

February 5, 2010



**BOARD OF DIRECTORS MEETING**  
**FRIDAY, FEBRUARY 12, 2010**

**5. CONSENT CALENDAR:**

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

1. Building and Operating Committee/Committee of the Whole of January 21, 2010;
2. Finance-Auditing Committee/Committee of the Whole of January 21, 2010; and,
3. Regular Meeting of the Board of Directors of January 22, 2010.

**Motion**

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

1. Claim of Marc Aaron Weidenbaum
2. Claim of Ilana Diamond
3. Claim of Rodney Percoats
4. Claim of Jae Yong Yi
5. Claim of Gloria Galofre-Ross

**Motion**

**Motion**

**Motion**

**Motion**

**Motion**

**C. Meeting of the Finance-Auditing Committee/Committee of the Whole**  
**January 21, 2010**  
**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, December 2009

**Resolution**

Attachment No. 1: Minutes of Committee and Board Meetings

Attachment No. 2: Attorney's Claims Report

Attachment No. 3: Excerpt from the January 21, 2010, Meeting of the Finance-Auditing Committee



## **Attachment No. 1:**

# **Minutes of Committee and Board Meetings**



January 21, 2010

**REPORT OF THE BUILDING AND OPERATING COMMITTEE**

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

Honorable Members:

A meeting of the Building and Operating Committee was held in the Board Room, Administration Building, Toll Plaza, San Francisco, CA, on Thursday, January 21, 2010, at 10:00 a.m., Chair Eddie presiding.

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

**Committee Members Absent (1):** Director McGlashan

**Other Directors Present (2):** Directors Grosboll and Pahre

**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 Transit Division Teri W. Mantony; Deputy General Manager/Ferry Transit Division James P. Swindler; Deputy General Manager/Administration and Development Division Z. Wayne Johnson; Public Affairs Director Mary C. Currie; Business System Implementation Manager Marvin Miller; Executive Assistant to the General Manager Amorette Ko; Assistant Clerk of the Board Patsy Whala

**Visitors Present:** None

1. **Authorize Execution of a Services Agreement with Barbier Security Group Relative to Request for Proposals No. 2010-MD-3, Security Guard Services for Bus and Ferry Facilities**

Committee Chair James Eddie reported that this matter has been postponed, and that this matter will be discussed at a future meeting of a Committee and the Board at to be announced some time later.

**REPORT OF THE BUILDING AND OPERATING COMMITTEE  
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**2. Authorize Award of Contract No. 2010-FT-12, Sale of Four Surplus Cummins Diesel Engines and Miscellaneous Spare Parts, to Wagner & Pigozzi, Inc.**

In a memorandum to Committee, Marine Projects Manager/Ferry Division Christian Stark, Deputy General Manager/Ferry Transit Division James P. Swindler and General Manager Celia G. Kupersmith reported on staff's recommendation to authorize award of a contract to Wagner & Pigozzi, Inc., relative to Contract No. 2010-FT-12, *Sale of Four Surplus Cummins Diesel Engines and Miscellaneous Spare Parts*.

The report stated that in FY 07/08, the District completed Contract No. 2008-FT-4, *Installation of Four New Main Engines for Re-Powering of the M.V. Mendocino, and Dry-Docking for Routine U.S. Coast Guard Inspection, Hull Maintenance and Repairs*, with Bay Ship & Yacht Co. This project was funded with Carl Moyer grant funds, in which regulations necessitate that the engine blocks of the original main propulsion engines be rendered inoperable and allow the remaining useful parts to be disposed of at the grantee's discretion. The report noted that the four original Cummins KTA50 engines do not meet current Environmental Protection Agency requirements and the parts are not interchangeable with any District asset. Since the four Cummins KTA50 engines were purchased with Federal Transit Administration (FTA) grant funds valued at over \$100,000.00, Board approval is required before disposition.

The report also stated that on November 24, 2009, the District issued Contract No. 2010-FT-12, and that a sole bid from Wagner & Pigozzi, Inc., was received by the deadline date of December 29, 2009, for the four Cummins KTA50 engines; and, that no bid was received for the inventory of spare Cummins parts. Staff determined that the sole bid from Wagner & Pigozzi, Inc., to be fair and reasonable. The funds received by the award of the sale of the used engines will, with FTA approval, be included in the District's next FTA grant to reduce the cost of a FTA-funded project. 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 STROEH/COCHRAN** to forward the following recommendation to the Board of Directors for its consideration:

**RECOMMENDATION**

The Building and Operating Committee recommends that the Board of Directors authorize the award of Contract No. 2010-FT-12, *Sale of Four Surplus Cummins Diesel Engines and Miscellaneous Spare Parts*, to Wagner & Pigozzi, Inc., Oakland, CA, in the amount of \$83,052.96; with the understanding that the proceeds from the sale will be set aside for a future District project to be funded and approved by the Federal Transportation Administration.

**Action by the Board at its meeting of January 22, 2010 – Resolution  
NON-CONSENT CALENDAR**

**REPORT OF THE BUILDING AND OPERATING COMMITTEE  
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**AYES (7):** Chair Eddie; Vice Chair Moylan; Directors Cochran, Newhouse Segal, Reilly and Stroeh; President Boro (Ex Officio)  
**NOES (0):** None  
**ABSENT (1):** Director McGlashan

**3. Authorize Execution of the First Amendment to the Services Agreement with Verizon Business Network Services, Inc., Relative to Request for Proposals No. 2010-D-3, Installation Services for Nortel Switch Upgrade, to Extend the Term of the Service Warranty**

In a memorandum to Committee, Electrical Superintendent, Kevin Raddatz, Deputy General Manager/Bridge Division Kary H. Witt and General Manager Celia G. Kupersmith reported on staff's recommendation to authorize execution of the First Amendment to the Services Agreement (Agreement) with Verizon Select Services Inc., relative to Request for Proposals No. 2010-D-3, *Installation Services for Nortel Switch Upgrade*, for an additional three-year service warranty for the District's Nortel telephone equipment.

The report stated that the Nortel telephone equipment was outdated and was no longer supported by the manufacturer; and, that staff determined that it was necessary to upgrade this equipment to ensure continuity of services. This upgrade allows the District the option to utilize added functionality such as Auto Phone Attendant, Voice Over Internet Protocol and a number of other features, which are not currently available with the District's existing equipment. Staff budgeted \$1,200,000.00, in the FY 09/10 District Division Capital Budget to replace the telephone switch equipment, and it was determined by staff that equivalent functionality could be achieved by upgrading the equipment at a significant lower cost.

The report also stated that on August 13, 2009, the General Manager approved the Nortel Telephone Switch Upgrade project, in the amount of \$227,213.00, for equipment, installation services and a two-year Maintenance Agreement. Staff has recently learned that the manufacturer of Nortel equipment is undergoing new ownership and will no longer be offering extended service on the District's equipment, and that it would be beneficial to purchase a three-year extended warranty while it is still available from the manufacturer. A budget transfer, in the amount of \$54,768.00, is required from the FY 09/10 District Division Capital Budget to the FY 09/10 District Division Operating Budget, subject to the concurrence by the Finance-Auditing Committee at its meeting of January 21, 2010.

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

**RECOMMENDATION**

The Building and Operating Committee recommends that the Board of Directors approve actions relative to Request for Proposals (RFP) No. 2010-D-3, *Installation Services for Nortel Switch Upgrade*, as follows:

- a. Authorize execution of the First Amendment to the Services Agreement with Verizon Select Services Inc., relative to RFP No. 2010-D-3, in the amount of \$54,768.00, for an additional three-year service warranty for the District's Nortel telephone equipment; and,
- b. Authorize a budget transfer in the amount of \$54,768.00, from the FY 09/10 District's Capital Budget to the FY 09/10 District Division Operating Budget, as concurred with by the Finance-Auditing Committee at its meeting of January 21, 2010.

**Action by the Board at its meeting of January 22, 2010 – Resolution  
NON-CONSENT CALENDAR**

**AYES (7):** Chair Eddie; Vice Chair Moylan; Directors Cochran, Newhouse Segal, Reilly and Stroeh; President Boro (Ex Officio)  
**NOES (0):** None  
**ABSENT (1):** Director McGlashan

**4. Status Report from District Appointees on Sonoma-Marin Area Rail Transit (SMART) Board**

The Committee was provided with a copy of the agenda items and staff reports for the December 16, 2009, Sonoma-Marin Area Rail Transit (SMART) District Board Meeting, December 16, 2009 SMART Executive Committee Meeting and January 13, 2010, SMART Operations Committee Meeting Agenda. Copies of these items are available in the Office of the District Secretary, as well as on the District's web site.

At the meeting, Director Pahre, newly appointed Vice Chair of the SMART Board of Directors (SMART Board), reported on the following:

- a. The SMART Board will be conducting two public workshops regarding rail station planning in each city that is designated to have a rail station.
- b. The SMART Board approved a strategy to close the funding gap for the rail project by seeking to participate in the Federal Transportation Administration's (FTA) "New Starts" program. She noted that, in order to successfully compete for those federal funds, SMART staff advised proceeding with the project in two sections, an initial "local project" and concurrent "federal project" to be constructed as an extension of the local project. She also noted that the "local project," from Larkspur to Sonoma County, would be completed in 2014 and the "federal project," from Sonoma County to Healdsburg, would be finished and begin operation in 2016.

**REPORT OF THE BUILDING AND OPERATING COMMITTEE  
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- c. The SMART-owned portions of right-of-way are outside the current project scope and may be future elements of a broader system of transit. She stated that the SMART Board adopted a Rail Right-of-Way Preservation Policy to preserve opportunities for future extensions of passenger rail service.

**Action by the Board – None Required**

**5. Status Report on Engineering Projects**

In a memorandum to Committee, Deputy District Engineer Ewa Bauer, District Engineer Denis Mulligan and General Manager Celia G. Kupersmith reported on current engineering projects. 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. Public Comment**

There was no public comment.

**7. Adjournment**

All business having been concluded, the meeting was declared adjourned at 10:17 a.m.

Respectfully submitted,

James C. Eddie, Chair  
Building and Operating Committee

JCE:JST:PLW:plw



January 21, 2010

## **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, January 21, 2010, at 10:18 a.m., Chair Stroeh presiding.

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

**Committee Members Absent (2):** Directors Elsbernd and Sobel

**Other Directors Present (2):** Directors Newhouse Segal and Reilly

**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 Miller; Attorney Rex Clack; Deputy General Manager/Bus Transit Division Teri Mantony; Deputy General Manager/Ferry Transit Division James Swindler; Deputy General Manager/Bridge Division Kary Witt; Deputy General Manager/Administration and Development Z. Wayne Johnson; Business Systems Implementation Manager Marvin Miller; Assistant Clerk of the Board Lona Franklin

**Visitors Present:** Nancy Jones, PFM Asset Management, LLC

### 1. **Ratify Actions by the Auditor-Controller**

In memorandum to Committee, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith outlined commitments and disbursements made on behalf of the District, noting that there were no commitments and/or expenditures to ratify for the period December 1, 2009, through December 31, 2009. The report also included a copy of the District's Investment Report from PFM Asset

**FINANCE-AUDITING COMMITTEE**  
**JANUARY 21, 2010/PAGE 2**

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 reported that economic recovery is expected to be slow. The Gross Domestic Product is lower and unemployment higher than expected, with California's unemployment being higher than the national average. She stated that jobs are still being lost, but at a lower rate than previously. She stated that the short-term U. S. Treasury yield curve is very steep due to investor worries over inflationary pressures. She stated that for 2010, treasury notes are expected to remain between .5% and 2.5%. She reported that the District's portfolio is still earning 3.17%.

Discussion ensued, including the following comments and inquiries:

- Director Grosboll inquired as to whether there were allowed investments that were not being made due to not being secure investments. In response, Ms. Jones stated that the District portfolio now has fewer corporate investments than in the past. She explained that predicting which corporations will remain successful in future months and years is difficult in an uncertain economy. She stated that, while some corporations remain listed as secure investments, the rates of return are very low and comparable to the rates received for much more secure investments.
- President Boro inquired as to whether the District has invested in Federal Home Loan, Fannie Mae and Freddie Mac. Ms. Jones responded affirmatively.

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

- a. The Board of Directors has no commitments and/or expenditures to ratify for the period December 1, 2009, through December 31, 2009;

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- b. Ratify investments made by the Auditor-Controller during the period December 9, 2009, through January 11, 2010, as follows:

<b>Security</b>	<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Original Cost</b>	<b>Percent Yield</b>
Calyon North America, Inc., Commercial Paper	12/28/09	03/29/10	6,347,708.95	0.21

- c. Authorize the Auditor-Controller to re-invest, within the established policy of the Board, investments maturing between January 12, 2010, and February 16, 2010, 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 December 2009, as prepared by PFM.

**Action by the Board – Resolution  
CONSENT CALENDAR**

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

**2. Authorize a Budget Transfer Relative to Execution of the First Amendment to the Services Agreement with Verizon Business Network Services, Inc., Regarding Request for Proposals (RFP) No. 2010-D-3, Installation Services for Nortel Switch Upgrade, to Extend the Term of the Service Warranty**

In a memorandum to Committee, Electrical Superintendent Kevin Raddatz, General Manager/Bridge Division Kary H. Witt, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith reported on staff's recommendation for the Committee's concurrence with a budget transfer in the amount of \$54,768.00 from the District's FY 09/10 Capital Budget to the FY 09/10 District Division Operating Budget, relative to the First Amendment to the Services Agreement with Verizon Business Network Services, Inc., regarding the above-referenced RFP, to extend the term of the service warranty. The staff report stated that sufficient funds are available in the Telephone Switch Replacement project to fund this transfer. 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 EDDIE/PAHRE** 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 transfer in the amount of \$54,768.00, from the FY 09/10 District Capital Budget to the FY 09/10 District Division Operating Budget, relative to execution of the First Amendment to the Services Agreement with Verizon Business Network Services, Inc., regarding Request for Proposals No. 2010-D-3, *Installation Services for Nortel Switch Upgrade*, to extend the term of the service warranty, with the understanding that sufficient funds are available in the Telephone Switch Replacement project to fund this transfer.

**Action by the Board**

**Refer to Building and Operating Committee Meeting of January 21, 2010**

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

**3. Authorize Execution of the First Amendment to the Professional Services Agreement with JFC & Associates Relative to Request for Proposals No. 2009-FT-6, Asset Management System Consultant Services, to Provide Expanded Consultant Services**

In a report to Committee, Business System Implementation Manager Marvin Miller, Deputy General Manager/Administration and Development Z. Wayne Johnson, Deputy General Manager/Ferry Transit Division James P. Swindler, Deputy General Manager/Bridge Division Kary H. Witt and General Manager Celia G. Kupersmith reported on staff's recommendation to authorize execution of the First Amendment to the Professional Services Agreement with JFC & Associates, Waltham, Massachusetts, in the amount of \$150,000.00, relative to Request for Proposals No. 2009-FT-6, *Asset Management System Consultant Services*, to provide expanded consultant services.

The staff report stated that a Professional Services Agreement was entered into with JFC & Associates on January 9, 2009, to configure the IBM Maximo Asset Management System purchased by the District for the Ferry Transit Division from IBM under Contract No. 2008-MD-2 on November 21, 2008. Since the award, ferries in the fleet have increased in number by 40%, expanding the scope of work for preventive maintenance plans. In addition, implementation of the Maximo System at the Bridge Division will require consultant services to assist staff with configuration and implementation of the System. The staff report states that adding the Bridge Division to the existing contract, rather than developing and advertising a separate RFP, is in the District's best interests. JFC & Associates has extensive Maximo experience, technical expertise and sufficient staff to meet District needs; and, has demonstrated the ability to work well with District

**FINANCE-AUDITING COMMITTEE  
JANUARY 21, 2010/PAGE 5**

personnel. The staff report states that sufficient funds are available in the FY 09/10 District Division Capital Budget. A copy of the staff report is available in the Office of the District Secretary and on the District's web site.

At the meeting, Marvin Miller, the project manager, briefly summarized the staff recommendation.

Discussion ensued, including the following comments and inquiries:

- Director Stroeh inquired as to whether this system could be described as an efficiency system. Mr. Miller responded affirmatively.
- President Boro inquired as to whether the system would aid the District in controlling its assets. Mr. Miller responded affirmatively.
- Director Pahre inquired as to whether the system would control only maintenance and operations assets, having no effect on fixed assets. In response, Mr. Wire stated that a fixed asset system within the District's accounting system tracks fixed assets. The Maximo Asset Management System will provide similar controls for preventive maintenance. He stated that these two systems are interfaced. For example, repairs can be completed in a timely fashion and tracked in the accounting system.

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 the Board of Directors authorize execution of the First Amendment to the Professional Services Agreement with JFC & Associates, Waltham, Massachusetts, in the amount of \$150,000.00, to provide expanded consultant services relative to Request for Proposals No. 2009-FT-6, *Asset Management Consultant Services*, with the understanding that requisite funds are available in the FY 09/10 District Division Capital Budget.

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

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

**4. Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares for Six Months Ending December 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 six months ending December, 2009. A copy of the report is available in the Office of the District Secretary and on the District's web site.

At the meeting, Mr. Wire provided a short explanation regarding the schedules attached to the staff report. The first schedule compares categories of Bridge traffic for December 31, 2009. The second schedule is a monthly review of Bridge traffic, tolls, transit patronage and fares for six months ending December 31, 2009. He noted that Bridge traffic has increased slightly and is the District's main source of finances. He stated that bus patronage is down by about 15%. Ferry patronage is also down, but increased fares have helped to offset the lower number of riders.

Discussion ensued, including the following comments and inquiries:

- Director Grosboll inquired as to whether anecdotal or other evidence was available to determine whether increased Bus fares have led to an increase in driving. In response, Mr. Wire stated that there has been no such indication. Ms. Mantony stated that an increase in Bus patronage occurred approximately a year ago, when gas prices increased significantly and that people have returned to driving as gas prices have fallen.

**Action by the Board – None Required**

**5. Monthly Review of Financial Statements for Six Months Ending December 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**

**6. FY 09/10 Second Quarterly Report on Authorized Budget Adjustments and Budget Transfers**

In a memorandum to Committee, Auditor-Controller Joseph Wire and General Manager Celia Kupersmith provided a report summarizing budget adjustments and budget transfers authorized by the Board of Directors during the three-month period from October 1, 2009, through December 31, 2009. A copy of the report, including attached charts outlining applicable budget adjustments and transfers, is available in the Office of the District Secretary and on the District's web site.

**7. FY 09/10 Second Quarterly Report on Contracts and Change Orders/Contract Amendments Executed Under the General Manager's Authority**

In a memorandum to Committee, Auditor-Controller Joseph Wire and General Manager Celia Kupersmith provided a report summarizing all contracts and change orders executed under the General Manager's procurement authority, as set forth in the *Rules of the Board*, during the three-month period from October 1, 2009, through December 31, 2009. A copy of the report, including attached charts outlining applicable contracts and change orders, is available in the Office of the District Secretary and on the District's web site.

**8. Closed Session**

Attorney David Miller, 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, listed on the Committee agenda under the Attorney's Report as Item No. 9., Conference with Legal Counsel – Pending Litigation, Government Code Section 54956.9(a), Report of Sterling & Clack, *Betty Crutcher and Robert Crutcher 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 Miller 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. He further reported that this matter will be referred to the Board of Directors at their regularly scheduled meeting of January 22, 2010, for disposition.

**FINANCE-AUDITING COMMITTEE  
JANUARY 21, 2010/PAGE 8**

**9. Public Comment**

There was no public comment.

**14. 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:JST:LGF:lgf



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

**MEMORANDUM OF MINUTES**

**BOARD OF DIRECTORS MEETING**

**JANUARY 22, 2010**

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, January 22, 2010, at 10:00 a.m., President Boro presiding.

**ROLL CALL**

**Directors Present (16):** Directors Brown, Chu, Campos, Cochran, Dufty, Elsbernd, Grosboll, Kerns, Moylan, Newhouse Segal, Pahre, Sanders and Stroeh; Second Vice President Eddie; First Vice President Reilly; President Boro

**Directors Absent (3):** Directors McGlashan, Snyder and Sobel

**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 Teri W. Mantony; Deputy General Manager/Administration and Development Z.W. Johnson; Terminal Operations Superintendent and Acting Deputy General Manager/Ferry Division Rebecca Wessling; Public Affairs Director Mary C. Currie; Executive Assistant to the General Manager Amorette Ko; Assistant Clerk of the Board Patsy Whala

**Visitors Present:** None

**PLEDGE OF ALLEGIANCE**

Director J. Dietrich Stroeh led the Board of Directors in the Pledge of Allegiance to the Flag.

**PUBLIC COMMENT**

There was no public comment.

**BOARD OF DIRECTORS MEETING  
JANUARY 22, 2010/PAGE 2**

**CONSENT CALENDAR**

**Directors BROWN/MOYLAN** moved approval of the Consent Calendar. All items were approved by the following vote of the Board of Directors:

- AYES (16):** Directors Brown, Chu, Campos, Cochran, Dufty, Elsbernd, Grosboll, Kerns, Moylan, Newhouse Segal, Pahre, Sanders and Stroeh; Second Vice President Eddie; First Vice President Reilly; President Boro
- NOES (0):** None
- ABSENT (3):** Directors McGlashan, Snyder and Sobel

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

- a. Transportation Committee/Committee of the Whole of January 7, 2010;
- b. Finance-Auditing Committee/Committee of the Whole of January 7, 2010;
- c. Rules, Policy and Industrial Relations Committee/Committee of the Whole of January 8, 2010; and,
- d. Regular Meeting of the Board of Directors of January 8, 2010.

**Carried**

**2. Denial of Claims**

- a. Subrogation Claim of USAA Casualty Insurance Company for Kyra M. Kuhn (Insured: Stephen M. Kuhn) **Carried**
- b. Claim of Silvina Blasen **Carried**
- c. Claim of Florin Darie **Carried**
- d. Claim of Sheila Doyle **Carried**
- e. Claim of Joanne Ingledew **Carried**
- f. Claim of Bill Chaison **Carried**
- g. Claim of Julie A. Selby **Carried**
- h. Claim of Austin Torres **Carried**
- i. Claim of Andrew Bickerstaff **Carried**
- j. Claim of Richard J. Amaro **Carried**
- k. Claim of Kimberly Ann Flower **Carried**
- l. Claim of Robert John Berling **Carried**
- m. Claim of Judy Kaiser **Carried**

**GENERAL MANAGER'S REPORT**

- 3.** General Manager Celia Kupersmith reported that all items contained in the General Manager's report were informational.

**4. Presentation of Retirement Gift to James Monte, Bus Operator, Bus Division**

President Boro presented a retirement gift to James Monte, Bus Operator in the Bus Division, who has worked for the District for twenty-five years, and expressed his best wishes for a long and happy retirement on behalf of the Board of Directors.

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JANUARY 22, 2010/PAGE 3**

**5. Presentation of Fifteen-Year Service Award to James C. Eddie, Director, Board of Directors**

President Boro presented a Fifteen-Year Service Award to James C. Eddie, Director from the Board of Directors, and expressed his congratulations on behalf of the Board of Directors.

**6. Presentation of Five-Year Service Award to Bevan Dufty, Director, Board of Directors**

President Boro presented a Five-Year Service Award to Bevan Dufty, Director from the Board of Directors, and expressed his congratulations on behalf of the Board of Directors.

**7. Presentation of Twenty-Five Year Service Award to Patricia Noel, Operations Supervisor, Ferry Division**

President Boro presented a Twenty-Five Year Service Award to Patricia Noel, Operations Supervisor in the Ferry Division, and expressed his congratulations on behalf of the Board of Directors.

**8. Presentation of Employee of the Month Award to Ben Ramirez, Bridge Officer/ Toll Collection Department, Bridge Division**

President Boro presented the Employee of the Month Award to Ben Ramirez, Bridge Officer/Toll Collection Department, Bridge Division, and expressed his congratulations on behalf of the Board of Directors.

**ATTORNEY'S REPORT**

9. 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 a matter of pending litigation, *Betty Crutcher and Robert Crutcher vs. Golden Gate Bridge, Highway and Transportation District*, listed on the Agenda as Item No. 6.B.

**ENGINEER'S REPORT**

10. District Engineer Denis Mulligan reported that all items contained in the Engineer's Report were informational.

**BOARD OF DIRECTORS MEETING  
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At the meeting, Mr. Mulligan also reported that the District has released the Final Environmental Impact Report and Environmental Assessment and Section 4(f) Evaluation with Finding of No Significant Impact, regarding the Golden Gate Bridge Physical Suicide Deterrent System Project. Mr. Mulligan stated that California State Department of Transportation on behalf of the Federal Highway Administration has approved the Finding of No Significant Impact. He provided the Directors with a CD of the report. He noted that staff will be presenting a recommendation to the Board, at its meeting of February 12, 2010, to approve the Final Environmental Impact Report for the Golden Gate Bridge Physical Suicide Deterrent System Project with Alternative 3, Installation of a Net System, as the Preferred Alternative.

Discussion ensued, including the following inquiry:

- Director Grosboll inquired as to the Project's next step upon the Board of Directors adoption of the Final EIR. In response, Mr. Mulligan stated that the District has funds in the FY 09/10 District Division Capital Budget for the preliminary engineering and environmental studies, which will be concluded with the February 12<sup>th</sup> Board action. Mr. Mulligan stated that, until additional funds are identified, there will be no further activity on the Project. Mr. Mulligan noted that public advocates are aggressively seeking funding sources. He concluded by stating that the first step would be to identify funding for the final design, the preparation of plans and specifications for a construction contract.

**REPORT OF THE BUILDING AND OPERATING COMMITTEE/COMMITTEE OF THE WHOLE MEETING OF JANUARY 21, 2010**

**11. Authorize Award of Contract No. 2010-FT-12, Sale of Four Surplus Cummins Diesel Engines and Miscellaneous Spare Parts, to Wagner & Pigozzi, Inc.**

**Directors EDDIE/KERNS**

**Resolution No. 2010-006** authorizes the award of Contract No. 2010-FT-12, *Sale of Four Surplus Cummins Diesel Engines and Miscellaneous Spare Parts*, to Wagner & Pigozzi, Inc., Oakland, CA, in the amount of \$83,052.96; with the understanding that the proceeds from the sale will be set aside for a future District project to be funded and approved by the Federal Transportation Administration.

**Adopted**

**AYES (16):** Directors Brown, Chu, Campos, Cochran, Dufty, Elsbernd, Grosboll, Kerns, Moylan, Newhouse Segal, Pahre, Sanders and Stroeh; Second Vice President Eddie; First Vice President Reilly; President Boro

**NOES (0):** None

**ABSENT (3):** Directors McGlashan, Snyder and Sobel

12. Authorize Execution of the First Amendment to the Services Agreement with Verizon Business Network Services, Inc., Relative to Request for Proposals No. 2010-D-3, Installation Services for Nortel Switch Upgrade, to Extend the Term of the Service Warranty

Directors EDDIE/KERNS

Resolution No. 2010-007 approves actions relative to Request for Proposals (RFP) No. 2010-D-3, *Installation Services for Nortel Switch Upgrade*, as follows:

- a. Authorize execution of the First Amendment to the Services Agreement with Verizon Select Services Inc., relative to RFP No. 2010-D-3, in the amount of \$54,768.00 for an additional three-year extended service warranty for the District's Nortel telephone equipment; and,
- b. Authorize a budget transfer in the amount of \$54,768.00, from the FY 09/10 District's Capital Budget to the FY 09/10 District Division Operating Budget, as concurred with by the Finance-Auditing Committee at its meeting of January 21, 2010.

Adopted

**AYES (15):** Directors Brown, Chu, Campos, Cochran, Dufty, Elsbernd, Grosboll, Kerns, Moylan, Newhouse Segal, Pahre, Sanders and Stroeh; Second Vice President Eddie; First Vice President Reilly

**NOES (0):** None

**ABSENT (3):** Directors McGlashan, Snyder and Sobel

**ABSTAIN (1)** President Boro

REPORT OF THE FINANCE-AUDITING COMMITTEE/COMMITTEE OF THE WHOLE MEETING OF JANUARY 21, 2010

13. Authorize Execution of the First Amendment to the Professional Services Agreement with JFC & Associates Relative to Request for Proposals No. 2009-FT-6, Asset Management System Consultant Services, to Provide Expanded Consultant Services

Directors STROEH/REILLY

Resolution No. 2010-008 authorizes execution of the First Amendment to the Professional Services Agreement with JFC & Associates, relative to Request for Proposals No. 2009-FT-6, *Asset Management Consultant Services*, in the amount of \$150,000.00, to provide expanded consultant services; with the understanding that requisite funds are available in the FY 09/10 District Division Capital Budget.

Adopted

**AYES (16):** Directors Brown, Chu, Campos, Cochran, Dufty, Elsbernd, Grosboll, Kerns, Moylan, Newhouse Segal, Pahre, Sanders and Stroeh; Second Vice President Eddie; First Vice President Reilly; President Boro

**NOES (0):** None

**ABSENT (3):** Directors McGlashan, Snyder and Sobel

**SPECIAL ORDER OF BUSINESS**

**14. Discussion and Possible Action Relative to Approval of the National Science Foundation Project's Master Plan for the East Visitor's Area**

**a. Staff Presentation**

District Engineer Denis Mulligan provided a PowerPoint presentation regarding Master Planning for the selection of a location for the Outdoor Exhibition Area relative to the National Science Foundation Project, located at the Golden Gate Bridge Toll Plaza.

The PowerPoint presentation included the following sections:

1. Master Plan Goals;
2. Background and Analysis;
3. Outdoor Exhibition Location; and,
4. Future History and Visitor Center Location Options.

Mr. Mulligan provided a list of the Golden Gate Bridge Outdoor Exhibition Project Team members, as well as the Master Plan's goals and objectives. He stated that the Master Plan is consistent with the General Objectives as set forth in Presidio Trust Board, Resolution No. 99-11, dated March 4, 1999, and with the National Park Service's 1994 General Master Plan Goals.

Mr. Mulligan talked about the Centerpiece Exhibit and associated engineering exhibits, and provided a detailed list of Exhibits, layout schematics, as well as information about other Exhibits on history and construction. He identified the existing conditions for transit, trails, greenery, historic structures, service and parking. He described the visitor experience in terms of four main visitor types:

- 1) Visitor No. 1: Arrives at site by tour bus, parks and has photograph taken.
- 2) Visitor No. 2: Arrives at site by car, walks across bridge and back.
- 3) Visitor No. 3: Arrives at site by bicycle from Crissy Field or the Presidio and rides across the Bridge and back, or returns to San Francisco by ferry via Sausalito.
- 4) Visitor No. 4: Arrives at site by multiple means, i.e. bicycle, car or transit and works at site all day.

Mr. Mulligan also talked about the proposed circulation of the pedestrians, bicycles, tour buses and services and its primary revisions, including the following: consolidating visitor services north of parking; minimizing the number of pedestrian crossings over bike paths and roads; eliminating bikes through historic tunnel with a paved coastal trail; creating a one-way tour bus loop with future remote tour bus staging; and, relocating the service yard West of the Bridge. Furthermore, he pointed out the various recreational resources that would become available with the improved visitor services.

Mr. Mulligan provided historic and current photographs that depict the Roundhouse, the Tunnel and the Battery Lancaster. He also provided a brief history of the demolition of the Battery Lancaster Emplacement for the Toll Plaza widening in 1963.

Mr. Mulligan described the three options for the Outdoor Exhibition area, with respect to the Centerpiece Exhibit, a scale model of the Golden Gate Bridge (Bridge model). The design includes studies comparing an average size person next to the Bridge model as a measure for guarding against visitors climbing on the exhibit.

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Option A, located in Visitor Services Plaza, would require significant new structure for upper level viewing.

Option B, located adjacent to Battery Lancaster, would require removal of dirt and plantings adjacent to the battery plus minor modifications to the battery wall.

Option C, located within Battery Lancaster, would require raising floor elevation or would require cutting a slice through the battery wall.

Option C1, located within Battery Lancaster, shows a plan of the Bridge model in the battery, with a ramp from the battery.

Option C2, located within Battery Lancaster, shows a plan of the Bridge model in the battery with a slice cut through the battery and could serve as the first stop on the coastal defense trail.

Mr. Mulligan provided generic future History and Visitor's Center location options with each scheme, size and location.

Option 1, entitled "the wrap," is 50,000 square feet and wrapped around north side of the Battery Lancaster.

Option 2, entitled "the steps," is 50,000 square feet and steps down the hillside to the north towards Fort Point.

Option 3, entitled "the backdrop," is 50,000 square feet and opposite the Tunnel.

Option 5, entitled "the gateway," is 50,000 square feet north of the Tunnel between parking and Bridge access.

In conclusion, Mr. Mulligan provided an overview of the three options for the Outdoor Exhibition Area. Copies of the PowerPoint presentation are available in the Office of the District Secretary.

Ms. Kupersmith commended Mr. Mulligan and Ms. Currie for their efforts in obtaining the \$3 million in grant funds for a public science exhibits. Ms. Kupersmith stated that, in conjunction with the 75th Anniversary Planning Advisory Committee, the project has reached a position for action by the Board of Directors in regard to selecting an option for the location of the outdoor exhibits.

**b. Discussion by the Board of Directors**

- Director Newhouse Segal inquired as to whether the athletic visitor could be included as a fifth main visitor type and directed staff to address the issues of the athletic visitor. Mr. Mulligan answered in the affirmative.
- Director Reilly expressed her satisfaction with the proposed outdoor exhibits which he believes will fundamentally change the visitor's experience at the Golden Gate Bridge with education about engineering and tactile exhibits.

**BOARD OF DIRECTORS MEETING  
JANUARY 22, 2010/PAGE 8**

- President Boro commended Mr. Mulligan for the comprehensive PowerPoint presentation, as well as expressing gratitude to Mr. Mulligan and Ms. Currie for efforts in obtaining the \$3 million in grant funds for the project.

After discussion, Director Reilly, Chair of the 75th Anniversary Planning Advisory Committee (75<sup>th</sup> Advisory Committee) stated that the 75<sup>th</sup> Advisory Committee has reviewed the various options and recommends choosing option C2 for the Outdoor Exhibition Area relative to the National Science Foundation Project's Master Plan for the East Visitor's Area.

**c. Action by the Board of Directors**

**Approve "Option C2" for the Outdoor Exhibition Area relative to the National Science Foundation Project's Master Plan for the East Visitor's Area**

**Directors REILLY/NEWHOUSE SEGAL**

**Resolution No. 2010-009** approves "Option C2 – Within Battery Lancaster" for the Outdoor Exhibition Area, relative to the National Science Foundation Project's Master Plan for the East Visitor's Area located at the Golden Gate Bridge Toll Plaza.

**Adopted**

**AYES (16):** Directors Brown, Chu, Campos, Cochran, Dufty, Elsbernd, Grosboll, Kerns, Moylan, Newhouse Segal, Pahre, Sanders and Stroeh; Second Vice President Eddie; First Vice President Reilly; President Boro

**NOES (0):** None

**ABSENT (3):** Directors McGlashan, Snyder and Sobel

**CLOSED SESSION**

**15. Attorney's Report**

Attorney David Miller, at the request of President Boro, stated that the Board of Directors would convene in closed session to discuss a matter of pending litigation listed on the agenda as Item No. 6.B., *Betty Crutcher and Robert Crutcher vs. Golden Gate Bridge, Highway and Transportation District (District)*.

After closed session, President Boro 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, to hear a report from legal counsel with regard to the matter of *Betty Crutcher and Robert Crutcher vs. District*. Mr. Miller reported that the Board unanimously provided settlement authority for disposition of this matter.

**BOARD OF DIRECTORS MEETING  
JANUARY 22, 2010/PAGE 9**

**ADJOURNMENT**

16. All business having been concluded, the meeting was adjourned at 11:10 a.m., in the memory of David McMullin, Elbert Rose, Nathan Cohn, Eleanor Lloyd, Alma Armanini, Frances P. Serio, Juanita B. Misbeek, Joanne V. Lovato, Norm Rolfe, Gene Edward Tallmadge and Dan Kelleher.

Respectfully submitted,

Janet S. Tarantino  
Secretary of the District

JST:PLW:plw



**Attachment No. 2:**

**Attorney's Claims Report**

## Memorandum

**TO:** Board of Directors  
**FROM:** David J. Miller  
**DATE:** February 3, 2010  
**RE:** Board Meeting on February 12, 2010

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### **Claim of Marc Aaron Weidenbaum**

The District received a claim on behalf of Marc Aaron Weidenbaum alleging property damage in the amount of \$141.21. Claimant alleges that on October 26, 2009, a passing District bus scraped the driver's side of his vehicle, which was parked near the intersection of Mission and 7<sup>th</sup> Streets in San Francisco. As a result of the incident, the claimant's vehicle allegedly sustained damage to the driver's side, and the driver's side mirror fell off. Claimant asserts that he incurred rental car expenses while his vehicle was being repaired. The claim has been forwarded to John Glenn Adjusters.

**Recommend denial of the claim.**

### **Claim of Ilana Diamond**

The District received a claim on behalf of Ilana Diamond alleging property damage in the amount of \$984.74. Claimant alleges that on December 18, 2009, she was riding her bicycle near the intersection of 9<sup>th</sup> and Harrison Streets in San Francisco, preparing to make a right turn, when a District bus traveling to her left approached too close to her. The claimant asserts that she turned toward the curb to avoid a collision, and then jumped off her bicycle after she felt the bus hit the bicycle's rear wheel. As a result of the incident the bicycle was allegedly crushed. Claimant further asserts that she has incurred transportation expenses in the amount of \$20.00 per week due to the loss of her bicycle. The claim has been forwarded to John Glenn Adjusters.

**Recommend denial of the claim.**

### **Claim of Rodney Percoats**

The District received a claim on behalf of Rodney Percoats alleging personal injuries in the amount of \$465.00. Claimant asserts that on October 14, 2009, a District bus driver closed the door of the bus on him as he was exiting from the bus near the intersection of 5<sup>th</sup> Avenue and Lincoln Avenue in San Rafael. As a result of the incident the claimant allegedly sustained injuries to his shoulder and arm. Claimant further alleges that he lost wages. The claim has been forwarded to John Glenn Adjusters.

**Recommend denial of the claim.**

Memorandum To:  
Board of Directors  
February 3, 2010  
Page 2

**Claim of Jae Young Yi**

The District received a claim on behalf of Jae Young Yi alleging personal injuries and property damage in an unstated amount. Claimant alleges that on December 15, 2009, a District bus struck her vehicle as she was stopped at a red traffic signal on McAllister Street in San Francisco, preparing to turn right onto Webster Street. The claimant asserts that the bus pulled up on the left side of her vehicle and proceeded to turn right, striking the left front of her vehicle. As a result of the incident the claimant allegedly experienced stiffness in her neck and back. Claimant further alleges that her vehicle sustained damage to the left front bumper, fender and door. The claim has been forwarded to John Glenn Adjusters.


**Recommend denial of the claim.**

**Claim of Gloria Galofre-Ross**

The District received a claim on behalf of Gloria Galofre-Ross alleging property damage in the amount of \$1,500.00. Claimant alleges that on November 25, 2009, a District bus struck the rear driver's side of her vehicle while she was stopped at a red traffic light at the intersection of 2nd and Hetherton Streets in San Rafael. As a result of the incident, the rear bumper of claimant's vehicle was allegedly damaged. The claim has been forwarded to John Glenn Adjusters.

**Recommend denial of the claim.**

Respectfully submitted,

  
DAVID J. MILLER

DJM:aer



## **Attachment No. 3:**

**Excerpt from the January 21, 2010,  
Meeting of the Finance-Auditing Committee**

**EXCERPT FROM THE JANUARY 21, 2010, MEETING OF THE FINANCE-AUDITING COMMITTEE/PAGE 1**

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

In memorandum to Committee, Auditor-Controller Joseph M. Wire and General Manager Celia G. Kupersmith outlined commitments and disbursements made on behalf of the District, noting that there were no commitments and/or expenditures to ratify for the period December 1, 2009, through December 31, 2009. 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 reported that economic recovery is expected to be slow. The Gross Domestic Product is lower and unemployment higher than expected, with California's unemployment being higher than the national average. She stated that jobs are still being lost, but at a lower rate than previously. She stated that the short-term U. S. Treasury yield curve is very steep due to investor worries over inflationary pressures. She stated that for 2010, treasury notes are expected to remain between .5% and 2.5%. She reported that the District's portfolio is still earning 3.17%.

Discussion ensued, including the following comments and inquiries:

- Director Grosboll inquired as to whether there were allowed investments that were not being made due to not being secure investments. In response, Ms. Jones stated that the District portfolio now has fewer corporate investments than in the past. She explained that predicting which corporations will remain successful in future months and years is difficult in an uncertain economy. She stated that, while some corporations remain listed as secure investments, the rates of return are very low and comparable to the rates received for much more secure investments.
- President Boro inquired as to whether the District has invested in Federal Home Loan, Fannie Mae and Freddie Mac. Ms. Jones responded affirmatively.

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

- a. The Board of Directors has no commitments and/or expenditures to ratify for the period December 1, 2009, through December 31, 2009;

**EXCERPT FROM THE JANUARY 21, 2010, MEETING OF THE FINANCE-AUDITING COMMITTEE/PAGE 2**

- b. Ratify investments made by the Auditor-Controller during the period December 9, 2009, through January 11, 2010, as follows:

<b>Security</b>	<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Original Cost</b>	<b>Percent Yield</b>
Calyon North America, Inc., Commercial Paper	12/28/09	03/29/10	6,347,708.95	0.21

- c. Authorize the Auditor-Controller to re-invest, within the established policy of the Board, investments maturing between January 12, 2010, and February 16, 2010, 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 December 2009, as prepared by PFM.

**Action by the Board – Resolution**  
**CONSENT CALENDAR**

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