



Agenda Item No. (6)(A)

**REPORT OF THE GENERAL MANAGER
BOARD OF DIRECTORS
MEETING OF FEBRUARY 28, 2025**

The Honorable Board of Directors
Golden Gate Bridge, Highway and Transportation District

Honorable Members:

UPDATE ON TRAVEL IN THE GOLDEN GATE CORRIDOR

Travel in the Golden Gate Corridor by Bridge, bus and ferry remains well below pre-pandemic levels. That having been said, travel in the Golden Gate Corridor continues to trend upward.

In January 2025, southbound Bridge traffic was 5 percent above January 2024 traffic, Bus ridership was 8 percent above January 2024, and Ferry ridership was 28 percent above January 2024 ridership. The District continues to add back bus and ferry service incrementally as we see a return of our customers travelling in the Golden Gate Corridor.

In January, commute Bridge traffic (weekdays from 5:00 – 9:00 a.m. southbound) was 28 percent below 2019 commute traffic. This 28 percent less commute traffic corresponds to about 100,000 fewer vehicles crossing the Bridge during the morning commute in January as compared to January 2019. Needless to say, this contributes greatly to the District’s financial challenges, since Bridge tolls are the District’s largest funding source.

FEDERAL TRANSIT ADMINISTRATION (FTA) GRANTS AT RISK

There is currently much uncertainty regarding federal grants. In addition to the recent flurry of Executive Orders and directives from the U.S. Secretary of Transportation, there has been a years-long cloud over Federal Transit Administration (FTA) grants arising from claims from the Amalgamated Transit Union (ATU) asserting that the California Public Employees Pension Reform Act of 2013 (PEPRA) violates federal transit worker protections, known as 13(c).

On October 24, 2024, the United States Court of Appeals for the Ninth Circuit issued a mandate, putting into effect its July 29 judgment, which remanded *ATU International v. USDOL* to the United States District Court for the Eastern District with direction to dismiss the case for lack of jurisdiction.

As expected, the District Court processed the Appellate Court’s mandate and vacated the District Court’s injunction. This injunction had protected the flow of federal transit grants to California

FEDERAL TRANSIT ADMINISTRATION (FTA) GRANTS AT RISK (continued)

transit agencies subject to PEPPRA. That protection is now gone, and California transit agencies may again see their federal transit grants withheld prospectively, if subject to PEPPRA-based objections by the unions representing its transit employees.

Staff is working with the California Transit Association (CTA) to respond to the threat to federal funds for California transit agencies and will continue to update the Board on this situation as it potentially affects our access to federal transit grants.

REPORT ON GOLDEN GATE BRIDGE ELECTRICAL SYSTEM REPAIRS

Background

On Saturday February 8, 2025, one of the Golden Gate Bridge's main circuit breakers tripped, affecting power to some of the Bridge's lighting and other electrical systems. The District's Bridge Division forces mobilized to the Bridge, investigated the electrical system and provided temporary power to certain locations but were unable to determine the cause of the tripped breaker and unable to restore power to all the lighting and other electrical systems at the Bridge. Bridge Division staff requested Engineering Department staff assistance to bring in outside electrical contractors with expertise in medium to high voltage industrial electrical installations to assist with the investigation. The Bridge lighting and electrical systems are critical infrastructures that are necessary for the protection and security of the Bridge as well as for providing safe access to vehicle traffic, water vessel traffic and air traffic traveling on, under and over the Bridge.

Due to the need to quickly repair these critical systems, in accordance with Public Contract Code Section 22050 and the District's Procurement Policy, on February 10, 2025, the General Manager authorized an emergency procurement with PB Electric, Inc., Rancho Cordova, CA, in an amount not-to-exceed \$107,500, to perform an investigation of the electrical system and cause of the outage. PB Electric, Inc. mobilized to the site and discovered damaged and failed equipment and cable failures at multiple locations on the Bridge. It was determined that the damaged and failed equipment cannot be repaired and must be replaced. Initial searches have determined that the existing failed electrical equipment is no longer made and new compatible equipment must be sourced and procured. In the interim, Bridge Division forces have installed temporary generators to restore the lighting and other electrical systems that were impacted by the equipment failure.

Engineering staff is working with PB Electric, Inc. and Bridge District staff on completing an assessment of the Bridge electrical equipment, sourcing new equipment, and developing details and work procedures for removing the existing equipment and installing the new equipment. The full scope of work has not yet been determined but it is anticipated that the repairs will exceed the General Manager's authorized \$250,000 budget authority, and the contract award(s) will be brought to the District's Board of Directors at a future meeting.

REPORT ON GOLDEN GATE BRIDGE ELECTRICAL SYSTEM REPAIRS (continued)

Fiscal Impact

Current estimated costs for activities related to the Bridge electrical system repairs are \$118,000. The General Manager will continue to provide the Board with regular updates on the status and costs of this work.

DESCRIPTION OF ITEMS	COSTS
Site Investigation and Electrical System Assessment (PB Electric, Inc.)	\$107,500
Electrical Engineer Consultant (Victor Steffen, estimated)	\$10,500
TOTAL COSTS	\$118,000

REPORT ON LARKSPUR FERRY TERMINAL FUEL PUMP REPAIRS

Background

The Larkspur Ferry Terminal located at 101 East Sir Francis Drake Blvd in Larkspur is the District's primary location for berthing, maintaining and fueling ferry vessels. Fuel is delivered to four 75,000 gallon above ground fuel tanks which is then pumped through the site piping system to the different berths and into vessels. Ferry staff experienced a seal failure at the primary fuel pump which is housed within an enclosed structure adjacent to the above ground fuel tanks. The seal and pump failure resulted in a temporary interruption in fueling vessels. Ferry staff was able to fabricate a temporary seal and continue operating the fuel pump.

An investigation into rebuilding the pumps was performed and it was determined that a full replacement pump is required. An investigation into new pumps was also made and it was determined that new pumps currently available require modifications to the existing piping system. This work is beyond the capacity of Ferry and District staff to perform. It is not known how long the temporary seal may last before it may fail and impact fueling and ferry service. The pump must be replaced as soon as possible to avoid future impacts to ferry operations.

In accordance with Public Contract Code Section 22050 and the District's Procurement Policy, the General Manager has been granted the authority to waive the competitive solicitation process and to approve the procurement of necessary equipment, services, and supplies in the event of an emergency, when immediate action is required, to prevent the interruption or cessation of necessary District services. Engineering staff consulted with the District's legal counsel and confirmed that the circumstances described above meet the legal standard for an emergency procurement.

Fiscal Impact

Engineering staff and Ferry staff are working to finalize the scope of services to furnish and install a replacement pump and modify the existing fuel piping to receive the new pump. The initial rough order of magnitude for the new pumps is estimated to be in excess of \$100,000. The full scope of work is still being finalized and it is anticipated that the repairs will exceed the General Manager's authorized \$250,000 budget authority. The full project scope, pricing and contract award will be brought to the District's Board of Directors at a future meeting.

REPORT ON LARKSPUR FERRY TERMINAL BERTHS 1 AND 2 BOARDING RAMP REPAIRS

Background

The Larkspur Ferry Terminal located at 101 East Sir Francis Drake Blvd in Larkspur is the District's primary location for berthing, maintaining and fueling ferry vessels. On January 30, 2025, Ferry Division staff discovered a seal failure in one of the two hydraulic cylinders at the Larkspur Ferry Terminal Berth 1 boarding ramp. Berth 1 was taken out of operation and passenger boarding moved to Berths 2 and 3. The hydraulic cylinders raise and lower the berth ramp to align with the different ferry vessel loading deck elevations. Further inspections of both Berth 1 and 2 discovered worn and corroded mechanical components within the gangplank extensions which are impacting proper operation of the berths. The Ferry Division does not have replacement hydraulic cylinders for Berth 1 and does not have the capability to remove, refurbish and reinstall the cylinders. Additionally, the Ferry Division does not have the capability to repair the worn and corroded mechanical components. The failed hydraulic cylinder and the worn mechanical components must be repaired as soon as possible to minimize impacts to Ferry service operations.

In accordance with Public Contract Code Section 22050 and the District's Procurement Policy, the General Manager has been granted the authority to waive the competitive solicitation process and to approve the procurement of necessary equipment, services, and supplies in the event of an emergency, when immediate action is required, to prevent the interruption or cessation of necessary District services. Engineering staff consulted with the District's legal counsel and confirmed that the circumstances described above meet the legal standard for an emergency procurement.

Fiscal Impact

Engineering staff and Ferry staff are working to finalize the scope of services to remove, refurbish and reinstall the Berth 1 hydraulic cylinder and to repair the worn and corroded components at the Berth 1 and Berth 2 gangplanks. The full scope of work is still being finalized and it is anticipated that the repairs will exceed the General Manager's authorized \$250,000 budget authority. The full project scope, pricing and contract award will be brought to the District's Board of Directors at a future meeting.

UPDATE ON THE EFFORT TO IMPROVE THE FINANCIAL CONDITION OF THE GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN (GGTARP)

District employees participate in one of four different pension plans based on their collective bargaining agreement. Current and retired District bus operators are participants in the Golden Gate Transit Amalgamated Retirement Plan (GGTARP). GGTARP is unique in many ways, including its current funding status and its governance.

Among other things, a fiscally sound approach to pensions necessitates that a retiree's ultimate pension payments are reasonably correlated to the contributions made on behalf of the participant, taking into account the accompanying investment returns. Not surprisingly considering GGTARP's woefully underfunded status, GGTARP has not historically followed this approach. It has been and continues today to be an outlier among pension plans in its funding status, in its response to being woefully underfunded and in its governance.

For example, the trustees of other pension plans have established a strong correlation between the age at retirement and the monthly pension payment paid to a retiree. In other pension plans, a participant who retires early receives a lower monthly amount than they would receive with a regular pension. The monthly amount is reduced to account for the fact that the early retiree's payments begin earlier and are expected to be paid for a longer period. This is a fiscally sound approach. Please note, GGTARP does not do this.

Fortunately, some progress has been made within the last five years, including: increased contributions, replacing the Plan professionals (e.g., the attorney and plan administrator) with firms with pension experience, replacing the investment advisor who consistently underperformed both rising and falling markets, and correlating a year of pension credit to contributions received on behalf of a participant. Then on February 15, 2024, the GGTARP Trustees voted to eliminate the spousal subsidy; however, at that meeting they did not adopt the requisite tables to implement the change.

On May 16, 2024 the GGTARP met and approved a Plan amendment that revised Table D-1 factors to finalize the elimination of the spousal subsidy. Although the Plan administrator posted a copy of the Plan amendment to the GGTARP participant website, the Plan amendment does not explain to members that the spousal subsidies were eliminated, and the Plan administrator did not provide a "plain language" summary of the Plan modifications to members. Because the Trust is not subject to the same ERISA disclosure requirements as the Taft-Hartley pensions plans covering other District employees, the GGTARP Trustees would need to direct the Plan administrator to send a written explanation of the changes and their effects to GGTARP members.

Most significantly, the ATU and the District have agreed to prepare a "Rehabilitation Plan". Below is the relevant language from the MOU regarding this vital task, including the underlining as it appears in the signed Tentative Agreement:

"A pension working group composed of equal number of District GGTARP Trustees, Union GGTARP Trustees and attorneys for both sides will begin meeting immediately to discuss a rehabilitation plan to address future underfunding, akin to those required of jointly-trusted defined benefit pension plans in "endangered or critical funding status" under the Pension Protection Act. Experts will be brought in as needed for consultation and calculations of scenarios

UPDATE ON THE EFFORT TO IMPROVE THE FINANCIAL CONDITION OF THE GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN (GGTARP) (continued)

intended to bring longer term stability to the GGTARP. The District will cover the costs of any experts or consultants, and it will have the final authority to determine which expert/consultant is selected.”

The District hired an actuary, Buck, to assist the Working Group in the development of the Rehabilitation Plan. The Working Group and Buck, collectively, “the Team”, had its kick-off meeting on February 22, 2024. The Team discussed, among other ideas, the need to look at all possible strategies (funding AND benefit cuts) which would help the Plan get back to solvency. The Team is meeting regularly, and Buck has prepared projections for various scenarios to improve the Plan’s funded status. The District’s contract term with Buck is ending February 28, 2025. District Procurement will be working to extend the Buck contract for an additional three months, through May 30, 2025.

The GGTARP Retirement Board was advised last November that the Plan’s funded status continues to deteriorate. At the November 7, 2024 GGTARP Retirement Board meeting, the Plan’s Actuary, Cheiron, presented the Plan’s actuarial valuation report as of January 1, 2024.¹ The Report is available at the web link in the footnote below.

The valuation report shows that the Plan’s Unfunded Actuarial Liability, which is the excess of the Plan’s Actuarial Liability over its Actuarial Value of Assets, increased from \$103.2 million on January 1, 2023 to \$105.2 million on January 1, 2024. The Plan’s funded ratio decreased from 48.0% as of January 1, 2023 to 47.2% as of January 1, 2024.

Although the valuation report reflects a \$3 million decrease in benefit liability as a result of the Plan amendment to remove the spousal subsidies, it was offset by a \$4.2 million increase in benefit liability, which primarily resulted from covered employees’ salaries being significantly higher than expected.

The following excerpt is from the GGTARP investment performance report presented to the GGTARP Retirement Board for the period ending September 30, 2024, which shows that the Plan’s investment returns have consistently underperformed against the benchmark.

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Plan	88,852,008	100.0	4.1	9.6	16.2	3.5	6.4	5.7
<i>Policy Index</i>			<i>5.6</i>	<i>10.1</i>	<i>19.4</i>	<i>3.1</i>	<i>7.0</i>	<i>6.9</i>

The GGTARP’s 10-year return of 5.7% is notably lower than the preliminary 10-year return of 7.9% reported by the District’s OPEB Investment Advisor (which the GGTARP Board could have hired) as of September 30, 2024. For a Plan with \$100 million in assets, a 2.2% lower return over a 10-year period equals approximately \$25 million in lost investment earnings. Although

¹ GGTARP Actuarial Valuation as of January 1, 2024, can be found on pages 30-80:
https://www.goldengate.org/assets/1/14/ggtarp_meeting_no._202_packet_11.07.2024.pdf?12003

UPDATE ON THE EFFORT TO IMPROVE THE FINANCIAL CONDITION OF THE GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN (GGTARP) (continued)

GGTARP's current investment advisor has performed much better, the Plan is still recovering from years of poor performance from the earlier subpar investment advisor.

Over the years the District Trustees have advocated for numerous changes to improve the financial condition of GGTARP. However, the GGTARP governance process has stymied many of these efforts, including the hiring of the prior subpar investment advisor. The governance process that led to GGTARP's decision to hire and stay with a subpar investment advisor longer than they should have (earning about \$25 million less over 10 years), highlights the need for governance changes as part of efforts to provide long term solvency for our bus operators' pensions.

UPDATE DISTRICT STRATEGIC PLANNING EFFORT

On May 24, 2024, the Board adopted the 2024 Strategic Plan. The Strategic Plan contains 39 initiatives that are focused on achieving the Board's goals and as such, also serves as a work plan for staff.

In January the District continued to make progress on *Initiative 4* when the District reviewed Statements of Qualifications from shipyards for the construction of new ferry boats. The vessel design included in the RFQ accommodates 70 bicycles on each ferry vessel. Work is also ongoing with partner agencies with respect to *Initiatives 8 and 9*; and work continues with respect to *Initiative 39* via the pension Working Group.

DISTRICT FULL-TIME EMPLOYEE SEPARATIONS OCTOBER 1, 2024 – DECEMBER 31, 2024

Between October 1, 2024, and December 31, 2024, the District processed 3 full-time employee separations, exclusive of retirement, termination, death, and casual/temporary assignment. This represents about .46% percent of the District's typical workforce. Out of the 3 full-time employee separations, 1 employee resignation was a result of new employment (approximately .15% of our workforce).

The Human Resources Department reviewed the separation document of the employee who resigned as a result of new employment, and the following chart depicts the impact by division:

Division	Total Resignations Due to New Employment	Moving to Other Governmental or Transit Agency	Moving to Non-Governmental Business	Did Not Disclose
Bridge	0			
Bus	0			
Ferry	0			
District	1		1	
TOTAL	1	0	1	0

PRESENTATIONS BY DISTRICT STAFF FOR THE MONTH OF JANUARY

District staff made the following speeches and/or presentations:

PRESENTATION TO:	DATE:	PRESENTED BY:
Bay Area Caucus Visit	January 10, 2025	General Manager Denis Mulligan, District Secretary Amorette Ko-Wong, District Engineer John Eberle, Deputy General Manager Bridge Division David Rivera, Deputy General Manager Bus Division Les Belton, Paint Superintendent Fred Mixon, Bridge Captain Roger Elauria, Ironworker Superintendent Phillip Chaney, Director of Transportation Mario Jacquez, Director of Fleet & Facilities Paul McClelland, Operations Control Center Manager Jamos Yeager
San Domenico School Fifth Grade Class	January 23, 2025	Ironworker Superintendent Phillip Chaney, Paint Superintendent Fred Mixon, Bridge Captain Roger Elauria, Electrical Superintendent Jamie Briggs, Facilities and Equipment Maintenance Superintendent Antoine Davenport and Administrative Assistant, Bridge Division Jacqueline Vega-Soberano
California Alliance for Jobs (Building Trades) Visit	January 27, 2025	General Manager Denis Mulligan, District Secretary Amorette Ko-Wong, District Engineer John Eberle, Bridge Captain Roger Elauria, Executive Administrator to the General Manager, Justine Bock, Ironworker Superintendent Phillip Chaney, Directing Civil Engineer Steve Song, Director of Public Affairs Paolo Cosulich-Schwartz, Superintendent Facilities & Equipment Antoine Davenport

SPECIAL EVENT/EXPRESSIVE ACTIVITY REQUESTS

Below are the dates and sponsoring agencies of special events and expressive activities for which permits have been sought. The following applications were received since last reported to the Board in the January 24, 2025, Report of the General Manager:

Event Date	Event Title	Location	Type*	Expected No. Participants
May 8, 2025	NATCA Charitable	East Sidewalk	SE	50-100
May 18, 2025	Commemoration of Atatürk, Youth and Sport	East Sidewalk	SE	100+
May 31 – June 1, 2025	Escape From Alcatraz	Under GGB & Battery East/ Coastal Trail	SE	1,800

*Permit Types: EX – Expressive Activity and SE – Special Event

VEHICLE TRAFFIC INCIDENTS FOR THE MONTH OF JANUARY

For the month of January, there were the following vehicle traffic incidents to report:

Vehicle Traffic Incident	Vehicles	Injuries	Fatalities	Location
HB – Hit Barrier	1	0	0	Plaza
C - Collision	1	0	0	Waldo
HB – Hit Barrier	1	0	0	Plaza
RO – Roll-Over	4	0	0	Bridge
TOTAL	7	0	0	

BICYCLE INCIDENTS FOR THE MONTH OF JANUARY

For the month of January, there were the following bicycle incidents to report:

Bicycle Incidents	Bicycles	Injuries	Fatalities	Location
BA – Bicycle/Automobile	1	0	0	Bridge
BB – Bicycle/Bicycle	2	1	0	Bridge
TOTAL	3	1	0	

FERRY BICYCLE COUNTS THROUGH THE MONTH OF JANUARY

Ferry Bicycle Counts through the month of January are as follows:

Larkspur Southbound Bicycle Counts	
2020 Annual Total	7,422
2021 Annual Total	4,716
2022 Annual Total	13,312
2023 Annual Total	15,453
2024 Annual Total	20,086
January 2025	1,787

*The Larkspur January bicycle count was 1,787

Sausalito Southbound Bicycle Counts	
2020 Annual Total	9,415
2021 Annual Total	8,845
2022 Annual Total	64,952
2023 Annual Total	64,852
2024 Annual Total	53,128
January 2025	2,456

*The Sausalito January bicycle count was 2,456

Tiburon Southbound Bicycle Counts	
2022 Annual Total	9,204
2023 Annual Total	9,481
2024 Annual Total	8,993
January 2025	507

*The Tiburon January bicycle count was 507

Angel Island Northbound Ferry Bicycle Counts	
2021 (December service start) Annual Total	39
2022 Annual Total	4,807
2023 Annual Total	4,556
2024 Annual Total	3,712
January 2025	166

*The Angel Island January bicycle count was 166

EMPLOYEE OF THE MONTH – FEBRUARY 2025

After reviewing nominations submitted by District employees, the Employee of the Month Committee selected Senior Information Systems Manager Joe Leong in the District Division, as the Employee of the Month for February 2025.

Mr. Leong is recognized for being very dedicated and proactive regarding the District's cyber security as well as ensuring a positive experience for employees with regards to using the technology available to District users. Mr. Leong assisted the District's Marketing department with their recent transition and launch of the new Employee Intranet site. He was integral during the troubleshooting and testing phases of the new platform. Mr. Leong was invaluable as a team member to during this project, and his commitment to ensuring that the new Intranet site would be a positive experience for employees was clearly a motivating factor for him. Mr. Leong went above and beyond helping to proofread for any errors and would proactively check-in to see if additional help was needed.

Of special note, Mr. Leong's colleagues mention that they are grateful to have an employee like Mr. Leong on their team!

Mr. Leong joined the District on June 27, 2006, as a Temporary employee, Information Systems Intern. He was hired full time on May 1, 2008, as a Systems Administrator-PC Support, and then promoted to Senior Desktop Systems Administrator on November 11, 2013. On June 20, 2016, he promoted to Information Systems Manager and subsequently on July 1, 2020, promoted to Senior Information Systems Manager. He was the Employee of the Month as well as Employee of the Year in 2009 and was part of the Employee of the Month Group in 2012, recognized for their work as part of the Bridge's 75th Anniversary Committee.

Prior to joining the District, Mr. Leong was the General Manager/Owner of Absolute Car Care, prior to that an Information Technology Consultant at the Telegraph Hill Neighborhood Center and prior to that, an Operations Manager at Electric Time Car Rental.

Mr. Leong was born in San Francisco, CA, where he also completed his education. He has a wife and two daughters and in his spare time he enjoys travel with his family.

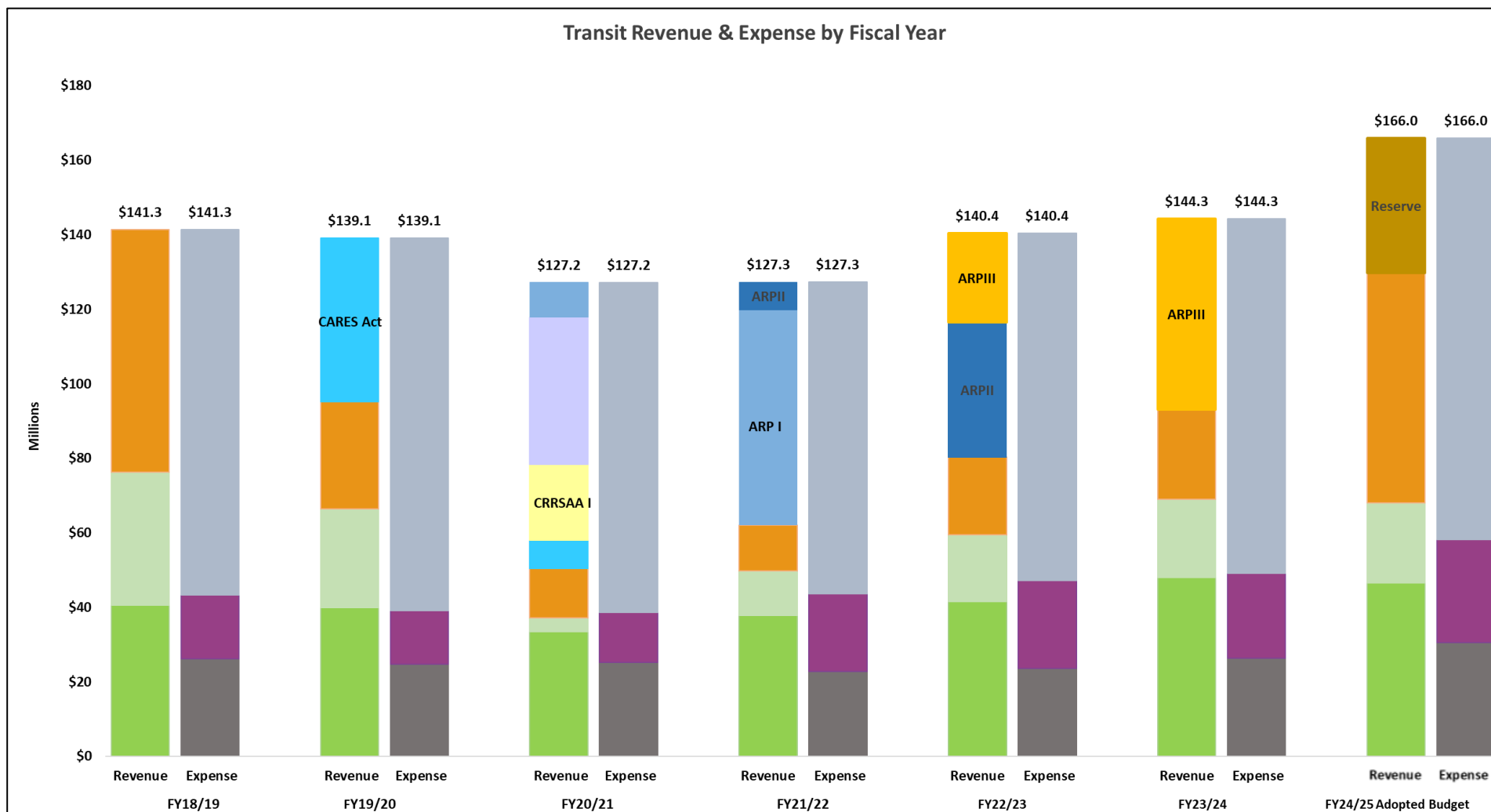
Denis J. Mulligan
General Manager

DJM:jb

Attachment: 2025-0227-FinanceComm-No10-Attachment C – Transit Funding & Expense Comparison

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2025-0227-FinanceComm-No10-Attachment C – Transit Funding & Expense Comparison

**REVENUE**

- ARP I (One time Federal COVID relief)
- ARP II (One time Federal COVID relief)
- ARP III (One time Federal COVID relief)
- CRRSAA II (One time Federal COVID relief)
- CRRSAA I (One time Federal COVID relief)
- CARES Act (One time Federal COVID relief)
- Tolls for Transit
- Fares
- Other Revenue

EXPENSE

- Employees - Salaries/Benefits
- Services-Professional Services, Maintenance services, Insurance
- Facilities and Materials - Fuel, Supplies, Materials, Capital Contribution, Facilities, Other

Does not include CalPERS/OPEB GASB Adjustment.

Excludes Contribution to other grants in FY 19/20.

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