



Agenda Item No. 2.b.

To: Finance and Auditing Committee/Committee of the Whole
Meeting of March 27, 2009

From: James P. Swindler, Deputy General Manager, Ferry Division
Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
b) BUDGET INCREASE/TRANSFER IN THE FY 08/09 FERRY
TRANSIT DIVISION CAPITAL BUDGET RELATIVE TO THE
PROCUREMENT OF MAIN PROPULSION COMPONENTS FOR
ALL VESSELS

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize an increase in the amount of \$140,000 to the FY 08/09 Ferry Transit Division Capital Budget (100% District) to be funded with \$50,000 from District reserves and a transfer of \$90,000 from the *M.S. Marin* Refurbishment capital project to establish a total project budget of \$240,000, relative to the procurement of main propulsion components and service associated with repair and maintenance of ferry main engines.

Summary

This additional funding is necessary to procure needed main engine components and service for the Spaulding vessels as well as several recent repairs to the *M.V. Del Norte* (high-speed vessel).

In the past year and a half the *M.V. Mendocino* was out of service for 16 weeks to receive new engines and the *M.V. Del Norte* was also out of service for an extended period of time to undergo its regularly scheduled dry-docking and additional engine maintenance. During this time it was necessary to use the Spaulding vessels to maintain regularly scheduled weekday Larkspur/San Francisco Commute service. As a result, all three Spaulding vessels have experienced higher than normal engine hours, and the requirement for maintenance and repairs was greatly accelerated.

Additionally, over the past several weeks it was necessary to replace at least one cylinder head and several other main engine components on the *M.V. Del Norte*. The *M.V. Del Norte* is presently scheduled to be removed from service within the next few months to receive new engines and will be replaced using one of the newly acquired high-speed vessels, the *M.V. Snohomish*.

Fiscal Impact

This project is included in the FY 08/09 Ferry Transit Division Capital Budget at a total cost of \$100,000 and is funded with \$80,000 Federal Transit Administration grant funds (80%) and \$20,000 District funds (20%). A capital budget increase in the amount of \$140,000, to be funded with \$50,000 from District reserves and a transfer of \$90,000 from the *M.S. Marin* Refurbishment capital project, is necessary to fully fund the procurement of main engine components at a total cost of \$240,000. The total project will be funded as follows: \$160,000 District funds (67%) and \$80,000 Federal Transit Administration funds (33%)