



Agenda Item No. 3

To: Rules, Policy and Industrial Relations Committee/Committee of the Whole
Meeting of February 27, 2009

From: Janet S. Tarantino, Secretary of the District
Celia G. Kupersmith, General Manager

Subject: **APPROVE THE RECODIFICATION OF THE RULES OF THE BOARD**

Recommendation

The Rules, Policy and Industrial Relations Committee recommends that the Board of Directors approve the recodification of the *Rules of the Board*, including amendments approved by the Board of Directors in calendar year 2008.

Summary

During the year 2008, the Board of Directors approved the following two amendments to the *Rules of the Board*:

1. **RULE V, DUTIES OF THE GENERAL MANAGER, fifth paragraph, originally read, as follows:**

“The General Manager shall act as Purchasing Agent and shall designate a purchaser to have charge of all procurements. The General Manager shall have authority to purchase supplies, equipment and materials and to arrange for work in the manner provided for in the Procurement Manual. The General Manager is authorized to execute any leases or agreements and expend funds for procurements and activities included within the approved annual budget as follows: (1) for contracts up to \$100,000, inclusive of any change orders, for equipment, supplies, materials, services or construction; (2) for contracts over \$100,000, the General Manager may authorize change orders or contract amendments, cumulatively not to exceed ten percent (10%) of the original contract, and not to exceed \$50,000 for any single change order; and, (3) for leases and licenses of real property up to \$100,000 in which the District is a lessee or licensee.”

By Resolution No. 2008-011, dated February 8, 2008, the above paragraph was amended to read, as follows:

“The General Manager shall act as Purchasing Agent and shall designate a purchaser to have charge of all procurements. The General Manager shall have authority to purchase supplies, equipment and materials and to arrange for work in the manner provided for in the Procurement Manual. The General Manager is authorized to execute any leases or agreements and expend funds for procurements and activities included within the approved annual budget as follows: (1) for contracts up to \$100,000, inclusive of any change orders, for equipment, supplies, materials, services or construction; (2) for contracts over \$100,000, the General Manager may award contracts for the routine replacement of equipment, supplies and materials that result in a defined product only, with the understanding that said equipment, supplies and materials contracts should not have a policy impact and provided that such procurements are included in the District’s approved annual budget (examples of such contracts to include, but not be limited to: computers, compressors, printing of transit system timetables and guides, trucks, fuel and dry-docking); with the understanding that the Board of Directors’ approval will be required for all other contracts over \$100,000, regardless of inclusion in the approved annual budget, including routine, recurring service contracts that do not result in a defined product at their conclusion (examples of such contracts to include, but not limited to: janitorial services, window washing services, revenue collection services and security guard services) (3) for contracts over \$100,000, the General Manager may authorize change orders or contract amendments, cumulatively not to exceed ten percent (10%) of the original contract, and not to exceed \$50,000 for any single change order; and, (3) for leases and licenses of real property up to \$100,000 in which the District is a lessee or licensee.”

2. **RULE XI, INVESTMENT POLICY, Section I, Subsection 3, Permitted Investment Instruments, originally read, as follows:**

“Bonds, notes, warrants, or other evidences of indebtedness issued by any local agency, or the state, including evidences of indebtedness, payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.”

By Resolution No. 2008-036, dated April 25, 2008, the above Subsection 3 was amended to read, as follows:

“(a) Bonds, notes, warrants, or other evidences of indebtedness issued by California or any local agency in California, including evidences of indebtedness, payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency or by the State of California; (b) registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.”

Staff recommends adoption of the 2009 *Rules of the Board*, as amended, incorporating the above-listed amendments. Attached is a summary of the amendments that were approved in the year 2008, as well as the redlined pages from the 2009 *Rules of the Board*, highlighting all changes compared with the 2008 *Rules of the Board*.

Background

The Board of Directors (Board) of the Golden Gate Bridge, Highway and Transportation District publishes the *Rules of the Board* to govern its proceedings pursuant to Section 27144, Chapter 8, Part 3, Division 16, of the Streets and Highways Code, and the District's Resolution No. 20 dated April 10, 1929, as amended.

The Board, at its meeting of February 28, 2003, authorized the establishment of a new annual process for updating the *Rules of the Board* (Resolution No. 2003-015), incorporating all amendments adopted by the Board of Directors during the previous calendar year. Each annual *Rules of the Board* will include an appendix that indexes the individual amendment(s) adopted throughout the calendar year. Updating the *Rules of the Board* on an annual basis makes this document a more useful and effective resource to members of the Board, staff and the public.

Fiscal Impact

There is no fiscal impact associated with this report.

Attachments (2): Summary of Amendments Approved in the Year 2008
 Redlined Pages from 2009 *Rules of the Board*

Amendments Approved in the Year 2008

Resolution No.	Date Adopted	Section(s) Amended	Amendment
2008-011	2/8/08	Rule V, Duties of the General Manager	Amends Rule V, to delegate to the General Manager the authority to award contracts over \$100,000, for the routine replacement of equipment, supplies and materials that result in a defined product only, with the understanding that said equipment, supplies and materials contracts should not have a policy impact and provided that such procurements are included in the District's approved annual budget.
2008-036	4/25/08	Rules XI, Investment Policy	Amends Rule XI, Section I, Subsection 3, to allow the District to invest in registered treasury notes and bonds issued by any of the other 49 United States, in order to reflect revisions to the California Government Code by Assembly Bill No. 1745.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RULES OF THE BOARD

Adopted ~~May 9~~ February 27, 2008, by Resolution No. 2008-0392009-XXX

The General Manager shall furnish the Board with an estimate of the tolls necessary to pay the obligations of the District and shall be responsible for the collection of tolls, fares and charges established by the Board. All collections and other monies received on behalf of the District shall be promptly deposited in the depository or branch depositories specified by the Auditor-Controller.

The General Manager shall approve or disapprove all demands against the District prior to submission to the Finance-Auditing Committee. The General Manager shall sign all warrants approved by the Board of Directors for demands, salaries and recurring charges.

The General Manager shall act as Purchasing Agent and shall designate a purchaser to have charge of all procurements. The General Manager shall have authority to purchase supplies, equipment and materials and to arrange for work in the manner provided for in the Procurement Manual. The General Manager is authorized to execute any leases or agreements and expend funds for procurements and activities included within the approved annual budget as follows: (1) for contracts up to \$100,000, inclusive of any change orders, for equipment, supplies, materials, services or construction; (2) for contracts over \$100,000, the General Manager may award contracts for the routine replacement of equipment, supplies and materials that result in a defined product only, with the understanding that said equipment, supplies and materials contracts should not have a policy impact and provided that such procurements are included in the District's approved annual budget (examples of such contracts to include, but not be limited to: computers, compressors, printing of transit system timetables and guides, trucks, fuel and dry-docking); with the understanding that the Board of Directors' approval will be required for all other contracts over \$100,000, regardless of inclusion in the approved annual budget, including routine, recurring service contracts that do not result in a defined product at their conclusion (examples of such contracts to include, but not limited to: janitorial services, window washing services, revenue collection services and security guard services) (3) for contracts over \$100,000, the General Manager may authorize change orders or contract amendments, cumulatively not to exceed ten percent (10%) of the original contract, and not to exceed \$50,000 for any single change order; and, (3) for leases and licenses of real property up to \$100,000 in which the District is a lessee or licensee. (Res. 04-122, 12/17/04; Res. 08-011, 2/8/08.)

The General Manager shall provide periodic reports, on no less than a quarterly basis, summarizing the transactions made within the General Manager's procurement authority. (Res. 89-118, 4/28/89; Res. 01-138, 8/24/01.)

The General Manager shall be the District's representative for Union negotiations.

The General Manager shall be responsible for representing the District in Small Claims Court and has the authority to settle District liability claims, including workers' compensation claims, which do not exceed \$25,000. (Res. 85-103, 3/29/85; Res. 01-071, 4/27/01.)

The General Manager shall be responsible for assignment of District automobiles. These assignments shall be reviewed annually prior to the adoption of the District budget.

The General Manager shall accept and consent to Deeds or Grants conveying interests or easements to real property to the District and be authorized to sign or execute the certification requested for the recording of said Deeds or Grants.

G. Internal Controls

The Auditor-Controller shall establish a set of internal controls. The internal controls will be reviewed with the independent auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, unanticipated changes in financial markets or imprudent actions by employees or officers of the District.

H. Selection of Financial Institutions and Broker/Dealers

To provide for the optimum yield in the District's portfolio, the District's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers. The Auditor-Controller, or the District's investment advisor, shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes, and it shall be the policy of the District to purchase securities only from those authorized institutions or firms.

I. Permitted Investment Instruments

1. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. (Res. 02-027, 2/8/02.)

3. ~~Bonds, notes, warrants, or other evidences of indebtedness issued by any local agency, or the state, including evidences of indebtedness, payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency. (a) Bonds, notes, warrants, or other evidences of indebtedness issued by California or any local agency in California, including evidences of indebtedness, payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency or by the State of California; (b) registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. (Res. 08-036, 4/25/08.)~~

4. Repurchase Agreements used solely as short-term investments not to exceed 90 days.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in subsections 1 and 2 above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the District's custodian bank versus payment or be handled under a tri-party repurchase agreement. The market value of securities that underlay a Repurchase Agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be reviewed on a regular basis and adjusted no less than quarterly.

Resolution No.	Date Adopted by the Board of Directors
2002-016	January 25, 2002
2002-027	February 8, 2002
2003-002	January 17, 2003
2003-015	February 28, 2003
2003-035	April 11, 2003
2003-055	May 30, 2003
2003-056	May 30, 2003
2004-023	March 12, 2004
2004-034	April 23, 2004
2004-049	June 11, 2004
2004-055	June 25, 2004
2004-084	August 27, 2004
2004-122	December 17, 2004
2005-016	March 11, 2005
2005-090	November 18, 2005
2006-067	August 11, 2006
2007-010	February 9, 2007
2007-052	June 8, 2007
<u>2008-011</u>	<u>February 8, 2008</u>
<u>2008-036</u>	<u>April 25, 2008</u>