

March 23, 2023



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

**These minutes are supplemented by the audio recording that is posted online at:
<https://www.goldengate.org/district/board-of-directors/meeting-documents>.**

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 in the United Irish Cultural Center, St. Francis Room, 2700 45th Avenue, San Francisco, CA, on Thursday, March 23, 2023, at 9:55 a.m., with Chair Rabbitt presiding. A remote audio option for public participation was available.

- (1) **Call to Order:** 9:55 a.m.
- (2) **Roll Call:** Secretary of the District Amorette M. Ko-Wong. **[00:13 Minutes Mark on the Audio 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 (5): Directors Conroy, Garbarino, Hill, Mastin and Snyder.

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

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

Staff Present: General Manager Denis Mulligan; Auditor-Controller Joseph Wire; District Engineer Ewa Bauer-Furbush; Secretary of the District Amorette Ko-Wong; Attorney Kimon Manolius; Deputy General Manager/Bridge Division David Rivera; Deputy General Manager/Ferry Division Michael Hoffman; Director of Planning Ron Downing; Director of Data and Project Administration Hitham Hamdon; Executive Administrator to the General Manager Justine Bock; Senior Board Analyst Elizabeth Eells.

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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 [0:54 and 30:22 Minutes Mark on the Audio Recording]

Auditor-Controller Joe Wire and PFM Senior Managing Consultant Wale Kajopaiye* presented the Investment Report.

*Mr. Kajopaiye reviewed the Investment Report later in the meeting.

[03:55 Minutes Mark on the Audio Recording]

President Thériault commented about the District's investment in Credit Suisse.

Mr. Wire responded to the President's comment.

(a) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors HERNÁNDEZ/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 February 1, 2023 through February 28, 2023;
- (ii) Ratify investments made during the period February 14, 2023 through March 13, 2023;
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between March 13, 2023 and April 17, 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 February 2023.

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

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

NOES (0): None.

ABSENT (6): Directors Dorsey, Engardio, Moulton-Peters, Safaí, Stefani and Thier.

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

- (a) **Budget Increase in the FY 22/23 Bridge Division Capital Budget for Project #1526, Golden Gate Bridge Suicide Deterrent System Construction Project**
[05:47 Minutes Mark on the Audio Recording]

(i) **Action by the Committee**

Staff recommended and the Committee concurred by motion made and seconded by **Directors GROSBOLL/COCHRAN** 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 March 23, 2023, that the Board of Directors authorize an increase in the FY 22/23 Bridge Division Capital Budget, in the amount of \$2,480,000, for Project #1526, *Golden Gate Bridge Suicide Deterrent System Construction*, to be funded from District reserves, to support continuation of engineering support services and construction zone enhanced enforcement services.

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

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

NOES (0): None.

ABSENT (6): Directors Dorsey, Engardio, Moulton-Peters, Safaí, Stefani and Thier.

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

- (a) **Approve Actions Relative to the Low Carbon Transit Operations Program (LCTOP)**
[07:07 Minutes Mark on the Audio Recording]

Auditor-Controller Joseph Wire presented the staff report.

(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

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The Finance-Auditing Committee/Committee of the Whole recommends that the Board of Directors approve the following actions necessary to secure FY 22/23 Low Carbon Transit Operations Program (LCTOP) grant funds to support transit capital and operating projects for the Golden Gate Bridge, Highway and Transportation District (District):

- (1) Approve submission of one LCTOP grant application in FY 22/23 for the *M.V. Del Norte* Replacement Project;
- (2) Certify that the District will comply with all conditions and requirements set forth in the LCTOP certification and assurances, authorized agent documents, applicable statutes, regulations, and guidelines for all LCTOP-funded transit projects; and,
- (3) Authorize the General Manager, or his designee, to execute for and on behalf of the District any documents necessary to apply for and receive LCTOP funding, including certifications and assurances, authorized agent forms, and agreements relative to the FY 22/23 LCTOP program.

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

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

NOES (0): None.

ABSENT (6): Directors Dorsey, Engardio, Moulton-Peters, Safaí, Stefani and Thier.

- (6) **Approve Fiscal Year 2023/2024-2027/2028 Five-Year Fare Program, Amend the Master Ordinance, Approve Title VI Analysis, and Adopt Notice of Exemption [09:23 Minutes Mark on the Audio Recording]**

Director of Planning Ron Downing presented the staff report.

He expressed appreciation for the staff who contributed to the Five-Year Fare Program and reviewed the Five-Year Fare Program. He explained the value of Option Two, as described in the staff report, which is easy to understand and phases in the fare increases in a measured and incremental manner. General Manager Denis Mulligan added information about the difference between the old and new fares for means-based riders and emphasized the new fares would decrease the cost for those riders who are eligible for means-based fares.

[16:59 Minutes Mark on the Audio Recording]

Director Grosboll inquired about the additional revenue that would be realized, staff's sentiments about the increase, the expected ridership decreases and marketing promotions.

Director Garbarino commented about rider considerations and indicated that the ridership

statistics are valuable.

Director Mastin expressed support for the fare increase and inquired about the monetary value of the “carve outs,” or the ways in which the District has treated fares in Sonoma county and the East Bay in Option 2.

Director Hill commented about the possibility of ridership returning to normal. He expressed support for the District’s current approach to service.

Chair Rabbitt expressed appreciation for staff’s work and the staff report. He commented about new travel patterns and the challenge of growing commute ridership.

Mr. Mulligan and Mr. Downing responded to the Directors’ comments and inquiries. Mr. Mulligan confirmed that the revenue increase is not significant as shown on page 50 of the meeting packet. He explained that most District transit riders are not price sensitive, and the Means-based fare programs offset the fare increases for lower income riders. He commented that ferry ridership increases seem to be tied to increases in recreational travel and bus transit ridership increases seem to be linked to employers having their employees return to work in the office. He stated that staff would consider additional promotions and present those ideas to the Board.

The following individual spoke under public comment: **[27:42 Minutes Mark on the Audio Recording]**

- David Pilpel, San Francisco Resident (remotely)

(a) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors MASTIN/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) Approve the Fiscal Years 2023/24 – 2027/28 Five-Year Fare Program, containing Option 2 for both Golden Gate Transit bus and Golden Gate Ferry fares;
- (ii) Amend the Master Ordinance accordingly;
- (iii) Approve the associated Title VI Equity Analysis; and,
- (iv) Authorize the Filing of a Notice of Exemption under the California Environmental Quality Act (CEQA).

The Fare Program will increase fares for the Golden Gate Bridge, Highway and Transportation District's (District) Regional Bus, Ferry, and Americans with Disabilities Act (ADA)-compliant complementary paratransit service effective July 1, 2023, with the exception of Golden Gate Ferry special event fares to Oracle Park and Chase Center, which will be addressed in a separate future action.

**Action by the Board at its meeting of March 24, 2023 – Ordinance
NON-CONSENT CALENDAR**

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

NOES (0): None.

ABSENT (6): Directors Dorsey, Engardio, Moulton-Peters, Safaí, Stefani and Thier.

[30:22 Minutes Mark on the Audio Recording]

[PFM Senior Managing Consultant Wale Kajopaiye arrived and presented the Investment Report, which is part of Agenda Item No. 3.]

[Director Conroy departed]

(7) Approve Actions Relative to the Annual Review of Rule XI, Investment Policy, of the Rules of the Board [34:25 Minutes Mark on the Audio Recording]

Auditor-Controller Joseph Wire presented the staff report. He explained the update would not alter the reporting timeframe.

[36:44 Minutes Mark on the Audio Recording]

President Thériault expressed appreciation for the explanation regarding the reporting.

(b) 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 relative to the annual review of **RULE XI, INVESTMENT POLICY**, of the *Rules of the Board*:

- (i) Renew the annual delegation of investment management authority to the Auditor-Controller for Fiscal Year (FY) 23/24 as per **RULE XI, INVESTMENT POLICY, Section E, Delegation of Authority**, of the *Rules of the Board*, and as provided for in California Government Code Section 53607.

- (ii) Approve an amendment to RULE XI, INVESTMENT POLICY, of the *Rules of the Board* as detailed in the Staff Report.

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

AYES (12): Directors Garbarino, 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, Engardio, Moulton-Peters, Safaí, Stefani and Thier.

(8) Status Report on the FY 22/23 Budget [37:53 Minutes Mark on the Audio Recording]

Auditor-Controller Joseph Wire presented the staff report, which was for informational purposes only and no action was taken. He pointed out an anomaly in the report on page 144 that would be corrected in the next reporting cycle.

[39:23 Minutes Mark on the Audio Recording]

Director Giudice thanked staff for the explanation.

The following individual spoke under public comment: **[39:34 Minutes Mark on the Audio Recording]**

- David Pilpel, San Francisco Resident (remotely)

(9) Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares (for Eight Months Ending February 2023) [40:55 Minutes Mark on the Audio 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 (on page 149 of the meeting packet). He spoke about how the seasons affect traffic and ridership. He also spoke about how recreational travel is adding to the District's overall totals. Mr. Mulligan pointed out that bus and ferry transit ridership statistics are trending upwards. Mr. Wire agreed and highlighted the tables that illustrate the current fiscal year's results in comparison to prior years (beginning on page 151 of the meeting packet).

(10) Monthly Review of Financial Statements (for Eight Months Ending February 2023) [47:00 Minutes Mark on the Audio 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 changes in revenues and expenses from prior years (on page 157 of the meeting packet). He highlighted that the deficit is lower than the prior year and projections. He reviewed the Capital Programs and Expenditures.

[51:55 Minutes Mark on the Audio Recording]

Director Mastin inquired about why the District's expenses are lower than originally projected.

Director Grosboll inquired about the Angel Island Ferry revenue, and the possibility that the District could lose money by offering the service. He commented about how the Angel Island Ferry service is increasing the District's ferry ridership, and expressed support for the service.

Director Pahre asked if District staff usually put together an "aspirational" budget each year, and whether this approach to budgeting could make the fiscal cliff look closer than it actually is.

Chair Rabbitt commented about the budget, noted transit demand has not returned and indicated that operating less transit service has kept the District's expenses lower. He expressed appreciation for the information provided by staff.

Director Snyder inquired about how conventions affect Bridge traffic and transit ridership.

Director Garbarino inquired about the District's current deficit each week and noted that the figure has been declining.

Mr. Wire and Mr. Mulligan responded to the Directors' inquiries. Mr. Wire explained that District staff create an "aspirational" budget to provide sufficient funding to be able to increase transit service to meet increased customer demand as it materializes. Mr. Mulligan clarified that the cost of adding the Angel Island Ferry service is not that great because the service utilizes a trip that is already in operation. Mr. Wire responded that the District has created aspirational budgets since the pandemic began to allow it to have sufficient resources to meet customer demand if it increases. He pointed out the District's Bridge and transit service play an instrumental role in transporting people from San Francisco to Marin County, and people usually travel on the District's Bridge, buses or ferries. Mr. Mulligan confirmed that the District's fiscal cliff may not happen as soon as shown in the District's budget if customer demand does not increase as the funding allows. Mr. Wire said that staff would provide more accurate expense projections. Mr. Mulligan provided information about how conventions affect the demand for District services. He confirmed that the deficit is declining and the District is using less of the one-time federal funding than projected.

(11) Public Comment

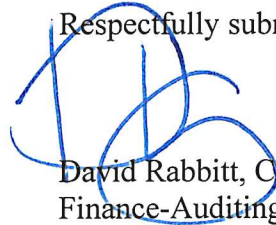
There were no public comments.

(12) **Adjournment [1:05:10 Hour Mark on the Audio Recording]**

All business having been concluded Directors COCHRAN/RODONI moved and seconded that the meeting be adjourned at 11:00 a.m.

Carried

Respectfully submitted,



David Rabbitt, Chair
Finance-Auditing Committee

DAR:AMK:EIE:tnm