



Agenda Item No. (6)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of September 25, 2025

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 26/27 through FY 35/36. The projection reflects the FY 25/26 Adopted Budget as a baseline that includes 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. 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

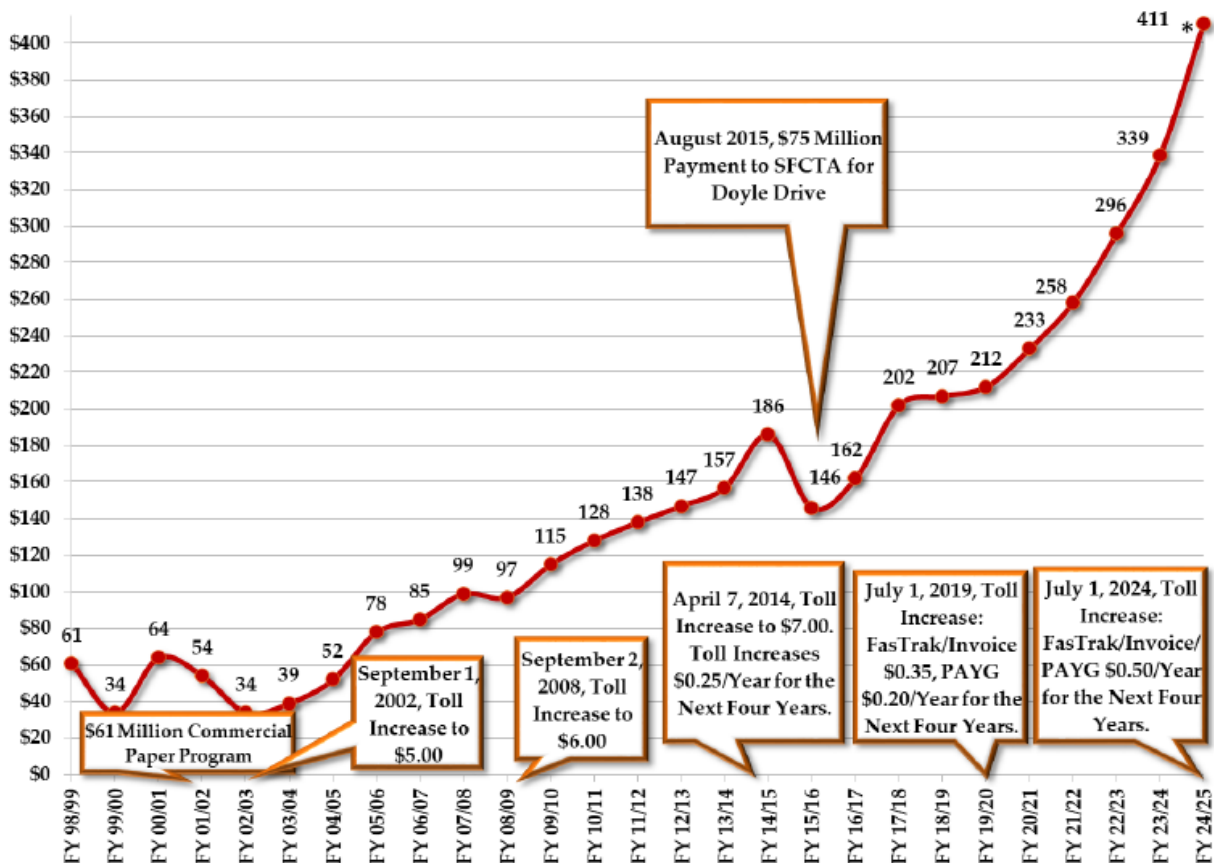
### Summary

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 is displayed in the chart below.



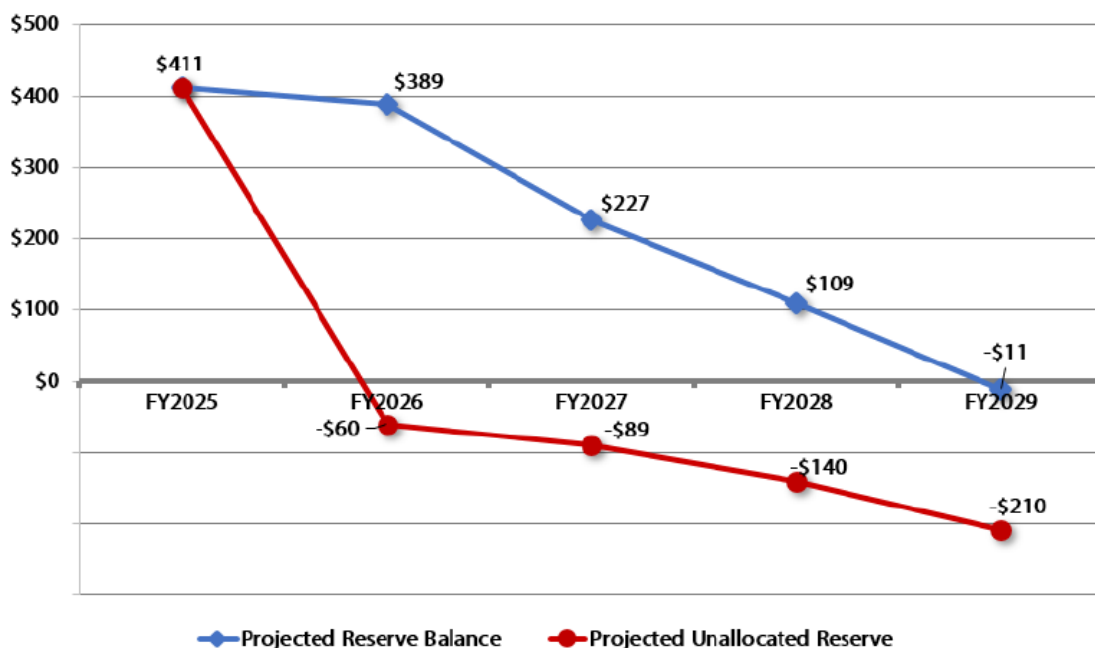
\*Note: Graph amounts represent the beginning of the year balances. See Appendix E for more details.

### *Allocation of Reserves in Projection*

Given the projected funding needs for capital projects and the liability, 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 \$582 million, with the largest project being Contract 1 of the Golden Gate Suspension Bridge Seismic Retrofit included at \$267 million in District required funding. 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 new capital projects in future years will need to be raised to fully fund the ten-year capital plan in this projection. This projection assumes those funds will be raised but that will only be achieved if the operating budget is balanced.

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

The District accumulates 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 assuming 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 tradeoffs between which capital projects to begin and when will be decided during future budget processes. (For more information regarding the capital contribution or reserve structure, see Appendices 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 expenditures is the FY 25/26 Adopted Budget, which provides the resources for the District to maintain its transit service to meet current customer demand.

	<b>Sub Total Year 1 – 5 Estimate (\$M)</b>	<b>Total Year 1 – 10 Estimate (\$M)</b>
Total Operating Expenditures with Capital Contribution (Based on FY 25/26 Budget)	\$1,624	\$3,523
Total Operating Revenues	\$1,242	\$2,491
<b>Total Operating &amp; Capital Surplus/(Shortfall)</b>	<b>(\$382)</b>	<b>(\$1,032)</b>

The projected shortfall exists because as projected expenses rise over the ten-year measurement period, many of the sources of revenue either do not or rise at a smaller 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 \$578 million. The primary drivers of increases in expenditures include salary costs (\$139 million), benefit costs (\$199 million), and depreciation costs due to the completion of major projects, including the Golden Gate Suspension Bridge Seismic Retrofit, in the ten-year timeframe (\$152 million).

Based on the FY 25/26 Adopted Budget, the District projects that there will be a \$382 million shortfall over the next five fiscal years. Under the same assumptions, the District projects that there will be a \$1.03 billion shortfall over the next ten fiscal years, as it includes 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 a part of this plan are in the first three

years of this ten-year projection. There are approved increases in transit fares associated with the adopted five-year transit fare policy during the first two years of the projection period.

The District assumes some growth in bridge traffic (~0.7% annual increase in southbound crossings for FY 26/27 to FY 27/28). Beyond that, the District is assuming southbound crossings will be flat at ~17.2 million southbound crossings (~87% of pre-pandemic southbound crossings). The District assumes some growth in bus ridership (~3.1% annually between FY 26/27 – FY 28/29 with relatively minimal growth in the remaining seven years of the projection). By FY 35/36, the District is projecting bus ridership at ~1.7 million (~56% of pre-pandemic bus ridership). The District assumes some growth in ferry ridership (~3.3% annually between FY 26/27 – FY 28/29 with relatively minimal growth in the remaining 7 years of the projection). By FY 34/35, the District is projecting ferry ridership at ~1.7 million (about 71% of pre-pandemic ferry ridership).

### ***Capital Contribution***

The FY 25/26 Adopted Budget includes a \$21 million capital reserve contribution amount. A capital reserve contribution of \$21 million for each year of the ten-year plan is assumed and required 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 25/26 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 need to be funded through the projected capital reserve contribution.

The projected five- and ten-year District funded capital need is estimated at \$582 million and \$974 million 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, the necessary additional capital contribution from District Operations is approximately \$10 million annually or \$103 million for the ten-year period (See Appendix D for details). If reserves are not depleted to fund the District's portion of the Capital needs over 10 years, and the ability to maintain the \$21 million annual capital contribution and required depreciation occurs, the District would need to contribute an additional \$46.6 million annually (detail provided in Appendix D).

### ***Comparison to the Previous Projection***

For comparison purposes, the projected five-year revenue over expense shortfall of \$382 million is approximately \$146 million higher than the \$237 million presented in the previous projection in September 2024. Similarly, the projected ten-year revenue over expense shortfall of \$1.03 billion is approximately \$346 million higher than the \$685 million presented in the previous projection. The \$146 million increase in the five-year projected shortfall is primarily due to a decrease in projected operating revenues, primarily driven by FY 28/29 being the last year of the current toll increase plan and FY 27/28 being the last year of the transit fare increase plan. 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 in time.

**Impact on Current  
Projection Deficit (\$M)**

Net Difference - New 10th Year, Old First Year	(146)
Net Difference - Decline in District Financial Situation	(200)
<b>Total</b>	<b>(346)</b>

***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. 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 operating revenue and expense assumptions are listed in Appendix B.

***Capital Project Revenue and Expense Assumptions***

The FY 26/27 through FY 35/36 Ten-Year Capital Projection, provided in Appendix C, identifies a \$2.8 billion capital need over the next ten years requiring a District contribution of \$974 million. 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 65% Grant funded and 35% District funded. The Golden Gate Suspension Bridge Seismic Retrofit is assumed to be 68% Grant funded and 32% District funded for the whole project. 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.

***V. Next Steps***

The Strategic Plan, approved by the Board in June 2024, included financial initiatives which will serve as a work plan for staff to aid in balancing the District's finances over the long term, with a status update on progress to be provided later this Fall.

**Fiscal Impact**

There is no direct fiscal impact. 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 26/27 - FY 35/36**  
**All Figures Rounded to (\$000)**

	Year 0 <u>FY 25/26</u> <u>Adopted Budget</u>	Year 1 <u>FY 26/27</u> <u>Estimate</u>	Year 2 <u>FY 27/28</u> <u>Estimate</u>	Year 3 <u>FY 28/29</u> <u>Estimate</u>	Year 4 <u>FY 29/30</u> <u>Estimate</u>	Year 5 <u>FY 30/31</u> <u>Estimate</u>	Year 6 <u>FY 31/32</u> <u>Estimate</u>	Year 7 <u>FY 32/33</u> <u>Estimate</u>	Year 8 <u>FY 33/34</u> <u>Estimate</u>	Year 9 <u>FY 34/35</u> <u>Estimate</u>	Year 10 <u>FY 35/36</u> <u>Estimate</u>	Total 5 Year Estimate	Total 10 Year Estimate
<b><u>Agency Expense:</u></b>													
Salaries	\$ 95,028	\$ 98,502	\$ 100,768	\$ 102,985	\$ 105,250	\$ 107,566	\$ 109,932	\$ 112,351	\$ 114,822	\$ 117,348	\$ 119,930	\$ 515,070	\$ 1,089,454
Fringe Benefits (Incl PR Taxes)	\$ 80,917	\$ 86,663	\$ 89,745	\$ 94,209	\$ 96,977	\$ 99,814	\$ 100,349	\$ 104,093	\$ 108,009	\$ 112,104	\$ 116,387	\$ 467,409	\$ 1,008,350
Professional Services	\$ 40,646	\$ 41,581	\$ 42,537	\$ 43,473	\$ 44,429	\$ 45,407	\$ 46,406	\$ 47,426	\$ 48,470	\$ 49,585	\$ 50,725	\$ 217,426	\$ 460,037
Fuel & Related Taxes	\$ 11,349	\$ 11,610	\$ 11,877	\$ 12,138	\$ 12,405	\$ 12,678	\$ 12,957	\$ 13,242	\$ 13,533	\$ 13,844	\$ 14,163	\$ 60,707	\$ 128,446
Repair & Operating Supplies	\$ 12,494	\$ 12,781	\$ 13,075	\$ 13,363	\$ 13,657	\$ 13,957	\$ 14,264	\$ 14,578	\$ 14,899	\$ 15,241	\$ 15,592	\$ 66,832	\$ 141,405
Insurance, Taxes & Permits	\$ 10,969	\$ 11,221	\$ 11,479	\$ 11,731	\$ 11,989	\$ 12,253	\$ 12,523	\$ 12,798	\$ 13,080	\$ 13,381	\$ 13,688	\$ 58,674	\$ 124,144
Purchased Transportation	\$ 1,664	\$ 1,702	\$ 1,741	\$ 1,779	\$ 1,819	\$ 1,859	\$ 1,899	\$ 1,941	\$ 1,984	\$ 2,030	\$ 2,076	\$ 8,900	\$ 18,830
Staff Development	\$ 1,529	\$ 1,564	\$ 1,600	\$ 1,635	\$ 1,671	\$ 1,708	\$ 1,745	\$ 1,784	\$ 1,823	\$ 1,865	\$ 1,908	\$ 8,177	\$ 17,301
Leases & Rentals	\$ 1,166	\$ 1,193	\$ 1,221	\$ 1,248	\$ 1,275	\$ 1,303	\$ 1,332	\$ 1,361	\$ 1,391	\$ 1,423	\$ 1,456	\$ 6,239	\$ 13,202
Debt Service-Interest Expense	\$ 3,233	\$ 1,678	\$ 1,525	\$ 1,373	\$ 1,373	\$ 1,373	\$ 1,373	\$ 1,373	\$ 1,373	\$ 1,373	\$ 1,373	\$ 7,320	\$ 14,183
Depreciation	\$ 14,532	\$ 15,000	\$ 17,469	\$ 21,859	\$ 23,426	\$ 24,727	\$ 31,895	\$ 34,092	\$ 36,728	\$ 42,832	\$ 49,700	\$ 102,482	\$ 297,727
<b>Total Expenses</b>	<b>\$ 273,525</b>	<b>\$ 283,494</b>	<b>\$ 293,036</b>	<b>\$ 305,791</b>	<b>\$ 314,271</b>	<b>\$ 322,643</b>	<b>\$ 334,673</b>	<b>\$ 345,038</b>	<b>\$ 356,111</b>	<b>\$ 371,025</b>	<b>\$ 386,997</b>	<b>\$ 1,519,235</b>	<b>\$ 3,313,080</b>
<b>Capital Contribution</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 21,000</b>	<b>\$ 105,000</b>	<b>\$ 210,000</b>
<b>Total Expense</b>	<b>\$ 294,525</b>	<b>\$ 304,494</b>	<b>\$ 314,036</b>	<b>\$ 326,791</b>	<b>\$ 335,271</b>	<b>\$ 343,643</b>	<b>\$ 355,673</b>	<b>\$ 366,038</b>	<b>\$ 377,111</b>	<b>\$ 392,025</b>	<b>\$ 407,997</b>	<b>\$ 1,624,235</b>	<b>\$ 3,523,080</b>
<b>Total Operating Revenue</b>	<b>\$ 270,830</b>	<b>\$ 247,159</b>	<b>\$ 247,451</b>	<b>\$ 248,681</b>	<b>\$ 249,252</b>	<b>\$ 249,484</b>	<b>\$ 249,659</b>	<b>\$ 249,792</b>	<b>\$ 249,892</b>	<b>\$ 249,967</b>	<b>\$ 250,024</b>	<b>\$ 1,242,026</b>	<b>\$ 2,491,361</b>
<b>Total Net Surplus/(Deficit)</b>	<b>\$ (23,695)</b>	<b>\$ (57,335)</b>	<b>\$ (66,586)</b>	<b>\$ (78,110)</b>	<b>\$ (86,019)</b>	<b>\$ (94,160)</b>	<b>\$ (106,014)</b>	<b>\$ (116,247)</b>	<b>\$ (127,219)</b>	<b>\$ (142,057)</b>	<b>\$ (157,973)</b>	<b>\$ (382,209)</b>	<b>\$ (1,031,719)</b>
<b>Bridge Expense</b>	<b>\$ 119,592</b>	<b>\$ 123,233</b>	<b>\$ 127,283</b>	<b>\$ 135,318</b>	<b>\$ 138,595</b>	<b>\$ 141,902</b>	<b>\$ 150,039</b>	<b>\$ 154,425</b>	<b>\$ 159,667</b>	<b>\$ 166,596</b>	<b>\$ 175,216</b>	<b>\$ 666,332</b>	<b>\$ 1,472,276</b>
<b>Transit Expense</b>	<b>\$ 174,933</b>	<b>\$ 181,260</b>	<b>\$ 186,753</b>	<b>\$ 191,473</b>	<b>\$ 196,676</b>	<b>\$ 201,741</b>	<b>\$ 205,635</b>	<b>\$ 211,613</b>	<b>\$ 217,443</b>	<b>\$ 225,429</b>	<b>\$ 232,781</b>	<b>\$ 957,903</b>	<b>\$ 2,050,804</b>

**Appendix A-2**  
**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection**  
**Five-Year and Ten-Year Financial Projections FY 26/27 - FY 35/36**

**Revenue Detail**  
**All Figures Rounded to (\$000)**

<b>Revenue Categories</b>	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 25/26</u> <u>Adopted Budget</u>	<u>FY 26/27</u> <u>Estimate</u>	<u>FY 27/28</u> <u>Estimate</u>	<u>FY 28/29</u> <u>Estimate</u>	<u>FY 29/30</u> <u>Estimate</u>	<u>FY 30/31</u> <u>Estimate</u>	<u>FY 31/32</u> <u>Estimate</u>	<u>FY 32/33</u> <u>Estimate</u>	<u>FY 33/34</u> <u>Estimate</u>	<u>FY 34/35</u> <u>Estimate</u>	<u>FY 35/36</u> <u>Estimate</u>	<u>5 Year</u> <u>Estimate</u>	<u>10 Year</u> <u>Estimate</u>
Bridge Tolls	\$ 165,656	\$ 171,896	\$ 178,273	\$ 183,446	\$ 183,446	183,446	\$ 183,446	\$ 183,446	\$ 183,446	\$ 183,446	\$ 183,446	\$ 900,507	\$ 1,817,736
Transit Fares	21,442	22,571	23,304	23,703	24,008	24,240	24,415	24,548	24,648	24,723	24,780	117,826	240,940
Investment Income	12,350	9,739	4,600	-	-	-	-	-	-	-	-	14,340	14,340
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	4,949	2,963	2,963	2,963	2,963	2,963	2,963	2,963	2,963	2,963	2,963	14,817	29,634
SB125	34,556	-	-	-	-	-	-	-	-	-	-	-	-
Local Funds (MCTD Contract)	12,221	12,587	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	64,445	129,267
Federal/State/Local Funds	25,707	25,613	23,555	23,814	24,080	24,080	24,080	24,080	24,080	24,080	24,080	121,141	241,540
<b>Sub-Total</b>	<b>\$ 278,671</b>	<b>\$ 247,159</b>	<b>\$ 247,451</b>	<b>\$ 248,681</b>	<b>\$ 249,252</b>	<b>\$ 249,484</b>	<b>\$ 249,659</b>	<b>\$ 249,792</b>	<b>\$ 249,892</b>	<b>\$ 249,967</b>	<b>\$ 250,024</b>	<b>\$ 1,242,026</b>	<b>\$ 2,491,361</b>
<b>Known Changes</b>													
SB125 Payback	\$ (7,841)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Known Changes</b>	<b>\$ (7,841)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Operating Revenue</b>	<b>\$ 270,830</b>	<b>\$ 247,159</b>	<b>\$ 247,451</b>	<b>\$ 248,681</b>	<b>\$ 249,252</b>	<b>\$ 249,484</b>	<b>\$ 249,659</b>	<b>\$ 249,792</b>	<b>\$ 249,892</b>	<b>\$ 249,967</b>	<b>\$ 250,024</b>	<b>\$ 1,242,026</b>	<b>\$ 2,491,361</b>
Bridge Revenue	\$ 178,504	\$ 182,133	\$ 183,371	\$ 183,943	\$ 183,943	\$ 183,943	\$ 183,943	\$ 183,943	\$ 183,943	\$ 183,943	\$ 183,943	\$ 917,335	\$ 1,837,053
Transit Revenue	\$ 92,327	\$ 65,026	\$ 64,079	\$ 64,738	\$ 65,308	\$ 65,540	\$ 65,716	\$ 65,848	\$ 65,948	\$ 66,024	\$ 66,081	\$ 324,691	\$ 654,308



**CATEGORY ASSUMPTIONS****Operating Revenue**

**General Assumption: The FY 25/26 Budgeted amounts have been used as the basis for all revenue and expense projections.**

Bridge Tolls

In FY24-25, southbound traffic increased by 0.9% from the previous fiscal year. The FY25/26 Adopted Budget projects southbound traffic will increase by 0.7% from the previous fiscal year. Moving beyond this fiscal year, the projection assumes an additional 120,000 annual southbound crossings for FY26/27 – FY27/28 (i.e., approximately 0.7% annual increases). The projection fixes this level of southbound traffic (17.2 million southbound crossings) for the remainder of the projection period (FY28/29– FY35/36). The adopted toll rate for most motorists is an increase of \$0.50 per year through FY28/29. Southbound crossings have been slowly recovering from the pandemic and hovers around 85% of pre-pandemic crossings.

Bus Transit

In FY24/25, bus ridership increased by 4.9% from the previous fiscal year. The FY25/26 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 3.1% annually between FY26/27 – FY28/29, while bus ridership growth from FY29/30 through FY35/36 is under a percent on average. Transit fare increases are assumed through FY27/28 in accordance with the adopted transit fare policy. Prior to the COVID pandemic, there was a long-term trend of decreases in transit ridership. After the ridership reduction that was a result of the pandemic Bus ridership has been slowly recovering with FY24/25 ridership about 49% of pre-pandemic ridership.

Ferry Transit

In FY24/25, ferry ridership increased by 11.4% from the previous fiscal year. The FY25/26 Adopted Budget projects ferry ridership will remain fairly flat from the previous fiscal year. Moving beyond this fiscal year, the projection assumes moderate growth averaging 4.3% annually between FY26/27 – FY27/28, while only assuming only slight growth in ridership through FY35/36. Transit fare increases are assumed through FY27/28 in accordance with the adopted transit fare policy. After the ridership reduction that was a result of the pandemic Ferry ridership has been slowly recovering with FY24/25 ridership about 65% of pre-pandemic ridership.

Local Funds

The District continues to maintain the inter-agency agreement with Marin Transit for local fixed route bus service. This agreement has a range of potential amounts that the District can anticipate annually. At this time, it is anticipated that Marin Transit will purchase an additional 75,000 revenue hours annually, and thus the high estimates for revenues are used through FY27/28 and fixed out through the remainder of the projection period. This projection assumes Marin Transit contract revenue at the same level of service. The amount of RM2 budgeted in FY25/26 is held constant through the 10-year projection. The District assumes that RM3 funding levels will revert to levels before Senate Bill 125 (\$656,400) and are 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 FY26/27, the District assumes the same levels of revenue that were in the FY25/26 Adopted Budget. For FY27/28, 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 FY25/26 Adopted Budget. However, the District projects that Sonoma County population-based funds will decrease by 50% given reductions in Sonoma County services associated

## **Appendix B**

### **Golden Gate Bridge, Highway and Transportation District Five- and Ten-Year Financial Projection for FY 26/27 – FY 35/36**

with Marin-Sonoma Coordinated Transit Service Plan (MASCOTS). Overall, will be a 3.3% reduction STA revenues for FY27/28, which has been held constant in the 10-year projection.

#### **TDA**

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

For Marin TDA, for FY26/27 the District assumes the same levels of revenue that were in the FY25/26 Adopted Budget. For FY27/28 through FY29/30, the District is using sales tax projections provided by MTC of 2.6% annual increases, with the remainder of the projection period fixed at levels projected for FY29/30.

For Sonoma TDA, for FY26/27 the District assumes the same levels of revenue that were in the FY25/26 Adopted Budget. For FY27/28, the District is assuming that less service will be provided in Sonoma County (based on recommendations associated with MASCOTS), which will reduce the amount of TDA revenue the District is projected to receive. The projected reduction for Sonoma TDA revenue in FY27/28 is 50% of the levels of revenue that were in the FY25/26 Adopted Budget. For FY27/28 through FY29/30, the District is using sales tax projections provided by MTC of 2.6% annual increases, with the remainder of the projection period fixed at levels projected for FY29/30.

There is no funding associated with Senate Bill 125 assumed in the projection period, as it's projected to be exhausted by Fiscal Year 2025-26.

#### **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 27/28.

#### **Other Revenue**

Other Revenue is based on the amount budgeted in FY25/26, which is used as the projection for the following 10 years.

## Appendix B

### Golden Gate Bridge, Highway and Transportation District Five- and Ten-Year Financial Projection for FY 26/27 – FY 35/36

## Operating Expense

### Position Vacancies

The FY25/26 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 – 3035 were between 2.2% - 2.3% annually.

### Salaries

Salary increases for Coalition and Non-Represented employees are based on approved increases for FY25/26– FY26/27. Beyond FY26/27, CPI rate projections are used to estimate increases in salaries for the remaining years of the projection. Salary increases for Bus Operators are based on approved increases for FY25/26. Beyond FY25/26, CPI rate projections are used to estimate increases in salaries for the remaining years of the projection.

### Pension

PERS Pension (Employer Responsibility) is based on CalPERS actuarial estimates of 34.32%, 34.3%, 36%, 35.3%, 34.6%, and 30.9% for the years FY26/27 through FY31/32 respectively. This projection assumes that the pension percentage rate continues to remain flat for the years of FY 31/32 - FY 35/36. This projection assumes that the ATU pension rate (34.5%) continues to remain flat for the years of FY26/27-FY35/36. IBU & MEBA pension rates (22.37% and 16.61% respectively) continue to remain flat for the years of FY26/27-FY35/36.

### Medical Insurance

The projection assumes an increase of 5.4% - 6.4% for the years FY26/27– FY32/33 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 33/34 - FY 35/36.

### OPEB

The projection assumes an annual increase between 2.9% and 3% over the 10-year projection based on projections identified in the Golden Gate Bridge Highway and Transportation District Retiree Healthcare Plan July 1, 2023 Actuarial Valuation report.

### Workers' Compensation

Workers' Compensation are projected based on a five-year average of annual expense increases (FY20/21– FY24/25).

### Debt Service Payment

The projection assumes debt service expenses between \$1.4 million - \$1.7 million annually based on outstanding commercial paper balance and associated interest rates (between 2.25% and 2.75% for FY26/27– FY35/36).

### 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 FY 26/27 - FY 35/36**

			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				
			FY 26/27	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				
	FY25 & Prior Years	FY 25/26 Budget														
BRIDGE DIVISION																
Grant Funded	183,345	23,519	172,859	151,408	151,408	151,611	132,788	132,788	132,980	132,980	132,980	14,391	1,306,194	25,623	1,538,680	
District Funded	144,762	24,071	103,481	85,938	84,336	86,428	79,925	80,315	79,070	76,161	71,000	15,969	762,624	60,770	992,226	
TOTAL	328,107	47,590	276,341	237,346	235,744	238,039	212,712	213,103	212,050	209,141	203,980	30,361	2,068,817	86,393	2,530,907	

BUS DIVISION															
Grant Funded	11,635	3,205	23,146	28,039	23,967	33,134	33,374	18,130	18,130	9,230	446	-	187,597	22,411	224,848
District Funded	4,967	4,611	7,508	8,446	7,217	9,870	10,527	7,375	7,253	5,032	3,283	2,054	68,564	20,870	99,012
TOTAL	16,601	7,816	30,653	36,485	31,184	43,004	43,902	25,505	25,383	14,262	3,729	2,054	256,161	43,281	323,860

FERRY DIVISION															
Grant Funded	18,259	8,332	50,315	43,890	49,956	27,512	26,992	26,141	25,915	21,603	17,737	4,209	294,271	206,185	527,047
District Funded	20,250	6,173	31,665	11,328	11,708	7,371	6,897	6,894	6,842	5,769	4,601	1,224	94,301	51,546	172,270
TOTAL	38,509	14,504	81,980	55,218	61,665	34,884	33,889	33,035	32,758	27,372	22,338	5,434	388,572	257,732	699,317

DISTRICT DIVISION															
Grant Funded	-	400	427	612	612	618	190	190	-	-	-	-	2,649	-	3,049
District Funded	9,266	3,739	5,920	6,037	6,202	5,661	5,545	6,069	4,889	4,534	2,111	1,557	48,526	1,700	63,231
TOTAL	9,266	4,139	6,347	6,649	6,814	6,279	5,736	6,259	4,889	4,534	2,111	1,557	51,175	1,700	66,280

10-Year Projected Capital Need (\$000)													Total 10-Year Projected Capital Need	Future Years	Total Capital Plan
	FY25 & Prior Years	FY 25/26 Budget	Year 1 FY 26/27	Year 2 FY 27/28	Year 3 FY 28/29	Year 4 FY 29/30	Year 5 FY 30/31	Year 6 FY 31/32	Year 7 FY 32/33	Year 8 FY 33/34	Year 9 FY 34/35	Year 10 FY 35/36			

ACROSS ALL DIVISIONS															
<i>Grant Funded</i>	213,238	35,456	246,747	223,949	225,944	212,875	193,344	177,249	177,026	163,813	151,163	18,601	1,790,711	254,219	2,293,624
<i>District Funded</i>	179,245	38,593	148,574	111,749	109,464	109,331	102,894	100,653	98,054	91,497	80,995	20,804	974,015	134,887	1,326,739
<b>GRAND TOTAL</b>	392,483	74,049	395,321	335,698	335,408	322,206	296,238	277,902	275,080	255,310	232,158	39,405	2,764,726	389,106	3,620,364

**Appendix D**  
**Golden Gate Bridge, Highway and Transportation District**  
**Five-Year and Ten-Year Financial Projections FY 26/27 - FY 35/36**  
**CAPITAL CONTRIBUTION REQUIRED TO FUND PROJECTED CAPITAL PLAN**

All Figures Rounded to (\$000)

	Year 1 <u>FY 2027</u> Estimate	Year 2 <u>FY 2028</u> Estimate	Year 3 <u>FY 2029</u> Estimate	Year 4 <u>FY 2030</u> Estimate	Year 5 <u>FY 2031</u> Estimate	Year 6 <u>FY 2032</u> Estimate	Year 7 <u>FY 2033</u> Estimate	Year 8 <u>FY 2034</u> Estimate	Year 9 <u>FY 2035</u> Estimate	Year 10 <u>FY 2036</u> Estimate	Total 5 Year Estimate	Total 10 Year Estimate
DISTRICT	\$148,574	\$111,749	\$109,464	\$109,331	\$102,894	\$100,653	\$98,054	\$91,497	\$80,995	\$20,804	\$582,011	\$974,015
GRANTS	<u>246,747</u>	<u>223,949</u>	<u>225,944</u>	<u>212,875</u>	<u>193,344</u>	<u>177,249</u>	<u>177,026</u>	<u>163,813</u>	<u>151,163</u>	<u>18,601</u>	<u>1,102,860</u>	<u>1,790,711</u>
<b>TOTAL</b>	<b>\$395,321</b>	<b>\$335,698</b>	<b>\$335,408</b>	<b>\$322,206</b>	<b>\$296,238</b>	<b>\$277,902</b>	<b>\$275,080</b>	<b>\$255,310</b>	<b>\$232,158</b>	<b>\$39,405</b>	<b>\$1,684,871</b>	<b>\$2,764,726</b>
<u>District Portion Of the Capital Requirement</u>	<u>\$148,570</u>	<u>\$111,750</u>	<u>\$109,460</u>	<u>\$109,330</u>	<u>\$102,890</u>	<u>\$100,650</u>	<u>\$98,050</u>	<u>\$91,500</u>	<u>\$81,000</u>	<u>\$20,800</u>	<u>\$582,000</u>	<u>\$974,000</u>
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	<u>15,000</u>	<u>17,469</u>	<u>21,859</u>	<u>23,426</u>	<u>24,727</u>	<u>31,895</u>	<u>34,092</u>	<u>36,728</u>	<u>42,832</u>	<u>49,700</u>	<u>102,482</u>	<u>297,727</u>
Net Capital Contribution Required to Fund Projected Capital Plan	112,570	73,281	66,601	64,904	57,163	47,755	42,958	33,772	17,168	(49,900)	374,518	466,273
<b>Annual Additional Average Capital Contribution Beyond Current Allocation</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$46,600</b>	<b>\$233,000</b>	<b>\$ 466,000</b>
<b>Re-Stated: Fund District Capital through Reserves</b>	<b><u>FY 2027</u></b>	<b><u>FY 2028</u></b>	<b><u>FY 2029</u></b>	<b><u>FY 2030</u></b>	<b><u>FY 2031</u></b>	<b><u>FY 2032</u></b>	<b><u>FY 2033</u></b>	<b><u>FY 2034</u></b>	<b><u>FY 2035</u></b>	<b><u>FY 2036</u></b>	<b><u>Year 1 - 5</u></b>	<b><u>Year 1 - 10</u></b>
District Funded Capital Projects net of Depreciation*	\$112,600	\$73,300	\$66,600	\$64,900	\$57,200	\$47,800	\$43,000	\$33,800	\$17,200	(\$49,900)	\$374,600	\$ 467,000
Reserves Use to Fund District Portion of Seismic**	<u>66,597</u>	<u>66,597</u>	<u>66,597</u>	<u>64,900</u>							<u>264,691</u>	<u>\$ 264,691</u>
Subtotal After Seismic Usage	46,003	6,703	3	-	57,200	\$47,800	\$43,000	\$33,800	\$17,200	(\$49,900)	109,909	\$ 201,809
Reserves Use to Fund Remaining District Projects**	<u>46,003</u>	<u>6,703</u>	<u>3</u>	<u>-</u>	<u>45,700</u>						98,409	98,409
Additional Capital Contribution Required to Fund Projected Capital Plan with Reserves	-	-	-	-	11,500	47,800	43,000	33,800	17,200	(49,900)	11,500	103,000
Annual Average 10 Year Capital Contribution After Use of Available Reserves***	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	50,000	\$ 100,000

\* 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 \$363M

\*\*\*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 25/26 BUDGET**

Category	Estimated Balance 7/1/2025
<b>Available Net Position before Long Term Deferred Outflows, Liabilities, Deferred Inflows, Board Designated Reserves and Other Reserves (Note 1)</b>	<b>\$ 191,800,000</b>
<b>Long Term Deferred Outflows, Liabilities, Deferred Inflows (Note 2)</b>	
CalPERS Retirement Pension Deferred Outflows, Deferred Inflows & Liability	\$ 89,300,000
Golden Gate Transit Amalgamated Retirement Pension Deferred Outflows, Liabilities & Deferred Inflows	135,100,000
District Other Post Employment Benefits (OPEB) Deferred Outflows, Liabilities & Deferred Inflows	50,400,000
<b>Subtotal: Long Term Deferred Outflows, Liabilities &amp; Deferred Inflows</b>	<b>\$ 274,800,000</b>
<b>Available Net Position before Board Designated Reserves and Other Reserves</b>	<b>\$ 466,600,000</b>
 <b>Fiscal Year 2025 Board Designated Reserves and Other Reserves</b>	
Operating Reserve (Note 3)	\$ (20,600,000)
Emergency Reserve (Note 4)	(9,600,000)
Bridge Self Insurance Loss Reserve (Note 5)	(25,000,000)
<b>Subtotal: Fiscal Year 2025 Board Designated Reserves and Other Reserves</b>	<b>\$ (55,200,000)</b>
<b>Net Position (Reserves) Available Before Committed Capital Projects</b>	<b>\$ 411,400,000</b>
 <b>Fiscal Year 2025 Committed Capital Projects (District-funded portion only):</b>	
Bridge	\$ (260,400,000)
Transit	(65,200,000)
<b>Subtotal: Fiscal Year 2025 Total Committed Capital Projects (District-funded portion only)</b>	<b>\$ (325,600,000)</b>
<b>Net Position Available for New Capital Projects or Operations as of 6/30/25</b>	<b>\$ 85,800,000</b>
Category	Estimated Balance 7/1/2026
<b>Beginning Net Position Available for New capital Projects or Operations</b>	<b>\$ 85,800,000</b>
<b>Add Budgeted net Income/Loss for Fiscal Year 2026 (Note 7 &amp; 8)</b>	<b>\$ 34,200,000</b>
<b>Available Net Position before Board Designated Reserves and Other Reserves</b>	<b>\$ 120,000,000</b>
<b>Change in Fiscal Year 2026 Board Designated Reserves and Other Reserves</b>	
Change in Operating Reserve (Note 6 & 9)	\$ (1,400,000)
Change in Emergency Reserve (Note 10)	\$ (700,000)
Change in Bridge Self Insurance Loss Reserve (Note 11)	\$ (1,300,000)
<b>Subtotal: Change in Fiscal Year 2026 Board Designated Reserves and Other Reserves</b>	<b>\$ (3,400,000)</b>
<b>Net Position (Reserves) Available Before Committed Capital Projects</b>	<b>\$ 116,600,000</b>
<b>Fiscal Year 2026 Committed Capital Projects (District Funded Portion Only)</b>	
Bridge	\$ (106,800,000)
Transit	\$ (200,000)
<b>Subtotal: Fiscal Year 2026 Committed Capital Projects (District Funded Portion Only)</b>	<b>\$ (107,000,000)</b>
<b>Net Position Available for New Capital Projects or Operation as of 6/30/26</b>	<b>\$ 9,600,000</b>

## NOTES:

1. Adjusted to exclude funded Capital Reserve Contributions, Bridge Self-Insurance reserves and restricted Local, State and Federal grant funds for capital projects. Also reflects the FY 2025 budget being balanced due to the infusion of Federal CRRSAA & ARPA monies.
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 a minimum of \$25 million in 2006 dollars and would be used to offset the need to insure the loss of toll revenue in the event of an emergency.
6. To fund reserves to required contribution levels, additional contributions will be made.
7. Appendix A assumes, as does the rest of the document, that the staff and Board will balance the budget before the year's end.
8. FY 25/26 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.
9. Change in Operating Reserve is calculated by multiplying FY 25/26's operating budget with 7.5% less FY 24/25's Operating Reserve plus additional contributions as discussed in Note 6.
10. Change in Emergency Reserve is calculated by multiplying FY 25/26's operating budget with 3.5% less FY 24/25's Emergency Reserve.
11. Change in Bridge Self-Insurance Loss Reserve is calculated by subtracting FY 25/26's reserve from FY 24/25's reserve.