



Agenda Item No. (6)(A)

**REPORT OF THE GENERAL MANAGER
BOARD OF DIRECTORS
MEETING OF JUNE 27, 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. Fortunately, travel in the Golden Gate Corridor continues to trend upward.

In May 2025, southbound Bridge traffic was 2 percent above May 2024 traffic, Bus ridership was 4 percent above May 2024, and Ferry ridership was 6 percent above May 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.

**RATIFY THE EMERGENCY ACTION OF THE GENERAL MANAGER TO APPROVE
AN EMERGENCY CONTRACT WITH BAY SHIP & YACHT AND ISSUE A TASK
ORDER TO PACIFIC POWER GROUP FOR THE DRYDOCKING AND ENGINE
OVERHAUL OF THE *M.V. MENDOCINO***

Recommendation

It is recommended that the Board of Directors ratify the emergency action of the General Manager to:

1. Enter into an emergency contract with Bay Ship & Yacht Co., of Alameda, CA, to perform drydocking and related services, in the amount of \$495,000.00; and,
2. Issue a task order under an existing on-call professional services agreement with Pacific Power Group, of Kent, WA, for the overhaul and commissioning support of the vessel's damaged main engine, in the amount of \$536,379.62.

Background

On May 5, 2025, the *M.V. Mendocino* sustained a catastrophic failure of its starboard aft main engine while underway at full operating speed. Upon inspection by Pacific Power Group, the original equipment manufacturers (OEM) authorized service provider, District staff were advised

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that significant internal engine damage had occurred, including the destruction of two-cylinder liners and associated damage to the crankshaft and other interfacing components. Metal debris was also dispersed throughout the engine, necessitating a complete teardown and rebuild at Pacific Power Group's facility in Kent, Washington.

Due to the extent of the damage, the engine must be removed from the vessel and transported to Pacific Power Group's overhaul facility in Washington for complete teardown and rebuild. To accomplish this, the vessel must be drydocked to allow for engine extraction and subsequent reinstallation. District staff also identified the opportunity to complete the vessel's biennial U.S. Coast Guard (USCG) credited drydocking while it is out of the water, as required by 46 CFR 115.610 for K-class vessels.

To avoid service disruptions and cascading delays to future drydocking schedules for other high-speed vessels in the fleet, including the *M.V. Napa*, *M.V. Golden Gate*, and *M.S. Marin*, District staff recommended immediate action. Under the authority granted by California Public Contract Code Section 22050 and the District's Procurement Policy, the General Manager authorized an emergency contract with Bay Ship & Yacht to facilitate drydock access and support engine removal and reinstallation and an emergency task order for the overhaul and commissioning support under the existing on-call professional services agreement with Pacific Power Group.

Summary of Scope of Work

The scope of work performed under this emergency action includes:

- **Bay Ship & Yacht Co.**
 - Drydocking the vessel and providing all labor and equipment necessary for safe removal and reinstallation of the damaged engine.
 - Supporting structural and mechanical work, including removal of interferences, temporary modifications, and preservation of disturbed systems.
 - Making the vessel available for USCG inspection and completing all work necessary for USCG credited drydocking, including valve servicing, sea chest cleaning, and hull coatings.
 - Supporting dock and sea trials.
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- **Pacific Power Group**
 - Performing a full in-shop overhaul of the starboard aft MTU 12V4000M60 main engine.
 - Replacing or rebuilding major components, including cylinder heads, piston liners, crankshaft, camshaft, bearings, fuel pumps, turbochargers, and cooling systems.
 - Reassembling and testing the engine in accordance with OEM specifications prior to redelivery.
 - Supporting on-site commissioning of the engine following reinstallation, including sea trials.

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Fiscal Impact

The total estimated cost of the emergency work related to the *M.V. Mendocino* is \$1,031,380. District staff have reviewed the scope and cost proposals for both efforts and determined the prices to be fair and reasonable based on the nature and urgency of the work, and by comparison with recent, similar shipyard and OEM-authorized engine service contracts.

Funding for this work is available in Capital Project 2341, Ferry Vessel Rehabilitation and Dry Dockings, which is included in the FY24/25 Ferry Division Capital Budget with a total budget of \$18,500,000. This project is funded with 80 percent Federal Transit Administration (FTA) funds and 20 percent District funds, as shown in the table below. The General Manager will continue to provide the Board with regular updates on the status and costs of this work.

DESCRIPTION OF ITEMS	FEDERAL (80%)	DISTRICT (20%)	TOTAL
Contract No. 2025-F-061, <i>M.V. Mendocino Emergency Drydocking and Engine R&R</i>	\$396,000.00	\$99,000.00	\$495,000.00
Contract No. 2025-F-017, <i>On-Call MTU Engine Maintenance and Repair Parts</i>	\$429,103.70	\$107,275.92	\$536,379.62
TOTAL COSTS	\$825,104	\$206,276	\$1,031,380

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

On April 25, 2025, the Board of Directors ratified the award of a construction contract with Power Engineering, Inc. in the amount of \$2,132,321.00 to repair the boarding ramps at berths 1 and 2 at the Larkspur Ferry Terminal. The contract was signed and the Notice to Proceed issued effective May 5, 2025. Power Engineering is continuing developing work plans and performing field verifications. On June 5, 2025, Power Engineering mobilized a crane barge to the site and began work. At Berth 1, the utility connections have been removed, temporary jacks have been installed and the gangway removed. Work is continuing.

Background

The Larkspur Ferry Terminal (LFT) 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 LFT Berth 1 boarding ramp. The boarding ramp hydraulic cylinders are required to raise and lower the berth ramp to align with the different ferry vessel loading deck elevations. Without the hydraulic cylinders, Berth 1 may not be used and was taken out of service. Passenger boarding moved to Berths 2 and 3.

UPDATE REPORT ON THE LARKSPUR FERRY TERMINAL BERTHS 1 AND 2 BOARDING RAMP REPAIRS (continued)

Berths 1 and 2 are the primary passenger boarding platforms at the LFT and provide the most efficient ferry passenger loading and unloading operations. The Ferry Division operates a fleet of seven vessels so having one berth out of service impacts where vessels may lay up and be serviced, and where passengers may load and unload. Berth 3 is located away from Berths 1 and 2, has a different loading configuration that takes longer for passengers to load and unload, and requires additional staffing to direct passengers to and from the berth. Also, when Berth 2 is occupied with a vessel, it blocks access for vessels trying to enter or leave from Berth 3. Furthermore, with one berth out of service, the servicing of the vessels, including fueling, pumping the bilge, adding fresh water, cleaning and servicing the concessionaire are impacted and require additional crew time and support. All of this decreases operational efficiencies and can cause late departures. In addition to the seal failure at Berth 1, additional inspections of both Berth 1 and Berth 2 discovered worn and corroded mechanical components within the boarding ramps gangway extensions. Berth 2 has two gangways and the mechanical components within one of them failed, which further impacted operations at the LFT since only one gangway is now available for use.

Ferry staff contacted Engineering staff to request assistance with further inspections and to determine a course of action. It was determined that the Ferry Division does not have replacement hydraulic cylinders for Berth 1, necessitating that the existing hydraulic cylinders be removed, refurbished, and replaced in order to resolve the failed hydraulic cylinder issue. Ferry Division does not have the capability to remove, refurbish and reinstall the hydraulic cylinders so this work must be performed by an outside contractor. It was also determined that the Ferry Division does not have the capability to remove the gangways from the boarding ramps in order to repair the worn and corroded mechanical components, necessitating that this work also be performed by an outside contractor. The failed hydraulic cylinder and the worn mechanical components and resulting closure of Berth 1 and one of the two gangways at Berth 2 are impacting ferry operations and must be repaired as soon as possible to minimize impacts to Ferry service operations. The time to prepare, finalize and advertise a bid package for a typical bid solicitation is at least three months, followed by a solicitation period of at least one month. The bids must then be analyzed, a determination of the bids made, a recommendation to award drafted and finalized and Board action taken. This adds further time during which the berths will remain out of service and cause further 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.

Engineering staff and Ferry staff collaborated to develop a scope of work for a construction project to implement the repairs. Engineering staff developed contract documents for Contract No. 2025-F-016, *Larkspur Ferry Terminal Berths 1 and 2 Boarding Gangway Ramp Repairs*, which included markups to the record drawings from the Larkspur Ferry Terminal Docking System Project No. 74B, identifying the components requiring rehabilitation and specifications for the work. The project scope involves, in general, the following:

**UPDATE REPORT ON THE LARKSPUR FERRY TERMINAL BERTHS 1 AND 2
BOARDING RAMP REPAIRS (continued)**

- Mobilization and demobilization.
- Perform field verifications and develop work plans.
- Disconnect and reconnect all utility connections at the Berth 1 & 2 gangways.
- Remove, transport, and reinstall the Berth 1 & 2 gangways.
- Refurbish the gangways at an offsite facility, including furnishing and installing new hydraulic lines, electrical lines, brass sliders, pins, bushings, deck panels, fasteners, leaf plates and piano hinges, installing District provided Hilman rollers, resurfacing roller contact surfaces, installing new supplemental rollers, repairing any damaged hinge plates, and blasting and painting all steel surfaces.
- Remove, transport, and, after refurbishment, reinstall hydraulic cylinders, including two (2) hydraulic ramp cylinders at Berth 1 and twelve (12) hydraulic gangway cylinders at Berths 1 & 2.
- Fabricate and install two (2) new clevis support brackets and associated hinge pins at the Berth 1 ramp cylinders.
- Remove and dispose of existing hydraulic hoses and furnish and install new hydraulic hoses on the Berth 1 ramp cylinders.
- Test all reinstalled hydraulic cylinders, including raising and lowering the Berth 1 ramp and raising and extending all gangways. Perform any adjustments and make any repairs necessary to allow the ramp and gangways to operate properly.

Due to uncertainty on the capacity and availability of contractors to perform the work, staff reached out to two different firms to request a price for performing the Berth 1 and Berth 2 repair work. On April 1, 2025, staff received pricing from the two firms as follows:

<u>COMPANY</u>	<u>TOTAL BID PRICE</u>
1. Valentine Corporation San Rafael, CA	\$2,373,369
2. Power Engineering Construction Co. Alameda, CA	\$2,132,321

Engineering staff and District's Attorney evaluated the bid proposals for completeness and conformance with the criteria that was specified in the contract documents and determined that the proposal from Power Engineering Construction Co., with a price of \$2,132,321, was the lowest responsive and responsible bidder. The District does not anticipate any DBE or SBE participation in this contract.

The District, under the General Manager's authority, entered into a contract with Power Engineering Construction Co., to perform the repairs.

UPDATE REPORT ON THE LARKSPUR FERRY TERMINAL BERTHS 1 AND 2 BOARDING RAMP REPAIRS (continued)

Fiscal Impact

Current estimated costs to date for activities related to the Larkspur Ferry Terminal Berths 1 and 2 Boarding Ramps repairs are \$2,782,321. The General Manager will continue to provide the Board with regular updates on the status and costs of this work.

DESCRIPTION OF ITEMS	COSTS
Contract No. 2025-F-016, <i>Larkspur Ferry Terminal Berths 1 and 2 Boarding Gangway Ramp Repairs</i> (Power Construction Co.)	\$2,132,321
District Staff Labor, Fringe and Indirect Costs (estimated)	\$650,000
TOTAL COSTS	\$2,782,321

UPDATE REPORT ON THE 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 purchase order and contract change order (CCO) #1 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. The District executed CCO #2 with PB Electric, Inc., to perform additional assessments of the existing conditions, including opening all the east sidewalk electrical pull boxes,

UPDATE REPORT ON THE GOLDEN GATE BRIDGE ELECTRICAL SYSTEM REPAIRS (continued)

documenting the condition of conductors in the pull boxes, documenting findings, developing scopes of work and construction scheduling for the short-term and long-term solutions.

Based on the assessments and findings, Engineering staff, the electrical engineering consultant, PB Electric, Inc., and Bridge Division staff developed preliminary repair plans. It has been determined that the lead time to procure new transformers and switches suitable for the conditions at the Bridge is approximately one year, so short-term and long-term solutions are being developed.

The short-term plan includes procuring readily available equipment that may be installed and utilized while the long-term solution is completed. Engineering staff requested and PB Electric, Inc., provided a cost estimate in the amount of \$400,000 to procure the material and equipment necessary to implement the short-term solution. Engineering staff reviewed the material and equipment costs and determined that they were reasonable and directed PB Electric Inc., to order the items pursuant to CCO #3. On March 28, 2025, the Board of Directors ratified CCO #3 with PB Electric, Inc. to procure electrical material and equipment necessary to perform a temporary short-term repair to the Golden Gate Bridge electrical system.

PB Electric ordered the initial equipment and materials needed for the short term solution, at a cost of \$189,000. While removing some of the damaged equipment from the Bridge, Bridge District electricians discovered additional failed equipment requiring replacement. Funds were still available from the CCO #3 authorization so the District requested PB Electric to procure a new transformer and switch panel, in an amount of \$90,000, to replace the failed equipment.

Engineering staff and the electrical engineering consultant are continuing finalizing the construction documents necessary for the short-term installation. District staff requested that the engineering consultant prepare construction bid documents and specifications for the short-term installation. The engineering consultant provided a cost proposal, in the not to exceed amount of \$9,600, to perform this work. Engineering staff reviewed the proposal and determined that it was reasonable and directed the consultant to proceed with the work.

Engineering staff, the electrical engineering consultant, and PB Electric Inc. are also continuing to develop the full scope of work and cost estimate for the long-term solution.

Any additional change orders and contract award(s) associated with this work will be brought to the District's Board of Directors at a future meeting.

Fiscal Impact

Current estimated costs to date for activities related to the Bridge electrical system repairs are \$504,150. The General Manager will continue to provide the Board with regular updates on the status and costs of this work.

UPDATE REPORT ON THE GOLDEN GATE BRIDGE ELECTRICAL SYSTEM REPAIRS (continued)

DESCRIPTION OF ITEMS	COSTS
Site Investigation and Electrical System Assessment (PB Electric, Inc., Initial assessment and CCO #1)	\$107,500
Additional assessment, documentation of findings, developing scope of work and construction scheduling for the short-term and permanent solution. (PB Electric, Inc., CCO #2)	\$98,250
Procure Electrical Material and Equipment (PB Electric, Inc., CCO #3 authorized up to \$400,000)	\$189,000
Procure Electrical Material and Equipment (PB Electric, Inc., CCO #3 authorized up to \$400,000)	\$90,000
Electrical Engineer Consultant (Victor Steffen, Initial assessment and short-term solution)	\$9,800
Electrical Engineer Consultant (Victor Steffen, Short term solution construction drawings and specifications)	\$9,600
TOTAL COSTS	\$504,150

UPDATE 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 fails and impacts 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.

UPDATE REPORT ON LARKSPUR FERRY TERMINAL FUEL PUMP REPAIRS (continued)

Engineering and Ferry staff developed a scope of services and reached out to different fuel pump vendors to determine availability to perform the work. The scope of services consists, in general, of the following:

- Reviewing existing facilities and site conditions
- Performing field verifications and measurements of controlling dimensions
- Preparing and submitting work plans and material specification documents
- Ordering new pumps, fittings and associated components
- Removing existing pumps and installing new pumps
- Performing operational tests

On March 6, 2025, the District, under the General Manager's authority, entered into a contract with Mechanical Analysis Repair, Inc., dba MarTech, to perform the repairs. On March 20, 2025, the Contractor placed an order for the pumps. The Contractor has finalized the work plans and submittals for the work. The pumps and other materials have been received and the first installation took place over the weekend beginning June 13, 2025.

Fiscal Impact

The current estimated construction contract price to perform the work, excluding staff costs, is \$114,697.

SONOMA COUNTY TRANSPORTATION DEVELOPMENT ACCOUNT FUNDS

California provides limited financial assistance for transit operations via three funding programs: Transportation Development Account (TDA); State Transit Assistance (STA); and Low Carbon Transit Operations Program (LCTOP). In the Bay Area, the Metropolitan Transportation Commission (MTC) allocates these funds to transit agencies and county transportation authorities.

Based on long-standing agreements, the District has annually received 25 percent of Sonoma County TDA funds, while receiving no STA or LCTOP Sonoma County funds. This arrangement is fixed, regardless of service levels. It has been in place for decades, a period during which the District provided extensive bus service, connecting Sonoma County to Marin and San Francisco.

The District along with the Sonoma County Transportation Authority (SCTA) and the Sonoma County transit operators have submitted a "coordinated claim" to MTC annually reflecting this agreement.

With the advent of the pandemic, and a decline in travel from the North Bay to San Francisco, the District has greatly reduced its transit services to match declining customer demand. This is the genesis of Sonoma County transit operators' desire to revisit the funding allocation formula.

In Marin County, the transit operators share TDA, STA and LCTOP funds based on a dynamic formula. As an operator provides more service and carries more customers, they receive relatively more money, and when ridership and service levels decline, they receive less. Staff along with

SONOMA COUNTY TRANSPORTATION DEVELOPMENT ACCOUNT FUNDS (continued)

Marin Transit and SMART submit a coordinated claim to MTC annually pursuant to this dynamic formula. Staff believes that such a dynamic formula is fair and consistent with public policy.

For the 2026 Sonoma County TDA, STA and LCTOP claim, staff at the agencies have agreed to submit a coordinated claim based on the Marin County dynamic model. While this will result in the District receiving less money than under the historical 25 percent allocation of TDA, it is based on a rational, fair approach. Having the same formula in both Marin and Sonoma Counties also is common sense.

The District is projected to receive \$4.8 million from Sonoma County's TDA, STA, and LCTOP funds in FY 2025/26, down from \$7.4 million of TDA in FY 2024/25. While part of this decline is due to an 11% decrease in Sonoma County's overall state transit funding, the larger driver is the Marin County dynamic allocation formula, coupled with the decline in the bus commuters from Sonoma County to San Francisco. Staff concurs with the proposed coordinated claim for 2025/26.

The approach for distributing Sonoma County TDA, STA and LCTOP funds in future years is undetermined at this time. The District is advocating that in future years Sonoma County's TDA, STA and LCTOP funds be distributed via the Marin County dynamic allocation formula, absent any arbitrary caps on regional operators.

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

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

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 administrator 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, in negotiating the prior MOU with the ATU, the ATU and the District agreed to form a working group 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 parties agreed to the working group as a means of addressing the pressing needs of the pension during the term of the MOU without having to delay wage increases for bus operators. Per the agreement, 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 met, and Buck (now called Gallagher after an acquisition) prepared projections for various scenarios to improve the Plan’s funded status.

After Buck/Gallagher presented the information, the District’s members pressed the working group to make decisions as to what the elements of the rehabilitation plan should be, as was the purpose of the group; however, the Union’s members refused to do so, stating that such decisions could only be made in the context of traditional collective bargaining. Thus, because the Union’s members were unwilling to actually commit to a rehabilitation plan, in the District’s view, the purpose of the working group was stymied, and no more progress could be made in that format. No more meetings of the working group have been scheduled.

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

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 December 31, 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	82,771,622	100.0	0.6	0.6	5.5	3.4	9.1	5.2
<i>Policy Index</i>			<i>0.0</i>	<i>0.0</i>	<i>5.0</i>	<i>3.1</i>	<i>8.6</i>	<i>6.2</i>

The GGTARP's 10-year return of 5.2% as of March 31, 2025 is notably lower than the preliminary 10-year return of 7.39% reported by the District's OPEB Investment Advisor (which the GGTARP Board could have hired). For a Plan with \$100 million in assets, a 2.19% lower return over a 10-year period equals approximately \$24 million in lost investment earnings.

Although 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 \$24 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.

^[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 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 April the District continued to make progress on *Initiative 3, 8, 9, 10, 11, 13, 15, 19 and 29.*

PRESENTATIONS BY DISTRICT STAFF FOR THE MONTH OF MAY

District staff made the following speeches and/or presentations:

PRESENTATION TO:	DATE:	PRESENTED BY:
Caltrans District 4 Calmentor Program	May 2, 2025	Deputy General Manager of the Ferry Division Michael Hoffman

SPECIAL EVENT/EXPRESSIVE ACTIVITY REQUESTS

Below are the dates and sponsoring agencies of special events and expressive activities which have been permitted in June and July:

Event Date	Event Title	Location	Type*	Expected No. Participants
May 31 – June 1, 2025	Escape From Alcatraz	Battery East, Coastal Trail & under GGB	SE	1,800
June 7, 2025	Action and Everytown for Gun Safety	East Sidewalk	EX-ACT	300-400
June 8, 2025	Journey of Hope	GGB East Lot, Welcome Center Plaza Area, and West sidewalk	SE	25-30 riders, 40 guests
June 22, 2025	The Guardsmen Presidio Half Marathon	GGB South-East Parking Lot, East & West Sidewalk & Under the Bridge @Tunnel	SE	4,500
June 24, 2025	Law Enforcement Torch Run for Special Olympics	East Sidewalk & Plaza Center	SE	TBD
July 27, 2025	The San Francisco Marathon	GGB East and West Sidewalk & Upper South-West Lot.	SE	4,000 – 5,000

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

VEHICLE TRAFFIC INCIDENTS FOR THE MONTH OF MAY

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

Vehicle Traffic Incident	Vehicles	Injuries	Fatalities	Location
HB – Hit Barrier	1	0	0	Waldo
HB – Hit Barrier	1	0	0	Other
HB – Hit Barrier	1	0	0	Plaza
SS – Side Swipe	2	0	0	Bridge
HB – Hit Barrier	1	0	0	Plaza
RE – Rear Ender	3	1	0	Bridge
HB – Hit Barrier	2	0	0	Doyle
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	Plaza
TOTAL	15	1	0	

BICYCLE INCIDENTS FOR THE MONTH OF MAY

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

Bicycle Incidents	Bicycles	Injuries	Fatalities	Location
SO – Solo	1	1	0	Bridge
BB – Bicycle/Bicycle	2	2	0	Bridge
SO – Solo	1	1	0	Conzelman
SO – Solo	1	1	0	Bridge
SO – Solo	1	1	0	Bridge
TOTAL	6	6	0	

FERRY BICYCLE COUNTS THROUGH THE MONTH OF MAY

Ferry Bicycle Counts through the month of May 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 – May	9,116

*The Larkspur May bicycle count was 2,271

FERRY BICYCLE COUNTS THROUGH THE MONTH OF MAY (continued)

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 - May	13,186

*The Sausalito May bicycle count was 3,245

Tiburon Southbound Bicycle Counts	
2022 Annual Total	9,204
2023 Annual Total	9,481
2024 Annual Total	8,993
January – May	2,490

*The Tiburon May bicycle count was 648

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 – May	1,250

*The Angel Island May bicycle count was 355

EMPLOYEE OF THE MONTH – JUNE 2025

After reviewing nominations submitted by District employees the Employee of the Month Committee selected Marine Storekeeper David Adams in the Ferry Division as the Employee of the Month for June 2025.

Mr. Adams is recognized for both his professionalism, exemplary skillset, and his dedication in his position as a Marine Storekeeper. When a requisition for a part that may be obsolete comes across his desk, Mr. Adams goes out of his way to help to find an adequate replacement part. In addition, he goes out of his way to help his coworkers at ferry by ensuring that everyone has what they need when they place an order with him, so that they may complete their projects on time. There have been several emergency instances where a part was needed and Mr. Adams always goes out of his way to find the parts, even on occasion picking the part up from a vendor. One example occurred when the shore power breaker on the *M.V. Napa* ferry went out and running a generator 24/7 was the only option. Mr. Adams quickly located a replacement breaker and had the part ordered and onsite within a few days.

EMPLOYEE OF THE MONTH – JUNE 2025 (continued)

Of special note, his colleagues mention that Mr. Adams has a wonderful approach to his work and is great to work with as a coworker. They go on to say that he is well deserving of the nomination, along with many great people at the District, and that he makes the best BBQ sauce!

Mr. Adams joined the District on March 7, 2022, in his current position of Marine Storekeeper. Prior to joining the District, Mr. Adams was a Manager Vaca Valley Auto Parts in Fairfield, CA, and prior to that a Manager at Napa Auto Parts in Fairfield CA, and before that was a Manager at Toys R Us in Emeryville, CA. Mr. Adams was the youngest Manager ever hired at Toys R Us.

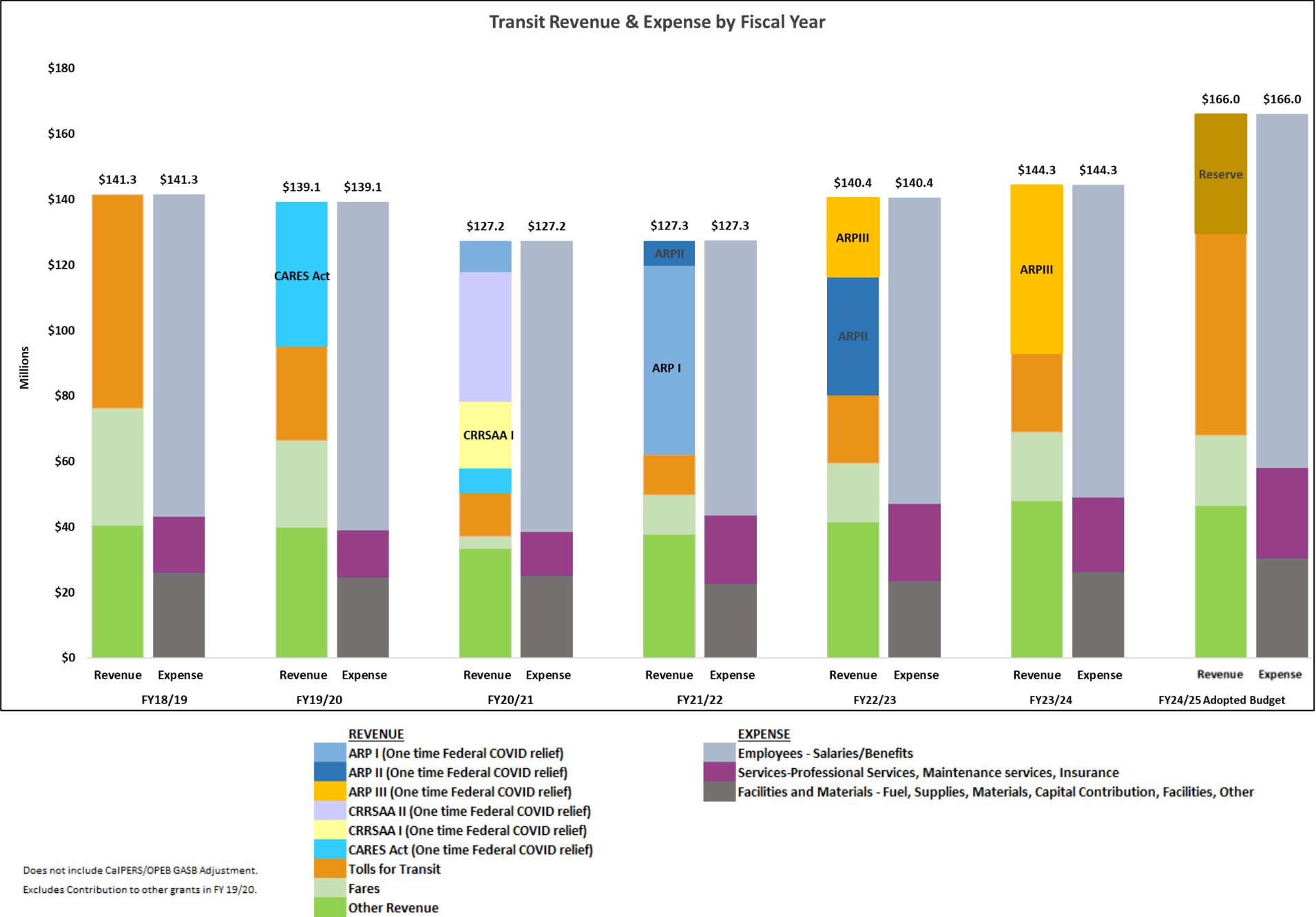
Mr. Adams was born in Fairfield CA at Travis Airforce Base and attended Vanden High School and then went on to attend Solano Community College. Mr. Adams has been a resident of Napa, CA since 2000, where he lives with his wife, Kelly and stepson Brandon. In his spare time, he enjoys making BBQ sauce and cooking outdoors. He has one dog and two cats who are all rescues.

Denis J. Mulligan
General Manager

DJM:jb

Attachment: 2025-0626-FinanceComm-No12-Attachment C – Transit Funding & Expense Comparison

2025-0626-FinanceComm-No12-Attachment C – Transit Funding & Expense Comparison



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