

May 23, 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, May 23, 2024, at 10:45 a.m., with Chair Rabbitt presiding. A remote audio option for public participation was available.

- (1) **Call to Order:** 10:45 a.m.
- (2) **Roll Call:** Secretary of the District Amorette M. Ko-Wong. **[00:10 Minutes Mark on the Audio Recording]**

Committee Members Present (9): Chair Rabbitt; Vice Chair Pahre; Directors Giudice and Hernández; President Cochran. Directors Hill, Moulton-Peters, Thériault and Thier were appointed Committee Members Pro Tem for this meeting only.

Committee Members Absent (4): Directors Dorsey, Grosboll, Mastin and Rodoni.

Chair Rabbitt appointed all Board members present to be Committee members.

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/Bus Transit Division Les Belton; Deputy General Manager/Ferry Division Michael Hoffman; Deputy General Manager/Administration and Development Kellee Hopper; Director of Planning Ron Downing; Director of Capital and Grant Programs Amy Frye, Chief Technology Director Fang Lu; 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 [00:45 Minutes Mark on the Audio Recording]

PFM Managing Director Monique Spyke presented the investment report and reviewed investment opportunities. She highlighted the effect of economic forces on PFM's investment focus.

Chair Rabbitt commented about the report and the positive aspects of the current economy. He spoke about increased construction and product costs.

(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 approves the following actions:

- (i) There are no commitments and/or expenditures to ratify for the period of April 1, 2024 through April 30, 2024;
- (ii) Ratify investments made during the period April 16, 2024 through May 13, 2024;
- (iii) Authorize the reinvestment, within the established policy of the Board, of any investments maturing between May 14, 2024 and June 17, 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 April 2024.

Action by the Board at its meeting of May 24, 2024 – Resolution
CONSENT CALENDAR

AYES (9): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Hill, Moulton-Peters, Thériault and Thier; President Cochran.

NOES (0): None.

ABSENT (4): Directors Dorsey, Grosboll, Mastin and Rodoni.

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

No actions required authorization.

(5) Authorize Actions Related to Grant Programs

- (a) **Authorize the Filing of Applications for Federal Transit Administration Formula Program and Surface Transportation Program Funding for Transit Capital Projects, Commit the Necessary Local Match for the Projects, and Assure Completion of the Projects** [10:07 Minutes Mark on the Audio Recording]

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

(i) **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 recommends that the Board of Directors authorize the General Manager, or his designee, to submit and execute grant applications, cooperative agreements, and certifications and assurances as required by the Federal Transit Administration (FTA) for federal funding assistance for Sections 5307, 5309, 5337, and 5339 formula programs, and by the Federal Highway Administration (FHWA) for Surface Transportation Program (STP) funding to support transit projects, commit the necessary local match funds for the projects, and assure completion of the projects.

**Action by the Board at its meeting of May 24, 2024 – Resolution
NON-CONSENT CALENDAR**

AYES (9): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Hill, Moulton-Peters, Thériault and Thier; President Cochran.
NOES (0): None.
ABSENT (4) Directors Dorsey, Grosboll, Mastin and Rodoni.

- (b) **Authorize Filing an Application with the Metropolitan Transportation Commission for FY 23/24 Regional Measure 3 Operating Funds to Support Express Bus Services** [13:10 Minutes Mark on the Audio Recording]

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

[14:45 Minutes Mark on the Audio Recording]

Chair Rabbitt expressed appreciation for the staff report.

(i) **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 authorize the General Manager to file an application with the Metropolitan Transportation Commission (MTC) for FY 23/24 Regional Measure 3 (RM3) funds to support express services in the amount of \$2,181,768. Approval of this action also authorizes the General Manager to file revisions to this application if projected funding amounts change during FY 23/24.

**Action by the Board at its meeting of May 24, 2024 – Resolution
NON-CONSENT CALENDAR**

AYES (9): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Hill, Moulton-Peters, Thériault and Thier; President Cochran

NOES (0): None.

ABSENT (4): Directors Dorsey, Grosboll, Mastin and Rodoni.

(6) Approve Actions Relative to Capital Project No. 2213, Business Intelligence Analysis and Transportation Statistics Reporting Solution, and Contract No. 2022-D-067, Transportation Statistics Reporting System and Implementation Services [15:08 Minutes Mark on the Audio Recording]

Director of Planning Ron Downing and Chief Technology Director Fang Lu presented the staff report.

(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 recommends that the Board of Directors approve the following actions relative to Capital Project No. 2213, *Business Intelligence Analysis and Transportation Statistics Reporting Solution*, and to Contract No. 2022-D-067, *Transportation Statistics Reporting System and Implementation Services*, which is funded with capital and operating monies:

- (i) Approve a capital project budget increase in the FY 23/24 District Division capital budget, in the amount of \$670,711, to Capital Project No. 2213, *Business Intelligence (BI) Analysis and Transportation Statistics Reporting Solution* for a total project cost of \$1,720,711;
- (ii) Authorize execution of the Second Amendment to Contract No. 2022-D-067, *Transportation Statistics Reporting System and Implementation Services*, to add

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\$27,600 to support Needs Assessment for a new total not-to-exceed contract value of \$1,872,610; and,

- (iii) Authorize an increase in Contract No. 2022-D-067's Software Implementation Contingency by \$19,387 to cover future amendments for a new total amount of \$72,107.

Action by the Board at its meeting of May 24, 2024 – Resolution
NON-CONSENT CALENDAR

AYES (9): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Hill, Moulton-Peters, Thériault and Thier; President Cochran.

NOES (0): None.

ABSENT (4): Directors Dorsey, Grosboll, Mastin and Rodoni.

- (7) **Authorize Execution of a Seventh Amendment to Contract No. 2010-D-1, *Deferred Compensation Plan Provider, with MissionSquare Retirement* [21:00 Minutes Mark on the Audio Recording]**

Auditor-Controller Joseph Wire presented the staff report.

(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 recommends that the Board of Directors authorize the execution of a Seventh Amendment to Contract No. 2010-D-1, *Deferred Compensation Plan Provider*, with MissionSquare Retirement, of Washington, DC, to extend the term by five years and to include two one-year options, to continue to provide bundled plan services for the District's IRC Section 457(b) Deferred Compensation Plan and 401(a) Defined Contribution Plan.

Action by the Board at its meeting of May 24, 2024 – Resolution
NON-CONSENT CALENDAR

AYES (9): Chair Rabbitt; Vice Chair Pahre; Directors Giudice, Hernández, Hill, Moulton-Peters, Thériault and Thier; President Cochran

NOES (0): None.

ABSENT (4): Directors Dorsey, Grosboll, Mastin and Rodoni.

- (8) **Initial Presentation of the Proposed FY 24/25 Operating and Capital Budget [23:30 Minutes Mark on the Audio Recording]**

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Auditor-Controller Joseph Wire presented the staff report and the proposed budget, which was for informational purposes only and no action was taken. He encouraged everyone to follow along with the proposed budget, which is available on the District's website at: <https://www.goldengate.org/district/board-of-directors/meeting-documents>.

Mr. Wire expressed appreciation for staff's efforts on the budget, and pointed out the title page, which lists the staff members who made key contributions including himself, Jennifer Mennucci, Amy Frye, Eric Reeves, Lauren DePaschalis and Kris Rogers. He also thanked all the Officers and Deputy General Managers for their and their team's contributions. He said the District's budget has earned the Government Finance Officers Association Distinguished Budget Presentation Award for numerous years.

Mr. Wire pointed out the Division status updates (pages 80, 100, and 120). and the 10-Year Capital Plan (page 194), Five- and Ten-Year Projection (page 206), and the General Manager's Message (pages 9-12).

Mr. Wire reviewed the Financial Overview (page 18), and he stated that the budget is a key Board policy document, which outlines the Board's strategic direction and priorities that will be implemented by the Board and staff's priorities.

Mr. Wire highlighted the following areas:

- Top- level projected revenue and expenses (pages 18-22)
- Revenue sources and the reserve (pages 24)
- Reserve (pages 24-26)
- Bridge toll revenue (page 28)
- Bridge toll revenue over expenses (page 34)
- Bus and ferry fare revenues (page 35)
- One-time federal funding (page 36)
- Transit system funding (page 38)
- Guiding principles of the most recent Strategic Plan (page 41)
- Operating budget summary (page 51)
- Operating revenues (pages 53-55)
- Other Post Employment Benefits (OPEB) expenses (page 61)
- Adopted budget position changes (page 66)
- Capital program summary (pages 67-68)
- FY 24/25 Capital projects (pages 70-72) and FY 25/26 Capital projects (page 74)

[Director Pahre departed.]

[1:05:15 Hour Mark on the Audio Recording]

Chair Rabbitt expressed appreciation for the staff report and budget. He commented about the use of the reserves and inquired about the different District reserves. He also inquired about the 859 District positions, some of which are unfunded.

Director Guidice expressed appreciation for the FY 24/25 Budget. He inquired about the

value of the Bridge toll revenue in comparison to Bus and Ferry transit revenue.

Director Hill inquired about battery electric buses.

President Cochran thanked staff for the presentation and inquired about the self-insured amount for the Bridge.

Chair Rabbitt requested additional information about the District's reserves.

Mr. Wire and Mr. Mulligan responded to the Directors' inquiries. Mr. Wire explained the District reserves, and Mr. Mulligan added to his comments. Mr. Wire noted that the District is using District reserves in FY 24/25 and anticipates that the Metropolitan Transportation Commission (MTC) will allocate additional monies in future years. He said the District would add a chart to show the District position makeup. Mr. Mulligan spoke about adding back transit service. He indicated that the District buses are not being utilized as much as in the past and do not have to be replaced as soon as originally anticipated. Mr. Wire reviewed how the Board selected the Bridge self-insured amount, which was designed to be a short-term revenue solution. He reviewed the Projected Reserves for Capital Projects (page 25).

(9) Status Report on the FY 23/24 Budget [1:19:52 Hour Mark on the Audio Recording]

Auditor-Controller Joseph Wire presented the staff report (page 47), which was for informational purposes only and no action was taken.

(10) Monthly Review of Golden Gate Bridge Traffic/Tolls and Bus and Ferry Transit Patronage/Fares (for Ten Months Ending April 2024) [1:20:30 Hour 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 traffic, ridership and revenue (page 57). He spoke about the revenue decrease in April. He highlighted the seasonal nature of the results.

(11) Monthly Review of Financial Statements (for Ten Months Ending April 2024) [1:21:49 Hour 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 report, which were for informational purposes only and no actions were taken. He highlighted the results (page 65) and reviewed progress made on capital projects (page 75).

(12) Public Comment

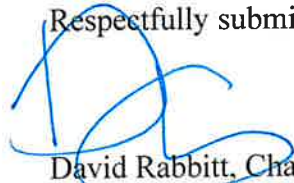
There were no public comments.

(13) **Adjournment** [1:23:17 Hour Mark on the Audio Recording]

All business having been concluded Directors GIUDICE/COCHRAN 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