

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RESOLUTION NO. 2013-091

**RECEIVE THE UPDATED FIVE- AND TEN-YEAR
FINANCIAL PROJECTION FROM FY 14/15 THROUGH FY 23/24**

September 20, 2013

WHEREAS, the Auditor-Controller's office provided a report of 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 14/15 through FY 23/24 (Projection), which included the following sections and Appendices: (1) Background; (2) Fiscal Strength of the District; (3) Projection Findings; (4) Assumptions; and, (5) Next Steps; Appendix A, *Projection*; Appendix B, *Assumptions*; Appendix C, *Ten-Year Capital Plan Projection*; Appendix D, *Capital Contribution Calculation*; and, Appendix E, *Reserve Structure*; and,

WHEREAS, the Projection reflects the maintenance of all current policy decisions over the period of the Projection, including current operating service levels, current capital project schedule and current revenue assumptions; and, assumes that the cost will change over time with inflation and that revenues will change according to projections of traffic and transit patronage; and,

WHEREAS, the Projection presents the long-term financial impact of the present baseline level of operations; however, the Projection is not a policy document and does not represent the future direction that will be set by policy decisions made by the Board of Directors in the years ahead, including decisions to change tolls, fares and/or service levels; and,

WHEREAS, the Finance-Auditing Committee/Committee of the Whole, at its meeting of September 19, 2013, has so recommended; now, therefore, be it

RESOLVED that the Board of Directors of the Golden Gate Bridge, Highway and Transportation District (Board) hereby receives the Updated Five- and Ten-Year Financial Projection for the period of FY 14/15 through FY 23/24, as outlined in the Appendices and attached hereto, as follows:

- A. Projection;
- B. Assumptions;
- C. Ten-Year Capital Plan Projection;
- D. Capital Contribution Calculation; and,
- E. Reserve Structure.

RESOLUTION NO. 2013-091

BOARD OF DIRECTORS MEETING OF SEPTEMBER 20, 2013

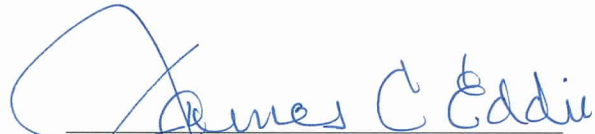
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ADOPTED this 20th day of September 2013, by the following vote of the Board of Directors:

AYES (15): Directors Arnold, Belforte, Breed, Campos, Cochran, Fredericks, Moylan, Rabbitt, Reilly, Sobel, Theriault, Wiener and Yee; Second Vice President Stroeh; First Vice President Grosboll

NOES (0): None

ABSENT (4): Directors Pahre, Sears and Snyder; President Eddie



James C. Eddie
President, Board of Directors

ATTEST:



Janet S. Tarantino
Secretary of the District

Attachment: Updated Five- and Ten-Year Financial Projection



Agenda Item No. 6

To: Finance-Auditing Committee/Committee of the Whole
Meeting of September 19, 2013

From: Joseph M. Wire, Auditor-Controller
Denis Mulligan, General Manager

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

Recommendation

The following report is provided for informational purposes and does not require any action.

I. Background

This report contains the District's five and ten-year financial projection of operating and capital project revenues and expenses from FY 14/15 through FY 23/24. The projection reflects the 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 are *not* included in this projection.

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 Agency 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

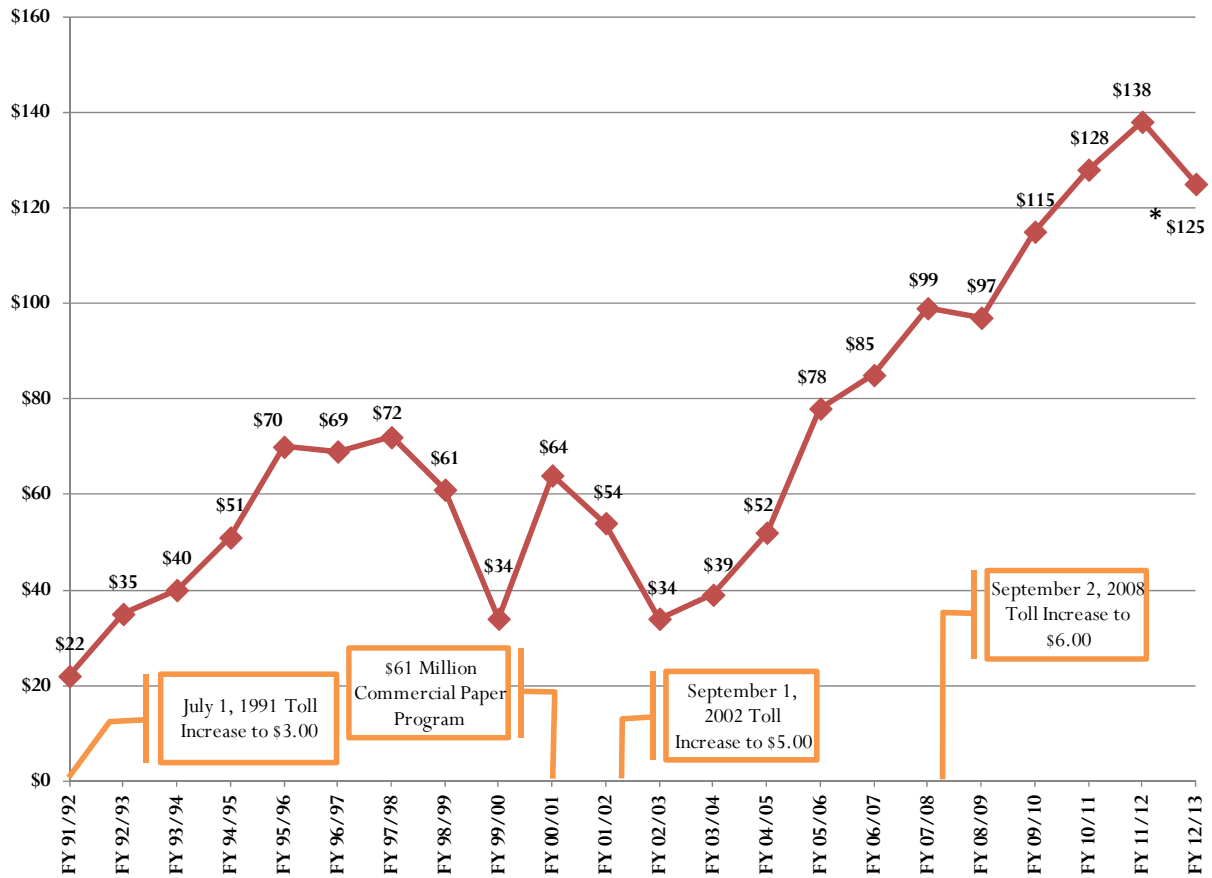
Summary

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. In the District's case, it is projected that the FY 15/16 Operating and Capital Budget will encumber all available capital reserve 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 downturns in the economy. At present, the District’s reserves have decreased due to the spending of large Bridge and Ferry capital projects and on-going operating deficit.

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

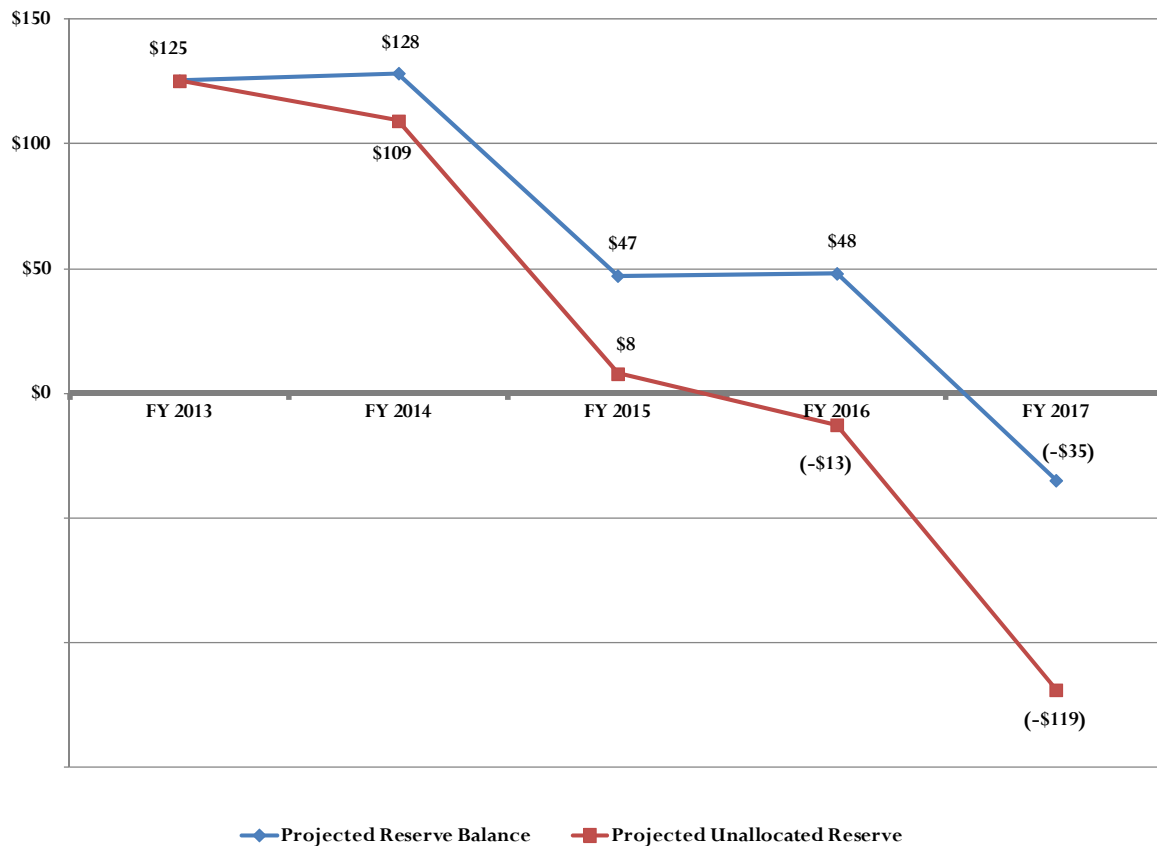


*Estimated

The FY 13/14 Operating Budget is expected to decrease the reserves further. Given the projected funding needs of the capital projects, liability and operating reserve over the next few years, all available capital reserves are expected to be allocated in FY 15/16. Additional funding for new capital projects in future years beyond FY 15/16 will need to be raised to fund the full ten-year capital plan in this projection. The projection deficit includes that necessary funding.

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 the of capital projects or to cover temporary operating budget deficits. After funds are allocated by the Board, they are spent out over one to several years depending on the particular project. The following graph displayed in adopted budget FY 13-14 represents a projection of how the current total of capital reserves would be allocated (Projected Unallocated Reserve line) and spent out (Projected Reserve Balance line) if capital projects are undertaken as laid out in the 10-Year Capital Plan.



Use of Reserves to Fund Capital Projects

Current Board direction is to apply all capital project reserves to fund Capital projects in the ten-year projection period. These funds do not fully cover the District's Capital funding needs. Additional funds will need to be raised through the capital contribution transfer from the operating budget.

How the Reserves are Funded

New reserves are accumulated if future operating budgets are balanced. In FY 13/14, the operating budget will provide approximately \$20.2 million for the capital project reserves through three mechanisms; 1) the capital contribution set aside; 2) depreciation expense; and, 3) Bridge self-insurance against losses. However, the FY 13/14 Operating budget is not balanced as it continues to generate a deficit which uses District reserves to make up for the shortfall. Ideally, the District would have no operating deficit and therefore would be able to further fund reserves

for future capital projects. The tradeoffs between which capital projects to begin and when will be made during the future year budget process. (For more information regarding the capital contribution or reserve structure, see Appendix D and E.)

III. Projection Findings

The findings of the revised 5 and 10-year projection 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.

	Year 1 FY 2015 Estimate	SubTotal Year 1 – 5 Estimate	Total Year 1 – 10 Estimate
Total Operating and District Capital Expense	\$192	\$1,014	\$2,197
<u>Total Operating Revenue</u>	<u>\$170</u>	<u>\$872</u>	<u>\$1,774</u>
<u>Total Operating & Capital District Deficit</u>	<u>\$22</u>	<u>\$142</u>	<u>\$423</u>

For comparison purposes, the projected 10-year deficit of \$423 million is approximately \$138 million higher than the \$285 million presented in the previous projection of September 26, 2012. The increase in the 10-year projected deficit is primarily due to the existence and growth of the on-going operational deficit each fiscal year. Projected operating expenses have remained flat due to recent efforts to reduce the cost of providing employee benefits and the implementation of All Electronic Tolling. However, projected operating revenues have decreased \$56 million, due essentially to the restructuring of the District contract to provide local bus service.

The deficit increased due to the increase in the capital contribution amount from \$11 to \$19 million per year. These resources are needed to meet the funding needs of the seismic retrofit of the Bridge and the Bridge capital project, and to make up for the use of existing reserves that are being used to fund the current operating deficit.

Capital Contribution

As the projection moves forward one year, a few District-funded capital projects become part of the projection and need to be funded through the projected capital contribution. The projected ten-year District capital need is estimated at \$363 million compared to the \$318 million projected last year, an increase of \$45 million. Some of the projects contributing to this increase are: Bridge Seismic Retrofit, bus lot paving and major vessel propulsion replacement and parking lot rehabilitation in the Ferry Division (See Appendix C for more detail). After accounting for funds contributed by depreciation, and the use of \$109 million in District reserves, the necessary capital contribution from District Operations is \$190 million or \$19 million annually for the ten-year period compared to \$110 million last year (See Appendix D for detail).

Comparison to Last Year's Projection

The five and ten-year projection expenses stay relatively flat except for the capital contribution increase and the major reduction in revenue. The current projection estimates a 5-year deficit of \$142 million compared to \$66 million projected last year. However, these deficit projections cover different periods of time. When comparing one year's projection to another, it is difficult to recognize the actual change in the deficit projection unless one focuses on the same period in time.

In an apples-to-apples comparison over the same 10 year period (2014-2023) between the new projection and the previous projection, the new projection shows:

- a \$117 million deficit for 5 years, which is \$51 million higher than the previous projection; and,
- a \$370 million deficit for 10 years, which is \$135 million higher from the previous projection.

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 and expense 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 14/15 through FY 23/24 Ten-Year Capital Projection, provided in Appendix C, identifies a \$1.4 billion capital need over the next ten years requiring a District contribution of \$363 million. This plan has been structured to systematically maintain and sustain existing Bridge, Bus and Ferry capital investments within existing staff resources.

Grants are generally assumed to fund 80% of Transit rehabilitation and replacement projects, consistent with prior experience, and 80% of the core Bridge paint and rehabilitation projects. The 80% grant funding assumption is based on past experience but will be reviewed each year to reflect current experience. 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. Project costs are inflated 2.3% in the out-years based on inflation rates.

Alternative Capital Revenue Assumption Scenarios

Historically the 10-year Capital projections assume 80% grant funding for major Bridge projects (See table on the following page for a list of projects). The Board requested an analysis on what

the size of the deficit would be if less grant funding was obtained for these Capital projects. The following is a summary of the results:

Capital Revenue Assumption Scenarios (In Millions)	5 Year – Deficit	Variance from 80% Funding Level
Grant Funding Level 80%	\$ 142	\$ -
Grant Funding Level 50%	\$ 218	\$ 76
Grant Funding Level 30%	\$ 278	\$ 136

These scenarios all assume using approximately \$70 million of the District’s Reserves over a 5-year period. The following is a table that lists the assumption of 80% grant funded Capital Bridge projects:

BRIDGE DIVISION
 (All number in thousands)

Capital Project Detail	10 - Year Total
Safety/Security Enhancements:	
Facility Improvements	
Seismic Facilities – Suspension Bridge & Bldg & Ops Center	\$458,550
Security System Improvements	5,811
Facilities/Bridge Rehabilitation:	
Suspension Bridge Paint Rehabilitation	107,760
Floor Beam & Bracing Replacement & Pavement Repair	97,400
South Tower Paint Rehabilitation	55,110
Maintenance/Operations Buildings: Bridge Pavement Repair	9,150
Grounds:	
Pave & Maintain Alexander Avenue	8,050
TOTAL	\$741,831

V. Next Steps

In response to previous financial projections, District staff developed a series of proposed initiatives to address the District’s projected financial deficit. In May 2009, the Board established the Financial Planning Advisory Committee, tasked with creating a plan to address the projected financial deficit. The *FY 09/10 Financial Plan for Achieving Long-Term Financial Stability* (Plan) drafted by the Advisory Committee was approved by the Board on October 30, 2009. This plan is able to balance the District’s long-term finances. The District has implemented a majority of Financial Plan Initiatives since that time.

The Financial Plan has become part of the Board's regular financial planning cycle and is monitored, reviewed and updated annually with completed, dropped and added initiatives. This year's Annual Plan Board review is scheduled for October 25, 2013, where the Board will consider creating a new long-term Financial Plan to address the District's current projected deficit.

Fiscal Impact

There is no direct fiscal impact. The report provides a 10-year projection of the potential fiscal impact of current policy.

Appendices:

- A. Projection
- B. Assumptions
- C. Ten-Year Capital Plan Projection
- D. Capital Contribution Calculation
- E. Reserve Structure

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 14/15 - FY 23/24**

All Figures Rounded to (\$000)

80% Grant Funded

	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 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>5 Year</u>	<u>10 Year</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Agency Expense:													
Salaries (Gross of Capitalization & ICAP)	\$ 66,100	\$ 67,000	\$ 68,400	\$ 69,700	\$ 71,200	\$ 72,800	\$ 74,500	\$ 76,200	\$ 77,900	\$ 79,700	\$ 81,600	\$ 349,100	\$ 739,000
Fringe Benefits (Incl PR Taxes)	53,600	55,600	57,200	59,400	61,800	63,500	65,900	68,500	71,200	74,100	77,100	297,500	654,300
Professional Services	19,300	19,700	20,100	20,500	20,900	21,400	21,900	22,400	22,900	23,500	24,000	102,600	217,300
Fuel & Related Taxes	12,600	12,800	13,100	13,400	13,600	14,000	14,300	14,600	14,900	15,300	15,600	66,900	141,600
Repair & Operating Supplies	6,800	7,000	7,100	7,300	7,400	7,600	7,700	7,900	8,100	8,300	8,500	36,400	76,900
Insurance, Taxes & Permits	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	22,500	47,500
Purchased Transportation	2,000	2,000	2,000	2,100	2,100	2,200	2,200	2,300	2,300	2,400	2,400	10,400	22,000
Staff Development	900	900	1,000	1,000	1,000	1,000	1,000	1,100	1,100	1,100	1,100	4,900	10,300
Leases & Rentals	1,500	1,500	1,500	1,600	1,600	1,600	1,700	1,700	1,700	1,800	1,800	7,800	16,500
Debt Service-Interest Expense	1,300	1,300	1,600	1,900	2,100	2,400	2,600	2,700	2,900	2,900	2,800	9,300	23,200
Depreciation	7,900	8,900	9,100	11,000	12,300	13,900	15,700	16,800	16,400	17,700	18,700	55,200	140,500
Total Expenses	\$ 176,200	\$ 181,000	\$ 185,500	\$ 192,400	\$ 198,600	\$ 205,100	\$ 212,300	\$ 219,100	\$ 224,400	\$ 231,900	\$ 238,800	\$ 962,600	\$ 2,089,100
Known Changes:													
Terminate Old Bus Lot Rent Expense	\$ -	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (5,000)	\$ (10,000)
CAPTIALIZED LABOR	(3,200)	(3,200)	(3,300)	(3,400)	(3,400)	(3,500)	(3,600)	(3,700)	(3,800)	(3,900)	(3,900)	(16,800)	(35,700)
Commercial Paper Principal Pymts	-	-	-	-	-	-	1,400	1,500	1,600	1,700	1,800	-	8,000
Debt Service Expense Savings	-	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,100)	(1,100)	(1,100)	(6,000)	(11,700)
Extra Ferry Service	-	200	200	200	200	200	200	200	300	300	300	1,000	2,300
ICAP	(2,500)	(2,400)	(2,500)	(2,500)	(2,600)	(2,600)	(2,700)	(2,800)	(2,800)	(2,900)	(3,000)	(12,600)	(26,800)
One Time Projects	-	(100)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(3,300)	(7,300)
Total Known Changes	\$ (5,700)	\$ (7,700)	\$ (8,600)	\$ (8,700)	\$ (8,800)	\$ (8,900)	\$ (7,700)	\$ (7,800)	\$ (7,600)	\$ (7,700)	\$ (7,700)	\$ (42,700)	\$ (81,200)
Sub-Total Expense	\$ 170,500	\$ 173,300	\$ 176,900	\$ 183,700	\$ 189,800	\$ 196,200	\$ 204,600	\$ 211,300	\$ 216,800	\$ 224,200	\$ 231,100	\$ 919,900	\$ 2,007,900
Capital Contribution	\$ 11,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 95,000	\$ 190,000
Total Expense	\$ 181,500	\$ 192,300	\$ 195,900	\$ 202,700	\$ 208,800	\$ 215,200	\$ 223,600	\$ 230,300	\$ 235,800	\$ 243,200	\$ 250,100	\$1,014,900	\$ 2,197,900
Total Operating Revenue	\$ 168,300	\$ 170,700	\$ 173,800	\$ 174,800	\$ 176,200	\$ 177,300	\$ 178,400	\$ 178,900	\$ 179,600	\$ 181,200	\$ 183,200	\$ 872,800	\$ 1,774,100
Total Net Surplus/(Deficit)	\$ (13,200)	\$ (21,600)	\$ (22,100)	\$ (27,900)	\$ (32,600)	\$ (37,900)	\$ (45,200)	\$ (51,400)	\$ (56,200)	\$ (62,000)	\$ (66,900)	\$ (142,100)	\$ (423,800)

Bridge Expense	\$ 64,300	\$ 71,300	\$ 72,000	\$ 74,600	\$ 76,600	\$ 79,000	\$ 82,600	\$ 85,600	\$ 87,200	\$ 89,500	\$ 92,400	\$ 373,500	\$ 810,800
Transit Expense	\$ 117,200	\$ 121,100	\$ 124,000	\$ 128,100	\$ 132,200	\$ 136,000	\$ 141,100	\$ 144,800	\$ 148,700	\$ 153,600	\$ 157,900	\$ 641,400	\$ 1,387,500

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 14/15 - FY 23/24**

Revenue Detail

All Figures Rounded to (\$000)

Revenue Categories	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	Total
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5 Year	10 Year
	Budget	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Bridge Tolls	\$ 101,600	\$ 101,700	\$ 101,800	\$ 101,800	\$ 101,900	\$ 101,900	\$ 102,000	\$ 102,000	\$ 102,100	\$ 102,100	\$ 102,200	\$ 509,100	\$ 1,019,500
Transit Fares	29,800	31,100	32,300	32,500	32,600	32,700	32,800	32,900	33,000	33,100	33,100	161,200	326,100
Investment Income	1,400	2,000	2,400	2,300	2,500	2,400	2,200	1,900	1,800	2,600	3,600	11,600	23,700
Gift Center Sales & Café	-	-	-	-	-	-	-	-	-	-	-	-	-
Ferry Concessions	400	500	500	500	500	500	500	500	500	500	600	2,500	5,100
Other (Incl Adv. & Leases)	1,500	800	800	800	800	900	900	900	900	900	1,000	4,100	8,700
RM2 Local funding	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	12,500	25,000
Local Funds (MCTD Contract)	14,800	15,200	15,700	15,700	15,700	15,700	15,700	15,700	15,700	15,700	15,700	78,000	156,500
State Funds	16,200	16,900	17,800	18,700	19,700	20,700	21,800	22,500	23,100	23,800	24,500	93,800	209,500
Federal Funds	100	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 168,300	\$ 170,700	\$ 173,800	\$ 174,800	\$ 176,200	\$ 177,300	\$ 178,400	\$ 178,900	\$ 179,600	\$ 181,200	\$ 183,200	\$ 872,800	\$ 1,774,100

Bridge Revenue	\$ 103,800	\$ 104,200	\$ 104,600	\$ 104,600	\$ 105,000	\$ 104,700	\$ 104,800	\$ 104,300	\$ 104,400	\$ 105,300	\$ 106,300	\$ 523,100	\$ 1,048,200
Transit Revenue	\$ 64,500	\$ 66,600	\$ 69,000	\$ 70,100	\$ 71,300	\$ 72,500	\$ 73,700	\$ 74,300	\$ 75,200	\$ 76,000	\$ 76,800	\$ 349,500	\$ 725,500

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 14/15 – FY 23/24**

CATEGORY

ASSUMPTIONS

Operating Revenue

General Assumption:	The FY 13/14 Adopted Budget has been used as the basis for all revenue and expense projections
Bridge Tolls	Bridge traffic is projected to increase slightly over the next few years of 0.05% per year over the 10-year projection period. However, due to an increase in Fastrak usage, the average toll fare has decreased generating approximately a \$16M decrease in revenue over last year's projection. These fluctuations are leveled and spread evenly across the ten years of this projection. The FY13/14 Adopted Budget and this projection assume no Toll increases.
Bus Transit	The FY 13/14 Adopted Budget and this projection include a 5-year, 5% per year transit fare increase for Regional Bus routes. This increase became effective July 1, 2011, and continues through June 30, 2016. Based on the District's Planning Department projections, Regional Bus passengers are projected to increase slightly (3.5%) over the next ten years. However, increased revenue from fare increases and passenger growth is offset by a projected decrease in revenue due to migration of passengers to the Clipper program, which offers a 20% discounted fare.
Ferry Transit	The FY 13/14 Adopted Budget and this projection include a 5-year, 5% per year Ferry fare increase for Larkspur and Sausalito routes. This increase became effective July 1, 2011, and continues through June 30, 2016. Ferry ridership is projected to increase approximately 5.0% for Larkspur and Sausalito routes respectively, over the next ten years.
Local Funds	This projection assumes a continuing contract with Marin Transit Local Service at a 2.7% increase per year through FY 16/17 in accordance with 4-year contract. No additional increases beyond FY 16/17 are assumed for this projection. The projection assumes revenue and expenses will be neutral for the August 2013 Marin Transit reduction of service. No increases to local funding for Regional Measure 2 (RM2) are anticipated per the Metropolitan Transportation Commission (MTC).
State Funding	All State Transit Assistance (STA) and Transportation Development Act (TDA) funding is based on projections provided by the Metropolitan Transportation Commission (MTC).
Federal Funding	No Federal funding is assumed for this projection.

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 14/15 – FY 23/24**

CATEGORY	ASSUMPTIONS
Investment Income	Interest on investment is projected to be 0.74% for the first year, increasing slightly to a maximum of 4.2% based on current rate trends. Projected account balance is net of operating deficit excluding capital contribution and depreciation and includes projected capital spending plan.
Other Revenue	Based on a projected average CPI rate of 2.2%. This revenue includes leases, advertising, parking meters, ferry concessions and parking fees.

Operating Expense

CPI Rates	Projected CPI rates are based on estimates provided by California’s Legislative Analyst’s Office (LAO), Metropolitan Transportation Commission (MTC) and Congressional Budget Office (CBO). Projected rates for FY 14/15-FY 17/18 are based on an average of all rates. For the remaining projection years (FY 17/18-FY 22/23) the projected CPI rates are based on CBO projections which average 2.3%.
Salaries	Salary increases, except for Bus Operators’ projection for FY 13/14, are based on the CPI rate projections as noted above. Capitalized labor and ICAP (Indirect Cost Allocation Plan) expenses are itemized and reported separately as “Known Changes” (See Known Changes category below for detail on Capitalization and ICAP).
Pension	PERS Pension (Employer Responsibility) is based on CalPERS actuarial estimates of 21.264%, 21.8%, 22.3%, 22.8% and 23.2% of salary for FY 13/14 through FY 17/18, respectively. This projection assumes that pension rates continue to remain flat for the years of FY 18/19-FY 22/23. Pension rates for Bus Operator (ATU) are estimated to be 17.165% of salary for all years.
Medical Insurance	Assumes an average of 5.3% per year increase, based on an average of projected rates from the following organizations: National Health Organization (NHO), Mercer Administrators, LAO and Medicare/Medicaid.
Workers’ Compensation	Cost projections are based on Medical cost increases of 5.3% per year as explained above and indemnity payments which are projected to increase based on CPI rates. Costs are split approximately 50/50 between medical and indemnity payments based on the District three-year average.
Debt Service Payment	Assumes a rate increase of 0.5% per year reaching a cap of 6.0% in year 9.

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 14/15 – FY 23/24**

CATEGORY	ASSUMPTIONS
All other expenses not mentioned above	Projection assumes an average increase of 1.9%-2.3% per year based on LAO & MTC and CBO CPI projections as described above.
Depreciation	Based on 10-Year Capital Expenditure Plan.

Known Changes

Capitalized Labor and Benefits	Capitalized labor and benefits reflects 50% Engineering labor charged to capital projects.
ICAP (Indirect Cost Allocation Plan)	ICAP is estimated at approximately 75% of Engineering capitalized labor expense.
Commercial Paper Principal	Payments to the Commercial Paper Debt Principal will begin in FY 19/20, following completion of the Seismic Retrofit project. Per the original indenture agreement, projected payments are based on \$1.4 million in the first year with increases of \$100,000 per year for the remaining 4-year period of this projection.
Other Known Changes	<p>In addition, this projection includes projected cost savings for the following:</p> <ol style="list-style-type: none"> 1. Cost savings resulting from termination of rent expense for old Bus Lot. It is assumed that District will be 100% moved to the new Bus Lot by FY 13/14-FY 14/15. 2. Cost savings on Commercial Paper debt service expense calculated at the 2.0% difference between the projected interest rate of approximately 4.0% and the 6.0% interest rate cap. 3. The fiscal impact reflects the net cost for a six-month seasonal period for the additional Sausalito Ferry extra service. 4. Cost savings due to a one-time All Electronic Tolling implementation maintenance project and one time consulting projects for FY 13/14.

**GGBHTD
10-Year Capital Plan**

**GGBHTD
TEN YEAR CAPITAL REQUIREMENT
CAPITAL PROJECT DETAIL**

	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										PRIOR YEAR (\$000)	FUTURE YEAR (\$000)	TOTAL PROJECT (\$000)	
				FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019 (\$000)	FY 2020 (\$000)	FY 2021 (\$000)	FY 2022 (\$000)	FY 2023 (\$000)	FY 2024				
BRIDGE																	
DISTRICT	240,730	240,730	-	9,590	8,180	25,080	42,430	41,420	34,030	44,140	25,980	2,190	7,690				
GRANTS	666,150	-	666,150	26,860	25,120	50,020	87,200	119,550	127,180	147,660	65,280	2,500	14,780				
TOTAL	906,880	240,730	666,150	36,450	33,300	75,100	129,630	160,970	161,210	191,800	91,260	4,690	22,470	439,080	159,160	1,505,120	
BUS																	
DISTRICT	39,770	39,770	-	4,420	5,510	6,890	4,130	1,700	1,670	4,910	3,980	4,530	2,020				
GRANTS	158,590	-	158,590	14,910	25,460	24,440	7,610	14,220	4,830	22,180	17,460	25,570	1,910				
TOTAL	198,360	39,770	158,590	19,330	30,970	31,330	11,740	15,920	6,500	27,090	21,440	30,100	3,930	-	7,010	205,370	
FERRY																	
DISTRICT	65,790	65,790	-	4,410	5,060	3,060	7,440	7,800	9,180	5,870	5,980	7,140	9,850				
GRANTS	215,360	-	215,360	14,710	21,960	13,710	23,960	27,880	36,200	21,780	15,210	16,570	23,380				
TOTAL	281,150	65,790	215,360	19,120	27,020	16,770	31,400	35,680	45,380	27,650	21,190	23,710	33,230	4,190	49,380	334,720	
DISTRICT																	
DISTRICT	16,890	16,890	-	770	2,440	1,380	990	920	1,380	1,660	1,810	2,400	3,140				
GRANTS	11,130	-	11,130	160	230	980	3,110	3,400	400	950	1,050	800	50				
TOTAL	28,020	16,890	11,130	930	2,670	2,360	4,100	4,320	1,780	2,610	2,860	3,200	3,190	-	1,620	29,640	
AGENCY TOTAL																	
DISTRICT	363,180	363,180	-	19,190	21,190	36,410	54,990	51,840	46,260	56,580	37,750	16,260	22,700				
GRANTS	1,051,230	-	1,051,230	56,640	72,770	89,150	121,880	165,050	168,610	192,570	99,000	45,440	40,120				
TOTAL	1,414,410	363,180	1,051,230	75,830	93,960	125,560	176,870	216,890	214,870	249,150	136,750	61,700	62,820	443,270	217,170	2,074,850	
CUMULATIVE TOTAL																	
DISTRICT	363,180	363,180	-	19,190	40,380	76,790	131,780	183,620	229,880	286,460	324,210	340,470	363,180				
GRANTS	1,051,230	-	1,051,230	56,640	129,410	218,560	340,440	505,490	674,100	866,670	965,670	1,011,110	1,051,230				
TOTAL	1,414,410	363,180	1,051,230	75,830	169,790	295,350	472,220	689,110	903,980	1,153,130	1,289,880	1,351,580	1,414,410	443,270	217,170	2,074,850	

**GGHTD
10-Year Capital Plan**

BRIDGE DIVISION

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<10-YEAR PROJECTED CAPITAL NEED >>>										PRIOR YEAR (\$000)	FUTURE YEAR (\$000)	TOTAL PROJECT (\$000)	
				FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019 (\$000)	FY 2020 (\$000)	FY 2021 (\$000)	FY 2022 (\$000)	FY 2023 (\$000)	FY 2024 (\$000)				
BRIDGE SEISMIC RETROFIT																	
Design																	
Initial Design	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,310	-	16,310
Phase II Design Review	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,470	-	1,470
Phase III Design Review	22,046	666	21,380	12,000	10,046	-	-	-	-	-	-	-	-	-	18,680	-	40,730
Mitigation																	
Mission Blue Butterfly Habitat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600	-	600
Construction																	
Phase I - North Approach	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,270	-	70,270
Phase II - South Approach	-	-	-	-	-	-	-	-	-	-	-	-	-	-	185,240	-	185,240
Phase IIIA - No. Anch. Housing/No. Pylon	4,770	270	4,500	4,765	-	-	-	-	-	-	-	-	-	-	114,470	-	119,240
Beam Span Repair	420	420	-	424	-	-	-	-	-	-	-	-	-	-	3,080	-	3,500
Phase IIIB - Suspension Bridge	410,000	82,000	328,000	-	10,000	50,000	80,000	90,000	90,000	90,000	-	-	-	-	-	-	410,000
Subtotal Seismic Construction	415,190	82,690	332,500	5,189	10,000	50,000	80,000	90,000	90,000	90,000	-	-	-	373,060	-	788,250	
SAFETY/SECURITY ENHANCEMENTS																	
Facility Improvements																	
Suicide Deterrent	56,000	-	56,000	-	-	-	6,000	20,000	21,000	9,000	-	-	-	-	6,970	-	62,970
Moveable Median Barrier / Crash Attenuators	12,920	1,810	11,110	8,000	4,920	-	-	-	-	-	-	-	-	-	13,590	-	26,510
Seismic Facilities - Underpass and Bridges	41,610	20,805	20,805	-	870	8,200	18,380	14,160	-	-	-	-	-	-	-	-	41,610
Seismic Facilities - Building Ops Center	6,940	1,390	5,550	-	-	-	-	390	3,230	3,320	-	-	-	-	-	-	6,940
Crash Attenuators	130	130	-	-	-	-	-	-	-	-	-	-	130	-	3,750	-	3,880
Equipment/Systems																	
Earthquake/Bridge Monitoring	330	330	-	-	-	330	-	-	-	-	-	-	-	-	-	-	330
Roadway Lighting	290	290	-	70	220	-	-	-	-	-	-	-	-	-	-	-	290
Electrical Service to No. Approach	2,400	2,400	-	-	100	800	1,000	500	-	-	-	-	-	-	-	-	2,400
Security Systems Improvements	5,811	1,161	4,650	3,511	-	-	300	500	500	-	-	500	500	-	-	-	5,810
FACILITIES/BRIDGE REHABILITATION																	
Bridge Access Systems																	
Rolling Access on Suspension Bridge	1,800	1,800	-	-	-	-	-	-	-	-	-	-	1,800	-	9,350	-	11,150
South Approach & Arch Platforms	3,790	3,790	-	-	-	1,490	2,300	-	-	-	-	-	-	-	-	-	3,790
SAV Maintenance Access	3,610	3,610	-	-	-	-	150	1,260	2,200	-	-	-	-	-	-	-	3,610
Bridge Paint Rehabilitation																	
Main Cable Access	3,230	3,230	-	3,230	-	-	-	-	-	-	-	-	-	-	1,770	-	5,000
North-End Paint Rehabilitation	9,860	1,970	7,890	-	-	-	-	-	-	-	-	870	8,990	-	37,410	-	47,270
South Tower Access and Paint Rehabilitation	55,110	27,555	27,555	-	-	2,820	8,670	9,750	9,750	10,830	13,290	-	-	10	-	-	55,120
Suspension Bridge Superstructure Paint Rehab	102,370	20,470	81,900	-	-	-	-	-	4,850	48,110	49,410	-	-	-	-	-	102,370
North Tower Paint Rehabilitation	6,190	1,240	4,950	-	-	-	-	-	-	-	850	1,750	3,590	-	28,750	-	41,130
Suspension Bridge Underdeck Recoating	5,390	1,078	4,312	-	-	-	-	-	-	-	-	-	5,390	-	72,950	-	78,340

(continued)

**GGBHTD
10-Year Capital Plan**

BRIDGE DIVISION (continued)

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										PRIOR YEAR (\$000)	FUTURE YEAR (\$000)	TOTAL PROJECT (\$000)
				FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019 (\$000)	FY 2020 (\$000)	FY 2021 (\$000)	FY 2022 (\$000)	FY 2023 (\$000)	FY 2024 (\$000)			
FACILITIES/BRIDGE REHABILITATION (cont)																
Roadway/Structure Rehabilitation																
Floor Beam & Bracing Repl/Rehab	80,990	16,200	64,790	-	-	-	-	14,230	20,920	22,810	23,030	-	-	-	-	80,990
Bridge Pavement Repair	16,410	8,205	8,205	-	4,360	7,460	4,590	-	-	-	-	-	-	-	-	16,410
Maintenance/Operations Buildings																
Maintenance Facility Relocation	9,150	-	9,150	-	-	350	800	3,500	4,500	-	-	-	-	-	-	9,150
Roof Rehabilitations	1,420	1,420	-	-	-	-	700	-	-	-	-	-	720	-	760	2,180
Misc. Facilities Rehabilitation/Improvements	7,220	7,220	-	470	-	1,490	1,530	1,570	240	1,660	-	260	-	-	-	7,220
Grounds																
TP East Parking Lot Restroom Replacement	2,860	1,888	972	-	600	1,260	1,000	-	-	-	-	-	-	40	-	2,900
Pave/Maintain Alexander Avenue	8,050	4,025	4,025	1,300	650	-	-	-	2,400	3,700	-	-	-	-	-	8,050
Pavement Rehabilitation	4,200	4,200	-	-	-	-	-	-	-	800	3,400	-	-	-	-	4,200
GGB Informal Science Education	450	60	390	450	-	-	-	-	-	-	-	-	-	3,050	-	3,500
INFORMATION TECHNOLOGY																
Toll Collection/Fastrak																
Replace Toll/Fastrak Systems	7,960	7,960	-	820	-	150	3,060	3,930	-	-	-	-	-	-	-	7,960
Variable Message Signs	770	770	-	-	440	-	-	-	-	330	-	-	-	-	-	770
CAPITAL EQUIPMENT																
Tools and Equipment	12,380	12,380	-	1,410	1,090	750	1,150	1,180	1,620	1,240	1,280	1,310	1,350	-	-	12,380
TOTAL	906,880	240,730	666,150	36,450	33,300	75,100	129,630	160,970	161,210	191,800	91,260	4,690	22,470	439,080	159,160	1,505,120
		27%	73%													
PROJECTED GRANT FUNDS	666,150		.....	26,860	25,120	50,020	87,200	119,550	127,180	147,660	65,280	2,500	14,780	.....	.....	.....
DISTRICT FUNDS REQUIRED	240,730		.....	9,590	8,180	25,080	42,430	41,420	34,030	44,140	25,980	2,190	7,690	.....	.....	.....

**GGBHTD
10-Year Capital Plan**

BUS DIVISION

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										PRIOR YEAR (\$000)	FUTURE YEAR (\$000)	TOTAL PROJECT (\$000)
				FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019 (\$000)	FY 2020 (\$000)	FY 2021 (\$000)	FY 2022 (\$000)	FY 2023 (\$000)	FY 2024 (\$000)			
REVENUE VEHICLE REPLACEMENT																
Replace Buses (Regional)	119,680	20,350	99,330	9,950	17,960	23,870	4,660	-	-	22,270	20,240	20,726	-			119,680
Replace Buses (Local)	22,610	-	22,610	2,060	5,210	-	-	8,960	-	-	-	6,378	-	-	-	22,610
ADA Paratransit Vans	3,141	-	3,141	-	-	940	-	350	912	939	-	-	-	-	-	3,140
Replace Fareboxes	500	100	400	-	-	-	-	-	-	-	-	-	500	-	5,000	5,500
SAFETY/SECURITY ENHANCEMENTS																
Equipment/Systems																
Security Systems	2,200	440	1,760	400	700	-	-	1,000	-	-	100	-	-	-	-	2,200
FACILITIES REHABILITATION																
Maintenance/Operations Buildings																
Bus Stop Improvements	1,796	359	1,437	296	-	-	750	-	-	-	-	750	-	-	-	1,800
Roof Replacement/Rehab	3,460	690	2,770	700	400	-	-	1,100	-	-	-	-	1,260	-	-	3,460
Miscellaneous Facilities Rehab	11,930	4,649	7,280	2,560	1,880	750	760	910	1,620	660	300	1,220	310	-	1,210	13,140
Maintenance Shop Refurbishment	7,910	1,582	6,328	-	930	2,150	2,470	2,360	-	-	-	-	-	-	-	7,910
Replace Bus Facilities Wash Racks	4,000	200	3,800	-	-	-	-	500	1,500	1,500	500	-	-	-	-	4,000
Fuel Systems Rehabilitation/Replacement	3,900	1,950	1,950	-	500	1,200	1,200	-	-	-	-	200	800	-	800	4,700
Grounds																
Bus Lots Pavement Rehabilitation	5,520	1,100	4,420	1,200	900	800	-	-	1,290	1,330	-	-	-	-	-	5,520
Park & Ride Lots Pavement Rehabilitation	2,940	590	2,350	800	730	420	-	470	-	-	-	520	-	-	-	2,940
Modifications to D2 and D3 Lots	2,200	2,200	-	700	500	400	600	-	-	-	-	-	-	-	-	2,200
INFORMATION TECHNOLOGY																
Computer Scheduling/Dispatch	2,250	2,250	-	200	-	500	800	-	-	-	-	-	750	-	-	2,250
CAPITAL EQUIPMENT																
Tools and Equipment	4,320	3,320	1,000	460	1,260	300	350	270	370	390	300	310	310	-	-	4,320
TOTAL	198,360	39,770	158,590	19,330	30,970	31,330	11,740	15,920	6,500	27,090	21,440	30,100	3,930	-	7,010	205,370
		20%	80%													
PROJECTED GRANT FUNDS	158,590		.....	14,910	25,460	24,440	7,610	14,220	4,830	22,180	17,460	25,570	1,910	.....	.....	.....
DISTRICT FUNDS REQUIRED	39,770		.....	4,420	5,510	6,890	4,130	1,700	1,670	4,910	3,980	4,530	2,020	.....	.....	.....

**GGBHTD
10-Year Capital Plan**

FERRY DIVISION

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>											PRIOR YEAR (\$000)	FUTURE YEAR (\$000)	TOTAL PROJECT (\$000)
				FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019 (\$000)	FY 2020 (\$000)	FY 2021 (\$000)	FY 2022 (\$000)	FY 2023 (\$000)	FY 2024 (\$000)				
REVENUE VEHICLE REPLACEMENT																	
Spaulding Refurbishment (SF)	16,760	-	16,760	6,000	6,000	4,760	-	-	-	-	-	-	-	-	3,240	-	20,000
Vessel Component Rehab	9,240	1,850	7,390	850	730	150	1,540	160	810	1,000	680	170	3,150	-	-	-	9,240
Major Propulsion Replacement	19,290	4,630	14,660	640	-	1,490	1,530	1,570	5,650	5,810	850	1,750	-	-	-	-	19,290
Vessel Modifications / Drydocking	2,560	2,560	-	710	-	450	-	600	-	-	500	-	300	-	-	-	2,560
SAFETY/SECURITY ENHANCEMENTS																	
Equipment/Systems																	
Security Systems	1,100	50	1,050	-	600	-	-	-	500	-	-	-	-	-	-	-	1,100
FACILITIES REHABILITATION																	
Fixed Guideway																	
Channel Dredging	46,150	9,230	36,920	710	13,070	-	-	790	14,540	-	-	870	16,170	-	35,130	-	81,280
Berth and Turning Basin Dredging	12,210	2,440	9,770	3,100	-	-	380	3,930	-	-	430	4,370	-	-	5,340	-	17,550
Fixed Guideway Connectors																	
Float Rehabilitation/Replacement	100,190	20,040	80,150	3,590	3,500	5,800	10,000	12,700	13,000	16,600	13,700	12,300	9,000	-	-	-	100,190
SFFT Lay Berth Facility	5,000	1,000	4,000	-	-	-	200	500	1,300	3,000	-	-	-	-	-	-	5,000
Maintenance/Operations Buildings																	
Fuel Systems Rehab	4,410	2,205	2,205	600	310	-	-	-	-	500	1,000	2,000	-	-	4,410	-	8,820
Rehabilitate Larkspur Maintenance Facility	1,160	232	928	300	500	-	-	-	-	-	-	-	360	-	-	-	1,160
Facilities Roof Rehabilitation	1,090	218	872	-	440	-	-	-	650	-	-	-	-	-	-	-	1,090
Ticketing System	2,050	410	1,640	-	-	750	1,300	-	-	-	-	-	-	-	-	-	2,050
Miscellaneous Facilities Rehab	3,590	3,590	-	250	70	70	1,300	70	70	70	80	80	1,530	-	-	-	3,590
Terminal Facilities																	
Passenger Terminal Rehabilitation	6,460	1,292	5,170	1,260	800	-	-	200	3,700	500	-	-	-	-	-	-	11,410
Marsh Restoration	1,650	1,650	-	800	850	-	-	-	-	-	-	-	-	340	-	-	1,990
Passenger Information Systems	170	34	136	170	-	-	-	-	-	-	-	-	-	160	-	-	330
Larkspur Parking Rehabilitation/Improvements	46,320	12,624	33,700	-	-	3,000	15,000	15,000	5,000	-	3,780	2,000	2,540	-	-	-	46,320
CAPITAL EQUIPMENT																	
Tools and Equipment	1,750	1,750	-	140	150	300	150	160	160	170	170	170	180	-	-	-	1,750
TOTAL	281,150	65,790	215,360	19,120	27,020	16,770	31,400	35,680	45,380	27,650	21,190	23,710	33,230	4,190	49,380	334,720	
		23%	77%														
PROJECTED GRANT FUNDS	215,360		.....	14,710	21,960	13,710	23,960	27,880	36,200	21,780	15,210	16,570	23,380	.....	.....	.....	.....
DISTRICT FUNDS REQUIRED	65,790		.....	4,410	5,060	3,060	7,440	7,800	9,180	5,870	5,980	7,140	9,850	.....	.....	.....	.....

**GGBHTD
10-Year Capital Plan**

DISTRICT DIVISION

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR DISTRICT (\$000)	10-YR GRANTS (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										PRIOR YEAR (\$000)	FUTURE YEAR (\$000)	TOTAL PROJECT (\$000)
				FY 2015 (\$000)	FY 2016 (\$000)	FY 2017 (\$000)	FY 2018 (\$000)	FY 2019 (\$000)	FY 2020 (\$000)	FY 2021 (\$000)	FY 2022 (\$000)	FY 2023 (\$000)	FY 2024 (\$000)			
SAFETY/SECURITY ENHANCEMENTS																
Equipment/Systems																
Security Systems	700	140	560	-	100	100	-	-	-	500	-	-	-	-	-	700
FACILITIES REHABILITATION																
Maintenance/Operations Buildings																
Miscellaneous Facilities Rehab	3,570	3,570	-	120	1,400	700	30	160	30	30	30	170	900	-	-	3,570
Office Facility Renovation/Consolidation	6,960	-	6,960	-	-	750	3,060	3,150	-	-	-	-	-	-	-	6,960
INFORMATION TECHNOLOGY																
Telephone System Replacement	2,660	2,660	-	-	-	-	-	-	-	-	170	870	1,620	-	1,620	4,280
Future Information Technology	2,220	1,110	1,110	320	300	300	100	500	300	100	100	100	100	-	-	2,220
Replace Computer/Network Equipment	2,520	2,520	-	70	470	70	500	80	520	540	90	90	90	-	-	2,520
Financial Management Information System	5,000	2,500	2,500	-	-	-	-	-	500	1,000	2,000	1,500	-	-	-	5,000
CAPITAL EQUIPMENT																
Tools and Equipment	4,390	4,390	-	420	400	440	410	430	430	440	470	470	480	-	-	4,390
TOTAL DISTRICT CAPITAL	28,020	16,890	11,130	930	2,670	2,360	4,100	4,320	1,780	2,610	2,860	3,200	3,190	-	1,620	29,640
		60%	40%													
PROJECTED GRANT FUNDS	11,130		: : : : : :	160	230	980	3,110	3,400	400	950	1,050	800	50	: : : : : :	: : : : : :	: : : : : :
DISTRICT FUNDS REQUIRED	16,890		: : : : : :	770	2,440	1,380	990	920	1,380	1,660	1,810	2,400	3,140	: : : : : :	: : : : : :	: : : : : :

**Golden Gate Bridge, Highway and Transportation District
Five-Year and Ten-Year Financial Projections FY 14/15 - FY 23/24**

CAPITAL CONTRIBUTION REQUIRED TO FUND PROJECTED CAPITAL PLAN - Assumes Bridge Capital is 80% Grant Funded

All Figures Rounded to (\$000)

	Year 1 FY 2015 Estimate	Year 2 FY 2016 Estimate	Year 3 FY 2017 Estimate	Year 4 FY 2018 Estimate	Year 5 FY 2019 Estimate	SubTotal Year 1 - 5 Estimate	Year 6 FY 2020 Estimate	Year 7 FY 2021 Estimate	Year 8 FY 2022 Estimate	Year 9 FY 2023 Estimate	Year 10 FY 2024 Estimate	Total Year 1 - 10 Estimate
DISTRICT	\$19,190	\$21,190	\$36,410	\$54,990	\$51,840	\$183,620	\$46,260	\$56,580	\$37,750	\$16,260	\$22,700	\$363,170
GRANTS	\$56,640	\$72,770	\$89,150	\$121,880	\$165,050	\$505,490	\$168,610	\$192,570	\$99,000	\$45,440	\$40,120	1,051,230
TOTAL	\$75,830	\$93,960	\$125,560	\$176,870	\$216,890	\$689,110	\$214,870	\$249,150	\$136,750	\$61,700	\$62,820	\$1,414,400
<u>Doyle Drive Contribution</u>		\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$75,000
District Portion Of the Capital Requiremer	\$19,190	\$96,190	\$36,410	\$54,990	\$51,840	\$258,620	\$46,260	\$56,580	\$37,750	\$16,260	\$22,700	\$438,170
Total Depreciation Included in the Budget	7,841	9,948	10,759	11,718	11,847	\$ 52,113	15,117	16,324	19,204	20,021	19,716	\$ 142,495
Additional Capital Contribution Required to Fund Projected Capital Plan	11,349	86,242	25,651	43,272	39,993	\$ 206,507	31,143	40,256	18,546	(3,761)	2,984	\$ 295,675
Average of the 10 Year Capital Contribution	\$29,600	\$29,600	\$29,600	\$29,600	\$29,600	\$ 148,000	\$29,600	\$29,600	\$29,600	\$29,600	\$29,600	\$ 296,000

Re-Stated: Fund District Capital through Reserves	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Year 1 - 5	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Year 1 - 10
District Funded Capital Projects and Doyle Drive Contribution net of Depreciation	\$11,300	\$86,200	\$25,700	\$43,300	\$40,000	\$ 206,500	\$31,100	\$40,300	\$18,500	(\$3,800)	\$3,000	\$ 295,600
Use Reserves to Fund District Projects	11,000	11,000	11,000	11,000	11,000	55,000	11,000	11,000	11,000	11,000	11,000	110,000
Additional Capital Contribution Required to Fund Projected Capital Plan with Reserves	300	75,200	14,700	32,300	29,000	\$ 151,500	20,100	29,300	7,500	(14,800)	(8,000)	185,600
Average of the 10 Year Capital Contribution	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$ 95,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$ 190,000

In 2003 the Board authorized capital contribution from operations to fund future capital projects. In 2008 the Board instructed staff to assume spending all reserves except those that are restricted or set aside by the Board. This projection assumes **\$110 million** in capital contribution reserves will be released to fund capital projects during this 10-year projection period. **\$11 million** per year will be released from unrestricted reserves, and thus increase the capital contribution from **\$11 million** to **\$19 million** per year. The **\$19 million** is distributed to each Division according to its percentage share of District Funded capital projects. The annual capital contribution amount is calculated by taking the sum of the District funded portion of the capital program, less depreciation, for ten years divided by ten years and rounded to the nearest million.

Golden Gate Bridge, Highway & Transportation District
 Restricted Reserves – FY 12/13

Reserve Name		Estimated Balance 07/01/13	Estimated Balance 06/30/14	Estimated Balance 07/01/14
Available Net Assets¹:	[A]	\$154,800,000	\$141,400,000	\$141,400,000
<i>Board Designated and Other Reserve Adjustments</i>				
Operating Reserve ²		\$13,600,000	\$400,000	\$14,300,000
Emergency Reserve ³		6,400,000	6,400,000	6,700,000
Bridge Self Insurance Loss Reserve		9,400,000	10,700,000	10,700,000
Subtotal Board Designated and Other Reserves	[B]	\$29,400,000	\$17,500,000	\$31,700,000
Total Remaining Reserves Available for Capital Projects or Operations	[A]-[B]	\$125,400,000	\$123,900,000	\$109,700,000
Capital Reserves				
Capital Plan Reserve ⁴		\$122,900,000	\$121,400,000	\$107,500,000
<i>Committed Capital Projects (District-funded portion only)</i>				
Bridge		\$18,600,000	\$9,600,000	\$12,200,000
Transit		11,600,000	7,400,000	17,700,000
Total Committed Capital Projects (District-funded portion only)	[C]	\$30,200,000	\$17,000,000	\$29,900,000
(Unfunded Capital Reserves)/Reserves Remaining for Capital Projects or Operations	[A]-[B]-[C]	\$95,200,000	\$106,900,000	\$79,800,000
Other Reserves				
<i>Legally Required Reserves</i>				
Operating Reserve Fund for Bridge Expenses		\$7,300,000	\$7,300,000	\$7,300,000
Debt Service Reserve Fund		5,500,000	5,500,000	5,500,000
Total	[D]	\$12,800,000	\$12,800,000	\$12,800,000
Fully Funded Liabilities - INFORMATIONAL ONLY				
Self Insurance Reserve		\$29,000,000	\$29,000,000	\$29,000,000
Accrued Compensated Liabilities		8,000,000	8,200,000	8,200,000
Total	[E]	\$37,000,000	\$37,200,000	\$37,200,000
Total Other Reserves	[D]+[E]	\$49,800,000	\$50,000,000	\$50,000,000
Total Resources	[A]+[D]+[E]	\$204,600,000	\$191,400,000	\$191,400,000

1. Unrestricted Net Assets is adjusted to exclude Capital Contributions and Bridge Self Insurance set-asides.
2. Board policy funds the operating reserve at 7.5% of the budget or to cover the expected operating deficit, whichever is larger.
3. 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 District's operations.
4. Capital Plan Reserve is established each year at 98% of *Total Remaining Reserves Available for Capital Projects or Operations*.