



Agenda Item No. (6)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of October 22, 2026

From: Grant Martinez, Director of Budget and Financial Analysis
Jennifer H. Mennucci, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **RECEIVE THE UPDATED FIVE- AND TEN-YEAR FINANCIAL PROJECTION**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors receive the updated five- and ten-year financial projection, as detailed in this staff report.

Summary

I. Background

This report contains the Golden Gate Bridge, Highway and Transportation District's (District) five- and ten-year financial projection of operating and capital project revenues and expenses from FY 27/28 through FY 36/37. The projection uses the FY 26/27 Adopted Budget as a baseline that includes all current approved policy decisions – current operating service levels, the current capital project schedule and current revenue assumptions – over the period of the projection. It assumes that the cost 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 outside of what is currently approved are *not* included in this projection. The last year of the current toll increase plan is FY 28/29, and the final year of the current approved transit fare plan is FY 27/28.

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 the coming year and beyond. Those decisions will change the direction of the District as compared to this projection, i.e., increase or decrease the fiscal strength of the District and, correspondingly, its ability to serve the public.

II. Fiscal Strength of the District

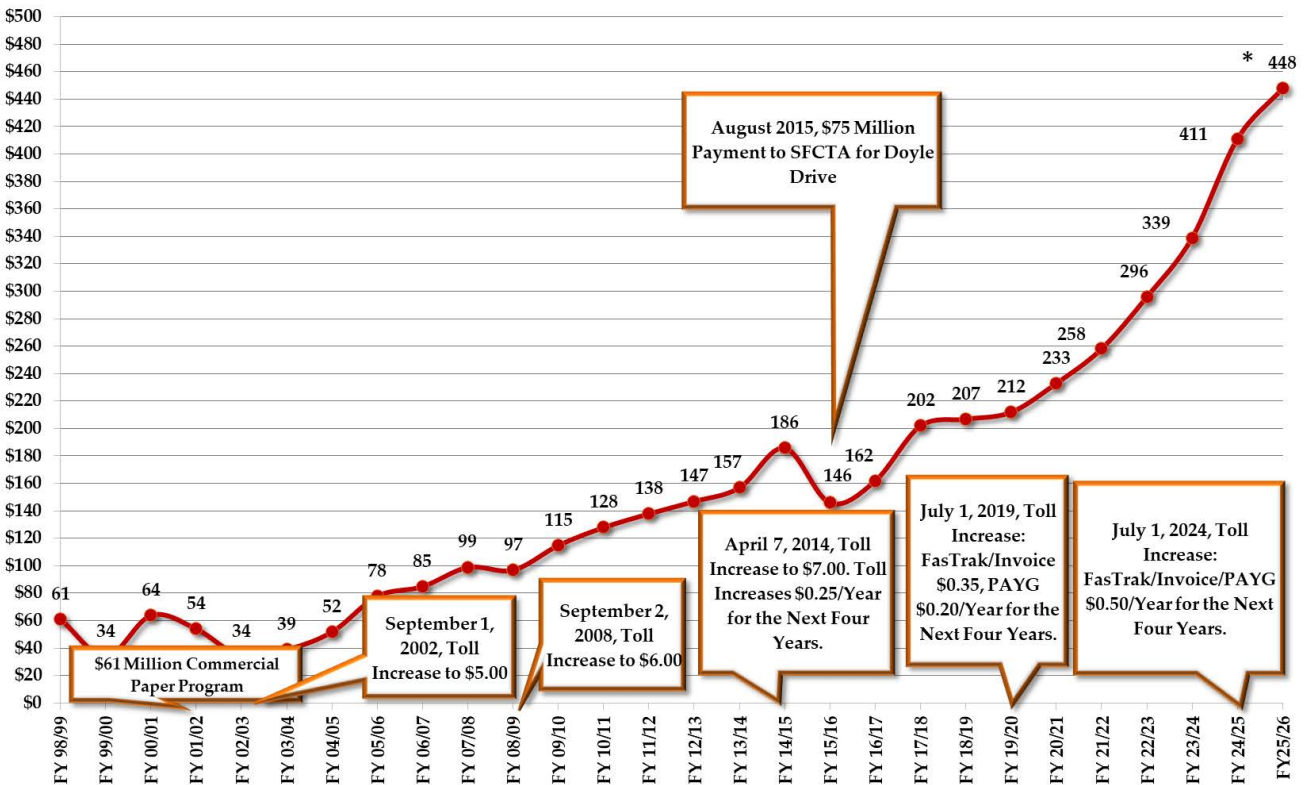
Summary

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.

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 economic downturns.

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



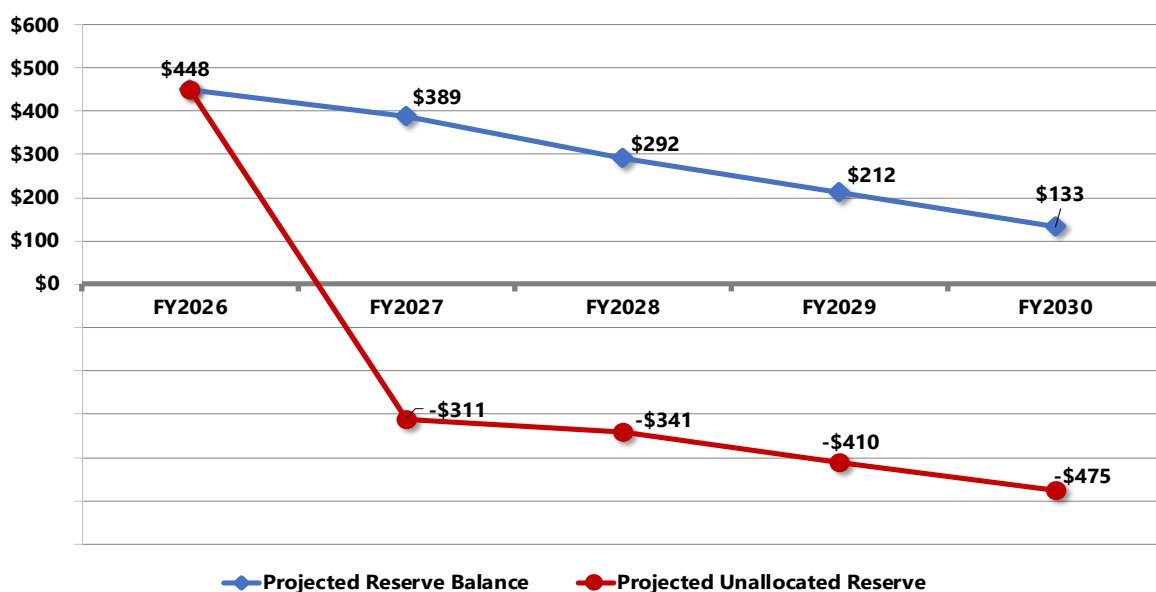
*Note: Graph amounts represent the beginning of the year balances. See Appendix E for more details.

Allocation of Reserves in Projection

Given the projected funding needs for capital projects and operating reserves over the next few years, this section will discuss the use of reserves in this projection. In the first five years of the projection, the estimated District funded Capital need is approximately \$517 million, with the largest project being Contract 1 of the Golden Gate Suspension Bridge Seismic Retrofit. This project is estimated to use \$170 million in District funding within the first five years of the projection. The balance of reserves that has been built up over the past 20+ years will be critical in funding the completion of projects in the capital plan. Additional funding for capital projects slated to start in future years will need to be raised to fully fund the ten-year capital plan in this projection. Funding of the capital plan is contingent upon the operating budget being balanced to preserve reserves for capital projects.

In addition to the capital project reserves, the District holds reserves for operations, emergencies, Bridge self-insured losses, other legal liabilities and debt service reserves (See Appendix E). These reserves are not considered available for capital projects.

The District sets aside reserves through its operating budget. Those reserves are set aside until the Board allocates them to fund the District's share of capital projects or to cover temporary operating budget shortfalls. After funds are allocated by the Board, they are spent out based on the cash flow needs of the project over time. The following graph represents an updated projection of how the current total of capital reserves would be encumbered (Projected Unallocated Reserve line) and spent out (Projected Reserve Balance line) if capital projects are undertaken as laid out in the Ten-Year Capital Plan. Given the significant amount of District funding required for the Golden Gate Suspension Bridge Seismic Retrofit, the projected Unallocated Reserve is earmarked within the first fiscal year of the projection. The Projected Reserve Balance line in the graph below assumes the projected annual operating deficits that are described later in this report. If the District balances future annual operating budgets, the District can avoid having a Projected Reserve Balance below \$0.



Note: Graph amounts represent the beginning of the year balances but do not represent GASB 68 and GASB 75 accounting changes.

How Reserves Are Funded

New reserves are accumulated if future operating budgets are balanced. A balanced operating budget increases capital project reserves through two mechanisms: the capital reserve contribution set aside and depreciation expense. The prioritization of capital is discussed during the annual budget development process. (For more information regarding the capital contribution or reserve structure, see Appendix D and E).

III. Current Projection Findings

The findings of the updated five- and ten-year projections 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. The basis for the projected expenditure is the FY 26/27 Adopted Budget, which provides the resources for the District to maintain its transit service to meet current customer demand.

	Sub Total Year 1 – 5 Estimate (\$M)	Total Year 1 – 10 Estimate (\$M)
Total Operating Expenditures with Capital Contribution (Based on FY 26/27 Budget)	\$1,646	\$3,570
Total Operating Revenues	\$1,333	\$2,665
Total Operating & Capital Surplus/(Shortfall)	(\$313)	(\$905)

The projected shortfall exists because as projected expenses rise over the ten-year measurement period, many of the sources of revenue either do not rise or rise at a lower rate. Main revenue sources, such as tolls and fares, will only increase through future public action outside of the current approved toll and transit fare plans. Over the ten-year measurement period, District expenditures are projected to increase by \$572 million. The primary drivers of increases in expenditures include salary costs (\$132 million), benefit costs (\$189 million), and depreciation costs due to the completion of major projects, including the Golden Gate Suspension Bridge Seismic Retrofit, in the ten-year timeframe (\$156 million).

Based on the FY 26/27 Adopted Budget, the District projects that there will be a \$313 million shortfall over the next five fiscal years. Under the same assumptions, the District projects that there will be a \$905 million shortfall over the next ten fiscal years, which includes the beginning of Contract 2 of the Golden Gate Suspension Bridge Seismic Retrofit with an assumption of 68% grant funded.

It is important to note that the current projection includes the toll plan approved by the Board in January 2024 to increase tolls, and the remaining increases as part of this plan are in the first two

years of this 10-year projection. In addition, there are approved increases in transit fares as part of the adopted five-year transit fare policy only in the first year of the projection.

The District assumes minimal growth in bridge traffic (~0.8% annual increase in southbound crossings for FY 27/28 to FY 28/29). Beyond that, the District is assuming southbound crossings will be flat at ~17.4 million southbound crossings (~88% of pre-pandemic southbound crossings). The District assumes some growth in bus ridership (~2.2% annually between FY 27/28 – FY 29/30 with relatively minimal growth in the remaining seven years of the projection). By FY 36/37, the District is projecting bus ridership at ~2.1 million (~68% of pre-pandemic bus ridership). The District assumes some growth in ferry ridership (~3.2% annually between FY 27/28 – FY 29/30 with relatively minimal growth in the remaining 7 years of the projection). By FY 36/37, the District is projecting ferry ridership at ~2.0 million (about 80% of pre-pandemic ferry ridership).

Capital Contribution

The FY 26/27 Adopted Budget includes a \$21 million capital reserve contribution amount. A capital reserve contribution of \$21 million for each year of the 10-year plan is assumed and necessary to help fund the projected ten-year capital plan. An updated ten-year Capital Plan was approved by the Board as a part of the FY 26/27 Adopted Budget and is the basis for determining the annual Capital Reserve Contribution need. As the projection moves forward one year, new capital projects become part of the projection, and unless the District receives Grant funding, projects will need to be funded through continued annual capital contribution.

The projected five- and ten-year District funded capital need is estimated at \$517 million and \$1.1 billion, respectively. After including amounts contributed by depreciation and the current capital contribution of \$21 million annually, and the use of all of the projected available District reserves to offset the projected increase in capital project costs, there is still approximately \$13 million required annually or \$130 million for the ten-year period to fund the ten-year capital plan (See Appendix D for details). If the operating budget is balanced and reserves are not used to deliver the 10-year capital plan, then an additional \$52.2 million would be required annually in addition to the \$21 million already set aside annually in the operating budget (detail provided in Appendix D).

Comparison to the Previous Projection

For comparison purposes, the projected five-year revenue over expense shortfall of \$313 million is approximately \$69 million lower than the \$382 million presented in the previous projection in September 2025. Similarly, the projected ten-year revenue over expense shortfall of \$904 million is approximately \$127 million lower than the \$1.03 billion presented in the previous projection. The \$69 million decrease in the five-year projected shortfall is primarily due to an increase in projected operating revenues, primarily driven by a slight increase in traffic and toll rates in the final 2 years of the current toll rate plan, as well as FY 27/28 being the last year of the transit fare increase plan, and ridership being higher than projected in the prior year. Please note that these projections do cover different periods of time. When comparing one projection to another, it is difficult to recognize the actual change in the projection unless one focuses on the same period.

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 costs or the list of capital projects to be undertaken, all assumptions have an impact on the findings. 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 operating revenue and expense assumptions are listed in Appendix B.

Capital Project Revenue and Expense Assumptions

The FY 27/28 through FY 35/36 Ten-Year Capital Projection, provided in Appendix C, identifies a \$3.4 billion capital need over the next ten years requiring \$1.1 billion of District funding. This plan has been structured to systematically maintain and sustain existing Bridge, Bus and Ferry capital investments within existing staff resources.

Based on the current approved ten-year capital plan, the overall projected funding split is 68% Grant funded and 32% District funded. The Golden Gate Suspension Bridge Seismic Retrofit is assumed to be 67% Grant funded and 33% District funded for the whole project. All projects included in the plan are reviewed annually and are deemed essential for the continued operation of the District. 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.

Fiscal Impact

There is no direct fiscal impact at this time, as this is an informational item. The report provides a five- and ten-year projection of the potential fiscal impact of the current policy.

- Appendices:**
- A. Projection and Revenue Detail
 - B. Assumptions
 - C. Ten-Year Capital Plan Projection
 - D. Capital Contribution Calculation
 - E. Reserve Structure

Appendix A-1
Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 27/28 - FY 36/37
All Figures Rounded to (\$000)

	Year 0 <u>FY 26/27</u> <u>Adopted Budget</u>	Year 1 <u>FY 27/28</u> <u>Estimate</u>	Year 2 <u>FY 28/29</u> <u>Estimate</u>	Year 3 <u>FY 29/30</u> <u>Estimate</u>	Year 4 <u>FY 30/31</u> <u>Estimate</u>	Year 5 <u>FY 31/32</u> <u>Estimate</u>	Year 6 <u>FY 32/33</u> <u>Estimate</u>	Year 7 <u>FY 33/34</u> <u>Estimate</u>	Year 8 <u>FY 34/35</u> <u>Estimate</u>	Year 9 <u>FY 35/36</u> <u>Estimate</u>	Year 10 <u>FY 36/37</u> <u>Estimate</u>	Total 5 Year <u>Estimate</u>	Total 10 Year <u>Estimate</u>
<u>Agency Expense:</u>													
Salaries	\$ 96,097	\$ 98,499	\$ 100,765	\$ 103,082	\$ 105,453	\$ 107,878	\$ 110,360	\$ 112,898	\$ 115,495	\$ 118,151	\$ 120,868	\$ 515,677	\$ 1,093,449
Fringe Benefits (Incl PR Taxes)	\$ 81,541	\$ 87,609	\$ 91,645	\$ 94,032	\$ 96,559	\$ 96,829	\$ 100,167	\$ 103,667	\$ 107,323	\$ 111,144	\$ 115,140	\$ 466,674	\$ 1,004,115
Professional Services	\$ 41,221	\$ 42,251	\$ 43,223	\$ 44,217	\$ 45,234	\$ 46,274	\$ 47,339	\$ 48,427	\$ 49,541	\$ 50,681	\$ 51,846	\$ 221,199	\$ 469,034
Fuel & Related Taxes	\$ 10,923	\$ 11,196	\$ 11,453	\$ 11,717	\$ 11,986	\$ 12,262	\$ 12,544	\$ 12,833	\$ 13,128	\$ 13,430	\$ 13,738	\$ 58,614	\$ 124,287
Repair & Operating Supplies	\$ 12,833	\$ 13,154	\$ 13,457	\$ 13,766	\$ 14,083	\$ 14,407	\$ 14,738	\$ 15,077	\$ 15,424	\$ 15,779	\$ 16,142	\$ 68,867	\$ 146,027
Insurance, Taxes & Permits	\$ 11,381	\$ 11,665	\$ 11,934	\$ 12,208	\$ 12,489	\$ 12,776	\$ 13,070	\$ 13,371	\$ 13,678	\$ 13,993	\$ 14,315	\$ 61,073	\$ 129,499
Purchased Transportation	\$ 1,509	\$ 1,547	\$ 1,583	\$ 1,619	\$ 1,656	\$ 1,694	\$ 1,733	\$ 1,773	\$ 1,814	\$ 1,856	\$ 1,898	\$ 8,099	\$ 17,174
Staff Development	\$ 1,616	\$ 1,657	\$ 1,695	\$ 1,734	\$ 1,774	\$ 1,815	\$ 1,856	\$ 1,899	\$ 1,943	\$ 1,987	\$ 2,033	\$ 8,674	\$ 18,392
Leases & Rentals	\$ 1,166	\$ 1,196	\$ 1,223	\$ 1,251	\$ 1,280	\$ 1,309	\$ 1,340	\$ 1,370	\$ 1,402	\$ 1,434	\$ 1,467	\$ 6,259	\$ 13,272
Debt Service-Interest Expense	\$ 2,879	\$ 1,507	\$ 1,354	\$ 1,202	\$ 1,202	\$ 1,202	\$ 1,202	\$ 1,202	\$ 1,202	\$ 1,202	\$ 1,202	\$ 6,465	\$ 12,473
Depreciation	\$ 17,685	\$ 17,469	\$ 21,859	\$ 23,426	\$ 24,727	\$ 31,895	\$ 34,092	\$ 36,728	\$ 42,832	\$ 49,700	\$ 49,700	\$ 119,377	\$ 332,427
Total Expenses	\$ 278,851	\$ 287,750	\$ 300,190	\$ 308,254	\$ 316,443	\$ 328,341	\$ 338,440	\$ 349,244	\$ 363,780	\$ 379,356	\$ 388,349	\$ 1,540,978	\$ 3,360,148
Capital Contribution	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 105,000	\$ 210,000
Total Expense	\$ 299,851	\$ 308,750	\$ 321,190	\$ 329,254	\$ 337,443	\$ 349,341	\$ 359,440	\$ 370,244	\$ 384,780	\$ 400,356	\$ 409,349	\$ 1,645,978	\$ 3,570,148
Total Operating Revenue	\$ 252,762	\$ 265,068	\$ 270,755	\$ 265,377	\$ 265,742	\$ 266,020	\$ 266,231	\$ 266,390	\$ 266,510	\$ 266,600	\$ 266,668	\$ 1,332,962	\$ 2,665,360
Total Net Surplus/(Deficit)	\$ (47,090)	\$ (43,681)	\$ (50,435)	\$ (63,877)	\$ (71,701)	\$ (83,321)	\$ (93,210)	\$ (103,855)	\$ (118,271)	\$ (133,756)	\$ (142,681)	\$ (313,016)	\$ (904,788)
Bridge Expense	\$ 124,370	\$ 126,398	\$ 134,378	\$ 137,456	\$ 140,745	\$ 148,864	\$ 153,214	\$ 158,421	\$ 165,271	\$ 173,809	\$ 177,075	\$ 687,841	\$ 1,515,631
Transit Expense	\$ 175,481	\$ 182,352	\$ 186,811	\$ 191,799	\$ 196,699	\$ 200,477	\$ 206,227	\$ 211,823	\$ 219,509	\$ 226,546	\$ 232,274	\$ 958,138	\$ 2,054,517

Appendix A-2
Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 27/28 - FY 36/27

Revenue Detail
All Figures Rounded to (\$000)

	Year 0 <u>FY 26/27</u> <u>Adopted Budget</u>	Year 1 <u>FY 27/28</u> <u>Estimate</u>	Year 2 <u>FY 28/29</u> <u>Estimate</u>	Year 3 <u>FY 29/30</u> <u>Estimate</u>	Year 4 <u>FY 30/31</u> <u>Estimate</u>	Year 5 <u>FY 31/32</u> <u>Estimate</u>	Year 6 <u>FY 32/33</u> <u>Estimate</u>	Year 7 <u>FY 33/34</u> <u>Estimate</u>	Year 8 <u>FY 34/35</u> <u>Estimate</u>	Year 9 <u>FY 35/36</u> <u>Estimate</u>	Year 10 <u>FY 36/37</u> <u>Estimate</u>	<u>Total</u> <u>5 Year</u> <u>Estimate</u>	<u>Total</u> <u>10 Year</u> <u>Estimate</u>
<u>Revenue Categories</u>													
Bridge Tolls	\$ 175,229	\$ 182,866	\$ 190,602	\$ 190,602	\$ 190,602	190,602	\$ 190,602	\$ 190,602	\$ 190,602	\$ 190,602	\$ 190,602	\$ 945,274	\$ 1,898,285
Transit Fares	24,520	25,835	26,458	26,936	27,301	27,579	27,790	27,949	28,069	28,159	28,227	134,109	274,301
Investment Income	9,739	8,749	5,967	-	-	-	-	-	-	-	-	14,715	14,715
Other (Incl Adv. & Leases)	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	8,952	17,904
RM2/RM3 Local funding	4,985	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986	24,932	49,864
SB125	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Funds (MCTD Contract)	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	63,270	126,539
Federal/State/Local Funds	23,845	28,188	28,298	28,408	28,408	28,408	28,408	28,408	28,408	28,408	28,408	141,710	283,752
Total Operating Revenue	\$ 252,762	\$ 265,068	\$ 270,755	\$ 265,377	\$ 265,742	\$ 266,020	\$ 266,231	\$ 266,390	\$ 266,510	\$ 266,600	\$ 266,668	\$ 1,332,962	\$ 2,665,360
Total Revenue	\$ 252,762	\$ 265,068	\$ 270,755	\$ 265,377	\$ 265,742	\$ 266,020	\$ 266,231	\$ 266,390	\$ 266,510	\$ 266,600	\$ 266,668	\$ 1,332,962	\$ 2,665,360
Bridge Revenue	\$ 185,466	\$ 192,112	\$ 197,066	\$ 191,100	\$ 191,100	\$ 191,100	\$ 191,100	\$ 191,100	\$ 191,100	\$ 191,100	\$ 191,100	\$ 962,478	\$ 1,917,977
Transit Revenue	\$ 67,295	\$ 72,956	\$ 73,688	\$ 74,277	\$ 74,643	\$ 74,920	\$ 75,131	\$ 75,290	\$ 75,410	\$ 75,500	\$ 75,568	\$ 370,484	\$ 747,383

CATEGORY ASSUMPTIONS**Operating Revenue**

General Assumption: The FY 26/27 Budgeted amounts have been used as the basis for all revenue and expense projections.

Bridge Tolls

From FY 23/24 through FY 25/26, southbound traffic increased by an average of 1.8%. The FY 26/27 Adopted Budget projects southbound traffic will remain relatively flat with the previous fiscal year. Moving beyond this fiscal year, the projection assumes an additional 138,000 annual southbound crossings for FY 27/28 – FY 28/29 (i.e., approximately 0.8% annual increases). Conservatively estimating the growth in traffic based on half the average actual FY 23/24 through FY 25/26 growth rates. The projection fixes this level of southbound traffic (17.4 million southbound crossings) for the remainder of the projection period (FY 29/30 – FY 36/37). The adopted toll rate for most motorists is an increase of \$0.50 per year through FY 28/29. Southbound crossings have been slowly recovering from the pandemic and hover around 87% of pre-pandemic crossings.

Bus Transit

The FY 26/27 Adopted Budget projects bus ridership will remain at levels similar to the prior fiscal year. Moving beyond this fiscal year, the projection assumes moderate growth averaging 2.8% for FY 27/28, with growth slowing down to on average just under 1% for FY 28/29 through FY 36/37. Transit fare increases are assumed through FY 27/28 as it's the final year of the current approved fare plan. After the ridership reduction that was a result of the pandemic, Bus ridership has been steadily recovering, with FY 26/27 ridership about 59% of pre-pandemic ridership.

Ferry Transit

In FY 25/26, ferry ridership increased by 10.3% from the previous fiscal year. The FY 26/27 Adopted Budget projects ferry ridership will remain flat from the previous fiscal year. Moving beyond this fiscal year, the projection assumes moderate growth averaging 2.4% in the next 5 years between FY 27/28 and FY 31/32, while assuming only slight growth in ridership in years 6 through 10 of the projection. Transit fare increases are assumed through FY 27/28 as it's the final year of the current approved fare plan. After the ridership reduction that was a result of the pandemic, Ferry ridership has been slow and steady in recovering to pre-pandemic levels with FY 25/26 ridership about 71% of pre-pandemic ridership.

Local Funds

In FY 26/27, Marin Transit will purchase approximately 71,000 revenue hours of local bus service from the District. The projections assume maintaining these 71,000 hours with the associated revenues and expenses for the entire duration of the period. Currently, the contract rate is less than the District's actual costs. If Marin Transit agrees to a new contract beyond December 31, 2027 that reimburses the District's actual costs or if Marin Transit hires a different vendor for this service, it would reduce the projected deficits.

The amount of RM2 and RM3 funds budgeted in FY 26/27 is held constant through the 10-year projection.

State Funding

For State Transit Assistance (STA) and Transportation Development Act (TDA), the estimate is based on data provided by the Metropolitan Transportation Commission (MTC) and industry trends.

STA

STA funding is comprised of statewide revenue-based funds, Marin County population-based funds, and Sonoma County population-based funds. In FY 27/28, the District assumes an increase of nearly \$5 million, as the estimate for FY 26/27 was revised by MTC after the budget was adopted. After FY 27/28, the District projects that statewide revenue-based funds and Marin County population-based funds will be held at the same levels of revenue that were in the FY 26/27 Adopted Budget.

Appendix B

Golden Gate Bridge, Highway and Transportation District Five- and Ten-Year Financial Projection for FY 27/28 – FY 36/37

TDA

TDA revenue is comprised of two tranches from Marin and Sonoma County. The District projects that service level recommendations associated with the Marin-Sonoma Coordinated Transit Service Plan (MASCOTS) will impact both revenue tranches in different ways.

For Marin TDA, for FY 27/28 through FY 29/30, the District is using sales tax projections provided by MTC of 1.2% annual increases, with the remainder of the projection period fixed at levels projected for FY 29/30.

For Sonoma TDA, there were reductions associated with the implementation of MASCOTS that were captured in the FY 26/27 Adopted Budget. The District is using sales tax projections provided by MTC for Sonoma County of a 1.7% annual increase through FY 29/30, with the remainder of the projection period fixed at levels projected for FY 29/30.

Federal Funding

There is no Federal funding for operations assumed in this projection.

Investment Income

Interest on investment is projected based on the estimated investment portfolio balance and associated interest growth rates. Investment income is projected through FY 28/29.

Other Revenue

Other Revenue is based on the amount budgeted in FY 26/27, which is used as the projection for the following 10 years.

Operating ExpensePosition Vacancies

The FY 26/27 Adopted Budget assumed that all approved positions would be funded for the fiscal year, and this projection assumes all positions are funded.

CPI Rates

Projected CPI rates are based on projections provided by the Congressional Budget Office (CBO). Projected rates for 2027–2037 were between 2.3% – 2.5% annually.

Salaries

CPI rate projections are used to estimate increases in salaries for the entire period of the projection for all divisions and departments.

Pension

PERS Pension (Employer Responsibility) is based on CalPERS actuarial estimates of 34.3%, 36%, 35.3%, 34.6%, 30.9% for the years FY 27/28 through FY 31/32, respectively. This projection assumes that the pension percentage rate continues to remain flat for the years of FY 31/32 – FY 36/37. This projection assumes that the ATU pension rate (34.5%) continues to remain flat for the years of FY 27/28 – FY 36/27. IBU & MEBA pension rates (19.9% and 16.37%, respectively) continue to remain flat for the years FY 27/28 – FY 36/37.

Medical Insurance

The projection assumes an increase of 5.31% – 5.8% for the years FY 27/28 – FY 33/34 based on the Center for the Medicare/Medicaid Office of the Actuary projections for Health Insurance increases. This projection assumes that the pension percentage rate continues to remain flat for the years of FY 34/25 – FY 36/37.

OPEB

The projection assumes an annual increase of 2.76% over the 10-year projection based on projections identified in the Golden Gate Bridge Highway and Transportation District Retiree Healthcare Plan July 1, 2025 Actuarial Valuation report.

Workers' Compensation

Workers' Compensation is projected based on a five-year average of annual expense increases (FY 21/22 – FY 25/26).

Debt Service Payment

The projection assumes debt service expenses between \$1.2 million – \$1.5 million annually based on the outstanding commercial paper balance and associated interest rates (between 1.97% and 2.47% for FY 27/28 – FY 36/37).

All other expenses not mentioned above

The projection assumes the use of CPI-U projected rates of inflation from CBO.

Depreciation

The projection assumes a depreciation schedule that is based on the completion dates assumed in the 10-year Capital Plan.

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Appendix C
Golden Gate Bridge, Highway and Transportation District
Five-Year and Ten-Year Financial Projections FY27/28 - FY 36/37

			10-Year Projected Capital Need (\$000)											Total 10-Year Projected Capital Need	Future Years	Total Capital Plan
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10				
	FY26 & Prior Years	FY 26/27 Budget	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37				
BRIDGE DIVISION																
Grant Funded	236,118	103,324	126,802	126,220	126,220	84,977	38,241	702,632	138,694	138,414	142,414	144,414	1,769,030	29,240	2,137,713	
District Funded	199,883	51,034	55,826	52,305	47,585	90,654	137,087	81,276	79,501	73,267	73,140	77,969	768,611	70,193	1,089,721	
TOTAL	436,001	154,358	182,629	178,525	173,805	175,631	175,329	783,909	218,195	211,681	215,555	222,383	2,537,642	99,433	3,227,434	
BUS DIVISION																
Grant Funded	12,147	3,750	13,648	13,549	17,549	13,879	28,639	18,959	18,959	4,932	4,732	533	135,381	131,145	282,422	
District Funded	4,272	3,927	6,174	5,347	5,600	8,175	12,551	9,332	11,363	7,793	6,893	2,238	75,466	57,015	140,680	
TOTAL	16,418	7,677	19,822	18,896	23,149	22,054	41,190	28,291	30,323	12,725	11,625	2,771	210,847	188,160	423,102	
FERRY DIVISION																
Grant Funded	50,375	60,761	46,314	25,423	21,298	46,605	55,628	52,125	36,946	51,577	48,164	14,890	398,970	185,912	696,018	
District Funded	17,095	14,423	15,198	10,518	8,378	14,318	14,723	24,805	43,515	21,558	13,518	5,255	171,788	55,828	259,134	
TOTAL	67,470	75,184	61,512	35,941	29,677	60,924	70,351	76,930	80,461	73,135	61,682	20,145	570,758	241,740	955,152	

			10-Year Projected Capital Need (\$000)											Total 10-Year Projected Capital Need	Future Years	Total Capital Plan
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10				
	FY26 & Prior Years	FY 26/27 Budget	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37				
DISTRICT DIVISION																
Grant Funded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
District Funded	7,574	3,513	5,317	5,999	6,892	6,857	7,508	6,232	4,440	3,605	1,644	255	48,749	2,025	61,861	
TOTAL	7,574	3,513	5,317	5,999	6,892	6,857	7,508	6,232	4,440	3,605	1,644	255	48,749	2,025	61,861	

ACROSS ALL DIVISIONS																
<i>Grant Funded</i>	298,639	167,835	186,764	165,192	165,067	145,461	122,508	773,716	194,600	194,924	195,311	159,838	2,303,381	346,297	3,116,153	
<i>District Funded</i>	228,824	72,897	82,515	74,169	68,456	120,005	171,871	121,645	138,819	106,223	95,195	85,718	1,064,615	185,061	1,551,396	
GRAND TOTAL	527,463	240,732	269,280	239,361	233,524	265,466	294,379	895,361	333,419	301,147	290,506	245,555	3,367,996	531,358	4,667,550	

Appendix D
Golden Gate Bridge, Highway and Transportation District
Five-Year and Ten-Year Financial Projections FY 27/28 - FY 36/37
CAPITAL CONTRIBUTION REQUIRED TO FUND PROJECTED CAPITAL PLAN

All Figures Rounded to (\$000)

	Year 1 <u>FY 2028</u> Estimate	Year 2 <u>FY 2029</u> Estimate	Year 3 <u>FY 2030</u> Estimate	Year 4 <u>FY 2031</u> Estimate	Year 5 <u>FY 2032</u> Estimate	Year 6 <u>FY 2033</u> Estimate	Year 7 <u>FY 2034</u> Estimate	Year 8 <u>FY 2035</u> Estimate	Year 9 <u>FY 2036</u> Estimate	Year 10 <u>FY 2037</u> Estimate	Total 5 Year Estimate	Total 10 Year Estimate
DISTRICT	\$82,515	\$74,169	\$68,456	\$120,005	\$171,871	\$121,645	\$138,819	\$106,223	\$95,195	\$85,718	\$517,016	\$1,064,615
GRANTS	186,764	165,192	165,067	145,461	122,508	773,716	194,600	194,924	195,311	159,838	784,993	2,303,381
TOTAL	\$269,280	\$239,361	\$233,524	\$265,466	\$294,379	\$895,361	\$333,419	\$301,147	\$290,506	\$245,555	\$1,302,008	\$3,367,996
District Portion Of the Capital Requirement	\$82,520	\$74,170	\$68,460	\$120,000	\$171,870	\$121,640	\$138,820	\$106,220	\$95,190	\$85,720	\$517,020	\$1,064,610
Total Capital Contribution	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000	\$210,000
Total Depreciation Included in the Budget	17,469	21,859	23,426	24,727	31,895	34,092	36,728	42,832	49,700	49,700	119,377	332,427
Net Capital Contribution Required to Fund Projected Capital Plan	44,051	31,311	24,034	74,273	118,975	66,548	81,092	42,388	24,490	15,020	292,643	522,183
Annual Additional Average Capital Contribution Beyond Current Allocation	\$52,200	\$52,200	\$52,200	\$52,200	\$52,200	\$52,200	\$52,200	\$52,200	\$52,200	\$52,200	\$261,000	\$ 522,000

Re-Styled: Fund District Capital through Reserves	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	Year 1 - 5	Year 1 - 10
District Funded Capital Projects net of Depreciation*	\$44,100	\$31,300	\$24,000	\$74,300	\$119,000	\$66,500	\$81,100	\$42,400	\$24,500	\$15,000	\$292,700	\$ 522,000
Reserves Use to Fund District Portion of Seismic**	32,292	31,300	24,000	73,535	119,000						280,127	\$ 280,127
Subtotal After Seismic Usage	11,808	-	-	765	-	\$66,500	\$81,100	\$42,400	\$24,500	\$15,000	12,573	\$ 242,073
Reserves Use to Fund Remaining District Projects**	11,808	-	-	765	-	66,500	29,411				108,484	108,484
Additional Capital Contribution Required to Fund Projected Capital Plan with Reserves	-	-	-	-	-	-	51,689	42,400	24,500	15,000	-	134,000
Annual Average 10 Year Capital Contribution After Use of Available Reserves***	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	65,000	\$ 130,000

* Assumes contract 1 and 2 of the seismic retrofit is funded 68% by Grants and 32% by District funds

**Projected reserves balance at the beginning of FY26/27 is \$389M

***Assumes Capital Contribution and Depreciation was added to reserves and existing reserve fund is drawn down

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Appendix E
GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT
NET POSITION AVAILABLE FOR NEW CAPITAL PROJECTS OR OPERATIONS - FY 26/27 BUDGET

Category	Estimated Balance 7/1/2026
Available Net Position before Long Term Deferred Outflows, Liabilities, Deferred Inflows, Board Designated Reserves and Other Reserves (Note 1)	\$ 216,800,000
Long Term Deferred Outflows, Liabilities, Deferred Inflows (Note 2)	
CalPERS Retirement Pension Deferred Outflows, Deferred Inflows & Liability	\$ 90,600,000
Golden Gate Transit Amalgamated Retirement Pension Deferred Outflows, Liabilities & Deferred Inflows	153,500,000
District Other Post Employment Benefits (OPEB) Deferred Outflows, Liabilities & Deferred Inflows	46,000,000
Subtotal: Long Term Deferred Outflows, Liabilities & Deferred Inflows	\$ 290,100,000
Available Net Position before Board Designated Reserves and Other Reserves	\$ 506,900,000
 Fiscal Year 2026 Board Designated Reserves and Other Reserves	
Operating Reserve (Note 3)	\$ (22,100,000)
Emergency Reserve (Note 4)	(10,300,000)
Bridge Self Insurance Loss Reserve (Note 5)	(26,300,000)
Subtotal: Fiscal Year 2026 Board Designated Reserves and Other Reserves	\$ (58,700,000)
Net Position (Reserves) Available Before Committed Capital Projects	\$ 448,200,000
 Fiscal Year 2026 Committed Capital Projects (District-funded portion only):	
Bridge	\$ (367,200,000)
Transit	(65,400,000)
Subtotal: Fiscal Year 2026 Total Committed Capital Projects (District-funded portion only)	\$ (432,600,000)
Net Position Available for New Capital Projects or Operations as of 6/30/26	\$ 15,600,000
Category	Estimated Balance 7/1/2027
Beginning Net Position Available for New capital Projects or Operations	\$ 15,600,000
Add Budgeted net Income/Loss for Fiscal Year 2027 (Note 7 & 8)	\$ 40,000,000
Available Net Position before Board Designated Reserves and Other Reserves	\$ 55,600,000
Change in Fiscal Year 2027 Board Designated Reserves and Other Reserves	
Change in Operating Reserve (Note 6 & 9)	\$ (4,600,000)
Change in Emergency Reserve (Note 10)	\$ (200,000)
Change in Bridge Self Insurance Loss Reserve (Note 11)	\$ (1,300,000)
Subtotal: Change in Fiscal Year 2027 Board Designated Reserves and Other Reserves	\$ (6,100,000)
Net Position (Reserves) Available Before Committed Capital Projects	\$ 49,500,000
Fiscal Year 2027 Committed Capital Projects (District Funded Portion Only)	
Bridge	\$ (133,000,000)
Transit	\$ 6,400,000
Subtotal: Fiscal Year 2027 Committed Capital Projects (District Funded Portion Only)	\$ (126,600,000)
Net Position Available for New Capital Projects or Operation as of 6/30/27	\$ (77,100,000)

NOTES:

1. Adjusted to exclude funded Capital Reserve Contributions, Bridge Self-Insurance reserves and depreciation. Also reflects the FY 25/26 budget being balanced from the infusion of SB125 funding.
2. In 2015 and 2018, the District restated its Net Position as a result of the new reporting requirements of GASB 68: Accounting and Financial Reporting for Pensions and GASB 75: Accounting and Financial Reporting for Post-employment Benefits Other than Pensions, respectively. GASB 68 requires agencies to report the deferred outflows, net pension liabilities and deferred inflows on the financial statements even in cases where the agency is not legally responsible for them. The District is not legally responsible for the Golden Gate Transit Amalgamated Retirement Plan.
3. Board Policy funds the operating reserve at 7.5% of budget or to cover the expected operating deficit, whichever is larger.
4. 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.
5. The Bridge Self-Insurance Reserve (BSIR) was created by the Board in FY 05/06. The BSIR was intended to be built up to \$25 million minimum level in 2006 dollars and would be used to offset the need to insure the bridge for both physical property damage and loss of use.
6. To fund reserves to the required contribution levels, additional contributions will be made.
7. FY 26/27's budgeted net operating income/loss is adjusted to exclude funded capital contributions, Bridge self-insurance reserves, restricted Local, State and Federal grant funds for capital projects and depreciation.
8. FY 26/27's budgeted net operating income/loss is adjusted to exclude funded capital contributions, Bridge self-insurance reserves and depreciation.
9. Change in Operating Reserve is calculated by multiplying FY 26/27's operating budget with 7.5% less FY 25/26's Operating Reserve plus additional contributions as discussed in Note 6. For FY 26/27, since the operating deficit is more than 7.5% of budgeted expenses, the operating deficit was used in the calculation.
10. Change in Emergency Reserve is calculated by multiplying FY 26/27's operating budget with 3.5% less FY 25/26's Emergency Reserve.
11. Change in Bridge Self-Insurance Loss Reserve is calculated by subtracting FY 26/27's reserve from FY 25/26's reserve.