



Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 25, 2020

From: Jennifer Mennucci, Director of Budget and Electronic Revenue
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
(a) AUTHORIZE BUDGET TRANSFERS AND ADJUSTMENTS TO
THE FY 19/20 OPERATING BUDGET

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize operating budget transfers of \$1,899,000, or 0.8%, of total FY 19/20 Operating Budget Expenses as detailed in Attachment A, but summarized below:

INTRADIVISION TRANSFERS

	TO		
FROM	Bus	Ferry	District
Bus	\$559,000		
Ferry		\$890,000	
District			\$450,000

1. The Bus Transit Division will transfer \$559,000 between budget categories in the Bus Division.
2. The Ferry Division will transfer \$890,000 between budget categories in the Ferry Division.
3. The District Division will transfer \$450,000 between budget categories in the District Division.
4. There is no cross division transfer between divisions. Each Division is anticipated to maintain their operation within its own Division budget.

This matter will be presented to the Board of Directors at its June 26, 2020 meeting for appropriate action.

Any additional transfers necessary at the end of the fiscal year will be adjusted as needed per the authority requested as part of the annual Board approval of the FY 20/21 Budget.

Summary

In accordance with Golden Gate Bridge, Highway and Transportation District (District) policy, budget transfers greater than \$50,000 made across different Divisions, or across different line items within the same Division, are subject to Board approval.

This item transfers funds in order to comply with the budget and the District's policies. There are no net additional expenses added to the District's FY 19/20 Operating Budget.

In order to be in compliance, there are four categories of increased expense in the operating budget that must be addressed. These four categories are: 1) Professional Services; 2) Staff Development; 3) Lease-Passenger; and, 4) Depreciation.

There are a few major reasons for the transfers this fiscal year. They are as follows:

1. The Bus Division as a whole is anticipated to end the year under budget, but needs to transfer funds in the two categories within its own Division Budget to comply with District policy. The reason for the transfer in each area is as follows:
 - a. Lease-Passenger primarily due to the reclassification of the Salesforce Transit Center lease from Insurance, Taxes and Permits to Lease Passenger and,
 - b. Depreciation primarily due to capitalization of the Gillig 40-foot Hybrid buses.
2. The Ferry Division as a whole is anticipated to end the year under budget, but needs to transfer funds in the Professional Services and Staff Development categories within its own Division Budget to comply with District policy. The reason for the transfer in each area is as follows:
 - a. Professional fees due to the design and construction of the temporary ferry landing at Pier 48.5 near the new Chase Center; inspection, damage assessment, preparation of repairs and legal cost related to *M.S. San Francisco* Ferryboat allision and dry-docking repair of *M.V. Napa*.
 - b. Staff Development due to uninsured settlement from *M.S. San Francisco* allision.
3. The District Division as a whole is anticipated to end the year under budget, but needs to transfer funds in the Professional Fees category within its own Division Budget to comply with District policy. This is primarily due to the increase in temporary help to cover vacant positions.

Fiscal Impact

There is no fiscal impact associated with this action for FY 19/20. The budget transfers, totaling \$1,899,000, will not result in a net increase in the operating budget for the agency.

Attachment: Proposed Budget Adjustments FY 19/20

ATTACHMENT A
PROPOSED BUDGET ADJUSTMENTS FY 19/20

DISTRICT DIVISION	BRIDGE	BUS	FERRY	DISTRICT	TOTAL
District – Salaries				(\$450,000)	(\$450,000)
District – Professional Services				\$450,000	\$450,000
TOTAL NET CONTRIBUTION	\$0	\$0	\$0	\$0	\$0

BUS DIVISION	BRIDGE	BUS	FERRY	DISTRICT	TOTAL
Bus – Fuel & Related Taxes		(\$400,000)			(\$400,000)
Bus – Regulatory Fees & Taxes		(\$159,000)			(\$159,000)
Bus - Lease-Passenger		\$159,000			\$159,000
Bus – Depreciation		\$400,000			\$400,000
TOTAL NET CONTRIBUTION	\$0	\$0	\$0	\$0	\$0

FERRY DIVISION	BRIDGE	BUS	FERRY	DISTRICT	TOTAL
Ferry – Salaries			(\$340,000)		(\$340,000)
Ferry – Fringe Benefits			(\$50,000)		(\$50,000)
Ferry – Professional Fees			\$800,000		\$800,000
Ferry – Fuel & Related Taxes			(\$500,000)		(\$500,000)
Ferry – Staff Development			\$90,000		\$90,000
TOTAL NET CONTRIBUTION	\$0	\$0	\$0	\$0	\$0

THIS PAGE INTENTIONALLY LEFT BLANK