

May 19, 2022



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

Assembly Bill 361, signed by the Governor of the State of California on September 16, 2021, amends the Ralph M. Brown Act to allow Board members, staff, and the public to participate remotely in meetings, without complying with traditional teleconference meeting rules.

**These minutes are supplemented by the video recording that is posted online at:
<https://www.youtube.com/user/goldengatedistrict>.**

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) met in regular session held virtually/remotely on Thursday, May 19, 2022, at 10:37 a.m., Chair Rabbitt presiding.

- (1) **Call to Order:** 10:37 a.m. **[1:36:10 Hour Mark on the Video Recording]**
- (2) **Roll Call:** Secretary of the District Amorette M. Ko-Wong.

Committee Members Present (8): Chair Rabbitt; Vice Chair Pahre; Directors Cochran, Giudice, Grosboll, Hernández and Mastin; President Theriault.

Committee Members Absent (1): Director.

Other Directors Present (3): Directors Garbarino, Hill and Thier.

Committee of the Whole Members Present (11): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

Committee of the Whole Members Absent (6): Directors Arnold, Conroy, Melgar, Rodoni, Snyder and Stefani.

[Note: On this date, there were two 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/Bridge Division David Rivera; Deputy General Manager/Bus Transit Division

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Mona Babauta; Deputy General Manager/Ferry Division James Swindler; Deputy General Manager/Administration and Development Kellee Hopper; Deputy District Engineer John Eberle; Director of Budget and Electronic Revenue Jennifer Mennucci; Director of Planning Ron Downing; Director of Risk Management and Safety Kelli Vitale; 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 [1:39:04 Hour Mark on the Video 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 COCHRAN/GIUDICE** 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) There are no commitments and/or expenditures to ratify for the period of April 1, 2022 through April 30, 2022;
- (ii) Ratify investments made during the period April 12, 2022 through May 9, 2022;
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between May 9, 2022 and June 13, 2022 as well as the investment of all other funds not required to cover expenditures that may become available; and,
- (iv) Accept the Investment Report for April 2022.

**Action by the Board at its meeting of May 20, 2022 – Resolution
CONSENT CALENDAR**

AYES (11): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (6): Directors Arnold, Conroy, Melgar, Rodoni, Snyder and Stefani.

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

- (a) Budget Increase in the FY 21/22 Bridge Division Capital Budget for Project #2121, Golden Gate Bridge Toll Plaza Administration Building Elevator Replacement Project [1: 41:04 Hour Mark on the Video Recording]**

(i) **Action by the Committee**

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

RECOMMENDATION

The Finance-Auditing Committee/Committee of the Whole recommends, in concurrence with the Building and Operating Committee at its meeting on May 19, 2022, that the Board of Directors authorize a capital budget increase in the amount of \$944,000 in the *Toll Plaza Administration Building Elevator Replacement* (Project #2121), to be financed from District Reserves, to fully fund the construction Contract No. 2021-B-052, *Golden Gate Bridge Toll Plaza Administration Building Elevator Repairs and Improvements*.

Action by the Board at its meeting of May 20, 2022 – Resolution
Refer to Building and Operating Committee meeting of May 19, 2022
NON-CONSENT CALENDAR

AYES (11): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (6): Directors Arnold, Conroy, Melgar, Rodoni, Snyder and Stefani.

(5) **Authorize Actions Related to Grant Programs**

No actions required authorization.

(6) **Authorize Execution of a Joint Exercise of Powers Agreement for Processing Parking Citations in Marin County [1:43:19 Hour Mark on the Video Recording]**

Deputy General Manager/Bridge Division David Rivera presented the staff report.

[1:46:22 Hour Mark on the Video Recording]

Director Mastin inquired about the third party vendor involved with the citations.

Mr. Rivera responded to the Director's inquiry.

The following individual spoke under public comment: **[1:47:15 Hour Mark on the Video Recording]**

- David Pilpel, San Francisco Resident

Mr. Rivera responded to the public comments.

(a) **Action by the Committee**

Staff recommended and the Committee concurred by motion made and seconded by Directors PAHRE/GIUDICE 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 authorize execution of a Joint Exercise of Powers Agreement for processing parking citations at the Larkspur Ferry Terminal and other District properties located in Marin County.

**Action by the Board at its meeting of May 20, 2022 – Resolution
NON-CONSENT CALENDAR**

AYES (11): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (6): Directors Arnold, Conroy, Melgar, Rodoni, Snyder and Stefani.

[Director Pahre departed]

- (7) **Authorize Execution of a Fifth Amendment to Contract No. 2011-MD-1, Armored Carrier Collection Services, with Brink’s Inc. [1:50:03 Hour Mark on the Video Recording]**

Director of Budget and Electronic Revenue Jennifer Mennucci presented the staff report. She reviewed the history of the contract and services.

[1:53:12 Hour Mark on the Video Recording]

Director Cochran inquired about cash and credit card payments that are collected.

Ms. Mennucci and Mr. Wire responded to the Director’s inquiries.

The following individual spoke under public comment: **[1:55:19 Hour Mark on the Video Recording]**

- David Pilpel, San Francisco Resident

Mr. Mulligan responded to the public comments.

- (a) **Action by the Committee**

Staff recommended and the Committee concurred by motion made and seconded by Directors GIUDICE/MASTIN 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 authorize the General Manager to execute the Fifth Amendment to Contract No. 2011-MD-01, *Armored Carrier Collection Service* with Brink's Inc., of Coppel, TX, in the amount not-to-exceed \$250,000, to extend the agreement for one year, with up to 12 additional one-month option terms, to modify the Rate and Service Schedule, and to add cash processing services for ticket vending machines. Funds for armored car collection services are available in the FY 21/22 Bridge, Bus and Ferry Divisions' Operating Budget and future years will be budgeted accordingly.

**Action by the Board at its meeting of May 20, 2022 – Resolution
NON-CONSENT CALENDAR**

AYES (10): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Rabbitt and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (7): Directors Arnold, Conroy, Melgar, Pahre, Rodoni, Snyder and Stefani.

[Director Pahre returned]

(8) Authorize the Setting of a Public Hearing to Receive Public Comment on the Proposed Establishment of a Pilot Program for an Educational/Institutional Clipper Pass On Golden Gate Transit Bus and Golden Gate Ferry [1:59:56 Hour Mark on the Video Recording]

Director of Planning Ron Downing presented the staff report. He spoke about the fare pilot program and outlined some of the pilot's goals.

[2:07:02 Hours Mark on the Video Recording]

Directors Hill and Giudice expressed support for the pilot program and the efforts of those involved to bring forward the program.

Director Giudice suggested that the program also include other educational institutions and areas within the District's jurisdiction.

The following individual spoke under public comment: **[2:08:26 Hours Mark on the Video Recording]**

- David Pilpel, San Francisco Resident

Mr. Mulligan responded to the public comments, and indicated the new fare is part of a pilot program that will collect data on how it influences people's decisions to ride transit.

Chair Rabbitt added to Mr. Mulligan's response.

(a) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors GIUDICE/HERNÁNDEZ** 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 authorize the setting of a Public Hearing to receive public comment on the establishment of a Clipper fare pilot program that would provide a fare discount through a monthly pass for riders destined to designated higher educational institutions or to specified major employers on Golden Gate Transit regional routes and regular (non-special event) Golden Gate Ferry service. The public hearing would take place virtually on Thursday, June 23, 2022, at 9:00 a.m.

**Action by the Board at its meeting of May 20, 2022 – Resolution
NON-CONSENT CALENDAR**

AYES (11): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (6): Directors Arnold, Conroy, Melgar, Rodoni, Snyder and Stefani.

Chair Rabbitt stated that the usual monthly financial reports are not available for presentation given that the May meetings fell early in the month. He added that the April and May monthly financial reports would be presented in June.

(9) Status Report on the FY 21/22 Budget [2:14:26 Hours Mark on the Video Recording]

Auditor-Controller Joseph Wire presented the staff report, which was for informational purposes only and no action was taken. The FY 21/22 Adopted Budget is available on the District's website at: <https://www.goldengate.org/documents>. He pointed out the budget remains balanced as a result of one-time funding.

The following individual spoke under public comment: [2:18:13 Hours Mark on the Video Recording]

- David Pilpel, San Francisco Resident

(10) Initial Presentation of the Proposed FY 22/23 Operating and Capital Budget [2:19:08 Hours Mark on the Video Recording]

Chair Rabbitt expressed appreciation for the Status Report on the FY 21/22 Budget and the proposed FY 22/23 Budget.

Auditor-Controller Joseph Wire presented the staff report, which included a PowerPoint presentation, Budget and draft recommendation for the next month's meeting, and was for informational purposes only and no action was taken. The *Proposed Budget FY 2022/2023* (proposed budget) is available on the District's website at: <https://www.goldengate.org/assets/1/25/2022-0519-financecomm-no10-proposedbudgetattachment.pdf?9039>. He encouraged those present to think of the Budget as a reference tool.

Mr. Wire went through his presentation. He expressed appreciation for staff's efforts on the proposed budget, and pointed out the Budget title page, which lists the staff members

who made key contributions. He highlighted the contributions of Principal Budget and Program Analyst Lehnee Salazar who recently retired. 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 encouraged people to review each of the Division Status sections.

He reviewed the sections entitled: COVID-19 - District Overview and Status on page 16; COVID-19 - Bridge Division Overview and Status on page 19; COVID-19 - Transit Overview on page 23; COVID-19 - Impact on Bus Ridership on page 24; and, COVID-19 - Impact on Ferry Division on page 28. He also went through the associated trends and revenue projections, and stated that the projections are conservative. He clarified that staff planned to talk to the Board about the possibility of another Five Year Fare Program sometime in the coming year.

He outlined the District's revenue including one-time funding of about \$282 million, and said the District is projected to spend about \$249 million of the one-time funding by the end of the proposed budget year. He indicated the District has not spent approximately \$51 million in toll revenue due to the availability of emergency one-time federal funding, and the unspent toll revenue is available for future capital projects or operating service.

He explained that the District's expenses are split with about two thirds for transit and one third for the Bridge.

He pointed out employee health care costs have fallen. He stated that the Board approves position additions and reductions.

He reviewed the capital budget, projects and annual contribution.

He went through the actions the Board would be asked to approve as part of the FY 22/23 Budget in June 2022 as shown in Item No. 10 of the staff report on page 47.

For additional information about the sections he highlighted, see his proposed budget presentation, which is included in Item No. 10 of the Finance-Auditing Committee meeting of May 19, 2022 at <https://www.goldengate.org/district/board-of-directors/meeting-documents>.

[2:36:11, 2:43:29 and 3:17:13 Hours Mark on the Video Recording]

Director Grosboll inquired about the revenue projections and what is included in the projections. He also inquired about the possibility of a fare decrease to promote ridership and the Capital Budget Project List.

Director Hill inquired about what is included in the ferry ridership and projections and pointed out that the charts include the District's new ferry services.

Chair Rabbitt commented that he appreciates the Division Overview and Status pages in the Budget, and commented on the Consumer Price Index (CPI). He asked what the District can do to be more transparent about District costs.

President Theriault pointed out a statement highlighted in yellow in the proposed budget on page 207, and he expressed his view the Board has a responsibility to plan for the future. He suggested alternative language of, “The Board of Directors may, during the period of this proposed FY 22/23 Budget, undertake a strategic planning process under acknowledgment of the contingent nature imposed on it by the uncertainties of COVID-19.” He further suggested that the plan provide possible courses of actions based on circumstances.

Director Grosboll commented that the suicide rate at the Bridge appears higher than in the past and asked staff to consider the possibility of hiring more Bridge Patrol Officers.

Director Thier stated that she agrees with President Theriault that strategic financial planning at the Board level is very important and inquired about the selection of the new capital projects.

Chair Rabbitt expressed appreciation for the presentation and proposed budget, which has more complexity than in prior years. He noted that the budget is one of the most important policy documents of the District.

Mr. Wire and Mr. Mulligan responded to the comments and inquiries.

The following individuals spoke under public comment: **[3:34:11 Hours Mark on the Video Recording]**

- David Pilpel, San Francisco Resident
- Shane Weinstein, Amalgamated Transit Union, Local 1575

(11) Closed Session [3:40:52 Hours Mark on the Video 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. 11(a):

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

[3:47:28 Hours Mark on the Video 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 the attorney appropriate guidance about how to handle the matter.

(12) Public Comment

There were no public comments.

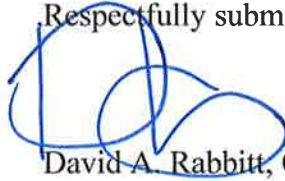
(13) Adjournment [3:48:04 Hours Mark on the Video Recording]

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All business having been concluded Directors GIUDICE/COCHRAN moved and seconded that the meeting be adjourned at 12:49 p.m.

Carried

Respectfully submitted,



David A. Rabbitt, Chair
Finance-Auditing Committee

DAR:AMK:EIE:tnm