



December 17, 2020

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

Executive Order N-25-20 and N-29-20, issued by the Governor of the State of California, in which portions of the Ralph M. Brown Act are suspended and allows, all Board members, staff and the public to participate by telephone.

**These minutes are supplemented by the audio recording that is posted online at:
<https://www.goldengate.org/district/board-of-directors/meeting-documents>.**

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

Honorable Members:

A meeting of the Finance-Auditing Committee/Committee of the Whole (Committee) of the Golden Gate Bridge, Highway and Transportation District (District) was held via audio conference, on Thursday, December 17, 2020, at 9:00 a.m., Chair Sobel presiding.

- (1) **Call to Order:** 9:00 a.m.
- (2) **Roll Call:** Secretary of the District Amorette M. Ko-Wong.

Committee Members Present (6): Chair Sobel; Vice Chair Fredericks; Directors Cochran, Grosboll and Moylan; President Pahre.

Committee Members Absent (1): Director Yee.

Other Directors Present (6): Directors Garbarino, Hernández, Hill, Mastin, Rabbitt and Theriault.

Committee of the Whole Members Present (12): Directors Fredericks, Garbarino, Grosboll, Hernández, Hill, Mastin, Moylan, Rabbitt and Sobel; Second Vice President Cochran; First Vice President Theriault; President Pahre.

Committee of the Whole Members Absent (4): Directors Arnold, Sears, Stefani and Yee.

[Note: On this date, there were three vacancies on the Board of Directors.]

Staff Present: General Manager Denis Mulligan; Auditor-Controller Joseph Wire; District Engineer Ewa Bauer-Furbush; Secretary of the District Amorette Ko-Wong;

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Attorney Kimon Manolius; Deputy General Manager/Administration and Development Kellee Hopper; Deputy General Manager/Bridge Division Steve Miller; Deputy General Manager/Bus Transit Division Mona Babauta; Deputy General Manager/Ferry Division James Swindler; Executive Administrator to the General Manager Justine Bock; Senior Board Analyst Elizabeth Eells.

Copies of all reports are available on the District's web site at <https://www.goldengate.org/district/board-of-directors/meeting-documents> or upon request from the Office of the District Secretary.

(3) Ratification of Previous Actions by the Auditor-Controller [2:17 Minutes Mark on the Audio Recording]

PFM Senior Managing Consultant Lesley Murphy presented the Investment Report.

Directors Mastin and Fredericks inquired about the Investment Report.

Ms. Murphy and Mr. Wire responded to the Directors' inquiries.

(a) Action by the Committee

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

RECOMMENDATION

The Finance-Auditing Committee/Committee of the Whole recommends that the Board of Directors approve the following actions:

- (i) Ratify commitments and/or expenditures totaling \$14,153.55 for the period of November 1, 2020 through November 30, 2020.
- (ii) Ratify investments made during the period during the period of November 10, 2020 through December 7, 2020.
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between December 8, 2020 and January 11, 2021, as well as the investment of all other funds not required to cover expenditures which may become available.
- (iv) Accept the Investment Report for November 2020.

**Action by the Board at its meeting of December 18, 2020 – Resolution
CONSENT CALENDAR**

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AYES (12): Directors Fredericks, Garbarino, Grosboll, Hernández, Hill, Mastin, Moylan, Rabbitt and Sobel; Second Vice President Cochran; First Vice President Theriault; President Pahre.

NOES (0): None.

ABSENT (4): Directors Arnold, Sears, Stefani and Yee.

(4) Authorize Budget Adjustment(s) and/or Transfer(s)

No actions required authorization.

(5) Authorize Actions Related to Grant Programs

No actions required authorization.

(6) Authorize Execution of the Sixth Amendment to the Professional Services Agreement with PFM Asset Management LLC, Relative to Contract No. 2007-D-7, Trust & Investment Management Services for GASB 45 (OPEB) Trust [15:12 Minutes Mark on the Audio Recording]

Auditor-Controller Joseph Wire presented the staff report.

(a) Action by the Committee

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

RECOMMENDATION

The Finance-Auditing Committee/Committee of the Whole recommends that the Golden Gate Bridge, Highway and Transportation District authorize execution of the Sixth Amendment to the Professional Services Agreement relative to Contract No. 2007-D-7, *Trust and Investment Management Services for GASB 45 (OPEB) Trust*, with PFM Asset Management LLC (“PFM”), for a three-year extension of the term effective March 1, 2021 through February 29, 2024, with options, exercisable by the District, for two additional one-year terms, at an estimated cost of \$1,198,000 for the five-year period.

**Action by the Board at its meeting of December 18, 2020 – Resolution
NON-CONSENT CALENDAR**

AYES (12): Directors Fredericks, Garbarino, Grosboll, Hernández, Hill, Mastin, Moylan, Rabbitt and Sobel; Second Vice President Cochran; First Vice President Theriault; President Pahre.

NOES (0): None.

ABSENT (4): Directors Arnold, Sears, Stefani and Yee.

(7) **Receive the Independent Auditor’s Comprehensive Annual Financial Report for the Year Ending June 30, 2020, as Submitted by Eide Bailly, LLP [21:01 Minutes Mark on the Audio Recording]**

Auditor-Controller Joseph Wire introduced the Comprehensive Annual Financial Report (CAFR) and said it is available on the District’s website at: <https://www.goldengate.org/district/about-the-district/publications>. He expressed his appreciation to all the CAFR contributors. Mr. Wire introduced the head of the external auditor team Nathan Edelman of Eide Bailly, LLP who highlighted a few sections in the CAFR and pointed out the favorable Auditor’s Opinion on page 17.

Chair Sobel commented on the report and noted the CAFR is excellent.

(b) **Action by the Committee**

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

RECOMMENDATION

The Finance-Auditing Committee/Committee of the Whole recommends the Board of Directors receive the Independent Auditor’s financial reports as submitted by Eide Bailly, LLP, for the following:

- (i) The Comprehensive Annual Financial Report (CAFR), for the year ending June 30, 2020; and,
- (ii) The Independent Auditor’s Communication Letter regarding matters related to the audit.

**Action by the Board at its meeting of December 18, 2020 – Resolution
NON-CONSENT CALENDAR**

AYES (12): Directors Fredericks, Garbarino, Grosboll, Hernández, Hill, Mastin, Moylan, Rabbitt and Sobel; Second Vice President Cochran; First Vice President Theriault; President Pahre.

NOES (0): None.

ABSENT (4): Directors Arnold, Sears, Stefani and Yee.

(8) **Status Report on the FY 20/21 Budget [34:40 Minutes Mark on the Audio Recording]**

Auditor-Controller Joseph Wire presented the staff report, which was for informational purposes only and no action was taken. The FY 2020/2021 Adopted Budget is available on the District’s website at: <https://www.goldengate.org/documents>. He explained the November 2020 results would be available in January 2021. He gave a brief verbal report about the District’s financial results as of November 30, 2020.

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At Chair Sobel's request, Mr. Mulligan spoke about a potential coronavirus relief package and expressed his optimism that the package would be passed by Congress. He noted that on November 13, 2020, the Board approved certain actions with the understanding that the Board would revisit those actions if Congress approved legislation with significant additional funding or the District was able to negotiate cost savings with the union. He noted the proposed coronavirus relief package includes money for transit that equals roughly 60% of what was included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. He said if Congress passes the relief package, the District would convene a special board meeting to reconsider the actions the Board took on November 13, 2020.

Chair Sobel commented on the possible relief package. Director Hill commented on President-Elect Biden's sentiments about relief funding.

Mr. Wire responded to the Director's inquiry.

(9) Closed Session [45:19 Minutes Mark on the Audio Recording]

Attorney Kimon Manolius at the request of Chair Sobel, stated that the Committee would convene in Closed Session, as permitted by the Brown Act, to discuss the following matter, listed on the Agenda as Item No 13(a):

- (a) Conference with Legal Counsel – Existing Litigation
Pursuant to Government Code Section 54956.9(a)
Report of Athens Administrators, Inc.
(i) Dennis Koenig v. Golden Gate Bridge, Highway and Transportation District.

[46:01 Minutes Mark on the Audio Recording]

After Closed Session, Chair Sobel called the meeting to order in Open Session with a quorum present. Attorney Manolius stated that the Committee had met in Closed Session, as permitted by the Brown Act, to discuss the matter listed under Closed Session, outlined above. He reported that the Committee was briefed and gave appropriate guidance to its attorney for this matter.

(10) Public Comment [46:32 Minutes Mark on the Audio Recording]

Secretary of the District Amorette Ko-Wong noted the public comments would be for both Agenda Item Nos. 8 and 10.

The following individuals spoke under public comment:

- David Pilpel, County of San Francisco Resident
- Shane Weinstein, Amalgamated Transit Union (ATU), Local 1575

[51:46 Minutes Mark on the Audio Recording]

At the conclusion of the Public Comment, Chair Sobel spoke about the end of his term and service on the District Board. He expressed his appreciation for others' contributions to the Finance-Auditing Committee and support.

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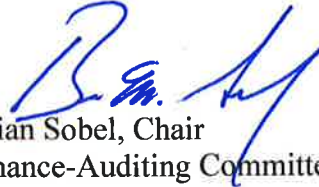
Director Garbarino expressed her appreciation for Chair Sobel's service.

(11) Adjournment [54:10 Minutes Mark on the Audio Recording]

All business having been concluded Directors GARBARINO/MOYLAN moved and seconded that the meeting be adjourned at 9:59 a.m.

Carried

Respectfully submitted,



Brian Sobel, Chair
Finance-Auditing Committee

BS:AMK:EIE:mjl