



Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of June 23, 2022

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 21/22 OPERATING BUDGET**

**Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors authorize operating budget transfers of \$6,000,000, or 2.5%, of total FY 21/22 Operating Budget Expenses as detailed in Attachment A, but summarized below:

**INTRADIVISION TRANSFERS**

		<b>TO</b>		
<b>FROM</b>	<b>Bridge</b>	<b>Bus</b>	<b>Ferry</b>	<b>District</b>
Bridge	\$1,725,000			
Bus		\$2,980,000		
Ferry			\$350,000	
District				\$945,000

1. The Bridge Division will transfer \$1,725,000 between budget categories in the Bridge Division.
2. The Bus Transit Division will transfer \$2,980,000 between budget categories in the Bus Division.
3. The Ferry Division will transfer \$350,000 between budget categories in the Ferry Division.
4. The District Division will transfer \$945,000 between budget categories in the District Division.

5. 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 for approval at the June 24, 2022, 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 21/22 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 21/22 Operating Budget.

In order to be in compliance, there are multiple categories of increased expense in the operating budget that must be addressed. These categories are (in order of largest increase in expense): 1) Insurance; 2) Professional Services 3) Depreciation; 4) Security; 5) Purchased Transportation; 6) Facility Maintenance; 7) Miscellaneous Services; 8) Regulator Fees and Taxes; and, 9) Fuel and Related Taxes.

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

1. The Bridge Division as a whole is anticipated to end the year under budget, but needs to transfer funds in five categories to comply within its own Division Budget to comply with District policy. The reason for the transfer in each area is as follows:
  - a. Benefits savings to fund overages in other areas
  - b. Consulting and Bank Services costs related to increase in bridge toll transactions
  - c. Facility Maintenance costs associated with additional toll system support and radio maintenance
  - d. Regulatory Fee and Tax costs for Department of Motor Vehicle fees related to increase in bridge toll transactions
  - e. Fuel and Related Tax costs associated with higher diesel and gasoline prices
2. The Bus Division as a whole is anticipated to end the year under budget, but needs to transfer funds in seven categories within its own Division Budget to comply with District policy. The reason for the transfer in each area is as follows:
  - a. Benefits savings to fund overages in other areas
  - b. Insurance costs related to a one-time settlement payment
  - c. Security costs related to increased security services at bus facilities
  - d. Professional Services costs for increased Clipper Card operating fees

- e. Purchased Transportation costs associated with increased paratransit service
  - f. Depreciation cost increases related to implemented project that installed wireless routers on buses
  - g. Miscellaneous Service costs related to the implementation of new maintenance contract for Ticket Vending Machines
3. The Ferry Division as a whole is anticipated to end the year under budget, but needs to transfer funds in the Benefits, Miscellaneous Services and Depreciation categories within its own Division Budget to comply with District policy. The reason for the transfer in each area is as follows:
- a. Benefits savings to fund overages in other areas
  - b. Miscellaneous Services cost increases related to the implementation of new maintenance contract for Ticket Vending Machines, additional expense in providing ADA Shuttle Bus Services for Ferry Terminal, and additional professional contracted design and assessment services for repair work at the San Francisco Ferry Terminal
  - c. Depreciation cost increases due to three completed marine vessel engine overhauls for M.V. Del Norte, M.V. Golden Gate, and M.V. Napa
4. The District Division as a whole is anticipated to end the year under budget, but needs to transfer funds from the Benefits category to the Depreciation category within its own Division Budget to comply with District policy. This is primarily due to the implementation Giro Hastus software system, cyber security improvements, and the disaster recovery project.

**Fiscal Impact**

There is no fiscal impact associated with this action for FY 21/22. The budget transfers, totaling \$6,000,000, will not result in a net increase in the operating budget for the agency.

Attachment: Proposed Budget Adjustments FY 21/22

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**ATTACHMENT A  
PROPOSED BUDGET ADJUSTMENTS FY 21/22**

<b>DISTRICT DIVISION</b>	<b>BRIDGE</b>	<b>BUS</b>	<b>FERRY</b>	<b>DISTRICT</b>	<b>TOTAL</b>
District – Benefits				(\$945,000)	(\$945,000)
District – Depreciation				\$945,000	\$945,000
<b>TOTAL NET CONTRIBUTION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>BRIDGE DIVISION</b>	<b>BRIDGE</b>	<b>BUS</b>	<b>FERRY</b>	<b>DISTRICT</b>	<b>TOTAL</b>
Bridge - Benefits	\$(1,725,000)				\$(1,750,000)
Bridge - Other Professional Services	\$1,250,000				\$1,250,000
Bridge - Facility Maintenance	\$235,000				\$235,000
Bridge - Regulatory Fees - Taxes	\$150,000				\$175,000
Bridge - Fuel & Related Taxes	\$90,000				\$90,000
<b>TOTAL NET CONTRIBUTION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>BUS DIVISION</b>	<b>BRIDGE</b>	<b>BUS</b>	<b>FERRY</b>	<b>DISTRICT</b>	<b>TOTAL</b>
Bus - Benefits		\$(2,980,000)			\$(2,980,000)
Bus - Insurance		\$1,750,000			\$1,750,000
Bus - Security		\$500,000			\$500,000
Bus - Other Professional Services		\$320,000			\$320,000
Bus - Purchased Transportation		\$250,000			\$250,000
Bus - Depreciation		\$100,000			\$100,000
Bus - Miscellaneous Services		\$60,000			\$60,000
<b>TOTAL NET CONTRIBUTION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>FERRY DIVISION</b>	<b>BRIDGE</b>	<b>BUS</b>	<b>FERRY</b>	<b>DISTRICT</b>	<b>TOTAL</b>
Ferry – Benefits			(\$350,000)		(\$350,000)
Ferry – Depreciation			\$200,000		\$200,000
Ferry – Miscellaneous Services			\$150,000		\$150,000
<b>TOTAL NET CONTRIBUTION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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