



August 6, 2009

BOARD OF DIRECTORS MEETING
FRIDAY, AUGUST 14, 2009

5. CONSENT CALENDAR:

A. Approve the Minutes of the Following Meeting:

1. Finance-Auditing Committee/Committee of the Whole of July 23, 2009

Motion

B. Attorney's Report
Denial of Claims

1. Claim of Beverly Lee
2. Claim of Lawrence M. Hoburg
3. Claim of Francisca De Leon
4. Claim of Erica Harrold
5. Claim of Nancy Chin
6. Claim of Brad Gaffney
7. Claim of Vicenta Cortez

Motion

Motion

Motion

Motion

Motion

Motion

Motion

C. Meeting of the Finance-Auditing Committee/Committee of the Whole
July 23, 2009

Chair J. Dietrich Stroeh

1. Ratification of Actions by the Auditor-Controller
 - a. Ratify Commitments and/or Disbursements
 - b. Ratify Previous Investments
 - c. Authorize Investments
 - d. Investment Report, June 2009

Resolution

Attachments



July 23, 2009

**REPORT OF THE FINANCE-AUDITING COMMITTEE/
COMMITTEE OF THE WHOLE**

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, July 23, 2009, at 10:00 a.m., Chair Stroeh presiding.

Committee Members Present (9): Chair Stroeh; Vice Chair Pahre; Directors Cochran, Eddie, Elsbernd, Grosboll, Moylan and Sobel; President Boro (Ex Officio)

Committee Members Absent (0): None

Other Directors Present (3): First Vice President Reilly; Directors McGlashan and Newhouse Segal

Committee of the Whole Members Present (12): Directors Cochran, Elsbernd, Grosboll, McGlashan, Moylan, Newhouse Segal, Pahre, Sobel and Stroeh; Second Vice President Eddie; First Vice President Reilly; President Boro

Committee of the Whole Members Absent (7): Directors Brown, Campos, Chu, Dufty, Kerns, Sanders and Snyder

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 Madeline Chun; Deputy General Manager/Bridge Division Kary H. Witt; Deputy General Manager/Ferry Transit Division James P. Swindler; Deputy General Manager/Administration and Development Z. Wayne Johnson; Risk Management and Safety Director William Stafford; Public Affairs Director Mary Currie; Executive Assistant to the General Manager Amorette Ko; Assistant Clerk of the Board Lona Franklin

Visitors Present: J. Gary Glenn, John Glenn Adjusters & Administrators, Inc.; Nancy Jones, PFM Asset Management, LLC

**FINANCE-AUDITING COMMITTEE/COMMITTEE OF THE WHOLE
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1. Ratify Actions by the Auditor-Controller

In a memorandum to Committee, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith outlined commitments, disbursements and investments made on behalf of the District. The report also included a copy of the District's Investment Report from PFM Asset Management, LLC (PFM). A copy of the staff report, with attachments, is available in the Office of the District Secretary and on the District's web site.

At the meeting, Nancy Jones described the latest economic news and current interest rates for the District's portfolio, emphasizing that the District's portfolio is very safe. She noted that while there has been little change in the economy in the past month, economic data suggest that contraction is slowing, and in May, fewer jobs were lost. She reviewed details of interest rate movements, noting the yield curve is the steepest it has ever been, with yields in the 2- to 10-year range rising 85 basis points, on average, in the first 6 months of 2009. She further discussed the reinvestment of a 5-year note by the District, stating a five-year maturity was selected due to the steep yield curve. The current portfolio yield is 3.38% for the General Fund (excluding LAIF) and 3.11% for the General Fund (including LAIF).

Staff recommended and the Committee concurred by motion made and seconded by **Directors MOYLAN/EDDIE** 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 the following actions by the Auditor-Controller:

- a. Ratify commitments and/or expenditures for the period June 1, 2009, through June 30, 2009, totaling \$10,500.00;
- b. Ratify investments made by the Auditor-Controller during the period June 16, 2009, through July 13, 2009, as follows:

Security	Purchase Date	Maturity Date	Original Cost	Percent Yield
CBA (Delaware) Fin., Commercial	6/25/09	9/25/09	6,339,649.05	0.33

- c. Authorize the Auditor-Controller to re-invest, within the established policy of the Board, investments maturing between July 14, 2009, and August 3, 2009, as well as the investment of all other funds not required to cover expenditures that may become available; and,

- d. Accept the Investment Report for June 2009 prepared by PFM.

**Action by the Board at its meeting of July 24, 2009 – Resolution
CONSENT CALENDAR**

AYES (12): Chair Stroeh; Vice Chair Pahre; Directors Cochran, Eddie, Elsbernd, Grosboll, McGlashan, Moylan, Newhouse Segal and Sobel; First Vice President Reilly; President Boro (Ex Officio)
NOES (0): None

2.a. Authorize a Budget Increase in the FY 09/10 Bus Transit Division Capital Budget Relative to Contract No. 2010-BT-1, San Rafael Body Shop Roof Replacement and Solar Panels Installation, to Angotti & Reilly, Inc.

In a report to Committee, Deputy District Engineer Ewa Z. Bauer, District Engineer Denis J. Mulligan, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith reported on staff's recommendation to authorize a budget increase in the FY 09/10 Bus Transit Division Capital Budget relative to Contract No. 2010-BT-1, *San Rafael Body Shop Roof Replacement and Solar Panels Installation*, to Angotti & Reilly, Inc. The report provided details regarding the award of Contract No. 2010-BT-1 to Angotti & Reilly, Inc., as well as other related actions. It is recommended that a budget increase in the FY 09/10 Bus Transit Division Capital Budget in the amount \$122,000 be authorized, to be funded from District reserves. 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 **Director COCHRAN/First Vice President REILLY** to forward the following recommendation to the Board of Directors for its consideration:

RECOMMENDATION

The Finance-Auditing Committee recommends the Board of Directors authorize a budget increase in the FY 09/10 Bus Transit Division Capital Budget in the amount of \$122,000, to be funded from District reserves, establishing a total project budget of \$772,000, relative to Contract No. 2010-BT-1, *San Rafael Body Shop Roof Replacement and Solar Panels Installation*.

**Action by the Board
Referred to the Building and Operating Committee Meeting of July 23, 2009**

AYES (12): Chair Stroeh; Vice Chair Pahre; Directors Cochran, Eddie, Elsbernd, Grosboll, McGlashan, Moylan, Newhouse Segal and Sobel; First Vice President Reilly; President Boro (Ex Officio)
NOES (0): None

2.b. Authorize Budget Transfers in the FY 08/09 Operating Budget

In a report to Committee, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith reported on staff's recommendation to authorize budget transfers in the FY 08/09 Operating Budget for several line items, as outlined in the staff report, that have incurred higher expenses than budgeted during that fiscal year.

Discussion ensued, including the following:

- Director Cochran inquired as to whether the Board should be notified whenever there is a transfer to Salaries. He noted the District does not have the same advantage in being able to use carry-over funds as do, for example, county governments. In response, Mr. Wire stated that although unforeseen events occur during the year, the Auditor's office will highlight such matters for review and bring for approval those where approval is required by policy.
- Director Grosboll inquired as to the method used to calculate litigation costs for the budget. In response, Mr. Wire stated estimates for litigation are based on past experience and the caseload. Debt service is more straight-forward, the percentage being specified in the agreement.
- Director Pahre stated that budget adjustments occur as part of the routine end-of-year process. Mr. Wire responded that the Committee's attention can be drawn to these items.
- Director Newhouse Segal inquired as to savings on fuel. Mr. Wire responded that fuel for buses and ferries is approximately the same price per gallon. This year the average price was approximately \$2.35 per gallon.

Staff recommended and the Committee concurred by motion made and seconded by **Vice Chair PAHRE/Director GROSBOLL** 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 the following budget transfers in the FY 08/09 Operating Budget:

1. Transfer \$3,360,000.00 from the Bridge Division Debt Service and District Legal Services categories to the District Division Salary and Benefit category;
2. Transfer \$220,000.00 from the Bridge Debt Service category to the Bridge Division Repair and Maintenance Supplies category;
3. Transfer \$750,000.00 from the Bus Transit Division Fuel Expense category to the Bus Transit Division Salaries and Benefits category; and,

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4. Transfer \$1,170,000.00 from the Ferry Transit Division Fuel Expense category to the Ferry Transit Division Salaries, Benefits and Professional Services category.

**Action by the Board at its meeting of July 24, 2009 – Resolution
NON-CONSENT CALENDAR**

AYES (12): Chair Stroeh; Vice Chair Pahre; Directors Cochran, Eddie, Elsbernd, Grosboll, McGlashan, Moylan, Newhouse Segal and Sobel; First Vice President Reilly; President Boro (Ex Officio)

NOES (0): None

3. **Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares for Twelve Months Ending June 2009**

In a memorandum to Committee, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith provided a schedule comparing categories of Bridge traffic, as well as a monthly review of Bridge traffic and tolls and transit patronage and fares, for twelve months ending June 2009. A copy of the report is available in the Office of the District Secretary and on the District's web site.

Action by the Board – None Required

4. **Monthly Review of Financial Statements for Twelve Months Ending June 2009**

- a. **Statement of Revenue and Expenses**

In a memorandum to Committee, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith provided a financial statement entitled, *Statement of Operating Revenues and Expenses*. A copy of the report is available in the Office of the District Secretary and on the District's web site.

Action by the Board – None Required

- b. **Statement of Capital Programs and Expenditures**

In a memorandum to Committee, Director of Capital and Grant Programs Gayle S. Prior, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith provided a financial statement entitled, *Statement of Capital Programs and Expenditures*. A copy of the report is available in the Office of the District Secretary and on the District's web site.

Action by the Board – None Required

5. **FY 08/09 (Fourth Quarter) Quarterly Report on Authorized Budget Adjustments and Budget Transfers**

In a memorandum to Committee, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith provided a report entitled, *FY 08/09 Fourth Quarterly Report on Authorized Budget Adjustments and Budget Transfers Executed Under the General Manager's Authority and Board Authority*. A copy of the report is available in the Office of the District Secretary and on the District's web site.

Action by the Board – None Required

6. **FY 08/09 (Fourth Quarter) Quarterly Report on Contracts and Change Orders/Contract Amendments Executed Under the General Manager's Authority**

In a memorandum to Committee, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith provided a report entitled, *FY 08/09 Fourth Quarterly Report on Contracts and Change Orders/Contract Amendments Executed Under the General Manager's Authority*. A copy of the report is available in the Office of the District Secretary and on the District's web site.

Action by the Board – None Required

CLOSED SESSION

7. **Attorney's Report**

- a. Attorney Chun, at the request of Chairman Stroeh, stated that the Finance-Auditing Committee would convene in closed session as permitted by the Brown Act for purposes of discussing a matter of pending litigation as listed on the Committee agenda under the Attorney's Report as Item No. 6.B., "Conference with Legal Counsel – Pending Litigation, Government Code Section 54956.9(a), Report of John Glenn Administrators and Adjusters, *Marco Vincenti vs. Golden Gate Bridge, Highway and Transportation District*."

After closed session, Chairman Stroeh called the meeting to order in open session with a quorum present. Attorney Chun reported that, as noted on the agenda, the Committee met in closed session, as permitted by the Brown Act, for purposes of reviewing a matter of pending litigation. She further reported that this matter will be referred to the Board of Directors at their regularly scheduled meeting of July 24, 2009 for disposition.

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8. Public Comment

There was no public comment.

9. Adjournment

All business having been concluded, the meeting was adjourned at 11:15 a.m.

Respectfully submitted,

J. Dietrich Stroeh, Chair
Finance-Auditing Committee

JDS:JST:LGF:lgf

Memorandum

TO: Board of Directors
FROM: David J. Miller
DATE: August 4, 2009
RE: Board Meeting on August 14, 2009

Claim of Beverly Lee

The District received a claim on behalf of Beverly Lee alleging property damage in the amount of \$1,016.73. Claimant alleges that on May 15, 2009, a District bus struck her vehicle while the vehicle was parked on Hyde Street near Grove Street in San Francisco. As a result of the incident, the left rear passenger door, quarter panel, paint and molding of the claimant's vehicle were allegedly damaged. The claim has been forwarded to John Glenn Adjusters.

Recommend denial of the claim.

Claim of Lawrence M. Hoburg

The District received a claim on behalf of Lawrence M. Hoburg alleging property damage in the amount of \$3,800.00. Claimant alleges that on January 27, 2009, as he was driving northbound on Highway 101 South of Petaluma Boulevard behind a District bus, the right rear tire of the bus blew out. The claimant asserts that debris from the tire struck his vehicle, causing damage to the right front end and the right bumper. The claim has been forwarded to John Glenn Adjusters.

Recommend denial of the claim.

Claim of Francisca De Leon

The District received a claim on behalf of Francisca De Leon alleging personal injuries in the amount of \$2,099.00. Claimant alleges that on July 1, 2009, she injured her arm and leg when she fell on board a District bus in Kentfield. The claimant asserts that the bus driver braked suddenly while she was standing, preparing to disembark, which caused her to fall over the fare box. Claimant contends that she lost time from work and has incurred medical expenses as a result of the incident. The claim has been forwarded to John Glenn Adjusters.

Recommend denial of the claim.

Claim of Erica Harrold

The District received a claim on behalf of Erica Harrold alleging personal injuries in the amount of \$579.00. Claimant alleges that on June 16, 2009, she was a passenger on a District bus that was rear-ended by another District bus near the intersection of The Embarcadero and Sansome Streets in San Francisco. As a result of the incident the claimant allegedly suffered neck and

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upper back pain. Claimant further contends that she missed nine hours of work to attend medical appointments. The claim has been forwarded to John Glenn Adjusters.

Recommend denial of the claim.

Claim of Nancy Chin

The District received a claim on behalf of Nancy Chin alleging personal injuries in the estimated amount of \$5,000.00. Claimant alleges that on June 16, 2009, she was a passenger on a District bus that was rear-ended by another District bus in the vicinity of Battery Street in the San Francisco Financial District. The claimant asserts that when the collision occurred, her head fell back against the headrest on her seat. As a result of the incident, the claimant has allegedly experienced pain in the back of her head and neck due to inflammation. Claimant further contends that she has incurred expenses for acupuncture, chiropractic and neuromuscular therapy treatment as a result of the incident. The claim has been forwarded to John Glenn Adjusters.

Recommend denial of the claim.

Claim of Brad Gaffney

The District received a claim on behalf of Brad Gaffney alleging property damage in the amount of \$1,989.87. Claimant alleges that on June 11, 2009, a District bus sideswiped his vehicle, which was parked on Mission Avenue near Mary Street in San Rafael. As a result of the incident, the claimant's vehicle allegedly sustained damage to the left front bumper assembly and bracket, left front fender, left front parking light lens, and left door. The claim has been forwarded to John Glenn Adjusters.

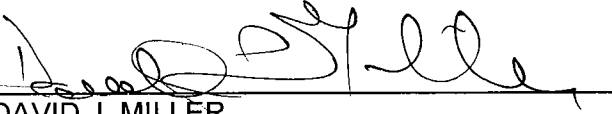
Recommend denial of the claim.

Claim of Vicenta Cortez

The District received a claim on behalf of Vicenta Cortez alleging personal injuries in the approximate amount of \$2,000.00. Claimant alleges that on June 6, 2009, while she was walking in the Transit Center in San Rafael, she fell after she tripped over a garbage bag that was placed by the side of a garbage receptacle. As a result of the incident, the claimant allegedly sustained injuries to her left knee and incurred emergency room and ambulance bills. The claim has been forwarded to John Glenn Adjusters.

Recommend denial of the claim.

Respectfully submitted,



DAVID J. MILLER

DJM:aer