

**GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT**

**RESOLUTION NO. 2008-076**

**AUTHORIZE A BUDGET TRANSFER FROM THE FY 07/08 OPERATING BUDGET TO THE FY 07/08 CAPITAL BUDGET; AND, AUTHORIZE BUDGET ADJUSTMENTS IN THE FY 07/08 CAPITAL BUDGET FOR INDIRECT COST AND EXCESS DISTRICT PROJECT MANAGEMENT COSTS, AND AMEND RESOLUTION NO. 2008-060**

August 22, 2008

**WHEREAS**, indirect costs, which are usually charged to the operating budget, are costs incurred for common or joint objectives that cannot be readily and specifically identified with a particular project, including the following: (1) costs of operating and maintaining facilities, equipment and grounds; (2) costs for depreciation or use allowances; and, (3) costs for administrative salaries and supplies; and,

**WHEREAS**, following the enactment of the Transportation Equity Act for the 21st Century (TEA-21) on June 9, 1998, indirect costs became eligible for federal reimbursement and can be reimbursed by federal grants as a percentage of the direct labor and fringe cost of the capital project, which percentage is known as the Indirect Cost Rate; and,

**WHEREAS**, in order to seek reimbursement of this cost, staff has submitted the District's Engineering Department Indirect Cost Rate Proposal and Central Service Cost Allocation Plan to the State of California, Department of Transportation (Caltrans) Audits and Investigations Department for approval on behalf of the Federal Highway Administration and the Approval Letter of the Indirect Cost Rate for FY 06/07 was received in February 2008; and,

**WHEREAS**, the Board of Directors, by Resolution No. 2008-060 at its meeting of June 27, 2008, approved a budget transfer from the FY 07/08 Operating Budget to the FY 07/08 Capital Budget for Indirect Cost and excess District Project Management costs, which are eligible for this federal grant reimbursement; and,

**WHEREAS**, to successfully implement the Indirect Cost Allocation Program, which allows operating expenses to be transferred to Capital projects, staff recommends that the Board amend Resolution No. 2008-060 as a one-time fix to set budget authority levels to match the level of actual expenses that have already occurred, and to increase the Capital Budget for projects due to higher project management costs; and,

**WHEREAS**, the original budget for these projects did not include indirect costs so budget increases are necessary; however, the transfer and increase in budget authority will not increase the overall expenses of the District; and,

**WHEREAS**, the size of the recommended budget authority transfer is limited due to the capability of the financial system to retroactively transfer budget authority, and actual expenses have been recorded by the accounting system in the FY 07/08 Capital Budget; and,

**WHEREAS**, the Finance-Auditing Committee, at its meeting of August 21, 2008, has so recommended; now, therefore, be it

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**BOARD OF DIRECTORS MEETING OF AUGUST 22, 2008**  
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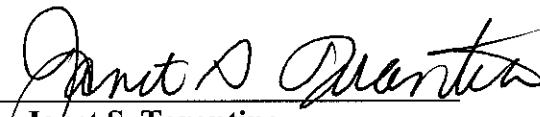
**RESOLVED** that the Board of Directors (Board) of the Golden Gate Bridge, Highway and Transportation District hereby authorizes a budget transfer from the FY 07/08 Operating Budget to the FY 07/08 Capital Budget for budget authority in the amount of \$214,900; and, be it further

**RESOLVED** that Board hereby authorizes a budget increase in the FY 07/08 Capital Budget in the amount of \$2,661,500, for recognition of indirect costs under the Indirect Cost Allocation Program; and, that Resolution No. 2008-060 be amended accordingly.

**ADOPTED** this 22<sup>nd</sup> day of August, 2008, by the following vote of the Board of Directors:

- AYES (13):** Directors Brown, Cochran, Eddie, Grosboll, Hernández, McGlashan, Newhouse Segal, Pahre, Reilly, Sobel and Stroeh; First Vice President Boro; President Moylan
- NOES (0):** None
- ABSENT (6):** Directors Dufty, Kerns, McGoldrick, Sanders and Sandoval; Second Vice President Ammiano

  
**John J. Moylan**  
President, Board of Directors

**ATTEST:**   
**Janet S. Tarantino**  
Secretary of the District