

February 23, 2023



**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, February 23, 2023, at 11:16 a.m., with Chair Rabbitt presiding.

- (1) **Call to Order:** 11:16 a.m. **[00:23 Minutes Mark on the Video Recording]**
- (2) **Roll Call:** Secretary of the District Amorette M. Ko-Wong. **[01:04 Minutes Mark on the Video Recording]**

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

Committee Members Absent (0): None.

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

Committee of the Whole Members Present (12): Directors Giudice, Grosboll, Hernández, Mastin, Pahre, Rabbitt, Rodoni, Snyder and Thier; Second Vice President Hill; First Vice President Cochran; President Thériault.

Committee of the Whole Members Absent (6): Directors Conroy, Dorsey, Garbarino, Moulton-Peters, Safaí and Stefani.

[Note: On this date, there was one vacancy on the Board of Directors.]

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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/Administration and Development Kellee Hopper; Director of Risk Management and Safety Kelli Vitale; Executive Administrator to the General Manager Justine Bock; Senior Board Analyst Elizabeth Eells.

[Director Pahre arrived.]

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 [03:15 Minutes Mark on the Video Recording]

PFM Senior Managing Consultant Wale Kajopaiye presented the Investment Report.

[09:45 Minutes Mark on the Video Recording]

President Thériault commented about the paragraph that begins “The mortgage-backed securities...” on page 8 of the presentation (page 17 of the meeting packet).

Chair Rabbitt commented about a speech given by Secretary of Treasury Janet Yellen that he heard at a conference in Washington, DC.

The following individual spoke under public comment: **[12:21 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 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 that the Board of Directors approve the following actions:

- (i) There are no commitments and/or expenditures to ratify for the period of January 1, 2023 through January 31, 2023;
- (ii) Ratify investments made during the period January 17, 2023 through February 13, 2023;

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- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between February 13, 2023 and March 13, 2023 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 January 2023.

**Action by the Board at its meeting of February 24, 2023 – Resolution
CONSENT CALENDAR**

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

NOES (0): None.

ABSENT (6): Directors Conroy, Dorsey, Garbarino, Moulton-Peters, Safaí and Stefani.

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

- (a) **Budget Increase in the FY 22/23 Bridge Division Capital Budget for Project #2321, Suicide Deterrent System Rescue Training Net [14:19 Minutes Mark on the Video Recording]**

[Director Thier recused herself and departed.]

(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 February 23, 2023, that the Board of Directors authorize an increase in the FY 22/23 Bridge Division Capital Budget in the amount of \$101,169 relative to Project #2321, *Suicide Deterrent System Rescue Training Net*.

**Action by the Board at its meeting of February 24, 2023 – Resolution
Refer to Building and Operating Committee Meeting of February 23, 2023
NON-CONSENT CALENDAR**

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

NOES (0): None.

ABSENT (7): Directors Conroy, Dorsey, Garbarino, Moulton-Peters, Safaí, Stefani and Thier.

[Director Thier returned.]

(b) **Budget Increase in the FY 22/23 Bridge Division Capital Budget for Project #1526, Golden Gate Bridge Suicide Deterrent System Construction** [16:07 Minutes Mark on the Video Recording]

(ii) **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, in concurrence with the Building and Operating Committee at its meeting on February 23, 2023, that the Board of Directors authorize an increase FY 22/23 Bridge Division Capital Budget, in the amount of \$94,000, relative to Project #1526, *Golden Gate Bridge Suicide Deterrent System Construction*, to be funded from District reserves, to support continuation of the suicide deterrent net fabrication shop inspection services.

Action by the Board at its meeting of February 24, 2023 – Resolution Refer to Building and Operating Committee Meeting of February 23, 2023
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 Thériault.

NOES (0): None.

ABSENT (6): Directors Conroy, Dorsey, Garbarino, Moulton-Peters, Safaí and Stefani.

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

No actions required authorization.

(6) **Approve Renewal of the Marine Insurance Program** [17:54 Minutes Mark on the Audio Recording]

Director of Risk Management and Safety Kelli Vitale presented the staff report. She explained the timing of the Steamship Mutual Protection and Indemnity Club (Steamship Club) renewal. She pointed out a discrepancy between the Fiscal Impact paragraph and Premium Summary in the staff report on page 40, stated the District saved \$164,000 and the final Total Premium is \$914,936.

[22:16 Minutes Mark on the Video Recording]

Chair Rabbitt expressed appreciation for the report and the District's participation in the Steamship Club.

The following individual spoke under public comment: **[22:49 Minutes Mark on the Video Recording]**

- David Pilpel, San Francisco Resident

Chair Rabbitt commented about the value of saving over \$164,000 a year.

(a) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors RODONI/PAHRE** 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 Marine Insurance Program, effective February 20, 2023, as follows:

- (i) Renew Protection & Indemnity coverage with the Steamship Mutual Protection and Indemnity Club (Club) for a one-year term, with a limit of \$1 billion for each occurrence/annual aggregate in excess of a per occurrence deductible of \$55,000 and annual aggregate deductible of \$350,000 for a total premium of \$489,402;
- (ii) Renew Hull & Machinery, Increased Value and War coverage including Terrorism and Risk Insurance Act (TRIA) coverage with Travelers, The Hartford and Liberty for a one-year term, with insured hull limits per attached addendum in excess of a \$200,000 deductible for a total premium of \$279,339;
- (iii) Bind Vessel Pollution Liability coverage with Great American for a one-year term, with a limit of \$5 million for a total premium of \$6,920;
- (iv) Renew Marine General Liability coverage with Liberty Mutual for a one-year term, with a limit of \$1 million occurrence and \$2 million aggregate, in excess of a per occurrence deductible of \$10,000 for a total premium of \$26,775; and,
- (v) Bind Excess Marine General Liability Insurance program with Aegis, Beazley, Convex, CNA Hardy, Canopus, Axis, AIG, Markel, Antares, et al. for a one-year term with a liability limit of \$50 million for each occurrence/annual aggregate in excess of a \$10,000 self-insured retention (SIR) for a total premium of \$112,250.

These recommendations are made with the understanding that the requisite funds will be available in the FY 22/23 Operating Budget for the Bridge, Bus, Ferry and District divisions.

**Action by the Board at its meeting of February 24, 2023 – 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 Thériault.

NOES (0): None.

ABSENT (6): Directors Conroy, Dorsey, Garbarino, Moulton-Peters, Safaí and Stefani.

Director Hill inquired about the requirements to participate in the Steamship Club.

Ms. Vitale responded that the vessels covered in the Steamship Club are not required to be steamships.

(7) Status Report on the FY 22/23 Budget [26:25 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 highlighted that the report is similar to the prior month and said staff have added actual Bridge, bus and ferry revenue.

[Director Giudice departed.]

The following individual spoke under public comment: [27:42 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 Seven Months Ending January 2023) [29:32 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 through January on page 1 (page 51 of the meeting packet). He pointed out that the tables show the current fiscal year's results are very similar to the prior year on page 53, and all areas are generating more revenue than budgeted.

(9) Monthly Review of Financial Statements (for Seven Months Ending January 2023) [32:15 Minutes Mark on the Video Recording]

- Statement of Revenue and Expenses**
- 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 changes in revenues and expenses from prior years on page 61. He highlighted actual revenue is higher, and actual expenses are lower than budgeted. He noted that District expenses are still higher than the revenue collected and the shortfall would be covered by the one-time funding.

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

(10) **Public Comment**

There were no public comments.

(11) **Closed Session [37:39 Minutes 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. 15(a):

(a) Conference with Legal Counsel – Existing Litigation

Pursuant to Government Code Section 54956.9(a)

Report of Athens Administrators, Inc.

(i) *Patricia Gray v. Golden Gate Bridge, Highway and Transportation District.*

[00:14 Minutes Mark on the Closing Video Recording]

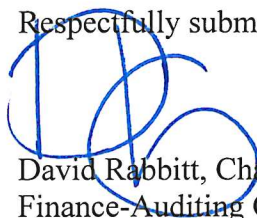
After Closed Session, Chair Rabbitt called the meeting to order in Open Session with a quorum present. Attorney Kimon Manolius stated that the Committee had met in Closed Session, as permitted by the Brown Act, to discuss the above listed matter. He reported that the Committee gave guidance to legal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

(12) **Adjournment [00:36 Minutes Mark on the Video Recording]**

All business having been concluded **Directors THIER/PAHRE** moved and seconded that the meeting be adjourned at 12:05 p.m.

Carried

Respectfully submitted,



David Rabbitt, Chair
Finance-Auditing Committee

DAR:AMK:EIE:tnm