

January 25, 2024



MINUTES OF THE FINANCE-AUDITING COMMITTEE

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:

The Finance-Auditing Committee (Committee) of the Golden Gate Bridge, Highway and Transportation District (District) met in regular session in the Board Room, Administration Building, Golden Gate Bridge Toll Plaza, San Francisco, CA, on Thursday, January 25, 2024, at 10:04 a.m., with Vice Chair Pahre presiding until the arrival of Chair Rabbitt. A remote audio option for public participation was available.

- (1) **Call to Order:** 10:04 a.m.
- (2) **Roll Call:** Secretary of the District Amorette M. Ko-Wong. **[00:44 Minute Mark on the Audio Recording]**

Committee Members Present (7): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Mastin and Rodoni; President Cochran.

Committee Members Absent (2): Directors Dorsey and Grosboll.

Other Directors Present (1): Director Hill.

Staff Present: Acting General Manager and Deputy General Manager/Administration and Development Kellee Hopper; 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/Bus Transit Division Les Belton; Deputy General Manager/Ferry Division Michael Hoffman; Budget and Electronic Revenue Director Jennifer Mennucci; Risk Management and Safety Director 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** [01:35 Minutes Mark on the Audio Recording]

PFM Asset Management (PFM) Managing Director Monique Spyke presented the Investment Report.

[07:48 Minutes Mark on the Audio Recording]

Director Mastin inquired about the definition of layoffs and quits in the Quits vs. Openings chart (page 13).

Director Hill commented and inquired about the electric vehicle marketplace.

Ms. Spyke responded to the inquiries.

[Chair Rabbitt arrived.]

(a) **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 recommends that the Board of Directors approves the following actions:

- (i) There are no commitments and/or expenditures to ratify for the period of December 1, 2023 through December 31, 2023;
- (ii) Ratify investments made during the period December 4, 2023 through January 15, 2024;
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between January 16, 2024 and February 12, 2024, 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 December 2023.

Action by the Board at its meeting of January 26, 2024 – Resolution
CONSENT CALENDAR

AYES (7): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Mastin and Rodoni; President Cochran.

NOES (0): None.

ABSENT (2): Directors Dorsey and Grosboll.

Vice Chair Pahre turned the meeting over to Chair Rabbitt.

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

(a) **Budget Increase in the FY 23/24 Ferry Division Capital Budget for Project #2041, Corte Madera Marsh Restoration Construction [12:58 Minutes Mark on the Audio Recording]**

(i) **Action by the Committee**

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

RECOMMENDATION

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on January 25, 2024, that the Board of Directors authorize an increase in the FY 23/24 Ferry Division Capital Budget, in the amount of \$183,700 for Project # 2041, *Corte Madera Marsh Restoration Construction*.

Action by the Board at its meeting of January 26, 2024 – Resolution Refer to Building and Operating Committee Meeting of January 25, 2024
NON-CONSENT CALENDAR

AYES (7): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Mastin and Rodoni; President Cochran.

NOES (0): None.

ABSENT (2): Directors Dorsey and Grosboll.

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

No actions required authorization.

(6) **Approve Actions Regarding the Public Outreach Process Relative to Presenting Toll Options for a Potential Toll Increase on the Golden Gate Bridge [14:00 Minutes Mark on the Audio Recording]**

Director of Budget and Electronic Revenue Jennifer Mennucci presented the staff report.

[17:38 Minutes Mark on the Audio Recording]

Chair Rabbitt inquired about how the proposed outreach differs from what was done in the past, and commented about the increased prevalence of virtual events.

Director Giudice commented about the Bridge Toll Rates attachment, which has a toll comparison chart (page 43). He spoke about his goal to ensure Bridge users are able to bear the cost. He stated that he believes Option 1 would help the District maintain sufficient revenue.

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Chair Rabbitt commented about increased costs and the necessity to raise revenue due to increasing costs.

Director Hernández expressed appreciation for the report. She inquired about the materials that would be available for people who speak different languages other than English. She also inquired about people who change travel modes as a result of higher tolls. She explained her goal is to ensure that other less expensive modes of travel are available to those who cannot afford the higher tolls.

Director Pahre commented about the proposal and the shortfall.

Director Hill commented about the availability and higher costs of auto insurance.

Chair Rabbitt stated that the people who travel across the Bridge by car, bus and ferry are all District customers.

Ms. Mennucci responded to the inquiries. She said that this year, staff is emphasizing virtual open houses because the format allows more people to attend. She said that all presentations will be available in Spanish and Spanish translators will be at the events. She also said that other language translations will be available.

(a) Action by the Committee

Staff recommended and the Committee concurred by motion made and seconded by **Directors GIUDICE/HERNÁNDEZ** 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 actions relative to a proposed toll increase, as follows:

- (i) Authorize staff to present for public review several toll options, with the understanding that any action to modify the existing toll structure will take place only after an extensive public outreach process takes place intended to fully inform the public of the District's range of services and the finances required to support future operational and capital programs;
- (ii) Authorize staff to conduct virtual informational open houses as listed below, for the purpose of providing information, answering questions, and receiving input from the public about the proposed toll increase options under consideration.

Virtual Open House Dates
Wednesday, February 14, 2024
Noon – 1:00 p.m.

Thursday, February 15, 2024
7:00 – 8:00 p.m.

The public will have an opportunity to participate online. People will be able to hear about the proposed toll plans, have their questions answered, and submit public comments; and,

- (iii) Authorize staff to set a Public Hearing for Thursday, February 22, 2024, at 9:00 a.m., in the Board Room, Administration Building, Golden Gate Bridge Toll Plaza, San Francisco.

**Action by the Board at its meeting of January 26, 2024 – Resolution
NON-CONSENT CALENDAR**

AYES (7): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Mastin and Rodoni; President Cochran.

NOES (0): None.

ABSENT (2): Directors Dorsey and Grosboll.

(7) Status Report on the FY 23/24 Budget [26:10 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 spoke about the District’s revenue and expenses (page 47).

Chair Rabbitt inquired about the American Rescue Plan (ARP) funding, deadlines and requirements. He observed other organizations have rapidly used up their one-time federal funding, and expressed appreciation for staff’s discipline with the budget.

Mr. Wire responded that the ARP spending deadline is in the future and the legislative intent is to have organizations spend the funding rapidly. He added that the District expects to use up the one-time funding in the current year.

(8) Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares (for Five and Six Months Ending November 2023 and December 2023) [32:14 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 December results (page 57). He pointed out that Bridge traffic has increased and is higher than budgeted. He reviewed the Bridge, Bus and Ferry traffic and transit ridership charts (page 59-60).

Director Mastin commented, and inquired about the Bridge traffic numbers on page 57 and the relationship to the toll increase options.

Chair Rabbitt inquired about projected Bridge traffic and transit ridership. He also inquired about a possible additional data point that could take into account the effect of the increased

Consumer Price Index (CPI) on revenue.

Director Hill inquired about the possibility of taking tolls in both directions.

Mr. Wire responded to the inquiries. He encouraged directors to reach out to staff about the calculations. He projected that Bridge traffic and ferry ridership would increase further. He responded that staff would look into the possibility of adding an additional data point related to CPI. He said that taking tolls in both directions is an initiative that was raised in the strategic planning process and could possibly increase revenue.

(9) **Monthly Review of Financial Statements (for Five and Six Months Ending November 2023 and December 2023) [45:44 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 FY 23/24 revenue and expenses, (pages 63 and 64) and indicated the District's revenue is still higher than expenses. He pointed to the Capital Report (page 81).

(10) **Review of the District's FY 23/24 Second Quarterly Report of Judgments or Settled Claims [49:18 Minutes Mark on the Audio Recording]**

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

Chair Rabbitt expressed appreciation for staff's work on the matters.

(11) **Review of the Auditor-Controller's FY 23/24 Second Quarterly Report on Authorized Budget Adjustments and Budget Transfers Under the General Manager's Authority [50:20 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.

(12) **Review of the Auditor-Controller's FY 23/24 Second Quarterly Report on Procurement Actions Under the General Manager's Authority [51:00 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.

(13) **Public Comment**

There were no public comments.

(14) **Adjournment [51:44 Minutes Mark on the Audio Recording]**

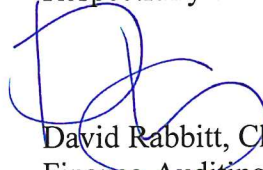
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Chair Rabbitt expressed appreciation for Mr. Wire and his entire staff for their good work.

All business having been concluded **Directors PAHRE/RODONI** moved and seconded that the meeting be adjourned at 10:54 a.m.

Carried

Respectfully submitted,



David Rabbitt, Chair
Finance-Auditing Committee

DAR:AMK:EIE:tnm