

August 25, 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, August 25, 2022, at 10:35 a.m., Chair Rabbitt presiding.

- (1) **Call to Order:** 10:35 a.m. **[00:25 Minutes 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 (0): None.

Other Directors Present (5): Directors Garbarino, Hill, Rodoni, Snyder and Thier.

Committee of the Whole Members Present (13): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt, Rodoni, Snyder and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

Committee of the Whole Members Absent (3): Directors Arnold, Conroy and Stefani.

[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

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David Rivera; Deputy General Manager/Bus Transit Division Mona Babauta; Deputy General Manager/Administration and Development Kellee Hopper; Director of Budget and Electronic Revenue Jennifer Mennucci; Director of Accounting Cody Smith; 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.

[Director Grosboll arrived.]

(3) Ratification of Previous Actions by the Auditor-Controller [03:09 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.

[08:35 Minutes Mark on the Video Recording]

Chair Rabbitt inquired about the technical definition of a recession and the forces that trigger the recognition of a recession. He expressed appreciation for PFM's efforts on the District's portfolio.

Mr. Kajopaiye and Mr. Wire responded to the Chair's inquiry.

(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 July 1, 2022 through July 31, 2022;
- (ii) Ratify investments made during the period July 12, 2022 through August 15, 2022;
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between August 15, 2022 and September 12, 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 July 2022.

Action by the Board at its meeting of August 26, 2022 – Resolution

CONSENT CALENDAR

AYES (13): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt, Rodoni, Snyder and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (3): Directors Arnold, Conroy and Stefani.

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

(a) Budget Increase in the FY 22/23 Bus Division Capital Budget for Project #1717, San Rafael Transportation Center Relocation Analysis, Environmental Clearance, and Preliminary Design [12:07 Minutes Mark on the Video Recording]

(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 and Auditing Committee/Committee of the Whole recommends, in concurrence with the Building and Operating Committee at its August 25, 2022 meeting, that the Board of Directors authorize a budget increase in the FY 22/23 Bus Division Capital Budget relative to Project #1717, *San Rafael Transportation Center Relocation Analysis, Environmental Clearance, And Preliminary Design*, in the amount of \$1,751,285.

Action by the Board at its meeting of August 26, 2022 – Resolution Refer to Building and Operating Committee meeting of August 25, 2022
NON-CONSENT CALENDAR

AYES (13): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt, Rodoni, Snyder and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (3): Directors Arnold, Conroy and Stefani.

(5) Authorize Actions Related to Grant Programs

No actions required authorization.

(6) Approve Establishment of a New Project, Suicide Deterrent System Rescue Training Net Project, in the Fiscal Year 22/23 Bridge Division Capital Budget [14:02 Minutes Mark on the Video Recording]

District Engineer Ewa Bauer-Furbush presented the staff report.

[18:29 Minutes Mark on the Video Recording]

Director Thier spoke about the importance of the training and expressed appreciation for staff's work on the project.

Chair Rabbitt inquired about future costs related to the training facility.

Ms. Bauer-Furbush responded to the comments and inquiry.

(a) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors GIUDICE/SNYDER** 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 establishing a new Bridge Division Capital Project, Project #2321, *Suicide Deterrent System Rescue Training Net Project*, in the Fiscal Year 22/23 Bridge Division Capital budget with a total budget of \$824,000, to be 100% financed with the District's Capital Reserves, for the construction of the rescue training net at the Southern Marin Fire Department facility in Mill Valley, California.

**Action by the Board at its meeting of August 26, 2022 – Resolution
NON-CONSENT CALENDAR**

AYES (13): Directors Garbarino, Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt, Rodoni, Snyder and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (3): Directors Arnold, Conroy and Stefani.

[Director Garbarino departed]

(7) Authorize Execution of the 2022 Amended and Restated Clipper Memorandum of Understanding [21:23 Minutes Mark on the Video Recording]

Director of Budget and Electronic Revenue Jennifer Mennucci presented the staff report. She spoke about how the District was one of the first agencies to participate in the Clipper program, which started 15 years beforehand.

[24:02 Minutes Mark on the Video Recording]

Chair Rabbitt expressed appreciation for the report.

Director Hernández expressed appreciation for Ms. Mennucci and her team's

contributions to the Clipper program including the next generation of the system.

The following individual spoke under public comment: **[25:06 Minutes Mark on the Video Recording]**

- David Pilpel, San Francisco Resident

Chair Rabbitt requested Ms. Mennucci comment on the Clipper accounting system changes, and he commented on the Clipper system.

Director Hill stated the updated Clipper program will streamline the riders experience with fares, and expressed appreciation for Ms. Mennucci and her team's contributions to the updated Clipper program.

Ms. Mennucci and Mr. Mulligan responded to the comments and inquiries. Mr. Mulligan clarified that the updated Clipper program will not give the Metropolitan Transportation Commission the authority to set the District's fares.

(a) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors SNYDER/HILL** 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 Golden Gate Bridge, Highway and Transportation District's (District) General Manager, or designee, to execute the 2022 Amended and Restated Clipper® Memorandum of Understanding with the Metropolitan Transportation Commission (MTC) and all other transit operators using the Clipper fare collection system.

**Action by the Board at its meeting of August 26, 2022 – Resolution
NON-CONSENT CALENDAR**

AYES (12): Directors Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt, Rodoni, Snyder and Thier; Second Vice President Hill; First Vice President Cochran; President Theriault.

NOES (0): None.

ABSENT (4): Directors Arnold, Conroy, Garbarino and Stefani.

[Director Snyder departed.]

(8) Authorize Execution of a Professional Services Agreement Relative to Request for Proposals No. 2022-D-009, External Audit Services, with Eide Bailly, LLP [33:20 Minutes Mark on the Video Recording]

Director of Accounting Cody Smith presented the staff report.

[36:03 Minutes Mark on the Video Recording]

Chair Rabbitt expressed appreciation for the report.

Director Pahre inquired about the current auditor and District policies that might require rotation of audit firms.

Mr. Smith responded to the inquiry. He said the District does not have any policies to require rotation of the audit firm. He said the Securities and Exchange Commission (SEC) and Government Finance Officers Association (GFOA) require a rotation of partners overseeing the audit and the team.

(a) Action by the Committee

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

RECOMMENDATION

The Finance-Auditing Committee/Committee of the Whole recommends the Board of Directors authorize the execution of Professional Services Agreement (PSA) pursuant to Request for Proposals (RFP) No. 2022-D-009, *External Audit Services*, with Eide Bailly, LLP (EB) of Menlo Park, CA, in the amount of \$275,436 for a three-year term with two one-year options to be exercised at the discretion of the General Manager or his/her designee, in the amount of \$95,509 for year four and in the amount of \$97,419 for year five, with the understanding requisite funds are available in the District Division Operating Budget and will be budgeted accordingly for future years.

**Action by the Board at its meeting of August 26, 2022 – Resolution
NON-CONSENT CALENDAR**

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

NOES (0): None.

ABSENT (5): Directors Arnold, Conroy, Garbarino, Snyder and Stefani.

[Director Snyder returned.]

(9) Approve Actions Relative to the Renewal of Vision, Dental, Life Insurance and Employee Assistance Plans [38:54 Minutes Mark on the Video Recording]

Directors Hernández, Grosboll and Snyder stated they were recusing themselves due to possible conflicts related to this item.

[Directors Hernández, Grosboll and Snyder departed, and the Committee of the Whole became a Committee.]

Deputy General Manager/Administration and Development Kellee Hopper presented the staff report. She stated that employees have used the Optum Health benefits more frequently, and indicated that Bridge Security utilizes Optum Health counselling services after critical incidents at the Bridge.

[43:04 Minutes Mark on the Video Recording]

Chair Rabbitt expressed appreciation for Ms. Hopper and her team's work on the renewals.

(b) 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 recommends the Board of Directors approve premium rates for Golden Gate Bridge, Highway and Transportation District's (District) Vision, Dental, Life Insurance and Employee Assistance plans for the six-month period of July 1 through December 31, 2022, at an overall estimated renewal cost of \$1,515,000. Requisite funding is included in the FY 22/23 Operating Budget.

**Action by the Board at its meeting of August 26, 2022 – Resolution
NON-CONSENT CALENDAR**

AYES (6): Chair Rabbitt; Vice Chair Pahre; Directors Cochran, Giudice and Mastin; President Theriault.

NOES (0): None.

ABSENT (2): Directors Grosboll and Hernández.

[Directors Hernández, Grosboll and Snyder returned, and the Committee became a Committee of the Whole.]

(10) Status Report on the FY 22/23 Budget [45:01 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 spoke about the Budget deficit, and how the District is balancing its budget with emergency federal one time funding. He said that Bridge traffic revenue is lower than anticipated, and Bus and Ferry ridership revenue is slightly higher than anticipated in July.

The following individual spoke under public comment: **[48:57 Minutes Mark on the Video Recording]**

- David Pilpel, San Francisco Resident

Chair Rabbitt stated that the Board members also wish President Theriault a speedy

recovery and return to good health.

- (11) **Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares (for One Month Ending July 2022)** [51:13 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 the Bridge traffic, and bus and ferry ridership results for the month. He said that Bridge traffic was about the same as 2021, bus ridership was higher than last year, and ferry ridership had increased.

- (12) **Monthly Review of Financial Statements (for One Month Ending July 2022)** [55:19 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 stated that Bridge revenue was a bit higher than the prior year because of the toll increase.

[58:36 Minutes Mark on the Video Recording]

Chair Rabbitt inquired about the District's financial results in relationship to the Consumer Price Index (CPI).

Mr. Wire responded that staff would provide some information about how the CPI has affected the District's finances with the District's long range financial projections in the near future.

- (13) **Closed Session** [1:02:25 Hour 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. 13 (a):

- (a) **Conference with Legal Counsel – Existing Litigation**
Pursuant to Government Code Section 54956.9(a)
Report of Athens Administrators, Inc.
- (i) *Anselmo Cubias v. Golden Gate Bridge, Highway and Transportation District.*
- (ii) *Ronald Dunn v. Golden Gate Bridge, Highway and Transportation District.*
- (iii) *Adrienne Lipstrom v. Golden Gate Bridge, Highway and Transportation District.*
- (iv) *Robin Plourde v. Golden Gate Bridge, Highway and Transportation District.*

[President Theriault departed.]