

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RESOLUTION NO. 2011-076

**RECEIVE THE UPDATED FIVE- AND TEN-YEAR FINANCIAL PROJECTION
FROM FY 12/13 THROUGH FY 21/22**

September 9, 2011

WHEREAS, the office of the Auditor-Controller provided a report of the Golden Gate Bridge, Highway and Transportation District's (District) financial projection for the ten-year period from FY 12/13 through FY 21/22 (Projection), which report included the following sections: (1) Introduction; (2) Fiscal Strength of the District; (3) Projection Findings; (4) Assumptions; and, (5) Next Steps; as well as the following Appendices: 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 direction that will be set by policy decisions made by the Board of Directors in future years, 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 8, 2011, has so recommended; now, therefore, be it

RESOLVED that the Board of Directors of the Golden Gate Bridge, Highway and Transportation District hereby receives the Updated Five- and Ten-Year Financial Projection from FY 12/13 through FY 21/22 (Projection), including the following Sections and Appendices:

- a. **SECTIONS**
 - I. Introduction;
 - II. Fiscal Strength of the District;
 - III. Projection Findings;
 - IV. Assumptions; and,
 - V. Next Steps.

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BOARD OF DIRECTORS MEETING OF SEPTEMBER 9, 2011
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- b. APPENDICES
- A. Projection;
 - B. Assumptions;
 - C. Ten-Year Capital Plan Projection;
 - D. Capital Contribution Calculation; and,
 - E. Reserve Structure.

ADOPTED this 9th day of September 2011, by the following vote of the Board of Directors:

AYES (15): Directors Arnold, Boro, Campos, Chu, Cochran, Elsbernd, Mar, Rabbitt, Renée, Snyder, Sobel, Stroeh and Theriault; Second Vice President Grosboll; First Vice President Eddie; President Reilly

NOES (0): None

ABSENT (4): Directors Brown, Moylan and Pahre; Second Vice President Grosboll



Janet Reilly
President, Board of Directors

ATTEST: 
Janet S. Tarantino
Secretary of the District

Attachment: Updated Five- and Ten-Year Financial Projection



Agenda Item No. 3

To: Finance-Auditing Committee/Committee of the Whole
Meeting of September 8, 2011

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.

Introduction

This report contains the financial projection for the ten-year period from FY 12/13 through FY 21/22. The report is broken up into five sections;

- I. Introduction
- II. Fiscal Strength of the District
- III. Projection Findings
- IV. Assumptions
- V. Next Steps

and the Appendices;

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

I. Introduction

What is a Projection?

This report contains the District's five and ten-year financial projection of operating and capital project revenues and expenses from FY 12/13 through FY 21/22. 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 future years. 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.

Why is a Financial Projection Essential?

A long-term projection is essential to enable the leaders of an organization and the public it serves to understand the challenges the organization faces in the years to come. Given the capital project intensive nature of the District's business -- maintaining a \$2 billion bridge and a large fleet of buses and ferries -- the ten-year projection allows for early planning and execution of funding strategies for large capital projects. Without that advance notice and planning, it is almost impossible to fund and undertake large projects in a timely fashion.

II. Fiscal Strength of the District

Summary

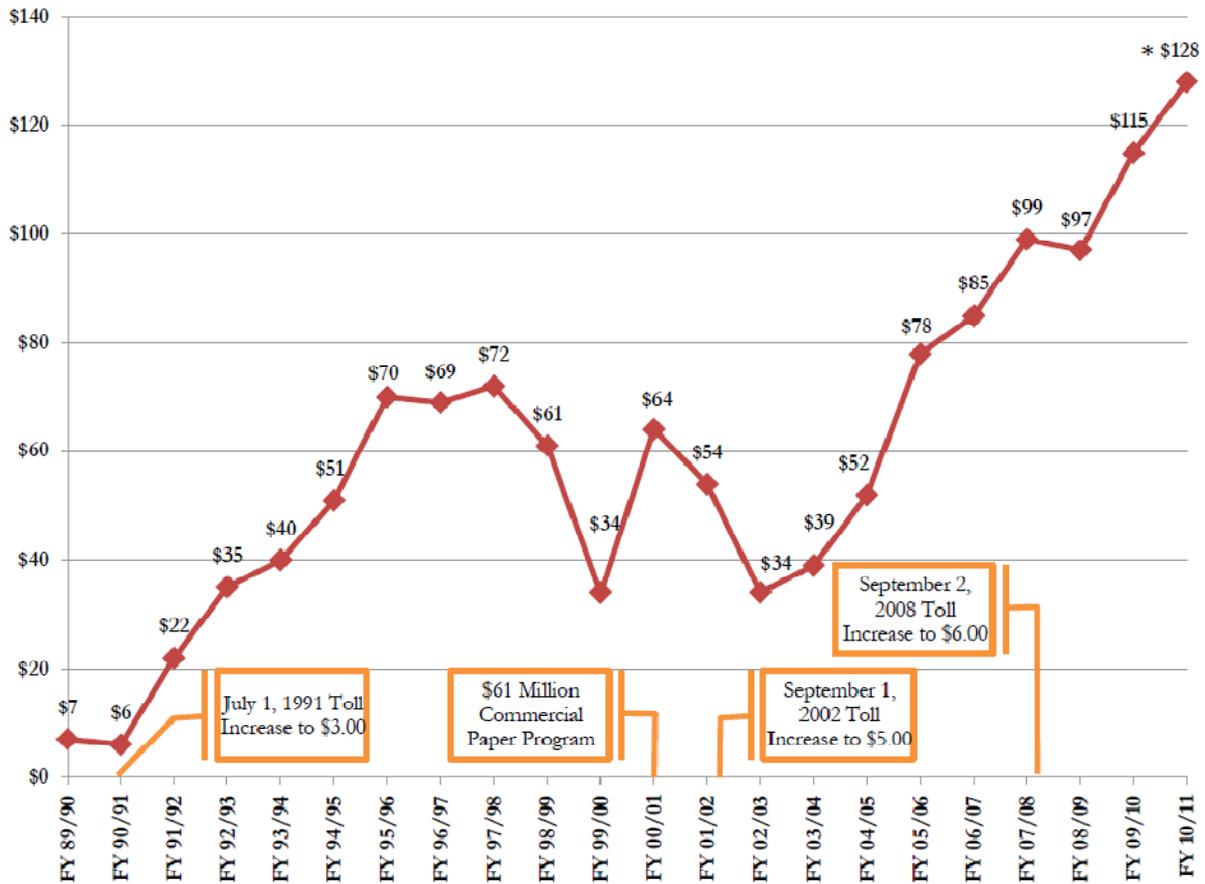
The fiscal strength of the District is best tracked by comparing the level of reserve funds available for operating and capital with the time period necessary for the projected needs of the District to exhaust those resources. In the District's case, it is projected that the FY 11/12 Operating and Capital Budget will encumber all available capital reserve resources. This is due to large capital projects that begin in the next two years and the District's contribution to Doyle Drive.

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 increased slightly but, as mentioned above, are expected to decrease over time due to the start of several large capital projects such as Bridge superstructure rehabilitation,

Ferry float rehabilitation, communications system upgrades and, as mentioned above, the District's contribution to Doyle Drive construction.

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



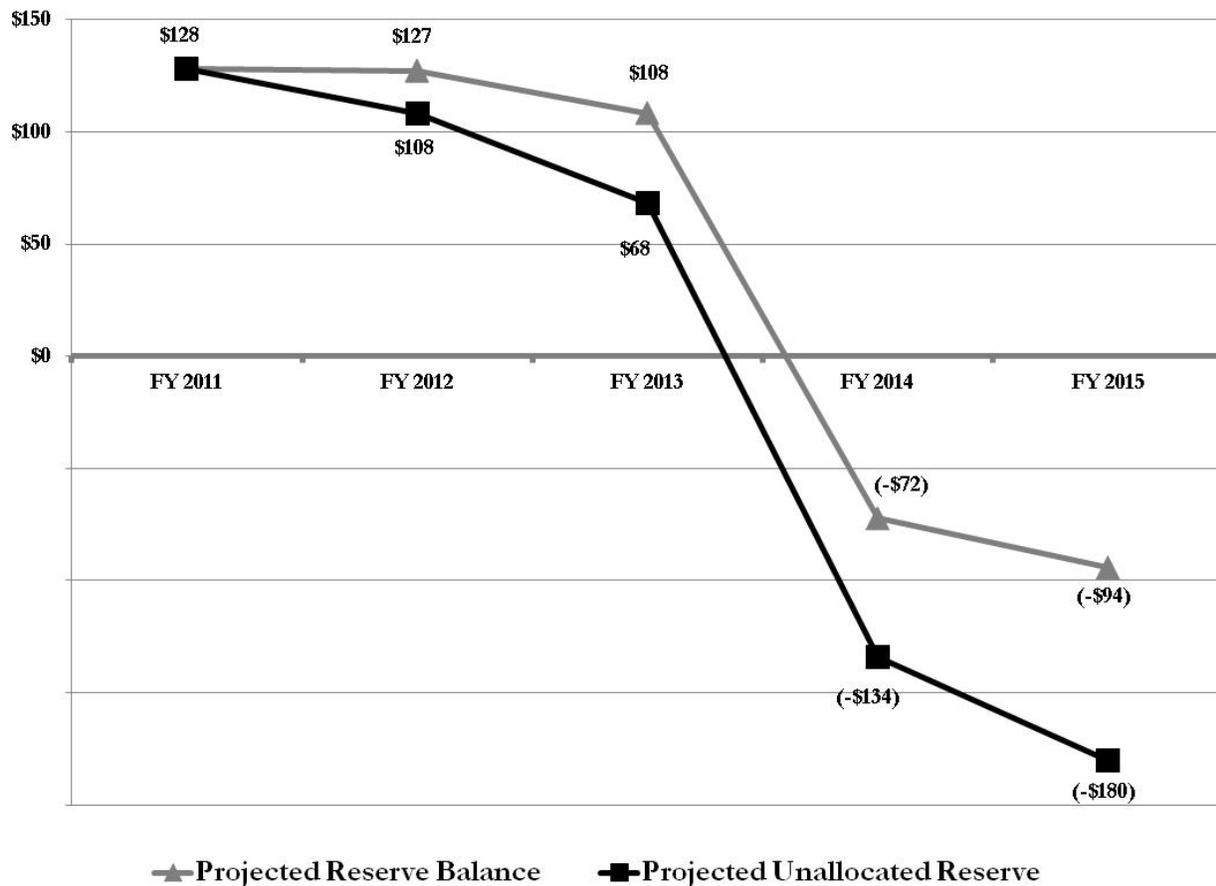
*Estimated

The FY 11/12 Operating Budget is expected to keep the reserves constant through the year. 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 11/12. Additional funding for new capital projects in future years beyond FY 11/12 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 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 11/12, the operating budget will provide approximately \$18.9 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 11/12 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 2013 Estimate	SubTotal Year 1 – 5 Estimate	Total Year 1 – 10 Estimate
Total Operating and District Capital Expense	\$177	\$955	\$2,099
<u>Total Operating Revenue</u>	<u>\$169</u>	<u>\$868</u>	<u>\$1,777</u>
Total Operating & Capital District Deficit	\$8	\$87	\$322

For comparison purposes, the projected 10-year deficit of \$322 million is approximately \$14 million higher than the \$308 million presented in the previous projection of September 9, 2010. The projected five-year deficit is \$87 million; \$2 million lower than the \$89 million estimate of last year. The decrease in the 5-year projected deficit is primarily due to increases in health and pension benefit costs and slight increases in services and fuel, offset by reductions in salary due to implementation of several Financial Plan initiatives. Note: The 5 and 10-year projected deficits, excluding the contribution to Doyle Drive, are estimated to be \$42 million and \$235 million respectively or approximately \$45 million and \$90 million less than the 5 and 10-year estimates shown above.

Comparison to Last Year's Projection

In an apples-to-apples comparison over the same 10 year period (2012-2021) between the new projection and the previous projection, the new projection shows:

- a \$65 million deficit for 5 years, which is \$24 million lower than the previous projection; and,
- a \$271 million deficit for 10 years, which is a reduction of \$37 million from the previous projection.

The five and ten-year projection revenues stay relatively flat while expenses are subject to inflation increases. The current projection estimates a 5-year deficit of \$87 million compared to \$89 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. For example, last year's deficit projection for the period of FY 2012 – FY 2016 was \$89 million. For the same period this year, our current deficit projection is \$65 million. This \$24 million improvement is due to the various Financial Plan initiatives approved by the Board and implemented over the past year.

Capital Contribution

Due to the postponement of various capital projects to future years, the projected capital contribution is the same as the FY 11/12 Adopted Budget and last year's projection. The projected ten-year District capital need is estimated at \$300 million (See Appendix C). After accounting for funds contributed by depreciation, and the use of \$130 million in District reserves, the necessary capital contribution from District Operations is \$100 million or \$10 million annually for the ten-year period (See Appendix D for detail).

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 12/13 through FY 21/22 Ten-Year Capital Projection, provided in Appendix C, identifies a \$1.2 billion capital need over the next ten years requiring a District contribution of \$300 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 2.2% 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)	Grant Funding Level 80%	Grant Funding Level 50%	Grant Funding Level 30%
5 Year – Deficit	\$ 87	\$ 152	\$ 207
Variance from 80% funding level	\$ -	\$ 65	\$ 120

These scenarios all assume using approximately \$65 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)

<u>Capital Project Detail</u>	10 - Year Total
Safety/Security Enhancements:	
Facility Improvements	
Seismic Facilities – Suspension Bridge & Bldg & Ops Center	\$286,210
Security System Improvements	3,650
Facilities/Bridge Rehabilitation:	
Suspension Bridge Paint Rehabilitation	102,370
Floor Beam & Bracing Replacement/Rehab	72,800
South Tower Paint Rehabilitation	50,870
Maintenance/Operations Buildings: Bridge Pavement Repair	17,050
Grounds:	
Pave & Maintain Alexander Avenue	5,780
TOTAL	\$538,730

V. Next Steps

In response to recent 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 been implementing a number of Financial Plan Initiatives over the last two years.

The 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 date is scheduled for October 13, 2011.

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 12/13 - FY 21/22**

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 2012</u>	<u>FY 2013</u>	<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>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)	\$ 65,000	\$ 66,600	\$ 68,000	\$ 69,400	\$ 70,900	\$ 72,400	\$ 74,000	\$ 75,700	\$ 77,300	\$ 79,000	\$ 80,800	\$ 347,300	\$ 734,100
Fringe Benefits (Incl PR Taxes)	53,800	56,300	60,300	63,400	66,800	70,200	73,500	76,900	80,400	84,000	87,800	317,000	719,600
Professional Services	14,300	14,500	14,800	15,200	15,500	15,800	16,200	16,500	16,900	17,300	17,600	75,800	160,300
Fuel & Related Taxes	10,500	10,700	10,900	11,200	11,400	11,600	11,900	12,200	12,400	12,700	13,000	55,800	118,000
Repair & Operating Supplies	7,700	7,000	7,100	7,300	7,400	7,600	7,800	7,900	8,100	8,300	8,500	36,400	77,000
Insurance, Taxes & Permits	4,500	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,400	5,500	23,500	49,700
Purchased Transportation	1,900	2,000	2,000	2,000	2,100	2,100	2,200	2,200	2,300	2,300	2,400	10,200	21,600
Staff Development	900	900	900	1,000	1,000	1,000	1,000	1,100	1,100	1,100	1,100	4,800	10,200
Leases & Rentals	1,600	1,200	1,200	1,200	1,200	1,300	1,300	1,300	1,300	1,400	1,400	6,100	12,800
Debt Service-Interest Expense	1,400	1,400	1,700	2,000	2,300	2,600	2,900	3,100	3,300	3,300	3,200	10,000	25,800
Depreciation	7,600	9,000	10,300	10,700	12,000	13,600	15,700	17,300	17,800	17,600	17,200	55,600	141,200
Total Expenses	\$ 169,200	\$ 174,100	\$ 181,800	\$ 188,100	\$ 195,400	\$ 203,100	\$ 211,500	\$ 219,300	\$ 226,100	\$ 232,400	\$ 238,500	\$ 942,500	\$ 2,070,300
Known Changes:													
Capitalized Labor & Benefits	(3,000)	(3,000)	(3,100)	(3,100)	(3,200)	(3,300)	(3,300)	(3,400)	(3,500)	(3,600)	(3,600)	(15,700)	(33,100)
Potential Cost Savings on Debt Service	-	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,100)	(1,100)	(1,100)	(6,000)	(11,700)
Commercial Paper Principal Payments	-	-	-	-	-	-	1,400	1,500	1,600	1,700	1,800	-	8,000
Adjust for Current Spending Patterns	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,100)	(1,100)	(1,100)	(1,100)	(1,200)	(1,200)	(5,100)	(10,800)
ICAP - Indirect Cost Allocation Plan	(3,400)	(1,900)	(2,000)	(2,000)	(2,100)	(2,100)	(2,100)	(2,200)	(2,200)	(2,300)	(2,300)	(10,100)	(21,200)
Ticket Vending Machine cost savings	-	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(300)	(300)	(300)	(1,000)	(2,300)
Total Known Changes	\$ (6,400)	\$ (7,300)	\$ (7,500)	\$ (7,500)	\$ (7,700)	\$ (7,900)	\$ (6,500)	\$ (6,600)	\$ (6,600)	\$ (6,800)	\$ (6,700)	\$ (37,900)	\$ (71,100)
Sub-Total Expense	\$ 162,800	\$ 166,800	\$ 174,300	\$ 180,600	\$ 187,700	\$ 195,200	\$ 205,000	\$ 212,700	\$ 219,500	\$ 225,600	\$ 231,800	\$ 904,600	\$ 1,999,200
Capital Contribution	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000	\$ 100,000
Total Expense	\$ 172,800	\$ 176,800	\$ 184,300	\$ 190,600	\$ 197,700	\$ 205,200	\$ 215,000	\$ 222,700	\$ 229,500	\$ 235,600	\$ 241,800	\$ 954,600	\$ 2,099,200
Total Operating Revenue	\$ 166,800	\$ 169,000	\$ 171,300	\$ 173,400	\$ 176,300	\$ 178,100	\$ 178,700	\$ 180,000	\$ 181,800	\$ 183,700	\$ 185,000	\$ 868,100	\$ 1,777,300
Total Net Surplus/(Deficit)	\$ (6,000)	\$ (7,800)	\$ (13,000)	\$ (17,200)	\$ (21,400)	\$ (27,100)	\$ (36,300)	\$ (42,700)	\$ (47,700)	\$ (51,900)	\$ (56,800)	\$ (86,500)	\$ (321,900)

Bridge Expense	\$ 64,100	\$ 64,300	\$ 67,700	\$ 70,200	\$ 72,500	\$ 75,800	\$ 80,800	\$ 82,900	\$ 85,700	\$ 88,100	\$ 89,500	\$ 350,500	\$ 777,500
Transit Expense	\$ 108,900	\$ 112,600	\$ 117,100	\$ 120,200	\$ 125,100	\$ 129,600	\$ 134,100	\$ 139,800	\$ 143,700	\$ 147,600	\$ 152,300	\$ 604,600	\$ 1,322,100

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 12/13 - FY 21/22**

Revenue Detail

All Figures Rounded to (\$000)

	Year 0 <u>FY 2012</u> <u>Budget</u>	Year 1 <u>FY 2013</u> <u>Estimate</u>	Year 2 <u>FY 2014</u> <u>Estimate</u>	Year 3 <u>FY 2015</u> <u>Estimate</u>	Year 4 <u>FY 2016</u> <u>Estimate</u>	Year 5 <u>FY 2017</u> <u>Estimate</u>	Year 6 <u>FY 2018</u> <u>Estimate</u>	Year 7 <u>FY 2019</u> <u>Estimate</u>	Year 8 <u>FY 2020</u> <u>Estimate</u>	Year 9 <u>FY 2021</u> <u>Estimate</u>	Year 10 <u>FY 2022</u> <u>Estimate</u>	<u>Total</u> <u>5 Year</u> <u>Estimate</u>	<u>Total</u> <u>10 Year</u> <u>Estimate</u>
Revenue Summary													
Bridge Tolls	\$ 100,000	\$ 101,800	\$ 102,100	\$ 102,300	\$ 102,600	\$ 102,800	\$ 103,100	\$ 103,400	\$ 103,600	\$ 103,900	\$ 104,100	\$ 511,600	\$ 1,029,700
Transit Fares	24,500	27,000	27,800	28,800	29,700	29,900	30,000	30,200	30,400	30,600	30,800	143,200	295,200
Investment Income	3,300	4,400	4,000	3,300	3,200	2,700	2,000	1,800	2,300	3,000	3,300	17,600	30,000
Gift Center Sales & Café	1,900	-	-	-	-	-	-	-	-	-	-	-	-
Ferry Concessions	400	400	400	400	400	500	500	500	500	500	500	2,100	4,600
Other (Incl Adv. & Leases)	1,500	1,600	1,600	1,600	1,700	1,700	1,700	1,800	1,800	1,900	1,900	8,200	17,300
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)	16,700	17,500	18,400	19,300	20,300	21,300	21,300	21,300	21,300	21,300	21,300	96,800	203,300
State Funds	15,000	13,700	14,400	15,100	15,800	16,600	17,500	18,400	19,300	19,900	20,500	75,600	171,200
Federal Funds	1,000	100	100	100	100	100	100	100	100	100	100	500	1,000
Total Revenue	\$ 166,800	\$ 169,000	\$ 171,300	\$ 173,400	\$ 176,300	\$ 178,100	\$ 178,700	\$ 180,000	\$ 181,800	\$ 183,700	\$ 185,000	\$ 868,100	\$ 1,777,300
Bridge & Concession Revenue	\$ 105,900	\$ 106,600	\$ 106,400	\$ 106,000	\$ 106,100	\$ 105,900	\$ 105,500	\$ 105,500	\$ 106,400	\$ 107,300	\$ 107,900	\$ 531,000	\$ 1,063,600
Transit Revenue	\$ 60,900	\$ 62,500	\$ 64,900	\$ 67,400	\$ 70,100	\$ 72,100	\$ 73,200	\$ 74,300	\$ 75,500	\$ 76,300	\$ 77,100	\$ 337,000	\$ 713,400

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 12/13 – FY 21/22**

CATEGORY

ASSUMPTIONS

General Assumptions

The FY 11/12 Adopted Budget has been used as the basis for all revenue and expense projections

Operating Revenue

Bridge Tolls	Bridge traffic remains relatively steady with the downturn in the economy. Vehicle crossings are projected to increase very slightly (0.25% per year). The FY 11/12 Adopted budget and this projection include a toll increase in multi-axle vehicles, which became effective July 1, 2011. No other toll increases are assumed for this projection.
Bus Transit	The FY 11/12 Adopted budget and this projection include a 5-year, 5% per year transit fare increase for Regional Bus routes which became effective July 1, 2011. Based on the District's Planning Department projections, Regional Bus passengers are projected to decrease slightly, offset by a slight increase in Local passengers, resulting in approximately 0.3% annual increase over the next ten years.
Ferry Transit	The FY 11/12 Adopted budget and this projection include a slight increase to Sausalito cash fares and Clipper fares. Ferry ridership is projected to increase slightly, approximately 1.5% per year, based on the District's Planning Department projections.
Local Funds	This projection assumes continuing the contract with Marin Transit or local service @ 5% increase per year through FY 16/17 in accordance with the 10-year contract. No additional increases beyond FY 16/17 are assumed for this projection. 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 based on MTC projections.
Federal Funding	Assumes minimal Federal funding for this projection.
Investment Income	Interest on investment is projected to be 2.25% for the first year, increasing slightly to a maximum of 4.5% based on current rate trends. Projected account balance is net of operating deficit excluding capital contribution and depreciation and includes projected capital spending plan.
Gift Center Sales & Café	This projection assumes that the Gift Center and Café will be turned over to the Golden Gate National Park Conservancy in FY 11/12 and will no longer be a part of the GGBHT District projections.

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 12/13 – FY 21/22**

CATEGORY	ASSUMPTIONS
Ferry Concessions	Sales based on current Ferry concession contract with an average of 2.1% per year CPI increase. See CPI assumptions below for more information.
Other Revenue	Based on a projected average CPI rate of 2.1%, as discussed below. This revenue includes leases, advertising, parking meters and parking fees.
Operating Expense	
CPI Rates	Projected CPI rates are based on estimates provided by California’s Legislative Analyst’s Office (LAO) and Metropolitan Transportation Commission (MTC). Projected rates for FY 12/13 – FY 15/16 are based on the LAO average 2.1% for these years. For the remaining projection years (FY 16/17 – FY 21/22) the projected CPI rates are based on MTC projections which average 2.2%.
Salaries	Salary increases, including Bus Operators, 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 22.1%, 25.4%, 25.8%, 26.2% and 26.6% of salary for FY 12/13 through FY 17/18, respectively. This projection assumes that pension rates level off after FY 17/18 and remain at 26.6% for FY 18/19 – FY 21/22. Pension rates for Bus Operator (ATU) are estimated to be 17.165% of salary for all years.
Medical Insurance	Assumes an average of 8.0% per year increase, based on a blended rate of National Health Organization and Medicare/Medicaid actuarial projections.
Workers’ Compensation	Cost projections are based on Medical cost increases of 8.0% 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.
All other expenses not mentioned above	Projection assumes an average increase of 2.1% - 2.2% per year based on LAO & MTC CPI projections as described above.
Depreciation	Based on 10-Year Capital Expenditure Plan provided by the District’s Accounting Department.

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 12/13 – FY 21/22**

CATEGORY	ASSUMPTIONS
	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 64% of Engineering capitalized labor expense.
Commercial Paper Principal	<p>Payments to the Commercial Paper Debt Principal will begin in FY 17/18, 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 10-year period of this projection.</p>
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 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. 2. Cost savings based on current spending patterns and historical trends assumes approximately 1.5% salary and related benefit savings due to vacant and temporarily unfilled positions. 3. Cost savings due to implementation of automated ticket vending machines at GGBHT Ferry terminals, resulting in the elimination of four (4) part-time ticket agent positions.

**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 2013 (\$000)	FY 2014 (\$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)				
BRIDGE																	
DISTRICT	195,570	195,570	-	13,600	9,830	18,260	32,570	31,080	30,580	22,610	3,560	17,020	16,460				
GRANTS	549,790	-	549,790	56,370	36,770	35,500	74,010	96,320	97,630	59,330	6,600	42,710	44,550				
TOTAL	745,360	195,570	549,790	69,970	46,600	53,760	106,580	127,400	128,210	81,940	10,160	59,730	61,010	378,970	231,270	1,355,600	
BUS																	
DISTRICT	33,610	33,610	-	4,220	2,210	3,640	4,860	6,790	2,610	690	780	4,340	3,470				
GRANTS	163,720	-	163,720	29,440	9,790	16,890	26,050	22,730	6,140	12,200	3,000	21,310	16,170				
TOTAL	197,330	33,610	163,720	33,660	12,000	20,530	30,910	29,520	8,750	12,890	3,780	25,650	19,640	4,970	44,650	246,950	
FERRY																	
DISTRICT	59,350	59,350	-	3,710	5,340	6,410	5,450	11,430	14,150	5,070	1,690	4,280	1,820				
GRANTS	189,050	-	189,050	18,540	18,290	29,680	15,820	22,910	33,630	13,860	11,470	20,780	4,070				
TOTAL	248,400	59,350	189,050	22,250	23,630	36,090	21,270	34,340	47,780	18,930	13,160	25,060	5,890	34,990	62,310	345,700	
DISTRICT																	
DISTRICT	11,480	11,480	-	890	1,270	590	2,440	1,280	990	920	1,130	1,160	810				
GRANTS	9,830	-	9,830	1,830	50	760	3,130	3,110	50	250	150	450	50				
TOTAL	21,310	11,480	9,830	2,720	1,320	1,350	5,570	4,390	1,040	1,170	1,280	1,610	860	25,400	3,360	50,070	
AGENCY TOTAL																	
DISTRICT	300,010	300,010	-	22,420	18,650	28,900	45,320	50,580	48,330	29,290	7,160	26,800	22,560				
GRANTS	912,390	-	912,390	106,180	64,900	82,830	119,010	145,070	137,450	85,640	21,220	85,250	64,840				
TOTAL	1,212,400	300,010	912,390	128,600	83,550	111,730	164,330	195,650	185,780	114,930	28,380	112,050	87,400	444,330	341,590	1,998,320	
CUMULATIVE TOTAL																	
DISTRICT	300,010	300,010	-	22,420	41,070	69,970	115,290	165,870	214,200	243,490	250,650	277,440	300,010				
GRANTS	912,390	-	912,390	106,180	171,080	253,910	372,920	517,990	655,440	741,080	762,300	847,550	912,390				
TOTAL	1,212,400	300,010	912,390	128,600	212,150	323,880	488,210	683,860	869,640	984,570	1,012,950	1,124,990	1,212,400	444,330	341,590	1,998,320	

**GGBHTD
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 2013 (\$000)	FY 2014 (\$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)				
BRIDGE SEISMIC RETROFIT																	
Design																	
Initial Design	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,310	-	16,310
Phase II Design Review	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,470	-	1,470
Phase III Design Review	28,705	861	27,844	20,000	8,705	-	-	-	-	-	-	-	-	-	12,010	-	40,720
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	38,881	2,212	36,669	25,000	13,881	-	-	-	-	-	-	-	-	-	80,350	-	119,230
Beam Span Repair	2,320	2,320	-	2,320	-	-	-	-	-	-	-	-	-	-	680	-	3,000
Phase IIIB - Suspension Bridge	240,000	50,740	189,260	-	5,000	15,000	50,000	60,000	60,000	50,000	-	-	-	-	-	-	240,000
Subtotal Seismic Construction	281,201	55,272	225,929	27,320	18,881	15,000	50,000	60,000	60,000	50,000	-	-	-	336,540	-	617,740	
SAFETY/SECURITY ENHANCEMENTS																	
Facility Improvements																	
Suicide Deterrent	57,980	-	57,980	3,000	940	-	5,800	18,980	22,970	6,290	-	-	-	-	2,930	-	60,910
Moveable Median Barrier / Crash Attenuators	23,830	3,336	20,494	9,000	9,000	5,830	-	-	-	-	-	-	-	-	2,670	-	26,500
Seismic Facilities - Underpass and Bridges	39,450	19,725	19,725	-	830	7,780	17,420	13,420	-	-	-	-	-	-	-	-	39,450
Seismic Facilities - Building Ops Center	6,760	1,350	5,410	-	-	-	-	-	380	3,150	3,230	-	-	-	-	-	6,760
Equipment/Systems																	
Earthquake/Bridge Monitoring	300	300	-	-	300	-	-	-	-	-	-	-	-	-	-	-	300
Electrical Service to No. Approach	2,000	2,000	-	100	800	1,000	100	-	-	-	-	-	-	-	-	-	2,000
Security Systems Improvements	3,650	730	2,920	2,350	100	100	100	100	100	500	100	100	100	-	-	-	3,650
FACILITIES/BRIDGE REHABILITATION																	
Bridge Access Systems																	
Rolling Access on Suspension Bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,850	10,850
South Approach & Arch Platforms	3,140	3,140	-	1,070	2,070	-	-	-	-	-	-	-	-	-	-	-	3,140
SAV Maintenance Access	3,160	3,160	-	-	60	1,130	1,970	-	-	-	-	-	-	-	-	-	3,160
Bridge Paint Rehabilitation																	
Main Cable Access	3,180	3,180	-	3,180	-	-	-	-	-	-	-	-	-	-	1,820	-	5,000
North-End Paint Rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,270	47,270
South Tower Access and Paint Rehabilitation	50,870	25,435	25,435	-	2,600	8,000	9,000	9,000	10,000	12,270	-	-	-	-	10	-	50,880
Suspension Bridge Superstructure Paint Rehab	102,370	20,470	81,900	-	-	-	-	-	-	-	4,850	48,110	49,410	-	49,410	-	151,780
North Tower Paint Rehabilitation	850	170	680	-	-	-	-	-	-	-	-	-	850	-	34,940	-	35,790
Suspension Bridge Underdeck Recoating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76,280	-	76,280

(continued)

**GGBHTD
10-Year Capital Plan**

BRIDGE DIVISION (continued)

CAPITAL PROJECT DETAIL	10-YR	10-YR	10-YR	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										PRIOR	FUTURE	TOTAL	
	TOTAL	DISTRICT	GRANTS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	YEAR	YEAR	PROJECT	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
FACILITIES/BRIDGE REHABILITATION (cont)																	
Roadway/Structure Rehabilitation																	
Floor Beam & Bracing Repl/Rehab	72,800	14,560	58,240	-	-	12,800	18,800	20,500	20,700	-	-	-	-	-	-	-	72,800
Bridge Pavement Repair	17,050	8,525	8,525	-	-	-	-	-	-	120	120	8,290	8,520	-	8,520	-	25,570
Maintenance/Operations Buildings																	
Maintenance Facility Relocation	9,150	-	9,150	-	-	100	250	800	3,500	4,500	-	-	-	-	-	-	9,150
Roof Rehabilitations	1,320	1,320	-	620	-	-	-	-	700	-	-	-	-	-	-	-	1,320
Misc. Facilities Rehabilitation/Improvements	4,360	4,360	-	370	210	210	1,450	220	-	-	240	1,660	-	-	-	-	4,360
Grounds																	
TP East Parking Lot Restroom Replacement	2,860	1,888	972	-	-	-	600	1,260	1,000	-	-	-	-	40	-	-	2,900
Pave/Maintain Alexander Avenue	5,780	2,890	2,890	10	430	-	-	2,220	3,120	-	-	-	-	-	-	-	5,780
Pavement Rehabilitation	2,380	2,380	-	-	-	-	-	-	1,530	-	-	-	850	-	-	-	2,380
GGB Informal Science Education	2,000	286	1,714	900	700	400	-	-	-	-	-	-	-	1,500	-	-	3,500
INFORMATION TECHNOLOGY																	
Toll Collection/Fastrak																	
Replace Toll/Fastrak Systems	7,460	7,460	-	320	-	-	-	150	3,060	3,930	-	-	-	470	4,000	-	11,930
AET Study and Implementation	700	700	-	700	-	-	-	-	-	-	-	-	-	2,540	-	-	3,240
Variable Message Signs	610	610	-	-	280	-	-	-	-	-	-	330	-	-	-	-	610
CAPITAL EQUIPMENT																	
Tools and Equipment	11,440	11,440	-	1,030	690	1,410	1,090	750	1,150	1,180	1,620	1,240	1,280	-	-	-	11,440
TOTAL	745,360	195,580	549,780	69,970	46,600	53,760	106,580	127,400	128,210	81,940	10,160	59,730	61,010	378,970	231,270	1,355,600	
		26%	74%														
PROJECTED GRANT FUNDS	549,790			56,370	36,770	35,500	74,010	96,320	97,630	59,330	6,600	42,710	44,550				
DISTRICT FUNDS REQUIRED	195,570			13,600	9,830	18,260	32,570	31,080	30,580	22,610	3,560	17,020	16,460				

**GGBHTD
10-Year Capital Plan**

BUS DIVISION

CAPITAL PROJECT DETAIL	10-YR	10-YR	10-YR	<<<=10-YEAR PROJECTED CAPITAL NEED >>>=										PRIOR	FUTURE	TOTAL
	TOTAL	DISTRICT	GRANTS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	YEAR	YEAR	PROJECT
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE VEHICLE REPLACEMENT																
Replace Buses (Regional)	118,410	20,130	98,280	19,300	2,860	9,950	17,960	23,870	4,660	-	-	22,270	17,540	1,040	38,270	157,720
Replace Buses (Local)	24,640	-	24,640	7,420	990	2,060	5,210	-	-	8,960	-	-	-	10	6,380	31,030
ADA Paratransit Vans	3,930	-	3,930	690	240	940	770	350	-	940	-	-	-	50	-	3,980
Install PM Traps on Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	1,220	-	1,220
SAFETY/SECURITY ENHANCEMENTS																
Equipment/Systems																
Security Systems	2,900	580	2,320	300	-	500	1,000	-	-	1,000	-	-	100	-	-	2,900
FACILITIES REHABILITATION																
Maintenance/Operations Buildings																
Bus Stop Improvements	3,550	710	2,840	1,150	850	800	-	-	750	-	-	-	-	-	-	3,550
Roof Replacement/Rehab	2,060	210	1,850	-	960	-	-	-	-	1,100	-	-	-	-	-	2,060
Miscellaneous Facilities Rehab	10,960	1,096	9,864	2,100	1,930	1,130	290	1,800	110	120	120	1,660	1,700	-	-	10,960
Maintenance Shop Refurbishment	6,000	1,200	4,800	420	2,000	2,300	1,280	-	-	-	-	-	-	-	-	6,000
Replace Bus Facilities Wash Racks	3,000	150	2,850	-	-	-	500	1,000	1,500	-	-	-	-	2,650	-	5,650
Bus Steam Clean Area	5,300	1,060	4,240	100	1,000	1,500	200	-	-	500	2,000	-	-	-	-	5,300
Fuel Systems Rehabilitation/Replacement	2,900	2,900	-	-	-	-	500	1,200	1,200	-	-	-	-	-	-	2,900
Grounds																
Bus Lots Pavement Rehabilitation	6,170	-	6,170	1,800	-	310	1,440	-	-	-	1,290	1,330	-	-	-	6,170
Park & Ride Lots Pavement Rehabilitation	1,140	230	910	50	630	280	-	-	180	-	-	-	-	-	-	1,140
Modifications to D2 and D3 Lots	700	700	-	100	300	300	-	-	-	-	-	-	-	-	-	700
INFORMATION TECHNOLOGY																
Computer Scheduling/Dispatch	1,500	1,500	-	-	-	-	500	1,000	-	-	-	-	-	-	-	1,500
CAPITAL EQUIPMENT																
Tools and Equipment	4,170	3,170	1,000	230	240	460	1,260	300	350	270	370	390	300	-	-	4,170
TOTAL	197,330	33,610	163,720	33,660	12,000	20,530	30,910	29,520	8,750	12,890	3,780	25,650	19,640	4,970	44,650	246,950
		17%	83%													
PROJECTED GRANT FUNDS	163,720			29,440	9,790	16,890	26,050	22,730	6,140	12,200	3,000	21,310	16,170			
DISTRICT FUNDS REQUIRED	33,610			4,220	2,210	3,640	4,860	6,790	2,610	690	780	4,340	3,470			

**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 2013 (\$000)	FY 2014 (\$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)				
REVENUE VEHICLE REPLACEMENT																	
WSF Vessel Purchase/Refurbishment 1st	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,460	-	10,460
WSF Vessel Purchase/Refurbishment 2nd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,220	-	12,220
Spaulding Refurbishment (SF)	8,950	1,790	7,160	5,000	3,950	-	-	-	-	-	-	-	-	-	1,050	-	10,000
Vessel Component Rehab	6,760	1,010	5,750	2,680	140	140	1,380	150	610	160	650	170	680	-	-	-	6,760
Major Propulsion Replacement	37,190	2,050	35,140	4,690	-	4,950	-	5,220	5,360	5,510	5,650	5,810	-	-	-	-	37,190
Vessel Modifications / Drydocking	2,230	2,230	-	-	690	-	440	-	-	600	-	-	500	820	2,140	-	5,190
SAFETY/SECURITY ENHANCEMENTS																	
Equipment/Systems																	
Security Systems	1,100	50	1,050	-	-	-	600	-	-	-	500	-	-	190	-	-	1,290
FACILITIES REHABILITATION																	
Fixed Guideway																	
Channel Dredging	43,690	8,740	34,950	-	690	12,730	-	750	13,780	-	810	14,930	-	-	35,510	-	79,200
Berth and Turning Basin Dredging	12,960	2,590	10,370	-	-	350	3,630	-	380	3,930	-	410	4,260	-	14,810	-	27,770
Fixed Guideway Connectors																	
Float Rehabilitation/Replacement	69,170	13,840	55,330	6,900	13,400	13,900	9,000	12,100	9,900	-	970	3,000	-	2,110	7,350	-	78,630
SFFT Lay Berth Facility	5,000	1,000	4,000	200	500	1,300	3,000	-	-	-	-	-	-	-	2,500	-	7,500
Gangway Rehabilitation/Cathodic Protection	240	240	-	240	-	-	-	-	-	-	-	-	-	-	-	-	240
Maintenance/Operations Buildings																	
Rehabilitate Larkspur Maintenance Facility	5,100	1,020	4,080	1,000	3,000	1,100	-	-	-	-	-	-	-	50	-	-	5,150
Facilities Roof Rehabilitation	1,070	-	1,070	-	-	420	-	-	-	-	650	-	-	-	-	-	1,070
Ticketing System	2,050	2,050	-	-	-	-	-	750	1,300	-	-	-	-	-	-	-	2,050
Faregates	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000	-	-	4,000
Miscellaneous Facilities Rehab	1,910	-	1,910	60	60	60	70	70	1,300	70	70	70	80	-	-	-	1,910
Terminal Facilities																	
Passenger Terminal Rehabilitation	5,500	940	4,560	850	250	-	-	-	-	200	3,700	500	-	3,570	-	-	9,070
Marsh Restoration	1,800	180	1,620	500	300	1,000	-	-	-	-	-	-	-	160	-	-	1,960
Passenger Information Systems	-	-	-	-	-	-	-	-	-	-	-	-	-	360	-	-	360
Larkspur Parking Rehabilitation/Improvements	42,010	19,962	22,050	-	510	-	3,000	15,000	15,000	8,300	-	-	200	-	-	-	42,010
CAPITAL EQUIPMENT																	
Tools and Equipment	1,670	1,670	-	130	140	140	150	300	150	160	160	170	170	-	-	-	1,670
TOTAL	248,400	59,350	189,050	22,250	23,630	36,090	21,270	34,340	47,780	18,930	13,160	25,060	5,890	34,990	62,310	345,700	
		24%	76%														
PROJECTED GRANT FUNDS	189,050			18,540	18,290	29,680	15,820	22,910	33,630	13,860	11,470	20,780	4,070				
DISTRICT FUNDS REQUIRED	59,350			3,710	5,340	6,410	5,450	11,430	14,150	5,070	1,690	4,280	1,820				

**GGBHTD
10-Year Capital Plan**

DISTRICT DIVISION

CAPITAL PROJECT DETAIL	10-YR	10-YR	10-YR	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										PRIOR	FUTURE	TOTAL
	TOTAL	DISTRICT	GRANTS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	YEAR	YEAR	PROJECT
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
SAFETY/SECURITY ENHANCEMENTS																
Equipment/Systems																
Security Systems	700	140	560	-	-	-	100	100	-	-	-	500	-	-	700	1,400
FACILITIES REHABILITATION																
Maintenance/Operations Buildings																
Miscellaneous Facilities Rehab	2,880	2,880	-	50	400	50	1,400	700	30	160	30	30	30	-	-	2,880
Office Facility Renovation/Consolidation	6,590	-	6,590	-	-	710	2,900	2,980	-	-	-	-	-	-	-	6,590
INFORMATION TECHNOLOGY																
Telephone System Replacement	170	170	-	-	-	-	-	-	-	-	-	-	170	-	2,660	2,830
Future Information Technology	1,900	950	950	200	100	100	300	100	100	500	300	100	100	-	-	1,900
Replace Computer/Network Equipment	3,060	3,060	-	270	450	70	470	70	500	80	520	540	90	-	-	3,060
Advanced Communication & Info. System	1,800	72	1,728	1,800	-	-	-	-	-	-	-	-	-	17,540	-	19,340
CAPITAL EQUIPMENT																
Tools and Equipment	4,210	4,210	-	400	370	420	400	440	410	430	430	440	470	-	-	4,210
TOTAL DISTRICT CAPITAL	21,310	11,480	9,830	2,720	1,320	1,350	5,570	4,390	1,040	1,170	1,280	1,610	860	25,400	3,360	50,070
		54%	46%													
PROJECTED GRANT FUNDS	9,830			1,828	50	760	3,130	3,110	50	250	150	450	50			
DISTRICT FUNDS REQUIRED	11,480			892	1,270	590	2,440	1,280	990	920	1,130	1,160	810			

**Golden Gate Bridge, Highway and Transportation District
Five-Year and Ten-Year Financial Projections FY 12/13 - FY 21/22**

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

All Figures Rounded to (\$000)

	Year 1 FY 2013 Estimate	Year 2 FY 2014 Estimate	Year 3 FY 2015 Estimate	Year 4 FY 2016 Estimate	Year 5 FY 2017 Estimate	SubTotal Year 1 - 5 Estimate	Year 6 FY 2018 Estimate	Year 7 FY 2019 Estimate	Year 8 FY 2020 Estimate	Year 9 FY 2021 Estimate	Year 10 FY 2022 Estimate	Total Year 1 - 10 Estimate
DISTRICT	\$22,420	\$18,650	\$28,900	\$45,320	\$50,580	\$165,870	\$48,330	\$29,290	\$7,160	\$26,800	\$22,560	\$300,010
GRANTS	106,180	64,900	82,830	119,010	145,070	517,990	137,450	85,640	21,220	85,250	64,840	912,390
TOTAL	\$128,600	\$83,550	\$111,730	\$164,330	\$195,650	\$683,860	\$185,780	\$114,930	\$28,380	\$112,050	\$87,400	\$1,212,400
<i>Doyle Drive Contribution</i>	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$75,000
District Portion Of the Capital Requiremer	\$22,420	\$93,650	\$28,900	\$45,320	\$50,580	\$240,870	\$48,330	\$29,290	\$7,160	\$26,800	\$22,560	\$375,010
Total Depreciation Included in the Budget	8,976	10,309	10,669	12,000	13,628	\$ 55,583	15,699	17,264	17,815	17,616	17,242	\$ 141,219
Additional Capital Contribution Required to Fund Projected Capital Plan	13,444	83,341	18,231	33,320	36,952	\$ 185,287	32,631	12,026	(10,655)	9,184	5,318	\$ 233,791
Average of the 10 Year Capital Contribution	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$ 117,000	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$ 234,000

Re-Stated: Fund District Capital through Reserves	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Year 1 - 5	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Year 1 - 10
District Funded Capital Projects and Doyle Drive Contribution net of Depreciation	\$13,400	\$83,300	\$18,200	\$33,300	\$37,000	\$ 185,200	\$32,600	\$12,000	(\$10,700)	\$9,200	\$5,300	233,600
Use Reserves to Fund District Projects	13,000	13,000	13,000	13,000	13,000	65,000	13,000	13,000	13,000	13,000	13,000	130,000
Additional Capital Contribution Required to Fund Projected Capital Plan with Reserves	400	70,300	5,200	20,300	24,000	\$ 120,200	19,631	(974)	(23,655)	(3,816)	(7,682)	\$ 103,791
Average of the 10 Year Capital Contribution	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$ 50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$ 100,000

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 **\$130 million** in capital contribution reserves will be released to fund capital projects during this 10-year projection period. **\$13 million** per year will be released from unrestricted reserves, and thus reduce the capital contribution from **\$23 million** to **\$10 million** per year. The **\$10 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 AND TRANSPORTATION DISTRICT
RESTRICTED RESERVES - FY 11/12 BUDGET**

Reserve Name	ACTUAL Balance ("First Close") 07/01/11	FY1112BGT Estimated Balance 06/30/12	FY1112BGT Estimated Balance 07/01/12
Unrestricted Net Assets ¹ :	[A] \$ 153,500,000	\$ 155,200,000	\$ 155,200,000
<i>Board Designated and Other Reserve Adjustments:</i>			
Operating Reserve ²	\$ 13,100,000	\$ 6,900,000	\$ 13,400,000
Emergency Reserve ³	6,100,000	6,100,000	6,300,000
Bridge Self Insurance Loss Reserve	6,800,000	8,100,000	8,100,000
Subtotal <i>Board Designated and Other Reserves</i>	[B] \$ 26,000,000	\$ 21,100,000	\$ 27,800,000
Total Remaining Reserves Available for Capital Projects or Operations	[A] - [B] \$ 127,500,000	\$ 134,100,000	\$ 127,400,000
Capital Reserves:			
Capital Plan Reserve ⁵	\$ 125,000,000	\$ 131,400,000	\$ 124,900,000
<i>Committed Capital Projects (District-funded portion only):</i>			
Bridge	\$ 27,200,000	\$ 18,800,000	\$ 25,900,000
Transit	8,600,000	3,500,000	23,900,000
Total Committed Capital Projects (District-funded portion)	[C] \$ 35,800,000	\$ 22,300,000	\$ 49,800,000
<Unfunded Capital Reserves>/Reserves Remaining for Capital Projects or Operations	[A] - [B] - [C] \$ 91,700,000	\$ 111,800,000	\$ 77,600,000
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	\$ 28,000,000	\$ 28,000,000	\$ 28,000,000
Accrued Compensated Liabilities	7,800,000	7,800,000	7,800,000
Total	[E] \$ 35,800,000	\$ 35,800,000	\$ 35,800,000
Total Other Reserves	[D] + [E] \$ 48,600,000	\$ 48,600,000	\$ 48,600,000
Total Resources	[A] + [D] + [E] \$ 202,100,000	\$ 203,800,000	\$ 203,800,000

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*