



Agenda Item No. (6)(A)

**REPORT OF THE GENERAL MANAGER
BOARD OF DIRECTORS
MEETING OF SEPTEMBER 27, 2024**

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

Honorable Members:

UPDATE ON TRAVEL IN THE GOLDEN GATE CORRIDOR

While travel is well below pre-pandemic levels, travel in the Golden Gate Corridor has, until recently, continued to slowly trend upward. Of note, total southbound Bridge traffic in July and August was slightly less than traffic in July and August of 2023. While two months does not make a trend, it is possible that the slow, steady post-pandemic growth of travel in the Corridor *may* be levelling off.

Commute Bridge traffic (weekdays from 5:00 – 9:00 a.m. southbound) continues to average about 28 percent below 2019 commute traffic. Tolls are the District’s largest source of revenue, so 28 percent less commute traffic has a profound impact on the District’s finances. Less Bridge traffic results in less toll funding available to operate the District’s bus and ferry services, so it is essential that the District continue to aggressively manage expenses and seek new revenue sources.

We continue to see some modest growth in bus and ferry ridership, so 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.

THE DISTRICT RECEIVES \$4.9 MILLION GRANT FROM THE FEDERAL TRANSIT ADMINISTRATION’S FERRYBOAT DISCRETIONARY PROGRAM FOR THE REPLACEMENT OF THE *DEL NORTE* FERRY

The Federal Transit Administration (FTA) announced on September 17th this year’s Passenger Ferry Grants, and the District was one of 18 projects selected nationwide to receive funding. FTA awarded \$4.9 million to the District for the replacement of the Motor Vessel (MV) Del Norte with a new low-emission, 500 passenger high-speed catamaran.

The MV Del Norte replacement will adhere to the District’s MV Liwa class design which features a hull design that translates to a 30 percent reduction in power requirements, complemented by EPA Tier 4 engine and emission control systems delivering an estimated 80 percent decrease in

THE DISTRICT RECEIVES \$4.9 MILLION GRANT FROM THE FEDERAL TRANSIT ADMINISTRATION'S FERRYBOAT DISCRETIONARY PROGRAM FOR THE REPLACEMENT OF THE *DEL NORTE* FERRY (continued)

NOx emissions and a 95 percent reduction in particulate matter emissions. The MV Liwa class design stands out as the first marine EPA-certified engine equipped with both a diesel particulate filter and a selective catalytic converter package. These engines, utilized in Europe, adhere to the "Euro Stage 5" emissions standards.

2024 ACHIEVEMENT OF EXCELLENCE IN PROCUREMENT AWARD

For the seventh year in a row, the District's Procurement Department has received the Achievement of Excellence in Procurement® (AEP) Award from the National Procurement Institute (NPI). The AEP Award is earned by public and non-profit agencies that demonstrate a commitment to procurement excellence. This annual program recognizes procurement organizations that embrace Innovation, Professionalism, Productivity, Leadership and e-Procurement. This award is sponsored by all major professional procurement associations across North America. The District was one of only seven transportation authorities out of 198 total agencies across the United States and Canada to receive the award. Our procurement team continues to maintain its high standards of excellence and are leaders in their profession.

FEDERAL TRANSIT ADMINISTRATION (FTA) GRANTS AT RISK

In February 2023, the United States District Court for the Eastern District of California (District Court) entered summary judgment in *Amalgamated Transit Union International v. U.S. Department of Labor*, which permanently enjoined the United States Department of Labor (USDOL) from failing to process federal grant applications submitted by California transit agencies to the extent required under 49 U.S.C. Section 5333(b) [commonly referred to as "Section 13(c)"] of the federal Urban Mass Transportation Act (UMTA) of 1964 and implementing regulations and relying on California's Public Employees' Pension Reform Act (PEPRA) of 2013 as the basis for denying, withholding, delaying, or otherwise limiting the certification of such grants.

This judgment directly responded to USDOL's October 28, 2021 determination letter, which argued that "...PEPRA effectively precludes certification under Section 13(c) for those transit agencies subject to its reforms..." and which noted that "...PEPRA's impact on transit workers' collective bargaining rights is material and significant even if it does not eliminate collective bargaining over pension benefits altogether or alter collective bargaining procedures."

In March 2023, USDOL and ATU filed appeals of the District Court's February 2023 judgment with the United States Court of Appeals for the Ninth Circuit (Appellate Court).

On July 29, 2024, the Appellate Court, issued its ruling in the appeal, which determined that neither it nor the District Court has jurisdiction over the case, because USDOL's 2021 Determination "was not a decision in response to any pending grant application," and thus, not prudentially ripe.

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

Importantly, the ruling vacates the earlier judgment in favor of the State and the injunction issued by the District Court (which has facilitated the flow of federal transit grants to California transit agencies); and remands the case to the District Court with instructions to dismiss the case for lack of jurisdiction.

While the District Court responds to the Appellate Court's instructions, we will continue to see federal transit grants owed to California transit agencies certified by USDOL. However, after the District Court responds (expected as soon as September 19, 2024), 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.

Recognizing the risk to critical funding, staff submitted three grants to FTA totally about \$28 million, and on September 10th the USDOL certified the grants. These grants will support several projects including ferry rehabilitations, replacement of the MV Del Norte, purchasing the MV Liwa, and purchasing five zero emission buses (ZEBs). Kudos to our Capital Grants staff.

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

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

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-trusteed 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 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 22nd. 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. Working Group members and the GGTARP’s actuary have provided relevant documents and information to Buck. As requested by Buck, District staff has provided additional payroll information and other data regarding current bus operations for Buck’s projections. The Team is meeting regularly, and Buck is preparing projections for various scenarios to improve the Plan’s funded status.

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 August the District made progress on *Initiatives 3 and 5* when it made bus schedule adjustments that improved efficiency while increasing bus frequency along Highway 101 in Marin and improved connections with SMART and Marin Transit. Work is also underway with partner agencies with respect to *Initiatives 8 and 9*.

PRESENTATIONS BY DISTRICT STAFF FOR THE MONTH OF AUGUST

District staff made the following speeches and/or presentations:

PRESENTATION TO:	DATE:	PRESENTED BY:
San Mateo Rotary Club	August 13, 2024	Deputy General Manager, Bridge Division, David Rivera

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 August 23, 2024, Report of the General Manager:

Event Date	Event Title	Location	Type*	Expected No. Participants
October 5, 2024	White Cane Day	East Sidewalk	SE	100-200
October 19, 2024	A21 A Walk for Freedom SF	East Sidewalk	EA	TBD

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

VEHICLE TRAFFIC INCIDENTS FOR THE MONTH OF AUGUST

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

Vehicle Traffic Incident	Vehicles	Injuries	Fatalities	Location
RE – Rear Ender	3	1	0	Bridge
HB – Hit Barrier	1	0	0	Waldo
HB – Hit Barrier	1	0	0	Plaza
HB – Hit Barrier	1	0	0	Plaza
HB – Hit Barrier	1	0	0	Doyle
HB – Hit Barrier	1	0	0	Waldo
RE – Rear Ender	2	4	0	Bridge
HB – Hit Barrier	1	1	0	Other
HB – Hit Barrier	1	0	0	Plaza
HB – Hit Barrier	1	0	0	Plaza
TOTAL	13	6	0	

BICYCLE INCIDENTS FOR THE MONTH OF AUGUST

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

Bicycle Incidents	Bicycles	Injuries	Fatalities	Location
SO = Solo	1	1	0	Bridge
BB = Bicycle/Bicycle	2	1	0	Bridge
SO = Solo	1	1	0	Alexander
BB = Bicycle/Bicycle	2	1	0	Bridge
SO = Solo	1	1	0	Bridge
SO = Solo	1	1	0	Conzelman
SO = Solo	1	1	0	Conzelman
SO = Solo	1	1	0	Conzelman
TOTAL	10	8	0	

FERRY BICYCLE COUNTS THROUGH THE MONTH OF AUGUST

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

Larkspur Southbound Bicycle Counts	
2019 Annual Total	29,828
2020 Annual Total	7,422
2021 Annual Total	4,716
2022 Annual Total	13,312
2023 Annual Total	15,453
January - August	13,258

*The Larkspur August bicycle count was 2,076

Sausalito Southbound Bicycle Counts	
2019 Annual Total	95,590
2020 Annual Total	9,415
2021 Annual Total	8,845
2022 Annual Total	64,952
2023 Annual Total	64,852
January - August	38,730

*The Sausalito August bicycle count was 9,621

FERRY BICYCLE COUNTS THROUGH THE MONTH OF AUGUST (continued)

Tiburon Southbound Bicycle Counts	
2022 Annual Total	9,204
2023 Annual Total	9,481
January - August	6,361

*The Tiburon August bicycle count was 1,111

Angel Island Northbound Ferry Bicycle Counts	
2021 (December service start) Annual Total	39
2022 Annual Total	4,807
2023 Annual Total	4,556
January – August	2,844

*The Angel Island August bicycle count was 691

RETIREMENT OF KENNETH W. SIMS, BUS OPERATOR, BUS DIVISION

It is my privilege to announce that Bus Operator, Kenneth Sims, retired on September 1, 2024, after 25 years, 4 months and 26 days of service with the District.

Mr. Sims joined the District as a Bus Operator on April 5, 1999.

We wish Mr. Sims a long and happy retirement.

RETIREMENT OF JAMES RINALDI, BUS OPERATOR, BUS DIVISION

It is my privilege to announce that Bus Operator, James Rinaldi retired on September 1, 2024, after 34 years, 2 months and 6 days of service with the District.

Mr. Rinaldi joined the District as a part-time Bus Operator on June 25, 1990, and became a full-time Bus Operator on June 25, 2000.

We wish Mr. Rinaldi a long and happy retirement.

EMPLOYEE OF THE MONTH – SEPTEMBER 2024

After reviewing nominations submitted by District employees, the Employee of the Month Committee selected Vessel Master Barton Hackworth in the Ferry Division, as the Employee of the Month for September 2024.

Mr. Hackworth is recognized for his dedication to his position and the pride he takes in his work. Day in, day out, Mr. Hackworth lives the District's Values in how he approaches his job. Always on time, on point and ready to work. Mr. Hackworth can always be depended upon to handle his crew with the utmost professionalism, deal with customer issues professionally, and have his paperwork always in on time and properly completed. His outstanding work has consistently been seen during his tenure at the District. Of special note, Mr. Hackworth's colleagues share that he is truly a dedicated employee as well as an amazing coworker, and that it is important to recognize the men and women behind the scenes who do a good job day in and day out without exception at the District.

Mr. Hackworth joined the District on May 19, 2005, as a Casual Vessel Master in the Ferry Division, promoting to Casual Vessel Master with Seniority on June 18, 2006; and then to Permanent Vessel Master on March 24, 2008. Prior to joining the District, Mr. Hackworth was a Tug Operator at Westar Marine Services in San Francisco and prior to that was a 3rd Mate at Chevron Corp. in San Ramon.

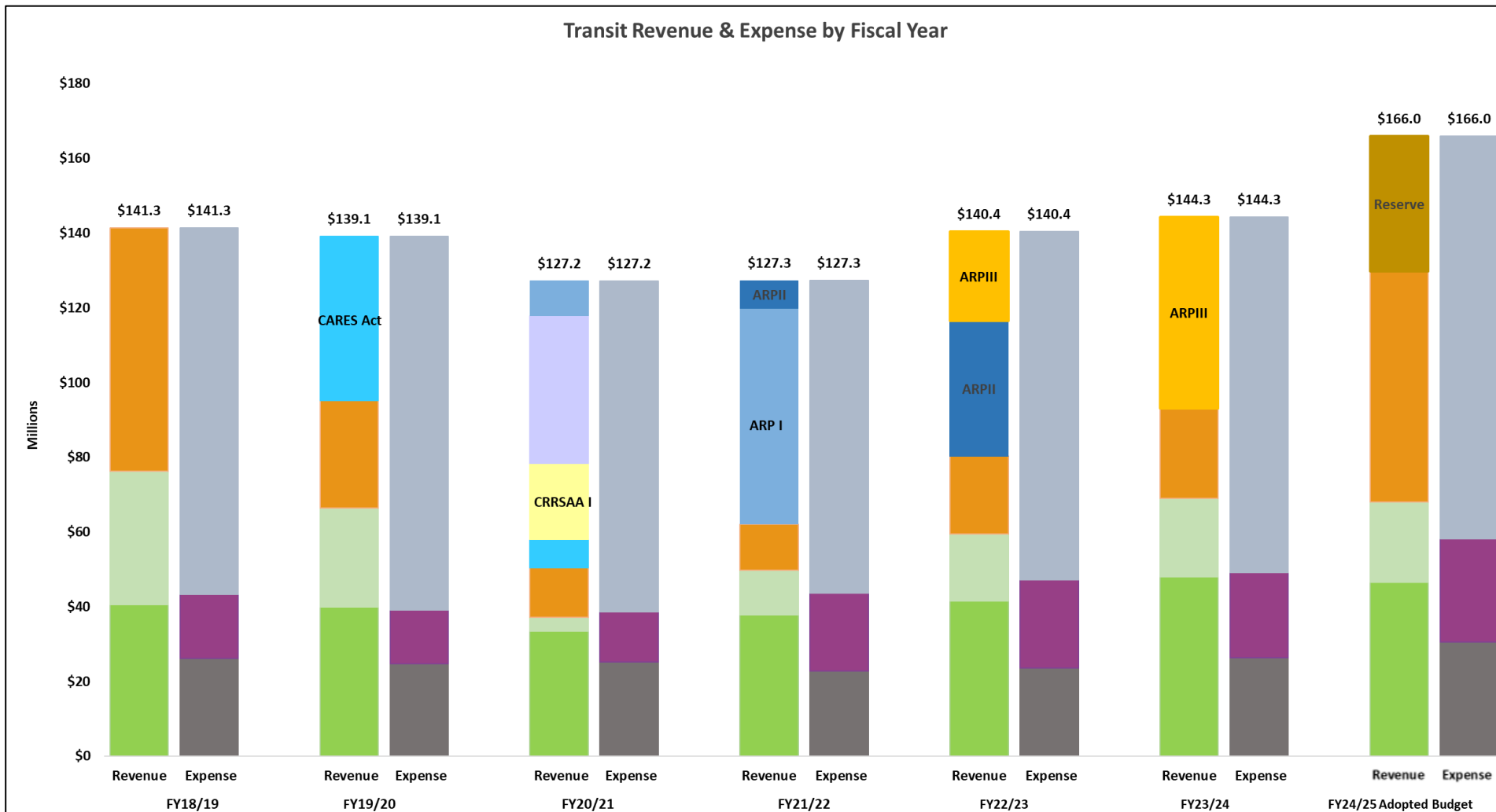
Mr. Hackworth was born in San Francisco and attended Redwood High School in Larkspur, CA and went on to attend Cal Maritime Academy receiving a Maritime Transportation Degree. Mr. Hackworth has been a resident of Point Richmond, CA since 2000, where he lives with his wife Rebecca, son Jeremy and daughter Abigail. In his spare time, he is an avid sailor and cyclist and has won awards for competitive sailing and is a member of the Richmond Yacht Club.

Denis J. Mulligan
General Manager

DJM:jb

Attachment: 2024-0926-FinanceComm-No9-Attachment C – Transit Funding & Expense Comparison

2024-0926-FinanceComm-No9-Attachment C – Transit Funding & Expense Comparison



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| <p>REVENUE</p> <ul style="list-style-type: none"> 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 | <p>EXPENSE</p> <ul style="list-style-type: none"> 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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