

July 21, 2022



MINUTES OF THE FINANCE-AUDITING COMMITTEE

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 Golden Gate Bridge, Highway and Transportation District (District) met in regular session held virtually/remotely on Thursday, July 21, 2022, at 10:10 a.m., Acting Chair Pahre presiding.

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

Committee Members Present (7): Vice Chair Pahre; Directors Cochran, Hernández and Mastin; Directors Garbarino, Hill and Snyder were appointed Committee Members Pro Tem for this meeting only.

Committee Members Absent (4): Chair Rabbitt; Directors Giudice and Grosboll; President Theriault.

Acting Chair Pahre appointed the other Board members present to be Committee members Pro Tem for the meeting.

[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; Attorneys Madeline Chun and Kimon Manolius; Deputy General Manager/Bridge Division David Rivera; Deputy General Manager/Bus Transit Division Mona Babauta; Deputy General Manager/Ferry Division James Swindler; Deputy General

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Manager/Administration and Development Kellee Hopper; Director of Planning Ron Downing; Director of Capital and Grant Programs Amy Frye; Director of Risk Manager 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 [04:00 Minutes Mark on the Video Recording]

PFM Senior Managing Consultant Wale Kajopaiye presented the Investment Report. He spoke about opportunities presented by the current market, and stated PFM representatives are investing prudently.

Acting Chair Pahre welcomed Mr. Kajopaiye to the Committee.

(a) Action by the Committee

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

- (i) There are no commitments and/or expenditures to ratify for the period of June 1, 2022 through June 30, 2022;
- (ii) Ratify investments made during the period June 14, 2022 through July 11, 2022;
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between July 11, 2022 and August 15, 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 June 2022.

Action by the Board at its meeting of July 22, 2022 – Resolution
CONSENT CALENDAR

AYES (6): Vice Chair Pahre; Directors Cochran, Garbarino, Hernández, Hill and Mastin.

NOES (0): None.

ABSENT (4): Chair Rabbitt; Directors Giudice and Grosboll; President Theriault.

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

No actions required authorization.

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

- (a) **Authorize Filing an Application with the Metropolitan Transportation Commission for FY 22/23 Transportation Development Act, State Transit Assistance and Regional Measure 2 Operating Funds to Support Bus, Ferry and Paratransit Services** [10:37 Minutes Mark on the Video Recording]

Director of Capital and Grant Programs Amy Frye presented the staff report.

(i) **Action by the Committee**

Staff recommended and the Committee concurred by motion made and seconded by **Directors HERNÁNDEZ/MASTIN** 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 to file an application with the Metropolitan Transportation Commission for FY 22/23 Transportation Development Act, State Transit Assistance, and Regional Measure 2 funds to support bus, ferry, and paratransit services in the amount of \$27,698,581. Approval of this action also authorizes the General Manager to file revisions to this application if projected funding amounts change during FY 22/23.

**Action by the Board at its meeting of July 22, 2022 – Resolution
NON-CONSENT CALENDAR**

AYES (6): Vice Chair Pahre; Directors Cochran, Garbarino, Hernández, Hill and Mastin.

NOES (0): None.

ABSENT (4): Chair Rabbitt; Directors Giudice and Grosboll; President Theriault.

(6) **Approve Establishment of an Educational/Institutional Clipper Pass on Golden Gate Transit Bus and Golden Gate Ferry through a Pilot Program, and Amend the Master Ordinance Accordingly** [13:57 Minutes Mark on the Video Recording]

Director of Planning Ron Downing presented the staff report.

[20:06 Minutes Mark on the Video Recording]

Acting Chair Pahre expressed appreciation for the pilot program. She inquired about the housing properties included in the pilot program.

Director Hill expressed appreciation for the program and commented about how the program could alter people's use of public transit.

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Mr. Downing and Mr. Mulligan responded to the inquiries. Mr. Mulligan stated that the pilot program is focused on a subset of possible educational institutions and housing properties in the Bay Area.

The following individual spoke under public comment: **[23:48 Minutes Mark on the Video Recording]**

- David Pilpel, San Francisco Resident

(a) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors HILL/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 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; and amend the Master Ordinance accordingly.

Action by the Board at its meeting of July 22, 2022 – Ordinance
NON-CONSENT CALENDAR

AYES (6): Vice Chair Pahre; Directors Cochran, Garbarino, Hernández, Hill and Mastin.

NOES (0): None.

ABSENT (4): Chair Rabbitt; Directors Giudice and Grosboll; President Theriault.

(7) Status Report on the FY 21/22 Budget **[26:59 Minutes Mark on the Video Recording]**

Auditor-Controller Joseph Wire presented the staff report, which was for informational purposes only and no action was taken. He stated that the District has been able to balance the budget with federal funding and without the one-time funding, the District would have had a deficit of about \$75 million. He reviewed the funding sources including the American Rescue Plan first tranche of \$57.7 million and second tranche of about \$17 thousand that was used for FY 21/22. He also spoke about the District's revenue from other sources including Bridge traffic, which is higher than budgeted, Bus and Ferry transit ridership, which is lower than budgeted, and investment income. He outlined why expenses were lower than budgeted.

[33:40 Minutes Mark on the Video Recording]

Director Mastin inquired about the toll revenue carryover, the District's use of the revenue, and the definition of the term.

Acting Chair Pahre expressed appreciation for the information provided by staff.

Mr. Wire responded to the Director's inquiries. Mr. Mulligan added that, based on the District's current path, the toll revenue carryovers would be used in future years.

The following individual spoke under public comment: **[39:51 Minutes Mark on the Video Recording]**

- David Pilpel, San Francisco Resident

(8) **Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares (for Twelve Months Ending June 2022)** **[41:00 Minutes Mark on the Video Recording]**

Auditor-Controller Joseph Wire presented the staff report, which was for informational purposes only and no action was taken. He reviewed revenue for Bridge traffic and bus and ferry ridership. He went through the associated graphs and spoke about how the charts illustrate the traffic, ridership and revenue in comparison to budget and prior years. Furthermore, he explained the graphs that begin on page 9 of the report, and highlighted that the yellow line represents the current year.

(9) **Monthly Review of Financial Statements (for Twelve Months Ending June 2022)** **[49:36 Minutes Mark on the Video Recording]**

- (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 actions were taken. He reviewed the District's expenses and revenue, and stated that staff anticipates that federal funding will roll over to two subsequent years. He acknowledged that the District will likely remain fiscally balanced if the current trends continue for the next couple of years. He briefly explained why expenses were lower than budgeted.

He briefly summarized the capital programs and expenditures, and noted that the District spent about 85% of the capital budget for the year, which is an excellent result.

Acting Chair Pahre stated the financial reports are comprehensive.

(10) **Review of the District's FY 21/22 Fourth Quarterly Report of Judgments or Settled Claims** **[57:26 Minutes Mark on the Audio Recording]**

Director of Risk Management and Safety Kelli Vitale presented the staff report, which was for informational purposes only and no action was taken.

Acting Chair Pahre stated the report is very interesting and expressed appreciation for the release results.

The following individual spoke under public comment: **[58:50 Minutes Mark on the Video Recording]**

- John Holden, Bus Operator

(11) **Review of the Auditor-Controller's FY 21/22 Fourth Quarterly Report on Authorized Budget Adjustments and Budget Transfers Under the General Manager's Authority**
[1:00:49 Hour Mark on the Audio Recording]

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

(12) **Review of the Auditor-Controller's FY 21/22 Fourth Quarterly Report on Procurement Actions Under the General Manager's Authority**

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

[Director Snyder arrived.]

(13) **Closed Session** **[1:03:20 Hour Mark on the Video Recording]**

Attorney Kimon Manolius, at the request of Acting Chair Pahre, 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) *Tito Bryson Venturini v. Golden Gate Bridge, Highway and Transportation District.*

(ii) *Richard Burt v. Golden Gate Bridge, Highway and Transportation District*

[1:18:40 Hour Mark on the Video Recording]

After Closed Session, Acting Chair Pahre called the meeting to order in Open Session with a quorum present. Attorney Kimon Manolius stated that the Committee had met in Closed Session, as permitted by the Brown Act, to discuss the above listed matters. He reported that the Committee gave legal counsel guidance about how to proceed with the matters.

(14) **Public Comment**

There were no public comments.

(15) **Adjournment** **[1:19:16 Hour Mark on the Video Recording]**

All business having been concluded **Directors COCHRAN/HILL** moved and seconded that the meeting be adjourned at 11:29 a.m.

Carried

A handwritten signature in blue ink that reads "Barbara Pahre". The signature is written in a cursive style with a large, looped initial "B".

Barbara Pahre, Acting Chair
Finance-Auditing Committee

BP:AMK:EIE:tnm