit Assistance (STA) eligible agencies, including the District, and the program is distributed by the same formula as is STA funds.

The report also stated that as a part of the March 13, 2008 *FY 07-08 California Transit Security Grant Program, California Transit Assistance Fund, Program Guidelines and Application Kit* issued by OHS, project applicants are required to adopt a resolution appointing individuals or positions to act on behalf of the applicant and its governing body and to provide related certifications and assurances.

The report further stated that staff recommends that all necessary actions related to the above-described grant program be authorized, in order to secure Transit Assistance Funds to support the District's transit security capital projects. A copy of the staff report is available in the Office of the District Secretary and on the District's web site.

Staff recommended and the Committee concurred by motion made and seconded by **Directors MIDDLEBROOK/COCHRAN** to forward the following recommendation to the Board of Directors for its consideration:

**RECOMMENDATION**

The Finance-Auditing Committee recommends the Board of Directors authorize all necessary actions related to filing the grant applications and agreements for the FY 07/08 Transit System Safety, Security, and Disaster Response Program funds administered by the Governor's Office of Homeland Security, to support the District's transit security capital projects.

**Action by the Board - Resolution**  
**NON-CONSENT CALENDAR**

**AYES (7):** Chair Stroeh; Vice Chair Pahre; Directors Boro, Cochran, Eddie and Middlebrook; President Moylan (Ex Officio)  
**NOES (0):** None  
**ABSENT (2):** Directors Grosboll and Reilly

## FINANCE-AUDITING COMMITTEE

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### 2. Authorize Execution of a Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, Relative to Request for Proposals No. 2008-D-3, External Audit Services

In a report to Committee, Director of Accounting Manager Bette Joe, Auditor-Controller Joseph M. Wire and General Manager Celia Kupersmith provided staff's recommendation regarding execution of Professional Services Agreement (PSA) relative to Request for Proposals (RFP) No. 2008-D-3, *External Audit Services*, to Vavrinek, Trine, Day & Co., LLP. The report stated that the PSA with the current audit firm, Macias, Gini & O'Connell LLP, which has been the District's auditors since 2000, concluded with the issuance of the audited financial statements for the fiscal year ended June 30, 2007.

The report also stated that the District advertised RFP No. 2008-D-3 on February 5, 2008, and received four proposals by the due date of March 4, 2008. The report noted that the RFP was posted on the District's website and that 33 potential proposers, including six DBE firms, were notified of the posting. An Evaluation Committee, composed of District staff, evaluated the proposals using the following criteria: (1) experience of the audit firm (0-20 points); (2) experience of the personnel assigned to the engagement (0-30 points); (3) audit approach, including education and training opportunities (0-30 points); and, (4) fee structure (0-20 points).

The report also stated that all four audit firms were interviewed by the Evaluation Committee. The District invited all four firms to submit "Best and Final Offers," with the right to submit revised costs proposals based on a three-year base contract term plus two one-year options. Based upon the evaluation of both the written proposals, the results of the oral interviews and the revised cost proposals, the Evaluation Committee determined that Vavrinek, Trine, Day & Co., LLP (VTD), remained the highest-ranked proposer.

The report noted that the Evaluation Committee was particularly impressed by VTD's knowledge of government accounting pronouncements, its ability to understand the nature of the District's operations by way of its audit experience with other transit agencies in the Bay Area, the emphasis on ease of transition to a new audit firm, customer care and VTD's commitment to meeting critical reporting deadlines. In addition, VTD's fee structure was highly competitive and offers the lowest short-term and long-term savings for the District, without sacrificing the expected level of audit expertise and services.

The report also stated that staff recommends execution of a PSA with VTD, of Rancho Cucamonga, CA, relative to RFP No. 2008-D-3, in the amount of \$279,000, for a three-year term, with two one-year options. The report further stated that the RFP includes an option to retain VTD for additional specially defined audit services. The report explained that certain areas of the District's operations may require independent audit review, and the audit firm can serve in this capacity. Staff recommends the authorization of a 10 percent contingency, in the amount of \$48,000, for funding these specially defined audit services. A copy of the report is available in the Office of the District Secretary and on the District's web site.

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At the meeting, Joseph Wire summarized the staff report, noting that a protest letter from the current audit firm, Macias, Gini & O'Connell LLP, dated April 8, 2008, was received by the District Secretary's Office within the prescribed deadline date.

Attorney David Miller described the District's procedures with respect to RFP protests, noting that the proposal specifications include verbiage that allows the proposer to submit a protest relative to the staff's recommendation. He stated that the protest letter from Macias, Gini & O'Connell LLP appears to be timely from a legal standpoint. He further stated that the appropriate course of action would be to offer the protesting party an opportunity to address the Committee and answer any questions, and then to allow any others who are participating in this procurement to also address the Committee.

Chair Stroeh invited David Bullock, of Macias, Gini & O'Connell LLP, to address the Committee. At the Committee's request, Mr. Bullock provided highlights of his April 8<sup>th</sup> letter, noting the following salient points:

1. Experience of the Audit Firm: Mr. Bullock noted that his firm was the predecessor auditor for many of the Bay Area transit agencies listed as clients by VTD;
2. Customer Care: Mr. Bullock expressed his concern that VTD received a high score with this criterion, because in his opinion, having an auditor firm be independent of management and comfortable providing constructive feedback is more important than ensuring client satisfaction.
3. Composition of Evaluation Committee: Mr. Bullock expressed his concerns that the Evaluation Committee was made up of only District staff, and did not include persons outside the District.

Discussion ensued, including the following:

- Director Boro made the following inquiries:
  - He inquired as to whether the District has a policy of regularly changing providers of professional services. In response, Mr. Wire stated that the District does not have such a policy. He noted that Macias, Gini & O'Connell LLP provided external auditing services for the past eight years, and that the previous external auditors had served the District for over 20 years.
  - He inquired as to whether it was necessary to issue an RFP for external auditor services. In response, Attorney Miller stated that as a matter of state law, the District is not required to issue an RFP for such services, but in accordance with the District's *Procurement Manual*, it has been the District's practice to do so. Ms. Kupersmith added that the District does not issue a formal RFP for certain procurements that are under a certain minimum dollar amount, but instead uses an informal competitive proposal process.

**Public Comment**

Leonard Danna, of Vavrinek, Trine, Day & Co., LLP, stated that he does not dispute the experience and qualifications of Macias, Gini & O'Connell LLP. He also provided a response to certain points made by Mr. Bullock during his testimony, expressing his concerns with Mr. Bullock's inference that "customer care" has anything to do with the independence of an external auditor. He stated that independence is the cornerstone of the auditing business, and that it is imprudent to conflate "customer care" with being too cozy with a client's staff. He expressed his firm's appreciation for staff's recommendation to authorize execution of a PSA with his firm.

Attorney Miller provided the Committee with advice from a legal standpoint as to how to proceed with respect to the protest from Macias, Gini & O'Connell LLP. Mr. Miller stated that it does not appear that the April 8<sup>th</sup> protest letter has brought up any issue that indicates impropriety. He further stated that after his careful review of the protest letter and the testimony provided at this meeting, there is no basis to accept the protest. The RFP criteria were followed appropriately during the selection process for RFP No. 2008-D-3. In response to Mr. Bullock's comment about the composition of the Evaluation Committee, Mr. Miller asserted that there is nothing improper about having such a committee composed entirely of District staff. He further stated that during the RFP process, Macias, Gini & O'Connell LLP benefited from staff's decision to have the proposers submit revised cost proposals by being able to lower their original cost proposal by \$100,000. However, using the objective criteria in the RFP, Macias, Gini & O'Connell LLP's "Best and Final Offer" was still higher than that of VTD. In conclusion, Mr. Miller advised the Committee that it would be appropriate to reject the protest of Macias, Gini & O'Connell LLP.

Following the above discussion by the Committee and testimony by the proposer, **Directors MIDDLEBROOK/EDDIE** moved and seconded the following motion:

"Reject the bid protest submitted by Macias, Gini & O'Connell LLP, Walnut Creek, CA, relative to Request for Proposals No. 2008-D-3, *External Audit Services*."

**Carried**

**AYES (7):** Chair Stroeh; Vice Chair Pahre; Directors Boro, Cochran, Eddie and Middlebrook; President Moylan (Ex Officio)  
**NOES (0):** None  
**ABSENT (2):** Directors Grosboll and Reilly

Staff recommended and the Committee concurred by motion made and seconded by **Directors PAHRE/COCHRAN** to forward the following recommendation to the Board of Directors for its consideration:

**RECOMMENDATION**

The Finance-Auditing Committee recommends that the Board of Directors authorize execution of a Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, Rancho Cucamonga, CA, relative to Request for Proposals No. 2008-D-3, *External Audit Services*, at a cost of \$279,000, for a three-year term, with two one-year options to be exercisable at the discretion of the General Manager or her designee, at a cost of \$99,000 for the first one-year option and at a cost of \$102,000 for the second one-year option, and authorize a contingency fund in the amount of \$48,000, equal to 10 percent of the Agreement, to conduct specially defined audit review services at designated rates; with the understanding that requisite funds are available in the FY 07/08 District Division Operating Budget.

**Action by the Board at its meeting of April 11, 2008 – Resolution**  
**NON-CONSENT CALENDAR**

3. **Authorize Execution of an Amendment to Contract No. 2005-D-6, Revenue Collection, with Securitas Security Services USA, Inc., Relative to an Extension of the Contract Term**

In a memorandum to Committee, Deputy General Manager Kary Witt and General Manager Celia Kupersmith reported on staff's recommendation to extend the term of Contract No. 2005-D-6, with Securitas Security Services USA, Inc. (Securitas), Sacramento, CA, for a term not to exceed six months. The report stated that in May 2005, the District entered into a contract with Securitas for revenue collection services. These services involve picking up and transporting Bus and Ferry transit revenue to the District's Vault at the Golden Gate Bridge Toll Plaza, using a vehicle provided by the District. The contract was for a two-year term, with an option to extend the term for a successive one-year term. The District exercised the one-year option, and this option year expires on April 30, 2008.

The report also stated that on February 19, 2008, the District issued a Request for Proposals (RFP) No. 2008-MD-4, *Revenue Collection*. No proposals were received by the District by the deadline date of March 18, 2008. The report noted that when staff inquired of potential proposers as to why they chose not to bid this RFP, staff discovered that most of the potential proposers wanted to provide their own armored vehicle, and not use the one provided by the District. Securitas, the incumbent, did not submit a proposal because it is no longer interested in providing this type of transportation service, preferring instead to focus on its core business of security guard services. Although Securitas was not interested in responding to the RFP, it is willing to continue to provide its services at the current rates for up to an additional six months in order to help the District avoid interruption of this critical service. Staff proposes to extend the Contract with Securitas for a term not to exceed six months, commencing on May 1, 2008 and terminating on October 31, 2008. Board authorization of this extension is required as the amount exceeds 10 percent of the original contract value. A copy of the report is available in Office the District Secretary and on the District's web site.

**FINANCE-AUDITING COMMITTEE**  
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At the meeting, Celia Kupersmith stated that during the contract extension term, staff will review other options for the revenue collection services, such as seeking proposals from armored car transportation services or utilizing in-house forces. She also stated that staff will review all options and provide a report of its findings and a recommendation to the Board within the next six months.

Staff recommended and the Committee concurred by motion made and seconded by **Directors EDDIE/MIDDLEBROOK** to forward the following recommendation to the Board of Directors for its consideration:

**RECOMMENDATION**

The Finance-Auditing Committee recommends that the Board of Directors authorize execution of an amendment to Contract No. 2005-D-6, *Revenue Collection*, with Securitas Security Services USA, Inc., Sacramento, CA, in an amount not to exceed \$25,469, for a contract extension not to exceed six months, effective May 1, 2008 to October 31, 2008; with the understanding that requisite funds are available in the FY 07/08 Bus Transit and Ferry Transit Division Operating Budgets, and that requisite funds for the remainder of the six-month extension will be included in the FY 08/09 Bus Transit and Ferry Transit Division Operating Budgets.

**Action by the Board at its meeting of April 11, 2008 – Resolution**  
**NON-CONSENT CALENDAR**

**AYES (7):** Chair Stroeh; Vice Chair Pahre; Directors Boro, Cochran, Eddie and Middlebrook; President Moylan (Ex Officio)  
**NOES (0):** None  
**ABSENT (2):** Directors Grosboll and Reilly

**4. Closed Session**

Attorney David Miller, at the request of Chair Eddie, stated that the Finance-Auditing Committee would convene in closed session to discuss a matter of real property negotiations listed on the agenda as Item No. 5., *Conference with Real Property Negotiator*, with respect to a long-term ground lease with Sports City, Inc., for 2.5 acres of land at the District's Santa Rosa Bus Lot, a portion of Sonoma County Assessor's Parcel Number 015-012-006.

After closed session, Chair Stroeh called the meeting to order in open session with a quorum present. Attorney Miller reported that the Committee met in closed session, as permitted by the Brown Act, to hear a report from Agency Negotiator Norma Jellison regarding the property described above. He further stated that no action is necessary at this time.

**Action by the Board – None Required**

**5. Public Comment**

**FINANCE-AUDITING COMMITTEE**  
**APRIL 10, 2008/PAGE 8**

Public comment was received regarding Agenda Item No. 2., *Authorize Execution of a Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, Relative to Request for Proposals No. 2008-D-3, External Audit Services.*

**6. Adjournment**

All business having been concluded, the meeting was adjourned at 10:55 a.m.

Respectfully submitted,

J. Dietrich Stroeh, Chair  
Finance-Auditing Committee

JDS:JDS:KBE:kbe



7-2008

**GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT**

**MEMORANDUM OF MINUTES**

**BOARD OF DIRECTORS MEETING**

**APRIL 11, 2008**

The Board of Directors of the Golden Gate Bridge, Highway and Transportation District (District) met in regular session in the Board Room, Administration Building, Toll Plaza, San Francisco, California, on Friday, April 11, 2008, at 10:00 a.m., President Moylan presiding.

**ROLL CALL**

**Directors Present (17):** Directors Brown, Cochran, Dufty, Eddie, Grosboll, Hernández, Kerns, McGlashan, McGoldrick, Middlebrook, Newhouse Segal, Pahre, Reilly, Sanders, and Stroeh; First Vice President Boro; President Moylan

**Directors Absent (2):** Director Sandoval; Second Vice President Ammiano

**Staff Present:** General Manager Celia G. Kupersmith; District Engineer Denis J. Mulligan; Auditor-Controller Joseph M. Wire; Secretary of the District Janet S. Tarantino; Attorney David J. Miller; Deputy General Manager/Bridge Division Kary H. Witt; Deputy General Manager/Ferry Division James P. Swindler; Maintenance Manager and Acting Deputy General Manager/Bus Division Gene Walker; Public Affairs Director Mary C. Currie; Assistant Clerk of the Board Karen B. Engbretson; Executive Assistant to the General Manager Amorette Ko; and, Captain Michael J. Locati

**Visitors Present:** David Bullock, Macias, Gini & O'Connell LLP; Captain Robert Morehen, Area Commander, and Lieutenants Malkiat Samra and Gene Choi, California Highway Patrol

**PLEDGE OF ALLEGIANCE**

Director Gerald D. Cochran led the Board of Directors in the Pledge of Allegiance to the Flag.

**BOARD OF DIRECTORS MEETING  
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**PUBLIC COMMENT**

Public comment was received during Agenda Item No. 8.A.2., below.

**CONSENT CALENDAR**

**1. Request to Sever Item from Consent Calendar**

Director Newhouse Segal requested that Item No. 5.A.1., "Approval of the Minutes of the Building and Operating Committee/Committee of the Whole meeting of March 27, 2008," be severed from the Consent Calendar, in order to amend the minutes.

**2. Motion to Approve the Remaining Consent Calendar Items:**

**Directors STROEH/COCHRAN** moved approval of the remaining Consent Calendar items. All items were approved by the following vote of the Board of Directors:

**AYES (15):** Directors Brown, Cochran, Dufty, Eddie, Grosboll, Hernández, Kerns, McGlashan, Middlebrook, Newhouse Segal, Pahre, Sanders and Stroeh; First Vice President Boro; President Moylan

**NOES (0):** None

**ABSENT (4):** Directors McGoldrick, Reilly and Sandoval; Second Vice President Ammiano

**a. Approve the Minutes of the Following Meetings:**

1. Finance-Auditing Committee/Committee of the Whole of March 27, 2008;
2. Governmental Affairs and Public Information Committee/ Committee of the Whole of March 28, 2008;
3. Regular Meeting of the Board of Directors of March 28, 2008.

**Carried**

**b. Denial of Claims**

1. Subrogation Claim of Farmers Insurance Exchange  
(Insured: Bruce Foster)
2. Claim of Juan Jose Vega Medina
3. Claim of Alamo Rent-a-Car

**Carried**

**Carried**

**Carried**

**c. Ratify Actions by the Auditor-Controller**

**Resolution No. 2008-030** (Finance-Auditing Committee, March 28, 2008) ratifies actions taken by the Auditor-Controller, as follows:

1. Ratify commitments and/or expenditures for the period February 1, 2008, through February 29, 2008, totaling \$93,194.00;
2. Ratify investments made by the Auditor-Controller during the period February 11, 2008, through March 17, 2008, as follows;

**BOARD OF DIRECTORS MEETING  
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<b>Security</b>	<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Original Cost</b>	<b>Percent Yield</b>
JP Morgan Chase Bank Acceptance	02/14/08	05/13/08	332,625.22	2.92
JP Morgan Chase Bank Acceptance	02/14/08	06/12/08	1,311,414.64	2.93
FHLB Disc Note	02/27/08	03/26/08	5,049,643.68	2.89
CBA (DE) Finance Commercial Paper	03/03/08	05/30/08	6,226,392.29	2.93
Deutsche Bank NY Certificate of Deposit	03/03/08	06/04/08	5,050,000.00	2.92
HSBC Bank USA Global Bank Notes	03/04/08	09/15/09	2,001,044.50	3.50
Credit Suisse FB USA, Inc. Certificate of Deposit	03/13/08	06/05/08	6,130,803.34	2.75

3. Authorize the Auditor-Controller to re-invest, within the established policy of the Board, investments maturing between March 18, 2008, and April 14, 2008, and all other funds not required to cover expenditures that may become available; and,
4. Accept the Investment Report for February 2008 prepared by PFM Asset Management, LLC.

**Adopted**

**3. Motion to Approve the Minutes of the Building and Operating Committee/ Committee of the Whole meeting of March 27, 2008, as Amended**

**Directors STROEH/MIDDLEBROOK** moved that the words, “bicycle and” be deleted in Bullet No. 2 on Page 7, as part of Director Newhouse Segal’s comments listed in the minutes of the Building and Operating Committee meeting of March 27, 2008, to read in its entirety, as follows, and approve the Memorandum of Minutes, as amended:

“She requested a report from staff on how much the District spends to maintain the Golden Gate Bridge sidewalks for pedestrian use, especially since in her opinion, having the sidewalks available for pedestrian use is not necessarily part of the District’s core mission. In response, Denis Mulligan stated that staff will provide such a report at a future meeting of the Committee.”

**Carried**

- AYES (15):** Directors Brown, Cochran, Dufty, Eddie, Grosboll, Hernández, Kerns, McGlashan, Middlebrook, Newhouse Segal, Pahre, Sanders and Stroeh; First Vice President Boro; President Moylan
- NOES (0):** None
- ABSENT (4):** Directors McGoldrick, Reilly and Sandoval; Second Vice President Ammiano

**GENERAL MANAGER'S REPORT**

**4. Announcement of Appointment to Water Emergency Transit Authority**

General Manager Celia Kupersmith announced that the fifth and final member of the San Francisco Bay Area Water Emergency Transit Authority (WETA) has been appointed. She stated that John J. O'Rourke, Business Manager for the International Brotherhood of Electrical Workers, Local No. 6, was recently appointed by the Speaker of the Assembly to serve as a member on the WETA.

**5. Commemorative License Plate**

Ms. Kupersmith provided a report regarding plans by the California Coastal Commission (Commission) to issue a new commemorative license plate that will raise money for beach repair and beautification. She stated that it recently came to the attention of staff that the Commission plans to use a photograph of the Golden Gate Bridge on this commemorative license plate. She noted that when the Commission contacted the District one year ago, they were requested by staff not to use an image of the Golden Gate Bridge on the license plate because the District may want to issue such a plate in the future. She also stated that the Attorney for the District is currently researching whether or not the District is precluded from issuing commemorative license plates, since it is not a state agency. She noted that the Attorney is also researching whether or not the use of the Golden Gate Bridge image constitutes a violation of the District's intellectual property rights. In conclusion, she stated that she will provide a more detailed report on this matter at the April 25, 2008, meeting of the Board of Directors.

Discussion ensued, including the following:

- Attorney Miller described the state law pertaining to commemorative license plates, noting that in the past, the commemorative license plate program has been the subject of litigation, particularly in light of issues related to the First Amendment. He stated that the District's enabling legislation provides statutory protection to the District on intellectual property grounds if an image of the Golden Gate Bridge is used in such a way that would cause confusion on the part of the public. He further stated that if the District chose to undertake a commemorative license plate program, it would need to seek legislation that would add the District to the array of state agencies that are currently allowed to participate in such a program.
- Director Boro inquired as to whether or not the District could be compensated in any way if the Commission proceeds with using the Golden Gate Bridge image on a commemorative license plate. In response, Mr. Miller stated that if it is determined that there is any trademark or trade name violation with this commemorative license plate, the District could pursue such a claim with the Commission. He noted that it is staff's hope that the Commission can be persuaded not to use an image of the Golden Gate Bridge on a commemorative license plate.

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- Director Grosboll suggested that it would be prudent for the District to pursue legislation that would allow the District to issue its own Golden Gate Bridge commemorative license plate.

**6. Presentation of Employee of the Month Award for April 2008 to Jeff Kellogg, Senior Buyer, Ferry Division**

President Moylan presented the Employee of the Month Award for April 2008 to Jeff Kellogg, Senior Buyer, Ferry Division, and expressed his congratulations on behalf of the Board of Directors.

**ATTORNEY'S REPORT**

7. Attorney David Miller reported that all items contained in the Attorney's Report were informational. Mr. Miller also reported that a closed session would be held just prior to the conclusion of the meeting to discuss security issues with security personnel. Mr. Miller further stated that there would be no closed session discussion regarding the real property negotiations, listed on the agenda as Item No. 6.B.1.b., *Conference with Real Property Negotiator*, with respect to a long-term ground lease with Sports City, Inc., for 2.5 acres of land at the District's Santa Rosa Bus Lot, as there was no recommendation on this matter forthcoming from the April 10, 2008, meeting of the Finance-Auditing Committee.

**ENGINEER'S REPORT**

8. No written or oral reports were presented by District Engineer Denis Mulligan. A written report is presented to the Board of Directors by the District Engineer at the second Board meeting of the month.

**REPORT OF THE FINANCE-AUDITING COMMITTEE MEETING OF APRIL 10, 2008**

**9. Authorize Actions Relative to the FY 07/08 California Transit Assistance Grant Program Administered by the Governor's Office of Homeland Security**

**Directors STROEH/KERNS**

**Resolution No. 2008-031** authorizes all necessary actions related to filing the grant applications and agreements for the FY 07/08 Transit System Safety, Security, and Disaster Response Program funds administered by the Governor's Office of Homeland Security, to support the District's transit security capital projects.

**Adopted**

- AYES (15):** Directors Brown, Cochran, Dufty, Eddie, Grosboll, Hernández, Kerns, McGlashan, Middlebrook, Newhouse Segal, Pahre, Sanders and Stroeh; First Vice President Boro; President Moylan
- NOES (0):** None
- ABSENT (4):** Directors McGoldrick, Reilly and Sandoval; Second Vice President Ammiano

**BOARD OF DIRECTORS MEETING  
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**10. Authorize Execution of a Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, Relative to Request for Proposals No. 2008-D-3, External Audit Services**

**a. Public Comment**

David Bullock, of Macias, Gini & O'Connell LLP, thanked the Board of Directors for the opportunity to have served as the District's external auditors for the past eight years, and stated that he looks forward to a future opportunity for his company to work with the District as its external auditor.

**b. Discussion by the Board**

- Director Grosboll inquired as to whether Vavrinek, Trine, Day & Co., LLP was a certified Disadvantaged Business Enterprise (DBE). In response, Joseph Wire stated that none of the firms who submitted proposals for RFP No. 2008-D-3 was a certified DBE.

**c. Action by the Board**

**Directors STROEH/KERNS**

**Resolution No. 2008-032** approves the following actions relative to Request for Proposals No. 2008-D-3, *External Audit Services*:

- a. Reject the bid protest submitted by Macias, Gini & O'Connell LLP, Walnut Creek, CA; and,
- b. Authorize execution of a Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, Rancho Cucamonga, CA, relative to RFP No. 2008-D-3, at a cost of \$279,000, for a three-year term, with two one-year options to be exercisable at the discretion of the General Manager or her designee, at a cost of \$99,000 for the first one-year option and at a cost of \$102,000 for the second one-year option, and authorize a contingency fund in the amount of \$48,000, equal to 10 percent of the Agreement, to conduct specially defined audit review services at designated rates; with the understanding that requisite funds are available in the FY 07/08 District Division Operating Budget.

**Adopted**

**AYES (15):** Directors Brown, Cochran, Dufty, Eddie, Grosboll, Hernández, Kerns, McGlashan, Middlebrook, Newhouse Segal, Pahre, Sanders and Stroeh; First Vice President Boro; President Moylan

**NOES (0):** None

**ABSENT (4):** Directors McGoldrick, Reilly and Sandoval; Second Vice President Ammiano

**BOARD OF DIRECTORS MEETING  
APRIL 11, 2008/PAGE 7**

**11. Authorize Execution of an Amendment to Contract No. 2005-D-6, Revenue Collection, with Securitas Security Services USA, Inc., Relative to an Extension of the Contract Term**

**Directors STROHE/KERNS**

**Resolution No. 2008-033** authorizes execution of an amendment to Contract No. 2005-D-6, *Revenue Collection*, with Securitas Security Services USA, Inc., Sacramento, CA, in an amount not to exceed \$25,469, for a contract extension not to exceed six months, effective May 1, 2008 to October 31, 2008; with the understanding that requisite funds are available in the FY 07/08 Bus Transit and Ferry Transit Division Operating Budgets, and that requisite funds for the remainder of the six-month extension will be included in the FY 08/09 Bus Transit and Ferry Transit Division Operating Budgets.

**Adopted**

**AYES (15):** Directors Brown, Cochran, Dufty, Eddie, Grosboll, Hernández, Kerns, McGlashan, Middlebrook, Newhouse Segal, Pahre, Sanders and Stroeh; First Vice President Boro; President Moylan  
**NOES (0):** None  
**ABSENT (4):** Directors McGoldrick, Reilly and Sandoval; Second Vice President Ammiano

**SPECIAL ORDER OF BUSINESS**

**12. Authorize a Resolution of Appreciation for Deputy General Manager/Bus Division Susan C. Chiaroni, in Recognition of her Dedicated Service to the Golden Gate Bridge, Highway and Transportation District**

**Directors MIDDLEBROOK/BORO**

**Resolution No. 2008-034** authorizes a Resolution of Appreciation for Deputy General Manager/Bus Division Susan C. Chiaroni, in Recognition of her dedicated service to the Golden Gate Bridge, Highway and Transportation District.

**Unanimously Adopted**

**AYES (15):** Directors Brown, Cochran, Dufty, Eddie, Grosboll, Hernández, Kerns, McGlashan, Middlebrook, Newhouse Segal, Pahre, Sanders and Stroeh; First Vice President Boro; President Moylan  
**NOES (0):** None  
**ABSENT (4):** Directors McGoldrick, Reilly and Sandoval; Second Vice President Ammiano

**BOARD OF DIRECTORS MEETING  
APRIL 11, 2008/PAGE 8**

**CLOSED SESSION**

**13. Attorney's Report**

Attorney David Miller, at the request of President Moylan, stated that the Board of Directors would convene in closed session to discuss security issues with District security and law enforcement personnel.

After closed session, President Moylan called the meeting to order in open session with a quorum present. Attorney Miller reported that the Board of Directors met in closed session, as permitted by the Brown Act, and received a report from District security and law enforcement personnel regarding security issues. Mr. Miller stated that instructions were given to the General Manager and that there would be no action taken at this time.

**ADJOURNMENT**

**14.** All business having been concluded, the meeting was adjourned at 11:40 a.m.

Respectfully submitted,

Janet S. Tarantino  
Secretary of the District

JST:KBE:kbe

## Memorandum

**TO:** Board of Directors  
**FROM:** David J. Miller  
**DATE:** March 31, 2008  
**RE:** Board Meeting on April 11, 2008

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### **Subrogation Claim of Farmers Insurance Exchange (Insured: Bruce Foster)**

The District received a subrogation claim on behalf of Farmers Insurance Exchange (Insured: Bruce Foster) alleging property damage in the amount of \$5,979.87. The claimant alleges that on December 3, 2007, the insured was stopped on Van Ness in San Francisco at a traffic light at the intersection of Lombard and Van Ness. Claimant asserts that a District bus collided with the right side of the insured's vehicle as the bus turned right from Van Ness onto Lombard Street. As a result of the incident, the insured's vehicle allegedly sustained damage to the right side. The claim has been forwarded to John Glenn Adjusters.

**Recommend denial of the claim.**

### **Claim of Juan Jose Vega Medina**

The District received a claim on behalf of Juan Jose Vega Medina alleging property damage in the amount of \$6,500.00. Claimant alleges that on January 30, 2008, he was traveling north on Santa Rosa Avenue in the right lane of two lanes, near the South A Street/Maple Avenue intersection in Santa Rosa. The claimant asserts that a District bus traveling in the lane to his left moved into his lane, striking the left side of his vehicle. As a result of the incident, the claimant's vehicle allegedly sustained damage to the left side door and the metal panel around and above the left rear tire. The claim has been forwarded to John Glenn Adjusters.

**Recommend denial of the claim.**

### **Claim of Alamo Rent A Car**

The District received a claim on behalf of Alamo Rent A Car alleging property damage in the amount of \$1,833.69. Claimant alleges that on December 20, 2007, its vehicle was traveling in the middle lane on Folsom Street toward Fremont Street in San Francisco, when a District bus to the left of the claimant's vehicle cut in front of the claimant's vehicle. As a result of the incident, the bus allegedly struck the claimant's vehicle, causing damage to the vehicle's left

Memorandum To:  
Board of Directors  
March 31, 2008  
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front door, left side mirror, left front fender, and left front tire and rim. The claim has been forwarded to John Glenn Adjusters.

**Recommend denial of the claim.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David J. Miller", written over a horizontal line.

DAVID J. MILLER

DJM:aer