

April 22, 2021



MINUTES OF THE FINANCE-AUDITING COMMITTEE

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 Golden Gate Bridge, Highway and Transportation District (District) was held via audio conference, on Thursday, April 22, 2021, at 9:01 a.m., Vice Chair Fredericks presiding.

(1) Call to Order: 9:01 a.m.

(2) Roll Call: Secretary of the District Amorette M. Ko-Wong.

Committee Members Present (4): Vice Chair Fredericks; Directors Cochran and Grosboll; President Pahre.

Committee Members Absent (2): Chair Rabbitt; Director Stefani.

Other Directors Present (5): Directors Hernández, Hill, Mastin, Snyder and Theriault.

[Note: On this date, there were four 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; 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** [02:42 Minutes Mark on the Audio Recording]

PFM Senior Managing Consultant Lesley Murphy presented the Investment Report. She stated the portfolio remains well diversified and invested to meet legal requirements and the District's investment policy.

Directors Mastin, Grosboll, Hill and Snyder commented and inquired about the Investment Report.

Ms. Murphy and Mr. Wire responded to the Directors' inquiries. Ms. Murphy said she would provide additional information. She spoke about PFM's considerations in refraining from investing in companies focused on fossil fuels.

(a) **Action by the Committee**

Staff recommended and the Committee concurred by motion made and seconded by **Directors COCHRAN/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 approve the following actions:

- (i) There are no commitments or expenditures to ratify for the period of March 1, 2021 through March 31, 2021.
- (ii) Ratify investments made during the period March 16, 2021 through April 12, 2021.
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between April 13, 2021 and May 10, 2021, as well as the investment of all other funds not required to cover expenditures that may become available.
- (iv) Accept the Investment Report for March 2021.

Action by the Board at its meeting of April 23, 2021 – Resolution
CONSENT CALENDAR

AYES (4): Vice Chair Fredericks, Cochran and Grosboll, President Pahre.

NOES (0): None.

ABSENT (2): Chair Rabbitt; Directors Stefani.

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

- (a) **Funding Adjustment in the Ferry Division Capital Budget Relative to Project #1542 Service Life Extension Program (SLEP): Larkspur, San Francisco,**

Sausalito [19:54 Minutes Mark on the Audio Recording]

Deputy General Manager/Ferry Division James Swindler presented the staff report.

(i) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors COCHRAN/PAHRE** 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 a funding adjustment in the Ferry Division Capital Budget, relative to Project #1542, *Service Life Extension Program (SLEP): Larkspur, San Francisco and Sausalito*. The proposed funding adjustment changes the source funding composition to increase the Golden Gate Bridge, Highway and Transportation District's share from \$198,000 (11%) to \$1,343,468 (77%) and reducing the Federal Transit Administration share from 1,392,000 (80%) to \$382,438 (22%). The total project budget, \$1,740,000 remains unchanged.

Action by the Board at its meeting of April 23, 2021 – Resolution
NON-CONSENT CALENDAR

AYES (4): Vice Chair Fredericks, Cochran and Grosboll, President Pahre.

NOES (0): None.

ABSENT (2): Chair Rabbitt; Directors Stefani.

[Special Note: Director Grosboll voted on this item at 41:29 Minutes Mark on the Audio Recording.]

(5) Authorize Actions Related to Grant Programs

- (a) Authorize the Filing of Applications for Federal Transit Administration Formula Program and Surface Transportation Program Funding for Transit Capital Projects, Commit the Necessary Local Match for the Projects, and Assure Completion of the Projects [23:52 Minutes Mark on the Audio Recording]**

Auditor-Controller Joseph Wire presented the staff report.

(ii) Action by the Committee

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

RECOMMENDATION

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The Finance-Auditing Committee recommends that the Board of Directors authorizes the General Manager or his designee to submit and execute grant applications, cooperative agreements, and certifications and assurances as required by the Federal Transit Administration (FTA) for federal funding assistance for Sections 5307, 5309, 5337, 5339, and by the Federal Highway Administration (FHWA) for Surface Transportation Program (STP) funding to support transit projects, commit the necessary local match funds for the projects, and assure completion of the projects, as detailed in the staff report.

Action by the Board at its meeting of April 23, 2021 – Resolution NON-CONSENT CALENDAR

AYES (4): Vice Chair Fredericks, Cochran and Grosboll, President Pahre.

NOES (0): None.

ABSENT (2): Chair Rabbitt; Directors Stefani.

(6) Approve Actions Relative to the Renewal of the Health and Benefits Insurance Plans [26:57 Minutes Mark on the Audio Recording]

Deputy General Manager/Administration and Development Kellee Hopper presented the staff report.

Directors Cochran, Grosboll and Theriault, and President Pahre inquired about the staff report.

Ms. Hopper and Mr. Mulligan responded to the Directors' and President's inquiries. Ms. Hopper stated she would attempt to get the additional information that was requested.

The following individuals spoke under public comment: **[38:31 Minutes Mark on the Audio Recording]**

- David Pilpel, San Francisco County Resident

(a) Action by the Committee

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

RECOMMENDATION

The Finance-Auditing Committee recommends the Board of Directors approve the policy year 2021/22 premium rates for the Golden Gate Bridge, Highway and Transportation District's Health and Benefits Insurance Plans, not including CalPERS medical plans, at an overall estimated renewal cost of \$19,072,777. These renewals are for health insurance benefits for the Coalition members and are based on a six-month period; while vision, dental, life insurance and employee assistance programs are for the entire District population and based on a twelve-month period. This is presented with the understanding that requisite funding will be included in the FY 21/22 Operating Budget.

Action by the Board at its meeting of April 23, 2021 – Resolution
NON-CONSENT CALENDAR

AYES (4): Vice Chair Fredericks, Cochran and Grosboll, President Pahre.

NOES (0): None.

ABSENT (2): Chair Rabbitt; Directors Stefani.

- (7) **Authorize Execution of Contract No. 2021-D-033, *Time and Attendance Scheduling System- Software Licenses, Application & Hardware Support Services*, with Kronos, Inc. [41:58 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 GROSBOLL/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 execution of Contract No. 2021-D-033, *Time and Attendance Scheduling System - Software Licenses, Application & Hardware Support Services*, with Kronos, Inc. (Kronos) of Chelmsford, MA, to provide software licenses, access to global application support and hardware maintenance and support for the District's time and attendance scheduling system for a three-year term with two additional one-year option years to be exercised at the General Manager's discretion, for a total not-to-exceed amount of \$367,735.70 over the entire term of the contract, including both option terms, as detailed in the staff report.

Action by the Board at its meeting of April 23, 2021 – Resolution
NON-CONSENT CALENDAR

AYES (4): Vice Chair Fredericks, Cochran and Grosboll, President Pahre.

NOES (0): None.

ABSENT (2): Chair Rabbitt; Directors Stefani.

- (8) **Receive the Independent Auditor's Engagement Letter for the Annual Financial Audit & Single Audit for the Year Ending June 30, 2021, as Submitted By Eide Bailly, LLP [45:18 Minutes Mark on the Audio Recording]**

Auditor-Controller Joseph Wire presented the staff report.

Directors Mastin, Theriault and Grosboll, Vice Chair Fredericks and President Pahre inquired and commented about the staff report.

Director Theriault suggested that the Committee amend the recommendation such that the recommendation is approved with the understanding that the auditor also would include in its report to the Board any opportunities for cost savings or improved controls over

District spending for its operations. Director Grosboll and Vice Chair Fredericks concurred with his suggestion.

Mr. Wire responded to the Directors' inquiries.

(b) Action by the Committee

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 that the Board of Directors receive the independent auditor's engagement letter for services related to the annual financial audit and single audit for the year ending June 30, 2021, as submitted by Eide Bailly, LLP with the understanding that in addition to the bulleted list on Page 8 of the Auditor's Engagement Letter, the auditor also will include in its report to the Board any opportunities for cost savings or improved controls over District spending for its operations.

Action by the Board at its meeting of April 23, 2021 – Resolution
NON-CONSENT CALENDAR

AYES (4): Vice Chair Fredericks, Cochran and Grosboll, President Pahre.

NOES (0): None.

ABSENT (2): Chair Rabbitt; Directors Stefani.

(9) Status Report on the FY 20/21 Budget [55:24 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>.

The following individuals spoke under public comment: [57:47 Minutes Mark on the Audio Recording]

- David Pilpel, San Francisco County Resident
- Shane Weinstein, Amalgamated Transit Union (ATU) Local 1575 [1:10:22 Minutes Mark on the Audio Recording]

(10) Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares (for Nine Months Ending March 2021) [1:00:44 Hours Mark on the Audio Recording]

Auditor-Controller Joseph Wire presented the staff report, which was for informational purposes only and no action was taken. He pointed out that the March 2021 numbers are in comparison to traffic and ridership levels for March 2020, which was the start of the pandemic, and at that time the District already had experienced significant decreases in traffic and transit ridership.

(11) Monthly Review of Financial Statements (for Nine Months Ending March 2021)

- (a) Statement of Revenue and Expenses [1:05:00 Hours Mark on the Audio Recording]**
- (b) Statement of Capital Programs and Expenditures [1:06:00 Hours Mark on the Audio Recording]**

Auditor-Controller Joseph Wire presented the staff reports, which were for informational purposes only and no action was taken.

(12) Review of the District's FY 20/21 Third Quarterly Report of Judgments or Settled Claims [1:12:53 Hours Mark on the Audio Recording]

Attorney Kimon Manolius presented the staff report, which was for informational purposes only and no action was taken.

(13) Review of the Auditor-Controller's FY 20/21 Third Quarterly Report on Authorized Budget Adjustments and Budget Transfers Under the General Manager's Authority [1:14:06 Hours Mark on the Audio Recording]

Auditor-Controller Joseph Wire presented the staff report, which was for informational purposes only and no action was taken.

(14) Review of the Auditor-Controller's FY 20/21 Third Quarterly Report on Procurement Actions Under the General Manager's Authority [1:14:59 Hours 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 Committee elected to hear Public Comment out of order before the Closed Session.]

(15) Public Comment [1:16:15 Hours Mark on the Audio Recording]

The following individual spoke under public comment:

- David Pilpel, San Francisco County Resident

(16) Closed Session [1:20:20 Hours Mark on the Audio Recording]

Attorney Kimon Manolius at the request of Vice Chair Fredericks, 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 15(a):

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

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[1:21:13 Hours Mark on the Audio Recording]

After Closed Session, Vice Chair Fredericks 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 gave appropriate guidance to its negotiator for the matter.

(17) Adjournment [1:21:54 Hours Mark on the Audio Recording]

All business having been concluded Directors COCHRAN/PAHRE moved and seconded that the meeting be adjourned at 10:26 a.m.

Carried

Respectfully submitted,



Alice Fredericks, Vice Chair
Finance-Auditing Committee

AF:AMK:EIE:mjl