



Agenda Item No. (5.A.)

To: Board of Directors
Special Meeting of December 23, 2020

From: Denis J. Mulligan, General Manager

Subject: **AUTHORIZE ACTIONS RELATIVE TO ADDITIONAL FEDERAL CORONAVIRUS RELIEF FUNDING, INCLUDING RESCINDING, EFFECTIVE UPON PRESIDENT TRUMP SIGNING THE CONSOLIDATED APPROPRIATIONS ACT OF 2021, PREVIOUSLY APPROVED LAYOFFS AND TEMPORARY FURLOUGH PROGRAM**

Recommendation

In light of the passage by Congress of the *Consolidated Appropriations Act of 2021* on December 21, 2020, it is recommended that the Board of Directors rescind, effective upon President Trump signing the *Consolidated Appropriations Act of 2021*, the following Resolutions, previously adopted on November 13, 2020, as contemplated at that time given that new significant and sufficient funds have become available from the federal government:

1. Resolution No. 2020-084, Authorize Elimination of 205 Positions Effective January 4, 2021, and Related Actions, to Reduce Costs in Response to Covid-19 Financial Impacts; and,
2. Resolution No. 2020-086, Authorize a Temporary Furlough Program Equal to a Ten Percent Reduction in Pay for Mid-Managers, Deputy General Managers, District Officers and Board of Directors.

It is further recommended that the Board of Directors authorize the General Manager to take all necessary steps to apply for and obtain federal coronavirus relief funding.

Background

Since the onset of the COVID-19 pandemic there has been a precipitous drop in travel in the Golden Gate Corridor with a corresponding drop in the Golden Gate Bridge, Highway and Transportation District's (District) revenues. At its November 13, 2020 meeting, the Board of Directors approved actions that would partially reduce the associated \$48 million budget deficit, including:

- Authorized the elimination of 205 positions (59 vacant and 146 filled as of October 23, 2020) from the Table of Organization, effective January 4, 2021; and,

- Authorized a temporary furlough program equal to a ten percent reduction in pay for Mid-Managers, Deputy General Managers, Officers and Board of Director members for a period of six months, effective November 15, 2020 and continuing through May 15, 2021.

The Board took these actions with the understanding that the District would still fully spend down its Emergency and Operating Reserves this fiscal year, and be forced to identify further expense reductions or revenue enhancements in anticipation of a deficit next fiscal year.

This difficult decision was also made with the understanding that if Congress were to pass legislation that includes significant and sufficient coronavirus relief funding for the District, a Special Board meeting could be convened to consider rescinding the layoffs and temporary furlough program.

On December 21, 2020 Congress passed the *Consolidated Appropriations Act of 2021* that includes \$14 billion for transit agencies across the Country. After discussions with federal and regional officials, the District anticipates receipt of sufficient new federal funds to temporarily offset the savings associated with the approved layoffs and temporary furlough program.

Based on the upcoming receipt of additional federal coronavirus relief funding for the District, it is recommended that the Board of Directors rescind, effective upon President Trump signing the *Consolidated Appropriations Act of 2021*, the elimination of 205 positions and associated layoffs, and rescind the temporary furlough program that were approved at its November 13, 2020 Special Board meeting.

This recommendation is made because the additional federal coronavirus relief provides a vital lifeline as the District navigates the arc of the pandemic. Please note that the District will spend this new federal money in the coming months to continue to employ our regular, full-time staff and provide transit service. If, however, Bridge traffic and the associated toll revenue do not return to normal levels in the coming months, or if there is not further additional new coronavirus relief, then the District will face a financial shortfall when this new federal financial relief runs out that will necessitate a new consideration of options to reduce costs or raise revenues.