



Agenda Item No. 4

To: Finance-Auditing Committee/Committee of the Whole
Meeting of August 21, 2008

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **DISCUSSION REGARDING UPDATES TO THE FIVE- AND TEN-YEAR
FINANCIAL PROJECTION**

Recommendation

The following report is provided for informational purposes and does not require any action.

Introduction

This report contains the financial projection for the ten-year period from FY 09/10 through FY 18/19. The report is broken up into five sections;

- I. Introduction
- II. Fiscal Strength of the District
- III. Projection Findings
- IV. Assumptions
- V. Next Steps

and the Appendices;

- A. Projection
- B. Assumptions
- C. Ten-Year Capital Plan Projection
- D. Capital Contribution Calculation
- E. Reserve Structure

I. Introduction

What is a Projection?

This report contains the District's five and ten-year financial projection of operating and capital project revenues and expenses from FY 09/10 through FY 18/19. The projection reflects the maintenance of all current policy decisions -- current operating service levels, the current capital project schedule and current revenue assumptions -- over the period of the projection. In general, the projection assumes that the cost of inputs will change over time with inflation and that revenues will change according to projections of traffic and transit patronage. *Future* policy decisions to change tolls, fares, and/or service levels are *not* included in this projection.

The projection presents the long-term financial impact of the present baseline level of operations. The projection is not a policy document and therefore does not represent the future direction of the District. That direction will be set by policy decisions made by the Board in future years. Those decisions will change the direction of the Agency as compared to this projection, i.e., increase or decrease the fiscal strength of the District and correspondingly its ability to serve the public.

Why is a Financial Projection Essential?

A long-term projection is essential to enable the leaders of an organization and the public it serves to understand the challenges the organization faces in the years to come. Given the capital project intensive nature of the District's business -- maintaining a \$2 billion bridge and a large fleet of buses and ferries -- the ten-year projection allows for early planning and execution of funding strategies for large capital projects. Without that advance notice and planning, it is almost impossible to fund and undertake large projects in a timely fashion.

II. Fiscal Strength of the District

Summary

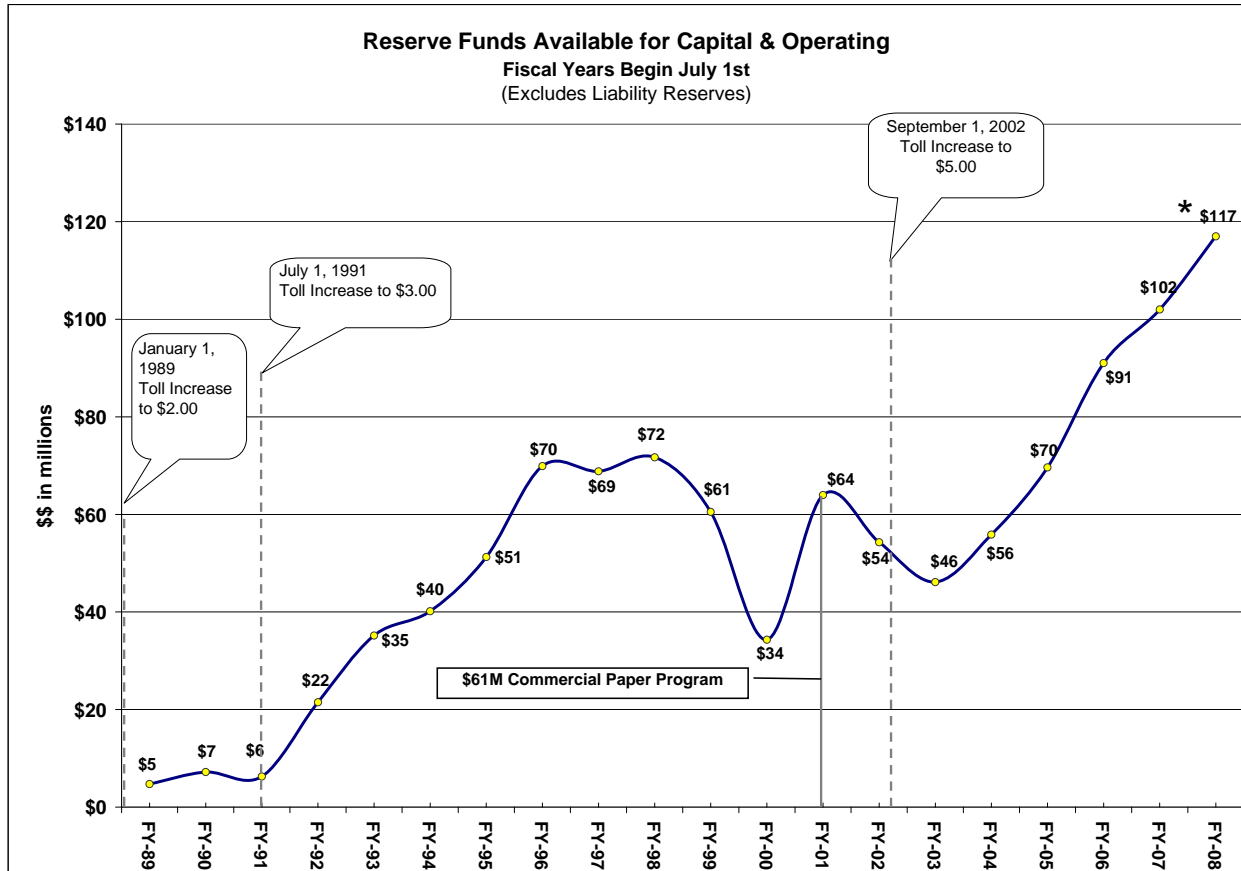
The fiscal strength of the District is best tracked by comparing the level of reserve funds available for operating and capital with the time period necessary for the projected needs of the District to exhaust those resources. In the District's case, it is projected that next year's Operating and Capital Budget, FY 09/10, will encumber all available reserve resources. This is due to large capital projects that begin that year.

Reserve Level

Historically, the District has maintained reserve funds for capital projects and operating expense emergencies. The amount of these reserves has varied but adequate reserves are essential to the ability of the District to maintain its core assets -- the Bridge, the transit rolling stock and infrastructure, and District facilities -- and to survive downturns in the economy. At present, the District's reserves are at its highest point in recent years, but, as mentioned above, there are

several large projects beginning (the main cable seismic retrofit) that will reduce the reserves substantially.

The reserve levels for the last 20 years are displayed in the chart below.



*Estimated.

The FY 08/09 Operating Budget is expected to keep the reserves constant through the year. Given the projected FY 09/10 funding needs of the capital projects, liability and operating reserves, all available reserves are expected to be allocated in FY 10/11. Additional funding for new capital projects in future years beyond FY 10/11 will need to be raised to fund the full ten-year capital plan in this projection. This projection deficit includes that necessary funding.

The District has, and will have, fully funded reserves to cover all its legal liabilities and commercial paper obligations.

How the Resources are Funded

Additional new reserves can be accumulated if future operating budgets are balanced. In FY 09/10, a balanced operating budget will provide approximately \$17 million for the reserves through two mechanisms; 1) the capital contribution set aside, and 2) depreciation expense. Those funds would be used to refund the operating reserves and the emergency reserves, if

necessary, and begin the capital projects listed in the first years of the projection. The trade offs between which capital projects to begin and when, will be made during the future year budget process. (For more information regarding the capital contribution or reserve structure, see Appendix D and E.)

III. Projection Findings

The findings of the revised five and ten-year projection for revenues and expenses are summarized in the following table. A year by year summary table and detailed operating and capital revenue and expense tables are in the appendices.

	Year 1 FY 2010 Estimate	SubTotal Year 1 – 5 Estimate	Total Year 1 – 10 Estimate
Total Operating and District Capital Expense	\$170	\$909	\$1,986
<u>Total Operating Revenue</u>	<u>\$170</u>	<u>\$879</u>	<u>\$1,823</u>
<u>Total Operating & Capital District Deficit</u>	<u>\$0</u>	<u>\$30</u>	<u>\$163</u>

For comparison purposes, the projected ten-year deficit of \$163 million is approximately \$127 million lower than the \$290 million estimate of last year. The projected five-year deficit is \$30 million, \$61 million less than the \$91 million estimate of last year*. The reduction in the five-year projected deficit is primarily due to the approved toll increase to be implemented in September 2008. The deficit is further reduced through projected increased grant revenue and increased Ferry revenue due to increased passenger growth projections.

Detail of Five-Year Projection Findings

The projected \$30 million deficit over five years is made up of three significant categories:

1. The first category is adding a new fifth year, 2014 in this case. Even under last year’s assumption that fifth year accounts for \$24 million of the deficit.
2. The second category is the change in the COLA used to inflate expenses in the projection. That accounts for \$5 million of the deficit.
3. The third category is unanticipated changes in expenses. They account for \$21 million of the deficit primarily consisting of increases in fuel, salaries, and medical expenses.

However, these increases are offset by approximately \$20 million because of assumptions of the Indirect Cost Allocation Plan (ICAP) transfers to Capital projects.

* Projection adjusted for increase in OPEB expenses based on new actuary study.

Use of Reserves to Fund Capital Projects

This projection assumes the use of reserves to fund future capital projects. The ten-year District capital needs projection is \$316 million (See Appendix C.) After accounting for funds contributed by depreciation, and the use of \$110 million in District reserves, the recommended annual capital contribution from District Operations remains at \$9 million, the same as the last few years.

The principle reason that the five and ten-year deficits have not yet disappeared is that the operating budget goes into deficit. Once the operating budget is balanced over the long run the total deficit will be reduced dramatically or eliminated.

IV. Assumptions

The assumptions used to build the projection are very important to the findings. Whether the assumption is the inflation rate used to inflate salary and expense costs or the list of capital projects to be undertaken, all assumptions have an impact on the findings. However, a change to any one of the inflation assumptions or capital projects will not dramatically change the findings in this report. Since the projection is neither a policy document, nor a direction for the District, but a status quo baseline to be used to provide a benchmark for future policy decisions, assumptions have been chosen that provide the greatest likelihood that the projection will correctly reflect a status quo future. The major assumptions are summarized below (they are also listed in detail in Appendix B).

Operating Revenue Assumptions

- Toll revenue projections include the approved toll increase and maintain the current average toll and projected slow population and economic growth patterns in Marin County as forecasted by the Association of Bay Area Governments (ABAG).
- Transit Fare revenue projections reflect the final two years of a five-year, 5% per year, rate increase as approved by the Board. The remaining eight years show a slight increase in revenue due to increased ridership.
- Grant revenues are based on information provided by MTC or historical experience.
- All other miscellaneous revenues such as rents and gift center sales are based on local Consumer Price Index (CPI) forecasts produced by the California State Legislative Analysts Office (LAO).

Operating Expense Assumptions

- Cost of living increase for California produced by the LAO is used as a basis to project categories dependent on economic conditions, such as the cost of labor, services, materials, supplies, utilities, insurance, and rents/leases. Salaries for the Bus Operators are based on the approved labor contract for years 1 and 2 and the remaining years reflect the LAO's projected CPI rates. Workers' compensation and medical costs are based on provider anticipated growth rates.

- This projection includes funding for the first ten years of a 30-year amortization of the cost of retiree postemployment health benefits (OPEB).
- Costs due to projected commercial paper principal payments and TransLink operating costs are included in the projection, but are offset by projected cost savings based on current (lower) spending patterns.

Capital Project Revenue and Expense Assumptions

The FY 09/10 through FY 18/19 Ten-Year Capital Projection, provided in Appendix C, identifies a \$1.3 billion capital need over the next ten years requiring a District contribution of \$316 million. This plan has been structured to systematically maintain and sustain existing Bridge, Bus and Ferry capital investments within existing staff resources.

Grants are generally assumed to fund 80% of Transit rehabilitation and replacement projects, consistent with prior experience, and 80% of the core Bridge paint and rehabilitation projects. The 80% grant funding assumption is based on past experience but will be reviewed each year to reflect current experience. All projects have been reviewed and rated essential for the continued operation of the District, and the timing of each project balances the operational need for the project with the availability of staff resources to complete the project in a timely fashion.

Project costs are inflated by 2.7% in the out-years based on the inflation factor used by the California Transportation Commission for the State Transportation Improvement Program (STIP).

Alternative Capital Revenue Assumption Scenarios

Historically the 10-year Capital projections assume 80% grant funding for major Bridge projects. (See below for a list of projects.) The Board requested an analysis on what the size of the deficit would be if less grant funding was obtained for these Capital projects. The following is a summary of the results:

With an 80% grant funded assumption, the five-year deficit is \$30 million (the current assumption.)

With a 50% grant funded assumption, the five-year deficit is \$80 million or an additional \$50 million from current assumption.

With a 30% grant funded assumption, the five-year deficit is \$120 million or an additional \$90 million from current assumption.

These scenarios all assume using approximately \$55 million of the District's Reserves.

BRIDGE DIVISION
 (All number in thousands)

CAPITAL PROJECT DETAIL	10-YR TOTAL
SAFETY/SECURITY ENHANCEMENTS	
Facility Improvements	
Seismic Facilities – Bridge	\$6,580
Seismic Facilities - Building Ops Center	6,400
Sub Total	\$12,980
FACILITIES/BRIDGE REHABILITATION	
Bridge Paint Rehabilitation	
Arch Paint Rehabilitation	\$25,760
North-End Paint Rehabilitation	8,630
South-End Paint Rehabilitation	41,820
South-Tower Paint Rehabilitation	20,330
Suspension Bridge Superstructure Paint Rehab	92,020
North Tower Paint Rehabilitation	30,550
Suspension Bridge Underdeck Recoating	35,260
Sub Total	\$254,370
Roadway/Structure Rehabilitation	
Floor Beam & Bracing Repl/Rehab	\$80,970
Bridge Pavement Repair	13,890
Sub Total	\$94,860
Grounds	
Pave/Maintain Alexander Avenue	\$3,920
Sub Total	\$3,920
GRAND TOTAL	\$366,130

V. Next Steps

The District will continue the process of addressing the projected deficit through its Strategic Planning process. Strategic Planning Workshops will include education on potential paths to balance the District’s long-term financial plan and the merits of those various options. The goal of those workshops will be to produce a balanced long-term financial plan for consideration by the Board. Staff will implement the plan in the years ahead, including incorporating it into future budgets if appropriate.

Fiscal Impact

There is no direct fiscal impact. The report provides a ten-year projection of the potential fiscal impact of current policy.

Appendices:

- A. Projection
- B. Assumptions
- C. Ten-Year Capital Plan Projection
- D. Capital Contribution Calculation
- E. Reserve Structure

Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19
All Figures Rounded to (\$000)

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	Total
	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>5 Year</u>	<u>10 Year</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Agency Expense:													
Salaries	\$ 62,500	\$ 64,300	\$ 66,100	\$ 67,900	\$ 69,800	\$ 71,800	\$ 73,800	\$ 75,800	\$ 78,000	\$ 80,100	\$ 82,400	\$ 339,900	\$ 730,000
Fringe Benefits (Incl PR Taxes)	44,000	46,500	48,700	51,000	53,400	55,800	58,300	60,900	63,600	66,400	69,400	255,400	574,000
Professional Services	13,700	14,200	14,600	15,000	15,400	15,800	16,300	16,700	17,200	17,700	18,200	75,000	161,100
Fuel & Related Taxes	11,100	11,400	11,700	12,000	12,300	12,700	13,100	13,400	13,800	14,200	14,600	60,100	129,200
Repair & Operating Supplies	8,100	8,300	8,500	8,700	9,000	9,200	9,500	9,700	10,000	10,300	10,600	43,700	93,800
Insurance, Taxes & Permits	4,600	4,800	4,900	5,000	5,200	5,300	5,500	5,600	5,800	5,900	6,100	25,200	54,100
Purchased Transportation	1,900	1,900	2,000	2,000	2,100	2,100	2,200	2,200	2,300	2,400	2,400	10,100	21,600
Staff Development	1,100	1,100	1,100	1,200	1,200	1,200	1,300	1,300	1,300	1,400	1,400	5,800	12,500
Leases & Rentals	1,400	1,500	1,500	1,500	1,600	1,600	1,700	1,700	1,800	1,800	1,900	7,700	16,600
Debt Service-Interest Expense	3,300	3,200	3,200	3,300	3,300	3,200	3,100	2,900	2,800	2,700	2,500	16,200	30,200
Depreciation	7,500	7,400	7,900	9,300	10,200	11,200	11,900	12,500	13,900	15,500	15,500	46,000	115,300
Total Expenses	\$ 159,200	\$ 164,600	\$ 170,200	\$ 176,900	\$ 183,500	\$ 189,900	\$ 196,700	\$ 202,700	\$ 210,500	\$ 218,400	\$ 225,000	\$ 885,100	\$ 1,938,400
Known Changes:													
Translink Costs (Net)	\$ -	\$ 400	\$ 600	\$ 600	\$ 600	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 2,900	\$ 6,400
ICAP	(3,800)	(3,900)	(4,100)	(4,200)	(4,300)	(4,400)	(4,500)	(4,700)	(4,800)	(4,900)	(5,100)	(20,900)	(44,900)
Commercial Paper Principal Pymts	-	1,400	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,400	8,000	18,600
Other (2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjust for Current Spending Patterns	-	(2,000)	(2,100)	(2,300)	(2,300)	(2,300)	(2,300)	(2,200)	(2,200)	(2,200)	(2,100)	(11,000)	(22,000)
Allowance for additional Insurance Prem	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Known Changes	\$ (3,800)	\$ (4,100)	\$ (4,100)	\$ (4,300)	\$ (4,300)	\$ (4,200)	\$ (4,200)	\$ (4,200)	\$ (4,200)	\$ (4,200)	\$ (4,100)	\$ (21,000)	\$ (41,900)
Sub-Total Expense	\$ 155,400	\$ 160,500	\$ 166,100	\$ 172,600	\$ 179,200	\$ 185,700	\$ 192,500	\$ 198,500	\$ 206,300	\$ 214,200	\$ 220,900	\$ 864,100	\$ 1,896,500
Capital Contribution - 80% Grant Funded	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 45,000	\$ 90,000
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense	\$ 164,400	\$ 169,500	\$ 175,100	\$ 181,600	\$ 188,200	\$ 194,700	\$ 201,500	\$ 207,500	\$ 215,300	\$ 223,200	\$ 229,900	\$ 909,100	\$ 1,986,500
Total Operating Revenue	\$ 155,700	\$ 170,100	\$ 173,500	\$ 176,000	\$ 178,400	\$ 181,000	\$ 183,500	\$ 186,100	\$ 188,900	\$ 191,400	\$ 194,200	\$ 879,000	\$ 1,823,100
Total Net Surplus/(Deficit)	\$ (8,700)	\$ 600	\$ (1,600)	\$ (5,600)	\$ (9,800)	\$ (13,700)	\$ (18,000)	\$ (21,400)	\$ (26,400)	\$ (31,800)	\$ (35,700)	\$ (30,100)	\$ (163,400)
Bridge Expense	\$ 61,800	\$ 65,700	\$ 67,300	\$ 69,100	\$ 71,500	\$ 73,700	\$ 75,700	\$ 78,200	\$ 81,000	\$ 83,500	\$ 85,800	\$ 347,300	\$ 751,500
Transit Expense	\$ 102,300	\$ 103,500	\$ 107,700	\$ 112,600	\$ 116,700	\$ 121,000	\$ 125,600	\$ 129,500	\$ 134,300	\$ 139,800	\$ 144,200	\$ 561,500	\$ 1,234,900

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19**

Revenue Detail

All Figures Rounded to (\$000)

	Year 0 FY09 Budget	Year 1 FY10 Estimate	Year 2 FY11 Estimate	Year 3 FY12 Estimate	Year 4 FY13 Estimate	Year 5 FY14 Estimate	Year 6 FY15 Estimate	Year 7 FY16 Estimate	Year 8 FY17 Estimate	Year 9 FY18 Estimate	Year 10 FY19 Estimate	Total 5 Year Estimate	Total 10 Year Estimate
Revenue Summary	Updated	Toll Increase											
Bridge Tolls	\$ 86,200	\$ 103,400	\$ 103,700	\$ 104,100	\$ 104,300	\$ 104,600	\$ 104,900	\$ 105,100	\$ 105,700	\$ 105,900	\$ 106,300	\$ 520,100	\$ 1,048,000
Transit Fares	22,800	24,300	25,800	26,100	26,400	26,800	27,100	27,500	27,900	28,100	28,500	129,400	268,500
Investment Income	6,100	2,500	2,700	2,900	3,000	3,200	3,300	3,300	3,400	3,500	3,600	14,300	31,400
Gift Center Sales & Café	3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,300	4,400	4,500	18,500	39,800
Ferry Concessions	300	300	300	400	400	400	400	400	400	400	400	1,800	3,800
Other (Incl Leases & RM2)	4,500	4,500	4,500	4,600	4,700	4,700	4,800	4,900	4,900	5,000	5,100	23,000	47,700
Local Funds & Misc Projects	13,800	14,500	15,300	16,000	16,800	17,700	18,500	19,500	20,400	21,500	22,500	80,300	182,700
State Funds	18,200	17,000	17,500	18,100	18,900	19,600	20,400	21,200	21,800	22,500	23,200	91,100	200,200
Federal Funds	400	100	100	100	100	100	100	100	100	100	100	500	1,000
Total Revenue	\$ 155,700	\$ 170,100	\$ 173,500	\$ 176,000	\$ 178,400	\$ 181,000	\$ 183,500	\$ 186,100	\$ 188,900	\$ 191,400	\$ 194,200	\$ 879,000	\$ 1,823,100
Bridge & Concession Revenue	\$ 96,300	\$ 110,000	\$ 110,700	\$ 111,300	\$ 111,900	\$ 112,500	\$ 113,100	\$ 113,600	\$ 114,200	\$ 114,700	\$ 115,300	\$ 556,400	\$ 1,127,300
Transit Revenue	\$ 59,400	\$ 60,100	\$ 62,800	\$ 64,600	\$ 66,500	\$ 68,500	\$ 70,500	\$ 72,600	\$ 74,600	\$ 76,700	\$ 79,000	\$ 322,500	\$ 695,900

**Golden Gate Bridge, Highway and Transportation District
Five-Year and 10-Year Financial Projection FY 09/10 – FY 18/19**

CATEGORY

ASSUMPTIONS

General Assumptions

**The FY 08/09 Adopted Budget has been used as the base
for all revenue and expense projections**

Operating Revenue

Bridge Tolls	Assumes a \$1.00 toll increase, for cash and Fastrak, effective 9/02/2008. Vehicle crossings are projected to remain relatively flat which is in keeping with ABAG's estimated long term population and employment growth patterns in the Bay Area.
Bus Transit	Assumes 5% per year fare increase, through June 30, 2011, for regional routes. No fare increase is assumed for local routes. Revenue is projected to decrease slightly due to a decrease in regional passengers and local passengers are projected to remain flat.
Ferry Transit	Assumes 5% per year, fare increase through June 30, 2011. Combined Passenger growth is projected to increase at 2% based on Planning Department and SRTP projections.
Local Contract	Assumes continuing contract with Marin Transit or local service @ 5% increase per year through June 30, 2019, in accordance with the revised 10-year contract.
State Funding	Projection is based on MTC's most recent funding projections which reflect an average increase of approximately 3% per year.
Federal Funding	Assumes federal funding for preventative maintenance ends in FY 08/09.
Investment Income	Interest on investment is projected to be 4.0% for the first year, then increasing slightly to a maximum of 4.5% based on current rate trends. Projected account balance is net of operating deficit excluding capital contribution and depreciation.
Gift Center Sales & Café	Sales based on current Gift Center and Café sales plus an average of 2.8% per year CPI increase. Refer to CPI assumption.
Ferry Concessions	Sales based on current Ferry concession contract with an average of 2.8% per year CPI increase. Refer to CPI assumption.

**Golden Gate Bridge, Highway and Transportation District
Five-Year and 10-Year Financial Projection FY 09/10 – FY 18/19**

CATEGORY

ASSUMPTIONS

Other Revenue	Based on a projected average CPI rate of 2.8%, as discussed below. This revenue includes leases, advertising, meters and parking fines.
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Operating Expense

CPI Rates	Projected CPI rates are based on California’s Legislative Analyst’s Office (LAO). The projected rates for 2010, 2011 and 2012 are 2.3%, 2.7% and 2.8% respectively. For the remaining years (FY2013-FY2019) this projection assumes CPI rates will remain the same as FY2012 or 2.8%.
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Salaries	Salary increases are based on an average 2.8% per year increase in CPI projections as noted above. Bus operators’ salary increases are based on new ATU Contract for FY2010 & 2011, and are then increased by average CPI rates. Capitalized labor expenses are directly charged to the capital projects.
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Pension	PERS Supplemental Pension (Employer Responsibility) for FY 09/10 is projected at 16.3% of Salaries decreasing slightly to 14.8% by 2019, based on PERS actuarial projections. Bus Operators' Pension is projected at 15.165% of salary for all years based on current ATU contract.
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Medical Insurance	Assumes an average of 7.5% per year increase, based on a blended rate of National Health Organization and Medicare/Medicaid actuarial projections.
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Worker's Compensation	Cost projections are based on Medical cost increases of 7.5% per year as explained above, and indemnity payments which are projected to increase based on CPI rates. Costs are split approximately 50/50 between medical and indemnity payments based on the District three-year average.
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Debt Service Payment	Assumes a rate increase of 0.5% per year reaching a cap of 6.5% in year 3 (4.5% - 20 year average Commercial Paper rate plus 2.0% for indenture requirement).
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All other expenses not mentioned above	Assumes an average CPI increase of 2.8% per year, which is based on LAO projections.
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**Golden Gate Bridge, Highway and Transportation District
Five-Year and 10-Year Financial Projection FY 09/10 – FY 18/19**

CATEGORY

ASSUMPTIONS

Depreciation	Based on 10-Year Capital Expenditure Plan provided by the Capital & Grants Office, reduced slightly based on historical pattern of slower than anticipated roll-out and implementation of projects.
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Known Changes

Translink Operations Costs	Based on cost schedule provided by MTC - "Phase II Operating Costs 10-Year Baseline for FY 2006-2007". No GGBHTD cost savings are projected. It is estimated that any printing and ticket book cost savings will be offset by additional financial support and maintenance costs.
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Commercial Paper Principal	Payments to the Commercial Paper Debt Principal will begin in FY 09/10. Per the original indenture agreement, the projection is based on \$1.4M in the first year with increases of \$100K per year amortized over 22 years,
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Adjustment for Current Spending Patterns	<ol style="list-style-type: none"> 1. Cost savings on Commercial Paper interest calculated at an average rate of 4.5% as opposed to maximum of 6.5%. 2. Assumes an estimate of \$1.5M per year cost savings for unspent funds in Professional Service Fees and Salaries due to unfilled positions.
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**FY 2010 Ten-Year Capital Plan
Financial Assumptions**

<u>PROJECTS</u>	<u>10-YEAR TOTAL</u>	<u>% OF TOTAL</u>	<u>10-YEAR DISTRICT</u>	<u>ASSUMPTIONS</u>
<u>BRIDGE DIVISION</u>				
SEISMIC RETROFIT				
Final Design	770,000	0.1%	0	Phase III Final Design - 100% grants secured
Construction	345,330,000	27.5%	59,326,800	Ph IIIA remaining @ \$102.7 mil - 94% grant funded; Ph IIIB @ \$240 mil - 79% grants assumed; Beam Span @ \$2.9 no grants
OTHER SAFETY/SECURITY ENHANCE.				
Facility Improvements	101,480,000	8.1%	34,420,000	Suicide Det. @ \$36.9 mil - 100% Fed/State/Local; MMB @ \$24.6 mil - 80% grant funded; Seismic Facilities @ \$38.2 mil - 26% grants; Crash Attenuators no grants assumed
Equipment/Systems	5,890,000	0.5%	1,400,000	Security System Improvements - 80% Fed
FACILITIES/BRIDGE REHABILITATION				
Bridge Access Systems	11,990,000	1.0%	11,990,000	No Grants Assumed
Bridge Paint Rehabilitation	291,170,000	23.2%	87,668,000	All Paint Rehab @ \$257.2 mil - 80% grant funded; Main Cable Recoating @ \$34.2 mil - 100% District
Roadway/Structure Rehabilitation	94,860,000	7.6%	23,135,000	Floor Beam & Bracing @ \$80.9 mil - 80% grant funded; Bridge Pavement Repair @ \$13.9 mil - 50% grant
Maintenance/Operations Buildings	14,610,000	1.2%	5,460,000	Maintenance Facility Relocation @ \$9.1 mil start fy 2015 - 100% NPS/Presidio Trust funded; all others 100% District
Grounds	11,800,000	0.9%	8,873,000	Pave/Maintain Alexander Ave. @ \$3.92 mil - 50% grant funded; all others 100% District
INFORMATION TECHNOLOGY	7,230,000	0.6%	7,230,000	No Grants Assumed
CAPITAL EQUIPMENT				
Tools and Equipment	10,720,000	0.9%	10,720,000	No Grants Assumed
<u>BUS DIVISION</u>				
REVENUE VEHICLE REPLACEMENT	138,269,000	11.0%	13,240,000	ADA Vans @ \$6 mil - 100% grant funded; all others @ \$132.2 - 90% grant funded (FTA and I-Bond)
SAFETY/SECURITY ENHANCEMENTS				
Equipment/Systems	10,730,000	0.9%	2,146,000	Security Systems @ \$2.6 mil - 80% grant funded; Radio/AVL @ \$8 mil - 80% grants secured
FACILITIES REHABILITATION				
Maintenance/Operations Buildings	10,890,000	0.9%	2,318,000	Bus Stops and Bus Steam Clean @ \$2.85 mil - 80% grants; Wash Racks @ \$1.7 mil - 38% secured; all others @ \$5.5 - 100% grants (I-Bond)
Grounds	2,200,000	0.2%	100,000	Bus Lots - 100% grant funded (I-Bond); Park & Ride Lots - 80% grant funded
INFORMATION TECHNOLOGY				
Computer Scheduling / Dispatch	750,000	0.1%	0	No Grants Assumed
CAPITAL EQUIPMENT				
Tools and Equipment	3,780,000	0.3%	2,750,000	No Grants Assumed except: ADA Paratransit Eq. @ \$1.1 mil - 100% grant funded
<u>FERRY DIVISION</u>				
REVENUE VEHICLE REPLACEMENT	48,740,000	3.9%	8,180,000	Ferry Replacement @ \$23.9 mil; Vessel Component Rehab @ \$7 mil; Major Propulsion Replace @ \$11.7 mil - all projects 80% FTA funded
SAFETY/SECURITY ENHANCEMENTS				
Equipment/Systems	220,000	0.0%	40,000	All projects - 80% grant funded
FACILITIES REHABILITATION				
Fixed Guideway	53,330,000	4.2%	10,660,000	All projects (dredging) - 80% grant funded. Upland disposal beginning in FY 2010 - cost up 100%
Fixed Guideway Connectors	29,370,000	2.3%	5,870,000	All projects - 80% grant funded including STIP/STP/CMAQ funds
Maintenance/Operations Buildings	5,490,000	0.4%	0	Faregates remaining @ \$1.4 mil - 100% grant secured; all other projects 100% grants assumed (I-Bond)
Terminal Facilities	33,150,000	2.6%	6,434,000	Marsh Restoration - 100% District; Passenger Terminals - 80% grant funded; Pavement Projects 95% grants (I-Bond)
CAPITAL EQUIPMENT				
Tools and Equipment	600,000	0.0%	600,000	No Grants Assumed
<u>DISTRICT DIVISION</u>				
FACILITIES REHABILITATION				
Maintenance/Operations Buildings	7,520,000	0.6%	1,750,000	Office Facility Renovation/Consolidation @ \$5.62 mil - 100% grant funded; all others 100% District
INFORMATION TECHNOLOGY	10,090,000	0.8%	7,328,000	Future IT @ \$2.2 mil - 50% grant funded; Computer Eq./Telephone Replacement @ \$5.8 mil - no grants assumed; FMMS @ \$2 mil - 76% grant funded
CAPITAL EQUIPMENT				
Tools and Equipment	<u>3,950,000</u>	<u>0.3%</u>	<u>3,950,000</u>	No Grants Assumed
TOTAL	1,254,929,000	100.0%	315,580,000	

* All projects costs are inflated at a rate of 2.7% per year, consistent with California Transportation Commission cost inflation factor applied to the State Transportation Improvement Program.

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19**

CAPITAL PROJECT DETAIL

	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										
				FY 2009 (\$000)	FY 2010 (\$000)	FY 2011 (\$000)	FY 2012 (\$000)	FY 2013 (\$000)	FY 2014 (\$000)	FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019
BRIDGE														
DISTRICT	250,220	250,220	-	5,250	16,650	31,500	25,000	20,960	36,930	35,690	24,590	21,570	21,950	15,390
GRANTS	645,630	-	645,630	16,950	44,430	46,730	40,690	53,830	64,680	107,680	96,980	74,800	71,270	44,530
TOTAL	895,850	250,220	645,630	22,200	61,080	78,230	65,690	74,790	101,610	143,370	121,570	96,370	93,220	59,920
BUS														
DISTRICT	20,550	20,550	-	1,850	3,650	2,620	2,240	3,050	270	820	3,530	2,900	310	1,180
GRANTS	146,070	-	146,070	5,950	17,000	17,000	16,080	26,230	930	4,000	32,090	23,490	430	8,800
TOTAL	166,620	20,550	146,070	7,800	20,650	19,620	18,320	29,280	1,200	4,820	35,620	26,390	740	9,980
FERRY														
DISTRICT	31,780	31,780	-	1,130	5,270	7,140	4,860	4,770	2,950	930	1,110	3,070	610	1,080
GRANTS	139,120	-	139,120	3,130	20,630	29,100	21,980	19,730	13,680	7,330	4,320	12,890	5,520	3,930
TOTAL	170,900	31,780	139,120	4,260	25,900	36,240	26,840	24,500	16,630	8,260	5,430	15,960	6,130	5,010
DISTRICT														
DISTRICT	13,030	13,030	-	620	1,960	3,060	860	920	1,010	960	1,050	1,000	990	1,220
GRANTS	8,530	-	8,530	340	1,640	3,580	2,660	50	50	50	150	50	50	250
TOTAL	21,560	13,030	8,530	960	3,600	6,640	3,520	970	1,060	1,010	1,200	1,050	1,040	1,470
AGENCY TOTAL														
DISTRICT	315,580	315,580	-	8,850	27,530	44,320	32,960	29,700	41,160	38,400	30,280	28,540	23,860	18,870
GRANTS	939,350	-	939,350	26,370	83,700	96,410	81,410	99,840	79,340	119,060	133,540	111,230	77,270	57,510
TOTAL	1,254,930	315,580	939,350	35,220	111,230	140,730	114,370	129,540	120,500	157,460	163,820	139,770	101,130	76,380
CUMULATIVE TOTAL														
DISTRICT	315,580	315,580	-	8,850	27,530	71,850	104,810	134,510	175,670	214,070	244,350	272,890	296,750	315,580
GRANTS	939,350	-	939,350	26,370	83,700	180,110	261,520	361,360	440,700	559,760	693,300	804,530	881,800	939,350
TOTAL	1,254,930	315,580	939,350	35,220	111,230	251,960	366,330	495,870	616,370	773,830	937,650	1,077,420	1,178,550	1,254,930

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19**

BRIDGE DIVISION

CAPITAL PROJECT DETAIL	10-YR	10-YR	10-YR	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										
	TOTAL	DISTRICT	GRANTS	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
BRIDGE SEISMIC RETROFIT														
Design														
Initial Design	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase II Design Review	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase III Design Review	770	-	770	-	770	-	-	-	-	-	-	-	-	-
Mitigation														
Mission Blue Butterfly Habitat	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction														
Phase I - North Approach	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase II - South Approach	-	-	-	1,250	-	-	-	-	-	-	-	-	-	-
Phase IIIA - No. Anch. Housing/No. Pylon	102,580	5,837	96,743	15,000	40,000	40,000	22,580	-	-	-	-	-	-	-
Beam Span Repair	2,750	2,750	-	50	250	1,000	1,500	-	-	-	-	-	-	-
Phase IIIB - Suspension Bridge	240,000	50,740	189,260	-	-	-	10,000	50,000	55,000	55,000	50,000	20,000	-	-
Subtotal Seismic Construction	345,330	59,327	286,003	16,300	40,250	41,000	34,080	50,000	55,000	55,000	50,000	20,000	-	-
SAFETY/SECURITY ENHANCEMENTS														
Facility Improvements														
Suicide Deterrent	36,960	-	36,960	870	-	-	-	-	4,130	21,210	11,620	-	-	-
Moveable Median Barrier	24,650	4,930	19,720	350	5,000	8,000	10,000	1,650	-	-	-	-	-	-
Seismic Facilities - Underpass	25,470	25,470	-	-	-	-	390	670	12,390	12,020	-	-	-	-
Seismic Facilities - Bridge	6,580	1,320	5,260	-	-	-	460	2,680	3,440	-	-	-	-	-
Seismic Facilities - Building Ops Center	6,400	1,280	5,120	-	-	-	-	-	-	-	360	2,980	3,060	-
Crash Attenuators	1,420	1,420	-	80	1,000	420	-	-	-	-	-	-	-	-
Equipment/Systems														
Earthquake/Bridge Monitoring	280	280	-	-	-	280	-	-	-	-	-	-	-	-
Security Systems Improvements	5,610	1,120	4,490	500	2,000	2,410	100	100	100	100	100	100	100	500
FACILITIES/BRIDGE REHABILITATION														
Bridge Access Systems														
Sandblast Containment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
North-End Access Systems	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marin Backspan Access Platforms	6,320	6,320	-	-	-	-	-	1,540	4,780	-	-	-	-	-
South Approach & Arch Platforms	5,670	5,670	-	-	1,860	3,810	-	-	-	-	-	-	-	-
Bridge Paint Rehabilitation														
Main Cable Recoating	34,000	34,000	-	230	5,000	15,000	14,000	-	-	-	-	-	-	-
Arch Paint Rehabilitation	25,760	5,150	20,610	-	-	-	-	-	-	14,140	11,620	-	-	-
North-End Paint Rehabilitation	8,630	1,730	6,900	-	-	-	-	-	-	-	-	-	770	7,860
South Tower Paint Rehabilitation	23,130	6,866	16,264	200	1,000	1,800	1,310	9,380	9,640	-	-	-	-	-
- South Tower Access Systems	2,800	2,800	-	200	1,000	1,800	-	-	-	-	-	-	-	-
- South Tower Paint Rehabilitation	20,330	4,066	16,264	-	-	-	1,310	9,380	9,640	-	-	-	-	-
South-End Paint Rehabilitation	41,820	8,360	33,460	-	-	-	-	-	3,990	18,660	19,170	-	-	-
Suspension Bridge Superstructure Paint Rehab	92,020	18,400	73,620	-	-	-	-	-	-	-	4,360	43,250	44,410	-
North Tower Paint Rehabilitation	30,550	6,110	24,440	-	-	-	-	-	-	1,410	1,450	5,960	10,720	11,010
- North Tower Access Systems	7,330	1,466	5,864	-	-	-	-	-	-	1,410	1,450	4,470	-	-
- North Tower Paint Rehabilitation	23,220	4,644	18,576	-	-	-	-	-	-	-	-	1,490	10,720	11,010
Suspension Bridge Underdeck Recoating	35,260	7,052	28,208	-	-	-	-	-	-	-	-	-	4,590	30,670
Roadway/Structure Rehabilitation														
Floor Beam & Bracing Repl/Rehab	80,970	16,190	64,780	-	-	-	-	-	-	19,440	19,970	20,500	21,060	-
Bridge Pavement Repair	13,890	6,945	6,945	-	-	100	100	6,700	6,880	-	110	-	-	-

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19**

BRIDGE DIVISION (continued)

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>											
				FY 2009 (\$000)	FY 2010 (\$000)	FY 2011 (\$000)	FY 2012 (\$000)	FY 2013 (\$000)	FY 2014 (\$000)	FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019 (\$000)	
FACILITIES/BRIDGE REHABILITATION (cont)															
Maintenance/Operations Buildings															
Maintenance Facility Relocation	9,150	-	9,150	-	-	-	-	-	-	-	100	250	800	3,500	4,500
Roof Rehabilitations	560	560	-	-	190	-	130	-	-	-	-	-	-	-	240
Misc. Facilities Rehabilitation/Improvements	4,900	4,900	-	300	420	250	200	670	210	210	1,450	1,490	-	-	-
Grounds															
Toll Plaza Transfer Point/Pavement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TP East Parking Lot Restroom Replacement	2,890	1,923	967	10	1,000	1,890	-	-	-	-	-	-	-	-	-
Pave/Maintain Alexander Avenue	3,920	1,960	1,960	-	-	-	3,920	-	-	-	-	-	-	-	-
Pavement Rehabilitation	4,990	4,990	-	50	1,550	2,300	-	370	-	-	-	-	-	770	-
Lead Cleanup Investigations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INFORMATION TECHNOLOGY															
Toll Collection/Fastrak															
Fastrak Transponders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Toll/Fastrak Systems	7,140	7,140	-	1,370	-	-	-	-	-	-	-	-	150	3,060	3,930
Variable Message Signs	90	90	-	-	90	-	-	-	-	-	-	-	-	-	-
CAPITAL EQUIPMENT															
Tools and Equipment	10,720	10,720	-	1,940	950	970	1,000	1,030	1,050	1,080	1,110	1,140	1,170	1,200	-
Replace Bridge Equipment	10,500	10,500	-	1,890	930	950	980	1,010	1,030	1,060	1,090	1,120	1,150	1,180	-
Non-Revenue Vehicle Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Gift Center Equipment	120	120	-	50	10	10	10	10	10	10	10	10	10	20	20
Replace Café Equipment	100	100	-	-	10	10	10	10	10	10	10	10	10	10	10
TOTAL	895,850	250,220	645,630	22,200	61,080	78,230	65,690	74,790	101,610	143,370	121,570	96,370	93,220	59,920	
		28%	72%												
PROJECTED GRANT FUNDS	645,630			16,950	44,430	46,730	40,690	53,830	64,680	107,680	96,980	74,800	71,270	44,530	
DISTRICT FUNDS REQUIRED	250,220			5,250	16,650	31,500	25,000	20,960	36,930	35,690	24,590	21,570	21,950	15,390	

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19**

BUS DIVISION														
CAPITAL PROJECT DETAIL	10-YR	10-YR	10-YR	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										
	TOTAL	DISTRICT	GRANTS	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE VEHICLE REPLACEMENT														
Refurbish Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Buses	131,480	13,150	118,330	650	10,420	12,090	14,990	28,010	-	2,064	32,442	22,496	-	8,964
Purchase New Express Buses (6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADA Paratransit Vans	6,039	-	6,039	-	590	700	270	940	-	1,509	833	862	335	-
ZEB Demonstration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Fareboxes	-	-	-	3,050	-	-	-	-	-	-	-	-	-	-
Install PM Traps on Buses	750	90	660	50	300	450	-	-	-	-	-	-	-	-
SAFETY/SECURITY ENHANCEMENTS														
Facility Improvements														
D1 Emergency Power Generator	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D3 Emergency Power Generator	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment/Systems														
Security Systems	2,640	528	2,112	860	540	900	-	-	100	100	-	1,000	-	-
Advanced Communication & Info. System	8,090	1,618	6,472	1,500	4,000	4,090	-	-	-	-	-	-	-	-
FACILITIES REHABILITATION														
Maintenance/Operations Buildings														
D1 Above Ground Tank Farm	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bus Stop Improvements	750	150	600	5	-	250	-	-	-	500	-	-	-	-
Administration & Development Trailer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roof Replacement/Rehab	1,000	-	1,000	50	370	-	200	-	210	-	220	-	-	-
Miscellaneous Facilities Rehab	4,520	678	3,842	930	2,370	100	650	100	100	110	110	750	110	120
Replace Bus Facilities Wash Racks	1,720	1,070	650	400	1,720	-	-	-	-	-	-	-	-	-
Bus Steam Clean Area	2,100	420	1,680	-	-	300	1,800	-	-	-	-	-	-	-
Fuel Systems Rehabilitation/Replacement	800	-	800	-	-	-	-	-	-	-	-	800	-	-
Grounds														
Midday SF Bus Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bus Lots Pavement Rehabilitation	1,690	-	1,690	50	-	510	-	-	550	-	-	-	-	630
Park & Ride Lots Pavement Rehabilitation	510	100	410	-	90	-	160	-	-	80	-	180	-	-
Expand D1 and D3 Lots	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INFORMATION TECHNOLOGY														
Computer Scheduling/Dispatch	750	-	750	10	-	-	-	-	-	-	750	-	-	-
CAPITAL EQUIPMENT														
Tools and Equipment	3,780	2,750	1,030	240	250	230	250	230	240	460	1,260	300	290	270
CAPITAL EQUIPMENT	1,810	1,810	-	180	160	170	170	170	180	180	190	190	200	200
ADA PARATRANSIT EQUIPMENT	1,030	-	1,030	-	30	-	-	-	-	-	1,000	-	-	-
NON-REVENUE VEHICLE REPLACEMENT	940	940	-	60	60	60	80	60	60	280	70	110	90	70
TOTAL	166,620	20,550	146,070	7,800	20,650	19,620	18,320	29,280	1,200	4,820	35,620	26,388	735	9,984
		12%	88%											
PROJECTED GRANT FUNDS	146,070			5,950	17,000	17,000	16,080	26,230	930	4,000	32,090	23,490	429	8,800
DISTRICT FUNDS REQUIRED	20,550			1,850	3,650	2,620	2,240	3,050	270	820	3,530	2,898	307	1,184

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19**

FERRY DIVISION														
CAPITAL PROJECT DETAIL	10-YR	10-YR	10-YR	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										
	TOTAL	DISTRICT	GRANTS	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE VEHICLE REPLACEMENT														
MV Mendocino	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spaulding Refurbishment	-	-	-	100	-	-	-	-	-	-	-	-	-	-
Ferry Replacement	25,470	5,090	20,380	400	11,550	1,520	2,000	10,400	-	-	-	-	-	-
Vessel Component Rehab	7,600	1,520	6,080	30	690	130	2,350	2,680	100	100	950	100	400	100
Major Propulsion Replacement	15,670	1,570	14,100	240	3,600	-	4,570	-	-	3,500	-	-	4,000	-
SAFETY/SECURITY ENHANCEMENTS														
Equipment/Systems														
Security Systems	220	40	180	470	220	-	-	-	-	-	-	-	-	-
FACILITIES REHABILITATION														
Fixed Guideway														
Channel Dredging	40,060	8,010	32,050	-	620	11,440	-	670	12,390	-	730	13,420	-	790
Berth and Turning Basin Dredging	13,270	2,650	10,620	150	1,300	-	330	3,350	-	350	3,630	-	380	3,930
Fixed Guideway Connectors														
Float Rehabilitation/Replacement	14,480	2,890	11,590	-	-	1,270	5,940	3,420	1,030	1,700	-	1,120	-	-
Replace Berth #3 Float	4,320	860	3,460	-	-	640	2,610	1,070	-	-	-	-	-	-
Rehabilitate Berth #4 Float	3,210	640	2,570	-	-	380	1,310	670	-	850	-	-	-	-
Rehabilitate Sausalito Float	2,810	560	2,250	-	-	250	1,040	670	-	850	-	-	-	-
Rehabilitate San Francisco Float	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Camel Fender Floats	4,140	830	3,310	-	-	-	980	1,010	1,030	-	-	1,120	-	-
Gangway Rehabilitation/Cathodic Protection	11,390	2,280	9,110	100	1,890	2,000	3,000	3,000	1,000	500	-	-	-	-
SFFT Lay Berth Facility	3,500	700	2,800	-	350	3,150	-	-	-	-	-	-	-	-
Maintenance/Operations Buildings														
Materials Storage Containers														
Rehabilitate Larkspur Maintenance Facility	890	-	890	-	120	640	130	-	-	-	-	-	-	-
Facilities Roof Rehabilitation	270	-	270	-	-	-	-	270	-	-	-	-	-	-
Ticketing System	750	-	750	-	-	-	-	-	-	-	-	750	-	-
Faregates	1,440	-	1,440	10	1,440	-	-	-	-	-	-	-	-	-
Miscellaneous Facilities Rehab	2,140	-	2,140	-	60	60	330	60	60	60	70	70	1,300	70
Terminal Facilities														
Passenger Terminal Rehabilitation	5,880	1,176	4,700	480	1,090	990	3,700	100	-	-	-	-	-	-
LFT & SFT Utilities Rehabilitation	1,880	376	1,504	480	1,090	790	-	-	-	-	-	-	-	-
SFFT Facilities Rehabilitation	4,000	800	3,200	-	-	200	3,700	100	-	-	-	-	-	-
Marsh Restoration	930	930	-	10	930	-	-	-	-	-	-	-	-	-
Larkspur Parking Rehabilitation/Improvements	26,340	4,328	22,010	2,170	2,000	15,000	4,390	500	2,000	2,000	-	450	-	-
Parking Management	4,700	-	4,700	-	-	-	200	500	2,000	2,000	-	-	-	-
Parking Garage	20,800	4,160	16,640	200	2,000	15,000	3,800	-	-	-	-	-	-	-
Phase II Parking Rehab	-	-	-	1,970	-	-	-	-	-	-	-	-	-	-
LFT Pavement Rehab	840	168	672	-	-	-	390	-	-	-	-	450	-	-
CAPITAL EQUIPMENT														
Tools and Equipment	600	600	-	100	40	40	100	50	50	50	50	50	50	120
TOTAL	170,900	31,780	139,120	4,260	25,900	36,240	26,840	24,500	16,630	8,260	5,430	15,960	6,130	5,010
		19%	81%											
PROJECTED GRANT FUNDS	139,120			3,130	20,630	29,100	21,980	19,730	13,680	7,330	4,320	12,890	5,520	3,930
DISTRICT FUNDS REQUIRED	31,780			1,130	5,270	7,140	4,860	4,770	2,950	930	1,110	3,070	610	1,080

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19**

DISTRICT DIVISION														
CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										
				FY 2009 (\$000)	FY 2010 (\$000)	FY 2011 (\$000)	FY 2012 (\$000)	FY 2013 (\$000)	FY 2014 (\$000)	FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019 (\$000)
SAFETY/SECURITY ENHANCEMENTS														
Equipment/Systems														
Security Systems	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FACILITIES REHABILITATION														
Maintenance/Operations Buildings														
Miscellaneous Facilities Rehab	1,750	1,750	-	20	200	1,200	30	30	140	30	30	30	30	30
Office Facility Renovation/Consolidation	5,770	-	5,770	-	620	2,540	2,610	-	-	-	-	-	-	-
INFORMATION TECHNOLOGY														
Telephone System Replacement	1,220	1,220	-	80	600	620	-	-	-	-	-	-	-	-
Future Information Technology	2,200	1,100	1,100	-	300	500	100	100	100	100	300	100	100	500
Replace Computer/Network Equipment	4,540	4,540	-	170	400	410	420	440	450	460	470	480	500	510
Financial Management Information System	140	70	70	30	140	-	-	-	-	-	-	-	-	-
Asset and Vehicle Fluid Mgmt System	1,990	398	1,592	400	1,000	990	-	-	-	-	-	-	-	-
Microwave Communications System	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL EQUIPMENT														
Tools and Equipment	3,950	3,950	-	260	340	380	360	400	370	420	400	440	410	430
REPLACE EQUIPMENT	2,110	2,110	-	100	190	190	200	200	210	210	220	220	230	240
Non-Revenue Vehicle Replacement	810	810	-	160	60	100	60	100	60	110	70	110	70	70
REPLACE SERVICE VEHICLES	1,030	1,030	-	-	90	90	100	100	100	100	110	110	110	120
TOTAL DISTRICT CAPITAL	21,560	13,030	8,530	960	3,600	6,640	3,520	970	1,060	1,010	1,200	1,050	1,040	1,470
		60%	40%											
PROJECTED GRANT FUNDS	8,530			340	1,640	3,580	2,660	50	50	50	150	50	50	250
DISTRICT FUNDS REQUIRED	13,030			620	1,960	3,060	860	920	1,010	960	1,050	1,000	990	1,220

**Golden Gate Bridge, Highway and Transportation District
Five-Year and Ten-Year Financial Projections FY 09/10 - FY 18/19**

CAPITAL CONTRIBUTION REQUIRED TO FUND PROJECTED CAPITAL PLAN - Assumes Bridge Capital is 80% Grant Funded

All Figures Rounded to (\$000)

	Year 1 FY 2010 Estimate	Year 2 FY 2011 Estimate	Year 3 FY 2012 Estimate	Year 4 FY 2013 Estimate	Year 5 FY 2014 Estimate	SubTotal Year 1 - 5 Estimate	Year 6 FY 2015 Estimate	Year 7 FY 2016 Estimate	Year 8 FY 2017 Estimate	Year 9 FY 2018 Estimate	Year 10 FY 2019 Estimate	Total Year 1 - 10 Estimate
DISTRICT	\$27,530	\$44,320	\$32,960	\$29,700	\$41,160	\$175,670	\$38,400	\$30,280	\$28,540	\$23,860	\$18,870	\$315,620
GRANTS	83,700	180,110	261,520	361,360	440,700	1,327,390	119,060	133,540	111,230	77,270	57,510	1,826,000
TOTAL	\$111,230	\$224,430	\$294,480	\$391,060	\$481,860	\$1,503,060	\$157,460	\$163,820	\$139,770	\$101,130	\$76,380	\$2,141,620
District Portion Of the Capital Requirement	\$27,530	\$44,320	\$32,960	\$29,700	\$41,160	\$175,670	\$38,400	\$30,280	\$28,540	\$23,860	\$18,870	\$315,620
Total Depreciation Included in the Budget	7,430	7,860	9,310	10,240	11,160	\$ 46,000	11,910	12,460	13,940	15,530	15,550	\$ 115,390
Additional Capital Contribution Required to Fund Projected Capital Plan	20,100	36,460	23,650	19,460	30,000	\$ 129,670	26,490	17,820	14,600	8,330	3,320	\$ 200,230
Average of the 10 Year Capital Contribution	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$ 100,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$ 200,000

Re-Stated: Fund District Capital through Reserves	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Year 1 - 5	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Year 1 - 10
District Funded Capital Projects net of Depreciation	\$20,100	\$36,500	\$23,700	\$19,500	\$30,000	\$ 129,800	\$26,500	\$17,800	\$14,600	\$8,300	\$3,300	200,300
Use Reserves to Fund District Projects	11,000	11,000	11,000	11,000	11,000	55,000	11,000	11,000	11,000	11,000	11,000	110,000
Additional Capital Contribution Required to Fund Projected Capital Plan with Reserves	9,100	25,500	12,700	8,500	19,000	\$ 74,800	15,490	6,820	3,600	(2,670)	(7,680)	\$ 90,230
Average of the 10 Year Capital Contribution	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$ 45,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$ 90,000

In 2003 the Board authorized capital contribution from operations to fund future capital projects. This Projection assumes \$110 million in capital contribution reserves, will be released to fund capital projects during this 10-year projection period. \$11 million per year will be released, and thus reduce the recommended capital contribution from \$20 million to \$9 million. The reduced capital contribution is restated to reflect this change. The \$9 million is distributed to each Division according to its percentage share of District Funded capital projects. The annual capital contribution amount is calculated by taking the sum of the District funded portion of the capital program, less depreciation, for ten years divided by ten years and rounded to the nearest million.

**GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT
RESTRICTED RESERVES – FY 08/09 BUDGET**

Reserve Name	Estimated Balance 07/01/08	Estimated Balance 06/30/09	Estimated Balance 07/01/09
Reserves Available for Operations or Capital Projects			
<i>Board Designated for Capital Projects</i>			
Budgeted Bridge Capital Project Need	\$ 63,400,000	\$ 58,000,000	\$ 66,100,000
Budgeted Transit Capital Project Need	14,600,000	10,900,000	20,200,000
Total Budgeted Capital Project Need	78,000,000	68,900,000	86,300,000
Unrestricted Net Assets From Balance Sheet [A]	99,200,000	106,000,000	96,700,000
Reserves Available for Future Capital Projects (Budgeted Capital Project Deficit)	21,200,000	37,100,000	10,400,000
<i>Board Designated for Operations or Capital Projects</i>			
Operating Reserve ¹ [B]	\$ 12,300,000	3,800,000	\$ 12,800,000
Emergency Reserve ² [C]	\$ 5,700,000	5,700,000	\$ 6,000,000
Subtotal (A+B+C)	\$ 117,200,000	\$ 115,500,000	\$ 115,500,000
Reserves NOT Available for Operations or Capital Projects			
<i>Board Designated</i>			
Bridge Self Insurance Loss Reserve	\$ 2,900,000	\$ 4,200,000	\$ 4,200,000
<i>Legally Required</i>			
Operating Reserve Fund for Bridge Expenses	7,300,000	7,300,000	7,300,000
Debt Service Reserve Fund	5,500,000	5,500,000	5,500,000
Subtotal	\$ 15,700,000	\$ 17,000,000	\$ 17,000,000
Total Restricted Reserves	\$ 132,900,000	\$ 132,500,000	\$ 132,500,000
Fully Funded Liabilities – INFORMATIONAL ONLY			
Self Insurance Liabilities ³	\$ 16,100,000	\$ 16,500,000	\$ 16,500,000
Accrued Compensated Liabilities	7,700,000	7,900,000	7,900,000
Subtotal	\$ 23,800,000	\$ 24,400,000	\$ 24,400,000
Total Resources	\$ 156,700,000	\$ 156,900,000	\$ 156,900,000

1. Board policy funds the operating reserve at 7.5% of the budget or to cover the expected operating deficit, whichever is larger.
2. Board policy funds the emergency reserve at 3.5% of the operating budget to enable the amount kept in reserve for emergencies to remain relative to the size of the District's operations.
3. In December, 2006, GASB issued Statement No. 49, *Accounting for Remediation Obligations*. This statement requires state and local governments to provide the public with better information about the financial impact of environment cleanups. The District is in the process of developing such information regarding the recognition of GASB No. 49, if any.