

October 27, 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, October 27, 2022, at 10:27 a.m., Chair Rabbitt presiding.

- (1) **Call to Order:** 10:27 a.m. **[00:30 Minutes Mark on the Video Recording]**
- (2) **Roll Call:** Secretary of the District Amorette M. Ko-Wong. **[01:19 Minutes Mark on the Video Recording]**

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 (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 (5): Directors Arnold, Conroy, Rodoni, Snyder 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;
BOX 29000, PRESIDIO STATION ♦ SAN FRANCISCO, CA 94129-9000 ♦ USA

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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 Manager/Administration and Development Kellee Hopper; Director of Budget and Electronic Revenue Jennifer Mennucci; Director of Capital and Grant Programs Amy Frye; 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 Giudice arrived.]

(3) Ratification of Previous Actions by the Auditor-Controller [03:34 Minutes Mark on the Video Recording]

PFM Senior Managing Consultant Wale Kajopaiye presented the Investment Report. He reviewed the investment environment, elements of the economy and investment opportunities in the current environment.

[10:52 Minutes Mark on the Video Recording]

President Theriault inquired about the meaning of the acronyms of LAIF and CAMP.

Chair Rabbitt expressed appreciation for PFM's work managing the District's investments.

Mr. Kajopaiye responded to the President's inquiry, and stated that CAMP is a liquidity fund, which is managed by PFM, and LAIF is a similar fund that is managed by the State of California.

(a) Action by the Committee

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

- (i) There are no commitments and/or expenditures to ratify for the period of September 1, 2022 through September 30, 2022;
- (ii) Ratify investments made during the period September 13, 2022 through October 17, 2022;

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- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between October 17, 2022 and November 7, 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 September 2022.

**Action by the Board at its meeting of October 28, 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 (5): Directors Arnold, Conroy, Rodoni, Snyder 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) Approve Actions to Amend the 2022 Master Ordinance Relative to Public Parking Hours and Rates for Parking Lots at the Golden Gate Bridge [13:21 Minutes Mark on the Audio Recording]

Director of Budget and Electronic Revenue Jennifer Mennucci 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 actions to update public parking hours and rates for parking lots at the Golden Gate Bridge, and to amend the *2022 Master Ordinance* accordingly, as follows:

- (i) Allow weekday hours for public parking in the employee lot from 3:30 pm – 9:00 p.m.;
- (ii) Allow weekday hours for public parking in the Toll Plaza East Parking Lot from 7:00 a.m. – 9:00 p.m.;

- (iii) Adjust the hours for public parking on Saturdays, Sundays, and Designated Holidays to be 7:00 a.m. – 9:00 p.m. for designated parking lots at the Golden Gate Bridge;
- (iv) Increase the public parking fee to an hourly rate of \$5 up to a maximum consecutive parking time of three (3) hours for designated parking lots at the Golden Gate Bridge; and,
- (v) Define Designated Holidays as the Administrative Holidays that the District observes, for the purpose of these amendments.

**Action by the Board at its meeting of October 28, 2022 – Ordinance
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 (5): Directors Arnold, Conroy, Rodoni, Snyder and Stefani.

- (7) **Authorize an Amendment to Contract No. 2018-D-096, Grants Management Professional Services** [16:29 Minutes Mark on the Audio Recording]

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

[18:28 Minutes Mark on the Audio Recording]

Director Thier stated she has a potential conflict of interest and would not be participating in this item.

[Director Thier departed.]

(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/Committee of the Whole recommends that the Board of Directors authorize the Third Amendment to Contract No. 2018-D-096, *Grants Management Professional Services* in the amount of \$665,000 to fund additional on-call grant development and professional support services through December 2023.

**Action by the Board at its meeting of October 28, 2022 – Resolution
NON-CONSENT CALENDAR**

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

NOES (0): None.

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

[Director Thier returned.]

(8) Authorize an Amendment to Contract No. 2019-D-002, Security Guard Services for the Bus and Ferry Facilities [20:21 Minutes Mark on the Audio Recording]

Director of Risk Management and Safety Kelli Vitale presented the staff report.

[23:24 Minutes Mark on the Audio Recording]

Director Mastin inquired about security at the Sausalito Ferry Terminal.

Chair Rabbitt inquired if other transit agencies are experiencing a trend of increased threats and possible funding that could cover the increased costs associated with such threats. He expressed appreciation for the District's response to the increased threats.

Director Hill inquired about the security costs being built into the special event ferry rates.

Mr. Mulligan and Ms. Vitale responded to the inquiries. Mr. Mulligan clarified that security is provided on special event ferries that depart from Larkspur and he indicated that the increased security is due to threats that have originated internally. Ms. Vitale stated that the District provides direction about when and where the security is provided.

(c) 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 approve actions relative to Contract No. 2019-MD-002, *Security Guard Services for the Bus and Ferry Facilities*, with Barbier Security Group as follows:

- (i) Approve a contract increase relative to Contract No. 2019-MD-002 in the amount of \$770,411, increasing the previously approved contract amount from \$3,304,612 to \$4,570,715; and,

- (ii) Add an additional contingency at 5% or \$228,536 of the Contract total to allow for temporary and long-term increases in staffing as needed, as well as other unanticipated circumstances and a contractually permitted possible increase in Year Four and Year Five of the Contract.

**Action by the Board at its meeting of October 28, 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 (5): Directors Arnold, Conroy, Rodoni, Snyder and Stefani.

(9) Receive the Updated Five- and Ten-Year Financial Projection [28:12 Minutes Mark on the Audio Recording]

Auditor-Controller Joseph Wire presented the staff report. He stated that the projection is typically part of the financial planning process. However, the report has not been presented for a couple of years because of a lack of information about how the COVID-19 pandemic would affect the District's financial condition.

He explained the various assumptions in the projection, and said the document assumes no other policy changes such as toll and fare increases.

He stated that the first projection shows the current FY 22/23 budget assumptions with a return to full pre-COVID transit service, and pointed out the resulting deficit of over \$1 billion in 10 years.

He indicated the second projection outlines a scenario of providing the transit service that the District is operating at this time, and reviewed the resulting deficit of \$598 million in 10 years.

He said the third projection shows a return to pre-COVID expenses and revenues from Bridge traffic and transit ridership, and said the resulting deficit would be \$568 million in 10 years.

He reviewed the 80% grant funding assumption for capital projects, reviewed other levels of grant funding and pointed out how the deficit could increase.

He stated that the next steps usually include a financial and strategic planning process.

[45:18 Minutes Mark on the Audio Recording]

Chair Rabbitt and President Theriault expressed appreciation for the projection.

Chair Rabbitt commented about the report, the upcoming fiscal requirements of transit agencies and possible funding through the State Cap-and-Trade program. He spoke about the importance of “right sizing.”

President Theriault said he would be in communication with Chair Rabbitt, Mr. Mulligan and Mr. Wire about a strategic planning process.

Director Hill commented about electrifying transit and inquired about the report's assumptions related to transit electrification.

President Theriault pointed out that the cost to add infrastructure for electric buses has been included in the report.

Chair Rabbitt commented about possible additional funding that might be secured.

Mr. Wire responded to the comments and inquiries. He said that the projection does include transit electrification but those costs would be refined as staff gets more information. He clarified that the projection does not include possible additional funding that might be received from other sources.

(d) 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/Committee of the Whole recommends that the Board of Directors receive the updated five- and ten-year financial projection, as detailed in the staff report.

**Action by the Board at its meeting of October 28, 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 (5): Directors Arnold, Conroy, Rodoni, Snyder and Stefani.

- (10) Status Report on the FY 22/23 Budget [53:44 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 report is very similar to the prior month.

- (11) **Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares (for Three Months Ending September 2022)** [54:58 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, and associated revenue for the month. He pointed out that bus and ferry revenues are higher than the prior year and budget.

- (12) **Monthly Review of Financial Statements (for Three Months Ending September 2022)** [58:58 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 pointed out the shortfall of almost \$4 million for the first quarter. He reviewed progress on capital projects.

[1:02:04 Hour Mark on the Video Recording]

President Theriault inquired about ferry service to Chase Center.

Mr. Mulligan responded to the President's inquiry. He stated that the District has not reinstated ferry service to Chase Center, explained the reasons why and said service may be added in the future.

- (13) **Review of the District's FY 22/23 First Quarterly Report of Judgments or Settled Claims** [1:04:25 Hour 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.

[1:05:23 Hour Mark on the Video Recording]

President Theriault inquired about a claim that was settled.

Director Mastin requested clarification about the meaning of the settlement amount.

Ms. Vitale responded to the President's and Director's inquiries.

- (14) **Review of the Auditor-Controller's FY 22/23 First Quarterly Report on Authorized Budget Adjustments and Budget Transfers Under the General Manager's Authority** [1:07:28 Hour Mark on the Video Recording]

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

(15) **Review of the Auditor-Controller’s FY 22/23 First 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.

Chair Rabbitt stated that he would like to take Public Comment before the Closed Session.

(16) **Public Comment [1:08:37 Hour Mark on the Video Recording]**

There were no public comments.

(17) **Closed Session [1:09:25 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) *Dan Sarasin v. Golden Gate Bridge, Highway and Transportation District.*

[0:18 Minutes Mark on the Closing Video Recording]

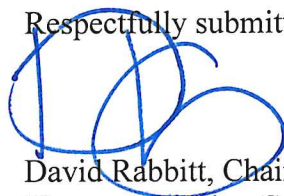
After Closed Session, Chair Rabbitt called the meeting to order in Open Session with a quorum present. Attorney Kimon Manolius stated that the Committee had met in Closed Session, as permitted by the Brown Act, to discuss the above listed matter. He reported that the Committee gave the negotiator and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

(18) **Adjournment [0:47 Minutes Mark on the Video Recording]**

All business having been concluded Directors PAHRE/GARBARINO moved and seconded that the meeting be adjourned at 11:44 a.m.

Carried

Respectfully submitted,



David Rabbitt, Chair
Finance-Auditing Committee