

May 20, 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, May 20, 2021, at 11:10 a.m., Chair Rabbitt presiding.

- (1) **Call to Order:** 11:10 a.m.
- (2) **Roll Call:** Secretary of the District Amorette M. Ko-Wong.

**Committee Members Present (5):** Chair Rabbitt; Vice Chair Fredericks; Directors Cochran and Theriault; President Pahre.

**Committee Members Absent (2):** Directors Grosboll and Stefani.

**Other Directors Present (4):** Directors Hernández, Hill, Mastin and Snyder.

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

**Staff Present:** General Manager Denis Mulligan; Auditor-Controller Joseph Wire; 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; 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.

[Vice Chair Fredericks arrived.]

(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. She stated the portfolio remains well diversified and invested to meet legal requirements and the District's investment policy.

Director Theriault inquired about the Investment Report.

Ms. Murphy and Mr. Wire responded to the Director's inquiry.

(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 recommends that the Board of Directors approve the following actions:

- (i) Ratify commitments and/or expenditures totaling \$15,717.75 for the period of April 1, 2021 through April 30, 2021.
- (ii) Ratify investments made during the period April 13, 2021 through May 10, 2021.
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between May 11, 2021 and June 14, 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 April 2021.

**Action by the Board at its meeting of May 21, 2021 – Resolution**  
**CONSENT CALENDAR**

**AYES (5):** Chair Rabbitt; Vice Chair Fredericks; Directors Cochran and Theriault; President Pahre.

**NOES (0):** None.

**ABSENT (2):** Directors Grosboll and Stefani.

(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 Fourth Amendment to Contract No. 2019-D-067, *Interim Temporary Staffing Services, with Techie Brains, Inc. and Related Capital Budget Increase* [13:48 Minutes Mark on the Audio Recording]**

Auditor-Controller Joseph Wire presented the staff report.

Director Mastin inquired about the staff report.

Mr. Wire responded to the Director's inquiry.

(a) **Action by the Committee**

Staff recommended and the Committee concurred by motion made and seconded by **Directors THERIAULT/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 take the following actions relative to the Kronos Timekeeping Project:

- (i) Authorize execution of the Fourth Amendment to Contract *No. 2019-D-067 – Interim Temporary Staffing Services*, with Techie Brains, Inc., (Techie Brains) of Normal, IL to provide professional services in support of the Kronos Timekeeping System project. The proposed amendment would increase the not-to-exceed contract amount by \$100,000 in order to preserve the District's ability to benefit from Techie Brains' services at a critical juncture in the Kronos project; and,
- (ii) Authorize a budget increase in the FY 20/21 District Division Capital Budget in the amount of \$100,000, relative to Capital Project No. 2013, *Electronic Timekeeping System Upgrade*, for a total project cost of \$255,000.

**Action by the Board at its meeting of May 21, 2021 – Resolution  
NON-CONSENT CALENDAR**

**AYES (5):** Chair Rabbitt; Vice Chair Fredericks; Directors Cochran and Theriault; President Pahre.

**NOES (0):** None.

**ABSENT (2):** Directors Grosboll and Stefani.

(7) **Authorize Execution of an Extension to the Commercial Paper Line of Credit Agreement with JPMorgan Chase Bank [19:37 Minutes Mark on the Audio Recording]**

Auditor-Controller Joseph Wire presented the staff report.

**FINANCE-AUDITING COMMITTEE**  
**MAY 20, 2021/PAGE 4**

Director Mastin inquired about the staff report.

Mr. Wire responded to the Director's inquiry.

**(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 recommends that the Board of Directors authorize the execution of an extension of the Line of Credit with JPMorgan Chase Bank, for the Commercial Paper Program, at a cost of 0.52% per annum, for a total cost of approximately \$804,000, for the period of June 30, 2021, through June 29, 2023.

**Action by the Board at its meeting of May 21, 2021 – Resolution**  
**NON-CONSENT CALENDAR**

**AYES (5):** Chair Rabbitt; Vice Chair Fredericks; Directors Cochran and Theriault; President Pahre.

**NOES (0):** None.

**ABSENT (2):** Directors Grosboll and Stefani.

**(8) Approve Actions Relative to the Award of Contract No. 2021-B-041, Golden Gate Bridge Interim Toll Collection System Replacement, to P Square Solutions, LLC [23:48 Minutes Mark on the Audio Recording]**

Auditor-Controller Joseph Wire presented the staff report.

Director Mastin inquired about the staff report.

Mr. Wire responded to the Director's inquiry.

**(a) Action by the Committee**

Staff recommended and the Committee concurred by motion made and seconded by **Directors THERIAULT/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 General Manager, or his designee, to approve the following actions relative to Contract No. 2021-B-041, *Golden Gate Bridge Interim Toll Collection System*:

- (i) Authorize the award of a contract to P Square Solutions, LLC of Mount Laurel, NJ, in the not-to-exceed amount of:

**FINANCE-AUDITING COMMITTEE**  
**MAY 20, 2021/PAGE 5**

1. \$3,456,937 for software, hardware, one-year warranty, and implementation of the interim toll collection system; and,
  2. \$4,754,372 for maintenance and support services for a three-year base term of \$2,482,517, with three additional one-year option terms to be exercised at the General Manager's discretion.
- (ii) Authorize the General Manager, or designee, to pay from the project budget for work already performed as part of the original interim solution that supports the new interim solution to current subcontractor;
- (iii) Establish a contract contingency in the amount of \$345,693 to address unanticipated items that may be discovered once work commences; and,
- (iv) Authorize a budget increase in the amount of \$3,000,000 for the *Toll System Upgrade Project (Project #1525)* in the FY 20/21 Bridge Division Capital Budget to be funded with toll revenues.

**Action by the Board at its meeting of May 21, 2021 – Resolution**  
**NON-CONSENT CALENDAR**

**AYES (5):** Chair Rabbitt; Vice Chair Fredericks; Directors Cochran and Theriault; President Pahre.

**NOES (0):** None.

**ABSENT (2):** Directors Grosboll and Stefani.

**(9) Approve Actions Relative to the Award of Contract No. 2021-D-005, Third Party Administrator for Workers' Compensation Claims and Ancillary Services, to Athens Administrators [29:14 Minutes Mark on the Audio Recording]**

Deputy General Manager/Administration and Development Kellee Hopper 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 recommends that the Board of Directors approve actions relative to the award of Contract No. 2021-D-005, *Third Party Administrator for Workers' Compensation Claims and Ancillary Services*, to Athens Administrators, Concord, CA, as follows:

- (i) Authorize Workers' Compensation Claims Program Administration services in an amount not to exceed \$1,020,609, for a three-year base term, effective July 1, 2021, with two one-year options to be exercised at the General Manager's discretion in

an amount not to exceed \$350,409 for the fourth year and \$360,921 for the fifth year; and,

- (ii) Authorize Ancillary support services for Medical Case Management, Utilization Review, Medical Provider Network, and Bill Review at the rates set forth in Athens' Cost proposal, on an as needed basis, provided funding is available within the Golden Gate Bridge, Highway, and Transportation District's annual budget.

**Action by the Board at its meeting of May 21, 2021 – Resolution**  
**NON-CONSENT CALENDAR**

**AYES (5):** Chair Rabbitt; Vice Chair Fredericks; Directors Cochran and Theriault; President Pahre.

**NOES (0):** None.

**ABSENT (2):** Directors Grosboll and Stefani.

**(10) Status Report on the FY 20/21 Budget [32:52 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 20/21 Adopted Budget is available on the District's website at: <https://www.goldengate.org/documents>.

Chair Rabbitt expressed appreciation for the information and format of the staff report.

The following individuals spoke under public comment: [35:37 Minutes Mark on the Audio Recording]

- Shane Weinstein, Amalgamated Transit Union (ATU) Local 1575

Chair Rabbitt commented about the federal stimulus funds including the American Rescue Plan Act (ARPA) funds, and how the Metropolitan Transportation Commission is working towards distribution of those funds.

**(11) Initial Presentation of the Proposed FY 21/22 Operating and Capital Budget [40:21 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 *Proposed Budget FY 2021/2022* (proposed budget) is available on the District's website at: <https://www.goldengate.org/assets/1/6/2021-0520-financecomm-no11-proposedfy21-22budget-attachment.pdf>. He noted that the budget requires additional funding in order to balance revenue and expenses.

Mr. Wire expressed his appreciation for staff's efforts on this year's proposed budget, and he pointed out the title page, which lists the staff members and consultant who made key contributions. He said the District's budget had earned the Government Finance Officers Association Distinguished Budget Presentation Award for a number of years. He pointed to the General Manager's Message on page 9, and indicated it summarized many of the key points of the proposed budget.

He summarized the Pandemic's effect on the District's revenues as outlined in COVID-19 Impacts starting on page 17 and reviewed the COVID-19 Impacts on each division's projected revenue and expenses. As part of his Bridge Division review, he noted the District's resources to subsidize the cost of bus and ferry transit services have declined, and pointed out how its resources are anticipated to gradually increase in the coming year. As part of his Bus and Ferry Divisions review, he emphasized the significant declines in transit ridership. In addition, he reviewed the District's overall projected revenue and expenses, and the current projected \$49 million budget shortfall on page 36.

He summarized the proposed budget overview on page 39, the pie charts showing the projected revenue and expenses on page 41, and explained the clear section of the pie chart that represented the anticipated American Rescue Plan Act (ARPA) funding. He provided an overview of transit system funding as outlined on pages 43 and 44, and spoke about its significance. He said that about 48% of transit revenue in FY 20/21 was from one time funding sources.

He further explained the District's reserves as outlined starting on page 45, reviewed how the District's reserves are expected to be allocated as shown on page 48, and spoke about the District's Strategic Planning as overviewed on page 50.

He explained the Operating Budget Summary on page 61, and Operating Expenses on page 66. He pointed out the Bridge Division uses about 39% of the District's operating expenses budget and the Bus and Ferry Divisions use about 61% of the operating budget. He went through a table of the key categories of the operating expenses as shown on page 66. He noted the 15% increase from estimated actual expenses in FY 20/21 to proposed expenses in FY 21/22, and he touched upon the assumptions.

He said that staff is not proposing any changes to the Table of Organization on page 73.

He outlined the Capital Program Summary starting on page 74, and additional capital projects which could be moved into FY 21/22 starting on page 77. He pointed out that the Bridge, Bus, Ferry and District Division sections started on page 79, and he said these sections contained more details about these specific areas. He recommended reading the Status, Goals and Projects, and budgets for each division.

He concluded by reminding the Committee about staff's proposed recommendation for the proposed budget, which is included in the staff report and is anticipated to go before the full Board in June 2021. He went through each numbered item, which are top level highlights from the proposed budget.

Chair Rabbitt expressed his appreciation for the work done on the proposed budget. Directors Theriault and Cochran commented and inquired about the staff report. Director Theriault commented that work patterns may have changed, and as a result, Bridge traffic could change for the long term. He also commented he did not want the budget to limit labor negotiations. He said he did not want to see wage stagnation in the workforce. He reminded the Committee about the dangers of wage stagnation that were raised as part of the Investment Report. He asked that the key parties consider additional compensation for staff. He expressed his hope the ARPA funding would be distributed in the anticipated manner, and the Board would not have to consider the non-ARPA alternative. Director

**FINANCE-AUDITING COMMITTEE**  
**MAY 20, 2021/PAGE 8**

Cochran inquired about the assumptions included in the projected Capital Reserves on page 48 and the District's contracted fuel prices.

Mr. Wire responded to the Director's inquiries.

**(12) Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares (for Ten Months Ending April 2021) [1:23:52 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.

**(13) Monthly Review of Financial Statements (for Ten Months Ending April 2021)**

- (a) Statement of Revenue and Expenses**
- (b) Statement of Capital Programs and Expenditures**

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

**[This item was taken out of order.]**

**(14) Public Comment [1:26:03 Hours Mark on the Audio Recording]**

The following individual spoke under public comment:

- Shane Weinstein, ATU Local 1575

Mr. Mulligan responded to the public comments. [1:28:50 Hours Mark on the Audio Recording]

Chair Rabbitt commented on the public comments.

**(15) Closed Session [1:30:12 Hours Mark on the Audio Recording]**

Attorney Kimon Manolius at the request of Chair Rabbitt, 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 14 (a):

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

**[1:31:01 Hours Mark on the Audio Recording]**

After Closed Session, Chair Rabbitt 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.



**FINANCE-AUDITING COMMITTEE  
MAY 20, 2021/PAGE 9**

**(16) Adjournment [1:31:30 Hours Mark on the Audio Recording]**

All business having been concluded Directors THERIAULT/COCHRAN moved and seconded that the meeting be adjourned at 12:45 p.m.

**Carried**

Respectfully submitted,



David A. Rabbitt, Chair  
Finance-Auditing Committee

DAR:AMK:EIE:mjl