



Agenda Item No. (6)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of December 20, 2018

From: Jennifer Mennucci, Director of Budget and Electronic Revenue
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **DISCUSSION AND POSSIBLE ACTION REGARDING TOLL OPTIONS
AND PUBLIC OUTREACH RELATIVE TO A POTENTIAL TOLL
INCREASE ON THE GOLDEN GATE BRIDGE**

Recommendation

Information provided in this report is intended to facilitate discussion by the Finance-Auditing Committee and provide direction to staff. If appropriate, the Finance-Auditing Committee recommends that the Board of Directors approve actions relative to a proposed toll increase, as follows:

1. Authorize staff to present for public review several toll options, with the understanding that any action to modify the existing toll structure will take place only after an extensive public outreach process takes place intended to fully inform the public of the District's range of services and the finances required to support future operational and capital programs;
2. Authorize staff to conduct informational open houses as listed below, for the purpose of providing information, answering questions and receiving input from the public about the proposed toll increase options under consideration; and,

Marin County

Wednesday, January 30, 2019

5:00 p.m. to 7:00 p.m.

Whistlestop

930 Tamalpais Avenue

San Rafael, CA

Sonoma County

Tuesday, February 5, 2019
6:00 p.m. to 8:00 p.m.
Petaluma Arts Center
230 Lakeville Street
Petaluma, CA

City and County of San Francisco

Thursday, February 7, 2019
5:00 p.m. to 7:00 p.m.
Fort Mason Center
Landmark Building C
Room 205

Virtual Open House

The District will hold a virtual open house so people that cannot attend an open house in person will have an opportunity to participate online. Through the online event, people will be able to hear about the proposed toll plans, have their questions answered, and submit official public comments.

3. Authorize staff to set the formal Public Hearing for Wednesday, February 27, 2019 at 7:00 p.m. at the San Rafael City Council Chambers located at 1400 Fifth Avenue in San Rafael.

Summary

The purpose of this report is to present for Board consideration multi-year toll increase options developed by staff with input from the Finance-Auditing Committee at its meeting of November 15, 2018, and to set forth the intention to engage the public extensively in the toll-setting process that could lead to a July 1, 2019, toll increase on the Golden Gate Bridge.

The action before the Finance-Auditing Committee today is to finalize toll increase options and a public outreach process that would be recommended to the Board at its December 21st meeting. The proposed steps for increasing the toll rates are outlined chronologically as follows:

1. At the November 15, 2018 meeting, the Finance-Auditing Committee discussed possible criteria for future toll rates, types of toll rates, and proposed steps for public outreach to solicit input and guidance on possible toll rates. The Committee gave staff direction on follow up incorporated in this report.
2. At the current meeting (December 20, 2018 Finance-Auditing Committee and December 21, 2018 Board meetings), staff requests authorization to present for public review several toll options, with the understanding that any action to modify the existing toll structure would take place only after an extensive public outreach process designed to fully inform the public of the District's range of services and the finances required to support those services, future operations and capital programs;

3. In early 2019, staff would conduct informational open houses for the purpose of providing information, answering questions, and receiving input from the public about possible toll increase options.
4. Following the open houses, the Board would conduct a formal Public Hearing to assess public input of options.
5. In March 2019, the Board would consider adoption of a five-year toll increase plan.
6. In July 2019 the first toll rate change could be implemented.

Bridge tolls supply the majority of the District's revenue and, as envisioned by the District's State Charter, that revenue is spent providing transportation services on the Golden Gate Bridge and the District's Bus and Ferry services. Currently, about half of all toll revenue is utilized to operate transit services. In addition, the Bridge and Transit facilities require money for capital projects (maintenance, repair, and improvements).

Over the last four years, Golden Gate Bridge tolls have increased by twenty-five cents (\$0.25) a year as part of a multi-year toll plan previously approved by the Board. The last such increase occurred earlier this year on July 1st. These toll increases are necessary to enable the District's revenues to grow close to the rate of the District's expenses. Over the past five years, since the last toll increase plan was implemented in April 2014, costs have risen for goods and services necessary to carry out the District's mission to provide transportation services to its customers. The amount of money set aside each year from the operating budget for future capital projects (the "capital contribution") has also increased. Over the past five years, the District's average annual cost increase (operating costs plus capital contribution) was 4.1 percent.

Given the essential nature of toll revenue for the operation of the District, a proposal to increase tolls is included as one of many initiatives in the current 2014 Strategic Financial Plan, as it was in all past long-term strategic financial plans. In 2014 it was scheduled to be discussed this year, the fifth year of the current financial plan. During the first four years, the Golden Gate Bridge, Highway and Transportation District (District) has implemented many other initiatives, a number of which reduced costs and increased revenues.

Implementing the 2014 Strategic Financial Plan has allowed the District to maintain all of its transit and bridge services during the last five years and fund repairs and improvements. Cost reduction and revenue increase initiatives contained in the plan are discussed in more detail in this report and in Attachment A.

This report is divided into the following sections:

- I. Criteria for Selecting Toll Options
- II. Public Review Process for Potential Toll Increase
- III. Possible Toll Options For Consideration
- IV. Background and Summary of Strategic Financial Plan Process

At the end of the report is a background section on the District's financial reserves.

I. Criteria for Selecting Toll Options

This section presents criteria for discussion and guidance regarding the development and review of toll options. Section III discusses the options themselves. Criteria include:

1. Any toll increase proposal should fully address the next five year's funding needs identified in the September 2018 Financial projections. It is understood that the District always will seek out innovative cost-cutting opportunities and other ways to increase revenues to address some of its projected funding need and future funding needs of the organization. These additional opportunities are contained in the present Strategic Financial Plan and additional ones can be included in a future Strategic Financial Plan.
2. Provide options that, in addition to funding current service levels, would provide funding for increased transit service, such as expanding the number of Larkspur Ferry trips.
3. There should be at least two toll rates based on the method a customer chooses to pay their toll.
 - A lower toll should remain available to FasTrak® customers, because they prepay their toll *and* the use of both the FasTrak tag and the vehicle's license plate make toll collection more certain. This method has the lowest cost per transaction.

A higher toll rate for customers that do not join FasTrak thus do not prepay their tolls and do not use a FasTrak tag making collection less certain than if they were FasTrak customers. The current toll paying options include: One-Time Payments, License Plate Accounts and Invoices.

4. Provide toll increase options that create two non-FasTrak toll rates to provide a financial incentive for non-Fastrak customers to proactively reach out to the District to pay their tolls. The District provides a toll paying process that enables customers that pay with credit cards, and those that pay with cash, to access all toll paying methods to pay their toll: FasTrak, License Plate Accounts, and Invoices.
 - Provide a proposed mid-rate toll for One-Time Payment and License Plate Account customers ("Pay As You Go"), since they proactively pay their toll. This toll rate would be lower than the District's current established non-FasTrak toll rate. This rate is for customers that make one-time payments prior to receiving an invoice and those that open license plate accounts or make a one-time payment, known as "Pay As You Go" customers. These transactions rely solely on the vehicle's license plate, but the customer identifies themselves so collection of tolls by the District is more certain. This toll rate would apply to approximately 20 to 25% of the District's current non-FasTrak toll paying customers. The existing higher toll rate would be for Invoice customers as the District must find the customer and request payment. These transactions rely solely on the vehicle's license plate *and* require the District to locate the customer and mail them an invoice.

5. Although our AET system allows tolls to be increased in any increment, unfamiliar increments and frequent changes can make the message confusing for toll payers. All options will advance simple tolling structures to ensure transparent messaging and expectations.
6. Building upon the success of the District's multi-year approach to the previous multi-year toll increase and the last four multi-year transit fare increases, and keeping with criteria #3, all toll increase options for public review and comment would incrementally raise tolls over the five-year plan to meet at least criteria #1. These incremental increases would be rounded to the nearest 5 cents to allow clear communication of the toll rates.
7. Consistent with existing policy, for 3+ multi-axle vehicles, the per axle toll rate for each axle starting with the 3rd axle will remain equal to the base 2-axle toll rate for that payment type. Thus, if the base toll rate is increased by \$0.25 cents then the rate for each axle beginning with the 3rd axle will be increased by \$0.25 cents. The toll will remain capped at the value of a 7-axle toll rate.
8. Consistent with existing policy, the carpool and persons with disabilities toll will increase by the same amount as the FasTrak toll rate. Thus, if the carpool toll is \$5 and the FasTrak toll is increased by \$0.25 cents, the new carpool toll will be \$5.25.

II. Public Review of Potential Toll Increase

At the September 28, 2018, Finance-Auditing Committee discussion on the annual review of the 2014 Strategic Financial Plan, the Committee was informed that staff would recommend to the Board, in November 2018, that it initiate appropriate steps to begin the process of presenting toll increase options to the public for a possible toll increase in July 2019. This report is to facilitate Finance-Auditing Committee discussion and input to staff for the preparation for the Board's consideration, at its December Board meeting, a public process for reviewing and commenting on possible new multi-year toll increase options. Those next steps would include a recommendation to the Board to do the following:

- Authorize staff to create toll options for the public and Board's review that project to produce the necessary revenues to carry out the District's transportation service for its customers;
- Authorize staff to undertake a series of Open Houses in early 2019 to provide information and receive feedback from the public;
- Authorize staff to organize a Public Hearing after the Open Houses ; and,
- Implement any follow up Board action for possible implementation of a toll increase in July 2019.

Public Outreach Plan for Public Education and Input for a Toll Increase

As with all District initiatives involving a proposal that impacts the public, a comprehensive Public Outreach Plan (Plan) will be developed. The Plan will include outreach efforts aimed at engaging toll payers in the process. The Plan will be focused on educating and increasing toll payer

awareness regarding the toll increase options and the reasoning behind needing a toll increase as well as providing options for commenting and providing input on the proposed options.

The Plan will include outreach efforts such as a dedicated area on the website where all toll increase information and an online comment form can be found; use of the District's social media accounts; print and digital advertising; community partner outreach; email-based outreach; development of FAQs; regular news media briefings and updates; speakers bureau; video-based online content; editorial board meetings; preparation of educational/informational materials for outreach; and holding public meetings in the form of Open Houses and a formal Public Hearing. In addition, the District will hold a virtual open house so people that cannot attend an open house in person will have an opportunity to participate online. Through the online event, people will be able to hear about the proposed toll plans, have their questions answered, and submit official public comments.

It is proposed that three Open House meetings be held in early 2019 (one each in Marin, Sonoma, and San Francisco counties) to receive public input on the toll options and to have the opportunity for staff to answer questions and further educate the public as to the financial need for a toll increase at this juncture. A Spanish translator will be present at the open houses. If translation in other languages is required, the District can utilize Language Line via phone to assist. Printed materials will be available in English, Spanish, Chinese and Vietnamese. Open House information would be available on the website for those not able to attend in person. The meetings will be publicized through various local media channels as well as through the District's existing outreach channels.

The proposed Open Houses are as follows:

Marin County

Wednesday, January 30, 2019
5 p.m. to 7 p.m.
Whistlestop
930 Tamalpais Avenue
San Rafael, CA

Sonoma County

Tuesday, February 5, 2019
6 p.m. to 8 p.m.
Petaluma Arts Center
230 Lakeville Street
Petaluma, CA

City and County of San Francisco

Thursday, February 7, 2019
5 p.m. to 7 p.m.
Fort Mason Center
Landmark Building C
Room 205

Virtual Open House

The District will hold a virtual open house so people that cannot attend an open house in person will have an opportunity to participate online. Through the online event, people will be able to hear about the proposed toll plans, have their questions answered, and submit official public comments.

The outreach process will culminate with a formal Public Hearing that will be held in February 2019.

Environmental Process for the Toll Increase Review

National Environmental Policy Act (NEPA) applies to projects that require federal agency approval. Toll rates on existing toll facilities are generally left to State and local discretion. The options under consideration by the District to change existing toll rates for the Golden Gate Bridge do not require federal approval and are exempt from the NEPA process.

California Environmental Quality Act (CEQA) applies to discretionary projects proposed by state and local agencies that have the potential for causing a significant effect on the environment. Certain projects are statutorily exempt from CEQA. Under Section 15273, CEQA does not apply to the District's proposal to modify existing toll rates on the Golden Gate Bridge for the purpose of meeting operating expenses, funding capital projects to maintain service, and meeting financial reserve needs. District will prepare a Notice of Exemption for the proposed toll rates modification and file it with the state and counties upon approval by the District's Board of Directors as provided for in Section 15062.

III. Possible Toll Options for Consideration

Based on the above criteria, including the District's projected five-year funding need, below are 5 toll options staff created for the Committee's discussion with the understanding the Committee will attempt to provide no more than 5 options to seek public comment. If desired by the Committee, any of the options can be altered or eliminated at the Board's direction. In addition, the Board can add, change, or eliminate options based on its discussion or based on public comment received over the coming months of public outreach.

The options below were chosen because they meet the listed criteria. For each option, the following information is provided:

- date the increase would be effective
- the amount of the increase
- the total five-year revenue impact of the increase
- all toll options under review involve anywhere from a \$8.25 FasTrak toll to a \$9.70 Invoice Toll at the end of the five-year period

Three of the options raise additional revenue that the Board can chose to provide additional transit services. Those three options raise different levels of revenue based on how much transit service the Board wants the option of adding.

The reason that there are toll increase options that raise three levels of revenue is that there are 3 proposed financial goals. The staff is looking to the Committee to direct the preferred financial goal. The first financial goal is approximately \$75 million which is the current five-year projected shortfall. The second possible financial goal is to fund approximately \$90 million to allow additional \$3 million in transit service for three years of the toll rate plan and set aside 20% of a replacement ferry vessel used as a proxy. The third financial goal is to fund approximately \$100 million to allow an additional \$3 million in transit service for three years of the toll rate plan and set aside at a higher level of 50% of a replacement ferry vessel used as a proxy.

The following is a table showing proposed annual toll rates for the next five years by payment category. During the November 15, 2018 Finance-Auditing Committee there was a desire to explore two and three tiered rates based on the criteria laid out in the earlier section. The options below have a variety of two-tiered and three tiered rates that can be adjusted to be two tiered or three tiered rates as desired. A third mid-rate between FasTrak and the Invoice would allow a discount from the Invoice Toll rate to assist the user that does not travel across the Bridge frequently enough to get a FasTrak account or is visiting and proactively plans to pay their toll. The Invoice Toll covers a group of customers that are expensive to collect from due to collection expenses and forgone revenue. Lastly, the Board can choose to modify or create new options as desired.

Proposed Five-Year Toll Rate Options

Option	Payment	Increase for 2 Axles	July 2019	July 2020	July 2021	July 2022	July 2023	Result
1	Fastrak	25-cents per year 2019-2023	\$ 7.25	\$ 7.50	\$ 7.75	\$ 8.00	\$ 8.25	Raises approximately \$75million over 5 years
	Pay As You Go/Invoice	35-cents per year 2019-2023	\$ 8.35	\$ 8.70	\$ 9.05	\$ 9.40	\$ 9.75	
2	FasTrak	25-cents per year 2019-2022 and 30-cents in year 2023	\$ 7.25	\$ 7.50	\$ 7.75	\$ 8.00	\$ 8.30	Raises approximately \$75 million over 5 years
	Pay As You Go	20-cents per year 2019-2022 and 25-cents in year 2023	\$ 8.20	\$ 8.40	\$ 8.60	\$ 8.80	\$ 9.05	
	Invoice	35-cents per year 2019-2022 and 40-cents in year 2023	\$ 8.35	\$ 8.70	\$ 9.05	\$ 9.40	\$ 9.80	
3	FasTrak	30-cents per year 2019-2023	\$ 7.30	\$ 7.60	\$ 7.90	\$ 8.20	\$ 8.50	Raises approximately \$90 million over 5 years
	Pay As You Go	20-cents per year 2019-2023	\$ 8.20	\$ 8.40	\$ 8.60	\$ 8.80	\$ 9.00	
	Invoice	35-cents per year 2019-2023	\$ 8.35	\$ 8.70	\$ 9.05	\$ 9.40	\$ 9.75	
4	FasTrak	30-cents per year 2019-2022 and 35-cents in year 2023	\$ 7.30	\$ 7.60	\$ 7.90	\$ 8.20	\$ 8.55	Raises approximately \$90 million over 5 years
	Pay As You Go	25-cents per year 2019-2023	\$ 8.25	\$ 8.50	\$ 8.75	\$ 9.00	\$ 9.25	
	Invoice	30-cents in year 2019 and 35-cents per year 2020-2023	\$ 8.30	\$ 8.65	\$ 9.00	\$ 9.35	\$ 9.70	
5	FasTrak	35-cents per year 2019-2023	\$ 7.35	\$ 7.70	\$ 8.05	\$ 8.40	\$ 8.75	Raises approximately \$100 million over 5 years.
	Pay As You Go	20-cents per year 2019-2023	\$ 8.20	\$ 8.40	\$ 8.60	\$ 8.80	\$ 9.00	
	Invoice	35-cents per year 2019-2023	\$ 8.35	\$ 8.70	\$ 9.05	\$ 9.40	\$ 9.75	

Multi-Axle, Carpool and Persons with Disabilities Toll Rates

The toll rates for multi-axle vehicles, carpools and persons with disabilities will increase based on the final selected toll option as described in criteria #7 and #8.

IV. Background and Summary of Strategic Financial Plan Process

History of the Strategic Financial Plan

The District has implemented three five-year Strategic Financial Plans. Each of these were a result of the District's annual financial planning process. In 2002, the District committed to an annual review of the financial needs of the organization and the bridge toll and transit fare rates in particular. This led to the creation of the first *2005 Strategic Plan for Achieving Long-Term Financial Stability* (Strategic Financial Plan). The Strategic Financial Plan has become a tool in guiding implementation of expense and revenue policies that enable the District to carry out its mission to provide safe, efficient transportation services to its customers. The District subsequently implemented a 2009 Strategic Financial Plan and currently the District is using the 2014 Strategic Financial Plan as its guide. Through each of these plans the District has been able to continually provide quality transportation services to its customers.

The current Strategic Financial Plan included an action to undertake a toll increase review and implementation after five years, or 2018, when it was developed in 2014. All of the toll increase options under consideration would provide the amount of revenue that the September 2018 Financial Projection estimated that the District would need to continue its current level of service over the next five years, approximately \$74 million. That increase in revenue is in line with what was contemplated by the 2014 Strategic Financial Plan when it was developed five years ago. Information is discussed in more detail in the annual staff report on the Five- and Ten-Year Projection (see Attachment B.)

Over the first four years of the current Strategic Financial Plan, the projected need to reduce expenses or increase revenue has been greatly reduced due to implementing initiatives laid out in The Plan. The original shortfall for the 2014 Plan over the first five years from FY 15/16 – FY 19/20 was \$142.1 million. In comparison, due to actions taken by the District over that same time period the shortfall was eliminated and \$29 million was produced which has been set aside for the Bridge Seismic Project.

The current 2014 Strategic Financial Plan originally had 45 Initiatives which has subsequently resulted in 46 Initiatives due to dividing 1 of the projects into 2 sub-categories. Of the 46, 21 initiatives are completed (and accounted for in past or present projections), 15 are underway or scheduled to begin analysis, and 10 initiatives have been deferred for later consideration by Board direction. Many of the initiatives will provide long term financial savings.

An example of initiatives that the District implemented that produced significant savings or increased revenues are as follows:

- *Financial Plan Initiative No. 6. Charge for Parking at Larkspur Ferry.* The Board approved a \$2/day or \$20/month parking fee for the Larkspur Ferry lot. The annual net revenue from this initiative is approximately \$600,000 a year. In addition, this initiative encourages ferry riders to take other modes of transportation to get to the ferry such as the bus or riding their bike thus reducing vehicle traffic, greenhouse gases and the need for more parking spaces.
- *Financial Plan No. 9. Cost Savings in the areas of health plan design and employee premium contribution.* The Board implemented significant changes in health plan design and premium cost sharing reducing the District's current expenses and future liability for current employees and current and future retirees.
- *Financial Plan No. 13. Improve the efficiencies of legal claims process.* With a third party claims administrator with increased tracking capacity and better project management practices, the District and Legal have been able to improve their systems and increase efficiency.
- *Financial Plan No. 22. Analyze and implement a five-year fare plan increase plan for Transit when the current plan expires.* The Board approved a five-year fare increase plan in March 2017 for FY 17/18 – FY 21/22. This eliminated two fare zones and reduced fares for local and intra county rides while achieving fare revenue goals.
- *Financial Plan No. 25. Implement temporary plate legislation (AB2197).* In January 2019, temporary plates will be implemented, which will provide more collectible toll revenue of about \$2 million annually.

For a more detailed history on the District's 2014 Strategic Financial Plan completed initiatives, please see Attachment A of this item.

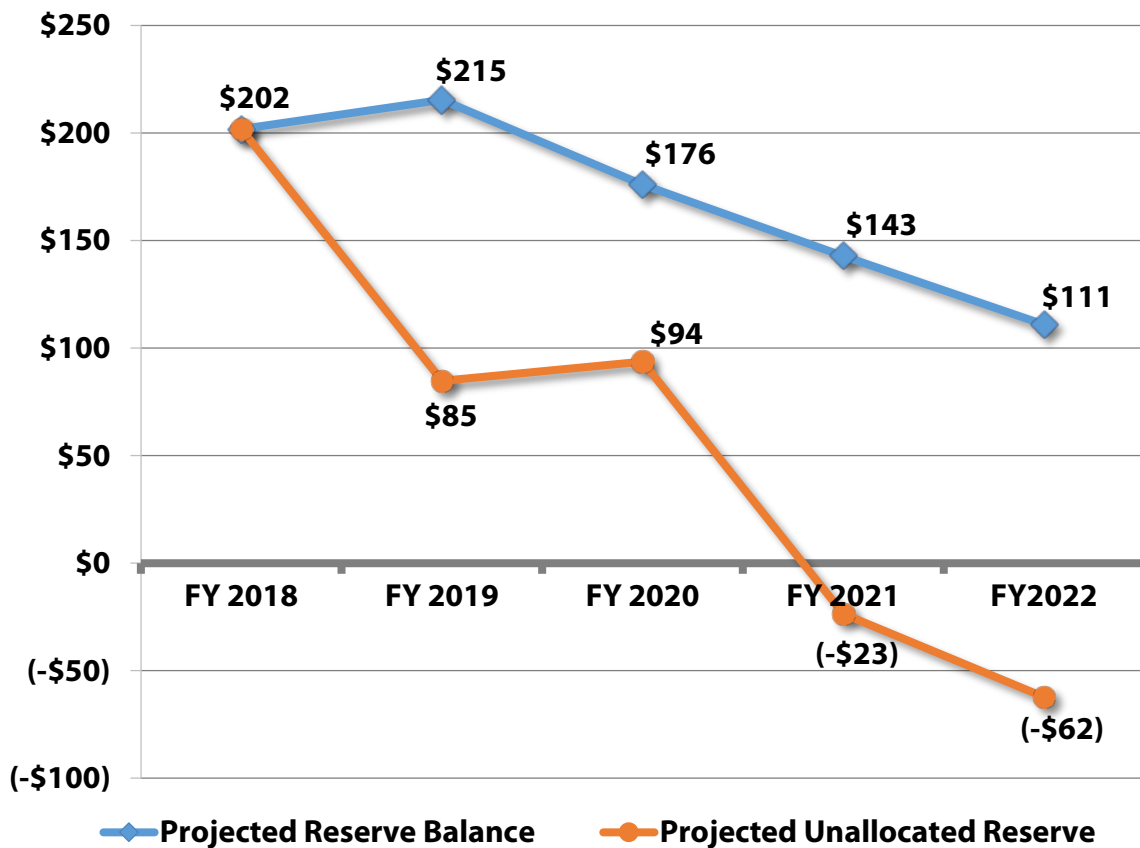
Background on the District's Financial Situation

The District monitors its financial strength through its ability to meet its financial needs. Those needs are estimated each year in a rolling five- and ten-year financial projection of operating and capital project revenues and expenses, which this year runs from FY 19/20 through FY 28/29. The projection reflects the maintenance of all current policy decisions – current bridge and transit operating service levels, the current capital project schedule, and current revenue assumptions – over the period of the projection. The projection presents the long-term financial impact of the present baseline level of operations. In September of 2018, staff presented the District's five- and ten-year financial projection for the operating and capital project revenues and expenses from FY 19/20 through FY 28/29. The estimated five-year projection shortfall is \$74 million.

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 without being forced to immediately reduce service to its customers. The projection ensures that these essential reserves remain at an adequate funding level.

New reserves are accumulated if operating budgets are balanced. In FY 18/19, if balanced, the operating budget would provide approximately \$30.6 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, since the FY 18/19 Operating budget is not projected to be balanced, but will require over \$4 million from reserves, it will generate approximately \$25 million to fund future capital projects. This rate of funding will not be sufficient to fund the long term capital plan, and thus will not be sufficient to maintain the works of the District, the Bridge, transit fleets and facilities. In the long-term, the District must balance its operating budget to fully fund its reserves.

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 capital projects or to cover temporary operating budget shortfalls. 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, as presented in the District's FY 18/19 Budget, 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.



Fiscal Impact

The public outreach and public hearing meetings are expected to cost approximately \$12,000 to \$15,000 for material production, public notification and other associated costs. Funding for these meetings will be absorbed in this year’s Operating Budget.

Attachment A: September 28, 2018 Staff Report: *Status Report on the 2014 Strategic Financial Plan*

Attachment B: September 28, 2018 Staff Report: *Receive the Updated Five- and Ten-Year Financial Projection*

Attachment C: Questions and Answers from November 15, 2018 Finance-Auditing Committee



Agenda Item No. (7)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of September 28, 2018

From: Jennifer Mennucci, Director of Budget and Electronic Revenue
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **STATUS REPORT ON THE 2014 STRATEGIC FINANCIAL PLAN**

Recommendation

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

Introduction

This report provides a background on the Board of Director's (Board) process to create the 2014 Strategic Financial Plan (Plan), development of the plan's criteria and guiding principles, and the objectives of the Plan. Also, attached is an updated Plan including the current status of each Initiative (see Appendix C).

When the Golden Gate Bridge, Highway and Transportation District (District) approved its current Strategic Financial Plan (Plan) for achieving long-term financial stability on October 24, 2014, it was noted that the Plan was not only a financial plan but a work plan for staff and thus a living document that would require regular review on a routine basis. This report discusses the impact of the Plan, the current status of the Plan's initiatives, and next steps.

Impact of the Financial Plan

The goal of the Plan is to implement initiatives that will balance the District's revenue and expenses during the years covered by the plan. The original five-year goal for the 2009 Plan was to close a \$132 million gap in the funding. For example, the *2009 Strategic Plan for Achieving Long-Term Financial Stability* was successful in eliminating the five-year gap in funding of approximately \$200 million.

The result of this year's five-year projection is that the five-year period of this Strategic Financial Plan has been able to build up the District's reserves by \$29.3 million. The Plan shows a 10-year gap in funding of \$88.3 million. In Appendix D, the chart compares the projection with the actual results from the Financial Plan. Overall, the results are positive from when this Strategic Financial Plan was developed in FY 13/14.

The 2014 Plan Status

The Plan has 46 initiatives. The initiatives have been categorized into the following four phases (see Appendix C for a complete set of initiatives):

Projects Underway (15 Initiatives) – Initiatives that are Board approved and are being implemented or Initiatives that are under analysis and have not yet come to the Board for action. This includes projects such as efficiencies from negotiations, improving the toll collection system, green initiatives, and addressing Larkspur Ferry demand, etc.

Projects To Be Started (0 Initiatives) – Initiatives that are not yet Board approved or implemented and planned to be worked on in future years. All initiatives in the Plan are currently underway, completed or deferred/withdrawn.

Projects Completed (21 Initiatives) – Initiatives that are fully implemented. These initiatives include projects such as Moveable Median Barrier, implementation of ACIS project, Bus Wi-Fi, the passage of temporary license plate legislation, implementation of transit fare increases, review of Capital Plan, converting to clean diesel, implementation of time collection and payroll automation, and the transition of supplemental school service to Marin Transit.

Projects Deferred or Withdrawn (10 Initiatives) – Initiatives that are withdrawn include projects such as sidewalk access fees on the Bridge sidewalks, while initiatives that are currently deferred by the Board include projects such as implementing Wi-Fi on the Ferry System, reducing Ferry service during the December Holiday period and increasing ridership through a multiday bus pass.

Consideration of New Initiatives for 2018/2019

The Board has an option to add/delete initiatives on/off the Plan at any time. Staff reviewed the Plan and recommends continuing to work off the current plan based on the numerous projects that are underway now and in future years. If the Board chooses to add an initiative, it does not commit the Board to implementation. Prior to implementation of any specific initiative, further staff analysis will be done and, as required by Board policy, each element of the Plan will be brought through the Board's committee structure and then to the Board for approval prior to implementation. In addition, the Board has the option to extend the current Plan additional years if desired as initiatives are being reviewed or underway.

Fiscal Impact

There is no fiscal impact associated with this status report. Fiscal impacts will occur when specific initiatives are approved for implementation.

Attachments: Appendix A, Guiding Principles & Priority Criteria
Appendix B, Financial Plan Background
Appendix C, Financial Plan Status Report
Appendix D, Cumulative Funding Comparison, 2015-2020

APPENDIX A

Guiding Principles

1. The Advisory Committee will develop a Strategic Plan whose components the Committee members can champion to the full Board of Directors when brought forward for adoption.
2. The Committee will be guided by the Mission Statement of the District in reviewing options for expense reduction and revenue generation:

The mission of the Golden Gate Bridge, Highway and Transportation District (District) is to provide safe and reliable operation, maintenance and enhancement of the Golden Gate Bridge and to provide transportation services, as resources allow, for customers within the U.S. Highway 101 Golden Gate Corridor.

3. The Strategic Plan will identify general priorities to guide implementation work on each initiative in recognition that staff resources are limited and not everything can happen at the same time.
4. The focus of the Advisory Committee will include both expense reductions and additional revenue generation.
5. The focus of the expense reduction initiatives will be on improving efficiency of current activities in such a way that savings result from the efficiencies and on finding new ways to provide the core services of the District. Outright elimination of any services will be minimized as much as possible.
6. This Advisory Committee will seek to keep existing projects underway at the District moving forward on schedule to the degree possible while undertaking new initiatives that are set forth by the Committee and ultimately adopted by the Board of Directors.

Development Criteria

This plan is an outline on how to ensure financial stability, but is also serves as a workplan for staff in recognition of workload impacts. The workload impact of the plan will be addressed each year in the Districts' budget. The Plan and initiatives will be reviewed annually as part of the review on the financial projections and conditions of the District. In general, initiatives in the proposed Plan are included based on the following criteria.

- A. Complete initiatives already underway.
- B. Focus on initiatives that will improve efficiencies of existing services or initiatives that work with community partners to increase the quality and breadth of service.
- C. Undertake initiatives that have substantial payoff potential but require a longer lead-time to fully implement.

Appendix B

Background

The District adopted its first Strategic Financial Plan in 2009, which was completed in 2013. In November 2013, a Committee was assigned to create a 2014 Strategic Financial Plan to address the District's projected financial deficit as outlined at the Board's October 25, 2013, Special Board meeting on the District's long-term financial condition. The Board approved the 2014 Strategic Financial Plan to guide the District in its long-term deficit reduction effort. It presents a path that, if implemented as presented, would eliminate the projected five and the majority of the ten year deficit.

The approval of the proposed Plan is not the approval of any of the specific initiatives within the Plan. Prior to implementation of any specific initiative further staff analysis will be done and, as required by Board policy, each element of the Plan will be brought through the Board's committee structure and then forward to the Board for possible approval. Also, some initiatives will require public outreach and public hearings during the deliberation process.

Development of the Financial Plan

As the first step in creating a proposed Strategic Financial Plan, the Advisory Committee developed guiding principles to assist in identifying initiatives for inclusion in the Plan. Secondly, they established a set of development criteria to guide in developing which ideas to undertake and include in the Plan (See Appendix A for the Guiding Principles and Development Criteria).

The 2014 Plan had a set of themes that fell into one of the following categories:

1. Review Administrative Processes and Procedures.
2. Transit Service Efficiencies.
3. Benefit Cost Reductions.
4. Technology Efficiencies.
5. Regional Partnerships & Coordination.
6. New Ways to Generate Revenue.
7. Reassess Capital Plan.

Objectives of the Strategic Financial Plan

The Plan is tracked to provide progress on initiatives over the five year period. The Plan always covers the same five and ten year period of FY 15/16 – FY 24/25. The District's long-term deficit will be updated with every projection for the appropriate years, but the original savings amounts for each initiative in the plan will remain the same to provide a baseline for judging the plan's effectiveness.

Description of Plan Document Structure

The savings/revenues column shows the cumulative savings/revenue for the time period. For example, if it is year three, the savings/revenues are shown for first three years of the plan period.

The status column will be updated in order to show the progress on each initiative. If needed, new initiatives will be incorporated each year during the annual review, prior to the annual budget process where initiatives can be funded.

The Plan uses the same five and ten year period as the most current projection which was presented to the Finance Committee on September 23, 2015. The “five-year horizon” starts with the fiscal year that began on July 1, 2015, and ends at the end of the fifth year, June 30, 2020, while the “ten-year horizon” ends June 30, 2025. While the main focus of this effort is on the next five years, the ten year impact of the various initiatives is included to reinforce each initiative’s long-term value in reducing the deficit, especially those initiatives that are projected to take several years to implement or will begin in later years of the Plan.

Next Steps

The staff will continue to work on the individual initiatives underway. Potential new initiatives will be discussed and planned during the upcoming annual budget process. The Plan as a whole will come to the Board for review again next fall and will again be compared to the latest deficit projection.

2018 STRATEGIC FINANCIAL PLAN

Initiatives (Cumulative \$ in Millions)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	10-YR	Status of Project to Date
	FY 15/16	FY 15/16-16/17	FY 15/16-17/18	FY 15/16-18/19	FY 15/16-19/20	FY 15/16-24/25	
Updated Funding Projection (September 2018)	\$14.3	\$22.9	\$28.4	\$24.5	\$29.3	(\$88.3)	The Financial Plan covers FY 15/16 - 24/25. Actual is used for FY 15/16, FY 16/17, and FY 17/18, Budget for FY 18/19 and the September 2018 projection is used for FY 19/20 - FY 24/25.
Projects Underway:							
7 Improve automatic toll collection system process to ensure toll collection from all auto traffic.	\$0.1	\$0.2	\$0.3	\$0.4	\$0.5	\$1.0	Several initiatives already implemented. New toll system procured in FY 16/17 will further ensure accurate toll collection. In FY 18/19 the first part of the new system will be implemented to more accurately collect data on toll transactions.
10 ATU Labor Negotiations. Cost savings in the areas of health, pension, workers' compensation, absenteeism and work rule efficiencies. (Negotiations in 2014 & 2018)	\$0.2	\$0.6	\$1.0	\$1.4	\$1.8	\$3.8	Negotiations in 2014 completed. Significant changes in health plan design, premium sharing, pension contributions, worker's compensation reform, absenteeism. Negotiations are underway in 2018 focused on absenteeism, health plan design and pension.
17 Implement Administrative efficiencies. Implement opportunities to reduce costs, including increased use of technology and streamlining administration processes. Net reduction of 1-2 FTEs.	\$0.2	\$0.3	\$0.5	\$0.6	\$0.8	\$1.5	Establishment of the medical provider network and the nurse triage program for workers' compensation injuries, alternative dispute resolution and structured return to work programs for Bus Operators, consolidation of District printer services underway, Wi-fi implemented in bus yard allowing efficient downloads of multiple system data, and online sourcing for procurement underway, procurement process reforms due to legislative and internal code.
18 Evaluate opportunities to reduce managing positions by approximately 10% as a goal through attrition. Reduction of 3-5 FTEs.	\$0.2	\$0.3	\$0.4	\$0.8	\$1.2	\$3.2	Actions to date include elimination of 2 supervisor positions: 1 vacant Bus Manager, 1 vacant Bridge Sergeant. Restructuring of 1 HR Administrator.
21 Develop a comprehensive initiative for paid parking and tour bus access to the Bridge visitor areas to reduce congestion and increase revenue.		\$-	\$-	\$-	\$-	\$-	Working with local partners to develop a long term plan. Currently staff is working on technologies to manage traffic and paid parking in this area.
23 When SMART operations begin, optimize bus service of competing bus trips in the same corridor.		\$0.1	\$0.1	\$0.2	\$0.3	\$0.8	Streamlined Sonoma to San Francisco regional bus service to optimize service in the spring of 2018. Staff will continue to monitor SMART's impacts and make appropriate service adjustments, when necessary, for optimizing operational and cost efficiencies.

2018 STRATEGIC FINANCIAL PLAN

Initiatives (Cumulative \$ in Millions)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	10-YR	Status of Project to Date
	FY 15/16	FY 15/16-16/17	FY 15/16-17/18	FY 15/16-18/19	FY 15/16-19/20	FY 15/16-24/25	
Projects Underway: (cont.)							
24 Develop partnerships with Bay Area private transportation providers and employers to develop increased bus and ferry usage during non-peak and reverse commute times.		\$0.0	\$0.0	\$0.1	\$0.2	\$0.7	Consultant delivered a finalized report and Marketing Department is currently targeting partnering with a variety of groups to increase ridership such as schools, senior centers, bike companies, and tour groups.
26 Green Initiatives - Explore cost savings on installation of solar panels, wind power, and other green initiatives in District Facilities.			\$-	\$-	\$-	\$-	San Rafael employee parking lot solar installation and lot resurfacing. Staff anticipates completing design and advertising for construction by end of 2018.
30 Review and implement multi-year toll increase plan when current plan ends in June 2018.				\$7.0	\$14.4	\$116.7	Scheduled for staff development and Board consideration in FY 18/19.
32 Replace Existing Ferry Terminal Gangways and Piers: Increase operating efficiency. May impact FTEs.				\$0.1	\$0.2	\$0.7	In Sausalito, staff anticipates final design to be complete by end of 2018 and advertising for construction occur in 2019. In San Francisco, staff is evaluating current and future ferry operations to determine best alignment of replacement facilities. Once evaluation is complete, environmental and design process will continue.
33 Implementation of Clipper 2.0 reducing transaction costs to collect revenue				\$0.1	\$0.2	\$0.7	The Bay Area region is considering awarding a contract, September/October 2018 for the Clipper 2.0 system. New features should be available as early as FY 2019/2020.
34 Explore additional Partnership Projects with the Parks Conservancy.				\$-	\$-	\$-	Scheduled to be explored in FY 18/19.
35 Work with regional partners to increase bus travel speed in San Francisco to reduce operating costs.				\$0.2	\$0.3	\$1.1	This project is underway with the commencement of the Van Ness bus rapid transit project. Staff also continues to explore ways to improve bus speeds throughout the system.
37B Address the increased demand for Larkspur Ferry service through exploring the environmental review process to expand the Larkspur Ferry Service beyond the allowable 42 trips a day.					\$-	\$-	This initiative is scheduled to begin to be explored in FY 18/19.
44 Work with regional partners to convert HOV lanes in north bay to 3+ occupants to increase bus speed and reduce operating costs.						\$-	District advocating for this initiative with local and regional authorities. The District has had meetings with local partners such as MTC, TAM, SMART, and Caltrans to continue to further this project.

2018 STRATEGIC FINANCIAL PLAN

Initiatives (Cumulative \$ in Millions)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	10-YR	Status of Project to Date
	FY 15/16	FY 15/16-16/17	FY 15/16-17/18	FY 15/16-18/19	FY 15/16-19/20	FY 15/16-24/25	
Projects Completed:							
1 Implement Moveable Median Barrier: Will impact staffing in lane management and roadway operations. Net reduction of 1-2 FTEs.	\$0.1	\$0.2	\$0.3	\$0.4	\$0.5	\$1.0	1 FTE reduction in the FY 15/16 Budget.
2 Complete Implementation of ACIS Project: Project will increase customer service and operations efficiencies.	\$0.0	\$0.1	\$0.2	\$0.3	\$0.4	\$0.9	Fully implemented in Summer 2016. Savings will come from future reduced run times and fuel savings.
3 Review of Capital Plan. Accurately assess timing and costs for Capital Plan.	\$-	\$-	\$-	\$-	\$-	\$-	Capital Office evaluated the plan and reduced the Capital need over 10 years reflected in the FY 16/17 Budget.
4 Develop an initiative to have one set of Board and Committee meetings a month to save District resources.	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	\$0.4	A reduction in the number of meetings occurred in 2016. The Board-approved schedule set meetings for once a month.
5 Implement time collection and Payroll automation throughout the District. Net reduction of 1-2 FTEs.	\$0.0	\$0.1	\$0.2	\$0.3	\$0.4	\$0.9	This initiative is implemented and completed in FY 17/18. It will allow for accurate and real time information. It will reduce (1) FTE in Payroll.
6 Charge for Parking at Larkspur Ferry: Assumed at \$2/day.	\$0.4	\$0.8	\$1.2	\$1.6	\$2.0	\$4.0	The parking lot fees were approved by the Board in FY 15/16. Annual net revenue approx. \$0.6 million.
8 Evaluate the cost-effectiveness of using Clean Diesel over Bio-Diesel in Ferry fleet. Convert from blended Bio-Diesel Fuel to Clean Diesel in Ferry Fleet.	\$0.5	\$1.1	\$1.6	\$2.2	\$2.7	\$5.4	Staff evaluated the cost-effectiveness of using Clean Diesel over Bio-Diesel and converted to clean diesel fuel for cost savings while retaining a similar environmental footprint. In addition, staff is evaluating converting the Ferry fleet to renewable diesel.
9 Non-Represented Employees. Cost savings in the areas of health plan design and employee premium contribution.	\$0.2	\$0.3	\$0.8	\$1.1	\$1.4	\$2.9	Significant changes in health plan design, and premium sharing completed and continued examination of future changes in this area will occur.
11 Coalition Labor Negotiations. Cost savings in the areas of health plan design and employee premium contribution, workers' compensation, and work rule efficiencies. (Negotiations in 2014, 2017, & 2020)	\$0.5	\$1.0	\$1.6	\$2.6	\$3.6	\$8.6	Significant changes in health plan design, employee premium sharing, and work rule efficiencies. This initiative was started in the 2014 negotiations and is completed for this Financial Plan timeline with the final Coalition Labor Negotiations in FY 16/17.

2018 STRATEGIC FINANCIAL PLAN

Initiatives (Cumulative \$ in Millions)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	10-YR	Status of Project to Date
	FY 15/16	FY 15/16-16/17	FY 15/16-17/18	FY 15/16-18/19	FY 15/16-19/20	FY 15/16-24/25	
Projects Completed: (cont.)							
12 Support Marin Transit in the transition of Supplemental School Service to alternative service provider. Will reduce FTEs.	\$1.1	\$2.3	\$3.4	\$4.6	\$5.7	\$11.4	It is estimated that annual savings is approximately \$450,000.
13 Improve the efficiencies of legal claims process.	\$0.1	\$0.2	\$0.3	\$0.4	\$0.5	\$1.0	With a new third party claims administrator with increased tracking capacity and better project management practices, the District and Legal have been able to improve their systems and increase efficiency. The third party administrator's process for settling claims is far more efficient, and there is less back and forth with Risk Management and Legal.
14 Expansion of Wave service to increase Ferry ridership.	\$-	\$-	\$-	\$0.1	\$0.1	\$0.6	1 route is permanent and 2 pilot routes were eliminated after not meeting the minimum ridership standards.
15 Implement Wi-Fi on the Bus system. Increase ridership revenue and enhance customer service through implementing the ability to use Wi-Fi.	\$-	\$-	\$-	\$-	\$-	\$-	Bus Wi-Fi was available to customers December 2014.
19 Winter Holiday Facility closures for non-operational functions as possible: Reduce functions between Christmas and New Year's.	\$-	\$-	\$-	\$-	\$-	\$-	Board approved to begin the Program on a voluntary basis for Non-Represented employees in 2016 and will continue the voluntary pilot in 2018 and going forward.
22 Analyze and implement a five year fare increase plan for Transit when the current plan expires.		\$1.8	\$3.7	\$5.6	\$7.6	\$10.0	Board approved a five year fare increase plan in March 2017 for FY 17/18 - FY21/22. Eliminated 2 fare zones and reduced fares for local and intra county rides while achieving fare revenue goals.
25 Implement temporary plate legislation (AB2197). Temporary plates will provide more collectible toll revenue.			\$1.0	\$2.0	\$3.0	\$8.0	Assembly Bill 516 enacted and scheduled for implementation in 2019.
29 Partner with Marin Transit to reduce the cost to the District of regional paratransit service.			\$-	\$-	\$-	\$-	Staff negotiated a lower rate to reduce the costs and is exploring other delivery methods to further reduce overall costs and create efficiencies.
36 Bus Transit Alternative Fuel Study. Assess fuel use in buses that would result in cost savings. Currently 80 buses are due for replacement in 2016.				\$-	\$-	\$-	Board made decision to purchase hybrid/electric buses for the next bus purchases.

2018 STRATEGIC FINANCIAL PLAN

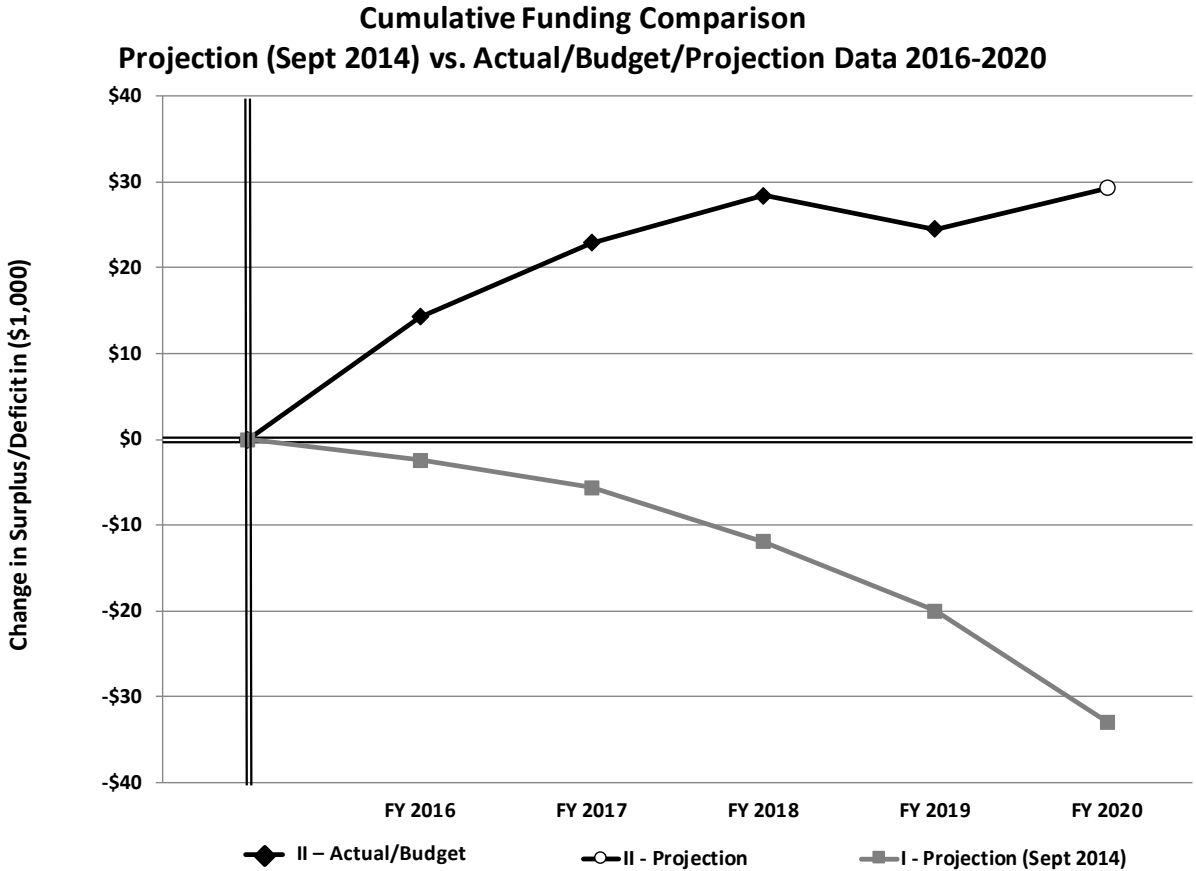
Initiatives (Cumulative \$ in Millions)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	10-YR	Status of Project to Date
	FY 15/16	FY 15/16-16/17	FY 15/16-17/18	FY 15/16-18/19	FY 15/16-19/20	FY 15/16-24/25	
Projects Completed: (cont.)							
37A Address the increase demand for Larkspur Ferry service through acquiring additional parking, additional service, and utilizing active transportation (bike and pedestrians).					\$-	\$-	Additional service in the afternoon commute implemented and District relocated Marin Airporter to create an additional 200 spaces for ferry customers.
41 Evaluate providing direct staff resources to other local public agencies for a fee.					\$-	\$	District is currently providing local transit agencies, Marin Transit and SMART, with customer services.
43 Take steps to be competitive to provide transportation to local SMART train stations.						\$-	District is providing a shuttle from the SMART station in San Rafael to the Larkspur Ferry.

2018 STRATEGIC FINANCIAL PLAN

Initiatives (Cumulative \$ in Millions)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	10-YR	Status of Project to Date
	FY 15/16	FY 15/16-16/17	FY 15/16-17/18	FY 15/16-18/19	FY 15/16-19/20	FY 15/16-24/25	
Projects Withdrawn or Deferred:							
16 Implement Wi-Fi on the Ferry system. Increase ridership revenue and enhance customer service through implementing the ability to use Wi-Fi.	\$-	\$-	\$-	\$-	\$-	\$-	This project was deferred and will be considered in a future capital plan.
20 Reduce Ferry Service during December Holiday period: Assumes weekend schedule service every day over 2 weeks.	\$0.2	\$0.4	\$0.6	\$0.8	\$1.0	\$2.0	Given the increased need for Ferry service, this initiative will be considered in a future plan.
27 Evaluate Sidewalk Access Fees for Bikes.			\$-	\$-	\$-	\$-	AB40 prohibits charging a sidewalk access fee.
28 Evaluate Sidewalk Access Fees for Pedestrians.			\$-	\$-	\$-	\$-	AB40 prohibits charging a sidewalk access fee.
31 Evaluate security staffing after upcoming Bridge construction projects. May impact up to 4 FTEs.				\$0.6	\$1.2	\$4.2	This initiative will not be considered until after the completion of the Suicide Barrier.
38 Implementation of Clipper 2.0 eliminating cash collection on buses.					\$0.1	\$0.6	New Clipper 2.0 system is currently in the award of contract stage. Assessment of this projects feasibility will be deferred until the new system is almost deployed in 2022.
39 Develop multiday bus pass to increase ridership.					\$-	\$-	Assess feasibility and implementation timing after Clipper 2.0 implementation.
40 Work with regional partners to increase number and size of park and ride lots in 101 corridor to increase bus ridership.					\$0.2	\$1.2	Moved to a future financial plan due to timing.
42 Evaluate purchasing other agency staff expertise for specialized needs.					\$-	\$-	Plan to be developed when District identifies needed expert services.
45 Partner with MTC to receive funding to provide bus service in the highway 37 corridor to reduce congestion, speed up service, and increase ridership.						\$-	Given the change in traffic patterns and infrastructure roadway needs this is deferred until agencies can realign their goals.
TOTAL Savings/Revenues	\$ 3.8	\$ 9.9	\$ 17.3	\$ 33.4	\$ 50.4	\$ 193.2	
TOTAL Surplus(Shortfall)	\$ 14.3	\$ 22.9	\$ 28.4	\$ 24.5	\$ 29.3	\$ (-88.3)	
NET CHANGE	\$ 18.1	\$ 32.8	\$ 45.7	\$ 57.9	\$ 79.7	\$ 104.9	

Appendix D

Below is a graphical representation of the actual projection savings since September, 2014; an overview of the District’s financial condition demonstrates the improvements to the District’s shortfall from that time period.



Annual Amounts (\$ in Millions)

Per Year Difference Surplus/(Shortfall)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Actual/Current Projection	\$14.3	\$8.6	\$5.5	(\$3.9)	\$4.8
Projection (Sept. 2014)	(\$2.4)	(\$3.2)	(\$6.3)	(\$8.1)	(\$12.9)

Note: The Projection was developed in September 2014 and was used as the basis of discussion of the “Overview of the District’s Financial Condition and Impact of Economic Downturn.”



Agenda Item No. (6)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of September 28, 2018

From: Jennifer Mennucci, Director of Budget and Electronic Revenue
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

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

Recommendation

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

Summary

I. Background

This report contains the Golden Gate Bridge, Highway and Transportation District’s (District) five- and ten-year financial projection of operating and capital project revenues and expenses from FY 19/20 through FY 28/29. 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 District as compared to this projection, i.e., increase or decrease the fiscal strength of the District and, correspondingly, its ability to serve the public.

II. Fiscal Strength of the District

Summary

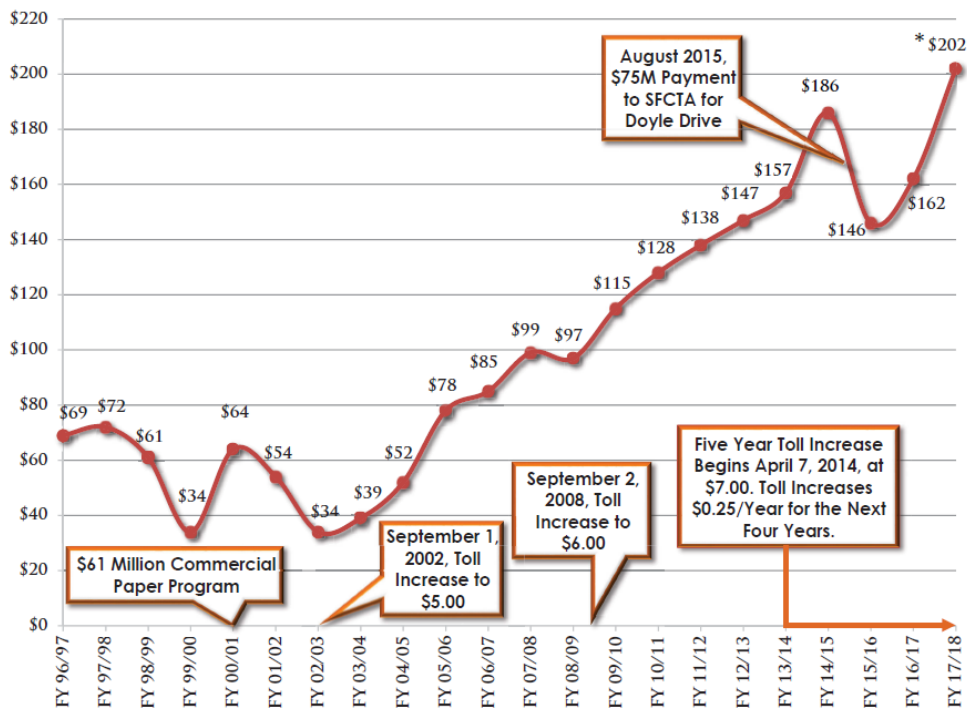
The fiscal strength of the District is best tracked by comparing the level of reserve funds available for operating and capital with the time period necessary for the projected needs of the District to exhaust those resources.

Reserve Level

Historically, the District has maintained reserve funds for capital projects and operating expense emergencies. The amount of these reserves has varied but adequate reserves are essential to the ability of the District to maintain its core assets – the Bridge, the transit rolling stock and infrastructure, and District facilities – and to survive downturns in the economy. At present, the District’s reserves have increased due to the implementation of a five-year toll increase program that began in FY 13/14.

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

**Reserve Funds Available for Capital Projects
 Fiscal Years Begin July 1st
 (All Numbers in Millions)**



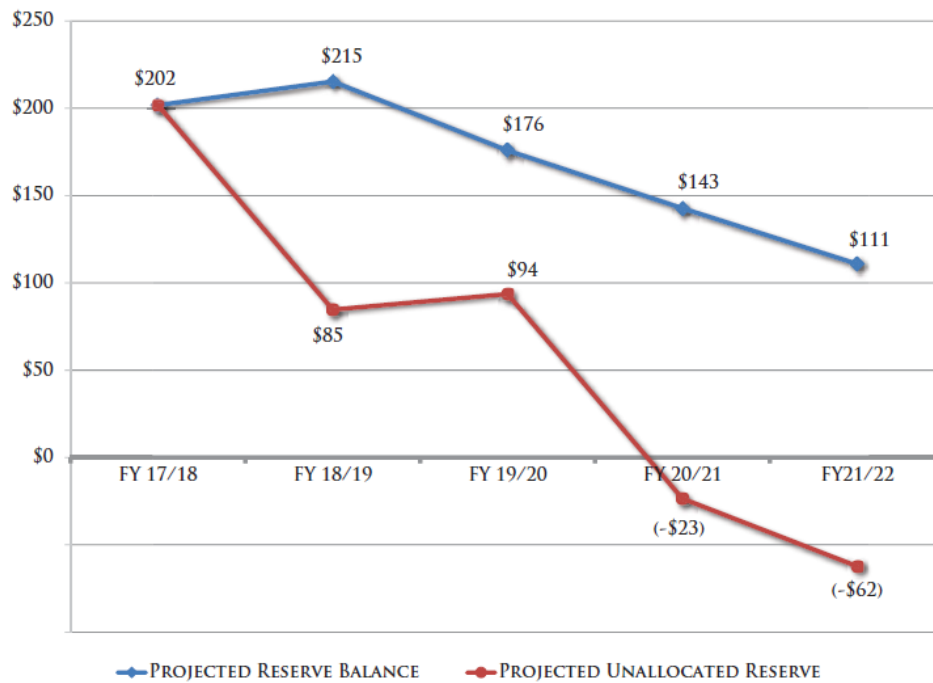
*Note: Graph amounts represent beginning of the year balances. See Appendix E for more details.

Given the projected funding needs of the capital projects, liability, and operating reserve over the next few years, and the uncertainty of how much grant funding we are going to receive, only a portion of the capital reserves are allocated in the FY 19/20 projection. This year due to the undetermined funding status of the final phase of the seismic retrofitting of the Bridge which is about to be put out to bid, the District has taken a more conservative approach in allocating its available capital reserve resources (see Appendix D and E for details). Additional funding for new capital projects in future years will need to be raised to fund the full ten-year capital plan in this projection. This projection 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 capital projects or to cover temporary operating budget shortfalls. 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 as presented in the District’s FY 18/19 Budget 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.

Projected Reserves for Capital Projects (All Numbers in Millions)



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

Use of Reserves to Fund Capital Projects

Current Board direction is to apply the 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 transfer of funds from the operating budget through the capital reserve contribution.

How Reserves Are Funded

New reserves are accumulated if future operating budgets are balanced. In FY 18/19, the operating budget will provide approximately \$30.6 million for the capital project reserves through three mechanisms; 1) the capital reserve contribution set aside; 2) depreciation expense; and, 3) Bridge self-insurance against losses. The District is projected to have an operating shortfall this year and therefore would reduce the amount of capital reserve contribution to fund reserves for future capital projects. Expense over revenue shortfalls in the operating budget are not sustainable over the long-run because the District would not produce the necessary resources to fund future capital projects. However, short-term reserve shortfalls can be managed by making tradeoffs between which capital projects to begin and when to start those projects. Those decisions 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 five- and ten-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 19/20 Estimate	Sub Total Year 1 – 5 Estimate	Total Year 1 – 10 Estimate
Total Operating with Capital Contribution	\$234	\$1,275	\$2,749
<u>Total Operating Revenue</u>	<u>\$239</u>	<u>\$1,201</u>	<u>\$2,409</u>
<u>Total Operating & Capital Surplus (Shortfall)</u>	<u>\$5</u>	<u>(\$74)</u>	<u>(\$340)</u>

For comparison purposes, the projected ten-year revenue over expense shortfall of \$340 million is approximately \$20 million lower than the \$360 million presented in the previous projection of September 21, 2017. The decrease in the 10-year projected shortfall is primarily due to increase in salaries, fringe benefits (medical and pension in particular) and depreciation offset by an increase in revenue mostly in the \$79 million increase in new Senate Bill 1 revenue. If voters approve Proposition 6 on the November ballot, this revenue would go away, exasperating the ten-year shortfall by an additional \$79 million.

The projected shortfall exists because projected expense rise over the 10-year measurement period but many of the sources of revenue do not. The revenue sources will only increase through future public action. The current 10-year shortfall is made up of increase in salaries, assuming a consistent CPI which attributes for approximately \$81 million (21%) of the \$340 million shortfall; medical benefits assume a historical increase of approximately 5.8% contributing to \$58 million (15%); pension contributions, using the actuarial assumptions, make up an additional \$56 million (14%); and, depreciation, due to finishing major projects in the 10-year timeframe, contributes \$84 million (22%) (See Appendix B for more details).

The FY 18/19 Adopted Budget was approved with the \$21 million capital reserve contribution amount. A capital reserve contribution of \$21 million is required to fund the projected 10-year capital plan and attempts to accommodate the financing risk associated with future large capital projects.

Capital Contribution

In the budget process, the ten-year Capital Plan is updated which becomes the basis for the annual Capital Reserve Contribution need. As the projection moves forward one year, new District-funded capital projects become part of the projection and need to be funded through the projected capital reserve contribution. The projected ten-year District capital need is estimated at \$529 million compared to the \$508 million projected last year, an increase of \$21 million due to higher District funded capital projects overall (See Appendix C for more detail). After accounting for funds contributed by depreciation, the use of \$130 million in District reserves offset by projected increase in capital project costs and financing risk, the necessary capital contribution from District Operations is approximately \$210 million or \$21 million annually for the ten-year period (See Appendix D for detail).

Comparison to Last Year's Projection

The five- and ten-year projection is expected to stay relatively flat except for the areas in salaries, benefits and capital reserve contribution. The current projection estimates a five-year shortfall of \$74 million compared to \$72 million projected last year. However, these projections cover different periods of time. When comparing one year's projection to another, it is difficult to recognize the actual change in the projection unless one focuses on the same period in time.

In an apples-to-apples comparison over the same ten-year period (2019-2028) between the new projection and the previous projection, the new projection shows:

- A \$43 million shortfall for 5 years, which is \$28 million lower than the previous projection; and,
- A \$278 million shortfall for 10 years, which is \$84 million lower 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 19/20 through FY 28/29 Ten-Year Capital Projection, provided in Appendix C, identifies a \$1.8 billion capital need over the next ten years requiring a District contribution of \$529 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 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.

Alternative Capital Revenue Assumption Scenarios

Historically, the ten-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 resource need would be if less grant funding were obtained for these Capital projects. The following is a summary of the results:

Capital Revenue Assumption Scenarios (In Millions)	10 Year Resource Need	Variance from 80% Funding Level
Grant Funding Level approx. at 80%	\$ 340	\$ 0
Grant Funding Level 50%	\$ 540	\$ 200
Grant Funding Level 30%	\$ 750	\$ 410

For example, here are some of the major projects that assume approximately 80% grant funding.

BRIDGE DIVISION
 (All numbers in thousands)

Capital Project Detail	10 - Year Total
Bridge Seismic Retrofit	
Phase IIIB Design/Construction	\$644,140
Bridge Access Systems:	
North End Access Systems	\$20,000
South Approach & Arch Access Systems	\$19,992
Main Cable Access	\$11,213
Paint/Erosion Rehabilitation:	
North Tower Paint Rehabilitation	\$30,000
Roadway Rehabilitation:	
Bridge Pavement Repair	\$30,000
Toll Collection:	
Permanent Toll Collection Gantry & Pavement Rehabilitation	\$30,000

V. Next Steps

In response to previous financial projections, District staff developed a series of proposed initiatives to address the District’s projected financial needs. In October 2014, the Board approved its second Strategic Financial Plan to address the projected financial needs. The *2014 Strategic Financial Plan* (Plan) outlines the District’s long-term finances and proposed initiatives to balance the District’s revenue and expenses of which many are currently underway.

The Financial Plan has become part of the Board’s regular financial planning cycle and will be reviewed by the Board under a separate agenda item.

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 and Revenue Detail
 - 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 19/20 - FY 28/29**

Updated: 9/6/2018

All Figures Rounded to (\$000)

80% Grant Funded

	<u>Year 1</u> <u>FY 2020</u> <u>Estimate</u>	<u>Year 2</u> <u>FY 2021</u> <u>Estimate</u>	<u>Year 3</u> <u>FY 2022</u> <u>Estimate</u>	<u>Year 4</u> <u>FY 2023</u> <u>Estimate</u>	<u>Year 5</u> <u>FY 2024</u> <u>Estimate</u>	<u>Year 6</u> <u>FY 2025</u> <u>Estimate</u>	<u>Year 7</u> <u>FY 2026</u> <u>Estimate</u>	<u>Year 8</u> <u>FY 2027</u> <u>Estimate</u>	<u>Year 9</u> <u>FY 2028</u> <u>Estimate</u>	<u>Year 10</u> <u>FY 2029</u> <u>Estimate</u>	<u>Total</u> <u>5 Year</u> <u>Estimate</u>	<u>Total</u> <u>10 Year</u> <u>Estimate</u>
Agency Expense:												
Salaries (Gross of Capitalization & ICAP)	\$ 85,800	\$ 87,600	\$ 89,600	\$ 91,700	\$ 93,800	\$ 96,000	\$ 98,200	\$ 100,400	\$ 102,600	\$ 104,900	\$ 448,500	\$ 950,600
Fringe Benefits (Incl PR Taxes)	68,000	71,900	75,600	78,400	81,900	85,400	87,400	90,600	93,900	96,400	375,800	829,500
Professional Services	25,200	24,700	26,300	25,900	27,500	27,100	28,700	28,400	30,000	29,600	129,600	273,400
Fuel & Related Taxes	11,500	11,700	12,000	12,300	12,600	12,800	13,100	13,400	13,700	14,000	60,100	127,100
Repair & Operating Supplies	10,200	10,500	10,700	11,000	11,200	11,500	11,700	12,000	12,300	12,500	53,600	113,600
Insurance, Taxes & Permits	6,600	6,700	6,900	7,100	7,200	7,400	7,600	7,700	7,900	8,100	34,500	73,200
Purchased Transportation	2,200	2,200	2,300	2,300	2,400	2,400	2,500	2,500	2,600	2,600	11,400	24,000
Staff Development	1,300	1,400	1,400	1,400	1,500	1,500	1,600	1,600	1,600	1,600	7,000	14,800
Leases & Rentals	700	700	800	800	800	800	800	900	900	900	3,800	8,100
Debt Service-Interest Expense	1,800	2,100	2,400	2,700	3,100	3,100	3,100	3,000	2,900	2,800	12,100	27,000
Depreciation	11,100	15,700	18,200	24,200	25,100	23,800	22,400	24,100	25,700	26,800	94,300	217,100
Total Expenses	\$ 224,400	\$ 235,200	\$ 246,200	\$ 257,800	\$ 267,100	\$ 271,800	\$ 277,000	\$ 284,600	\$ 294,100	\$ 300,200	\$ 1,230,700	\$ 2,658,400
Known Changes:												
Federal Health Excise Tax (ACA)	\$ -	\$ -	\$ 1,000	\$ 2,200	\$ 2,600	\$ 3,000	\$ 3,400	\$ 3,900	\$ 4,400	\$ 5,000	\$ 5,800	\$ 25,500
Capitalized Labor	(4,500)	(4,600)	(4,700)	(4,800)	(4,900)	(5,000)	(5,200)	(5,300)	(5,400)	(5,500)	(23,500)	(49,900)
ICAP	(3,200)	(3,200)	(3,300)	(3,400)	(3,500)	(3,600)	(3,600)	(3,700)	(3,800)	(3,900)	(16,600)	(35,200)
Commercial Paper Principal Pymts	-	-	-	-	-	-	-	1,400	1,500	1,600	-	4,500
Debt Service Expense Savings	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,100)	(6,000)	(11,900)
Depreciation - delay in the completion of Capital Projects	(400)	(700)	(1,200)	(3,200)	(2,200)	(2,600)	(2,600)	(5,100)	(3,600)	(3,900)	(7,700)	(25,500)
Salaries/Fringes-known spending experience adjustment	(2,400)	(2,500)	(2,600)	(2,600)	(2,700)	(2,700)	(2,800)	(2,900)	(2,900)	(3,000)	(12,800)	(27,100)
Total Known Changes	\$ (11,700)	\$ (12,200)	\$ (12,000)	\$ (13,000)	\$ (11,900)	\$ (12,100)	\$ (12,000)	\$ (12,900)	\$ (11,000)	\$ (10,800)	\$ (60,800)	\$ (119,600)
Sub-Total Expense	\$ 212,700	\$ 223,000	\$ 234,200	\$ 244,800	\$ 255,200	\$ 259,700	\$ 265,000	\$ 271,700	\$ 283,100	\$ 289,400	\$ 1,169,900	\$ 2,538,800
Capital Contribution	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 105,000	\$ 210,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense	\$ 233,700	\$ 244,000	\$ 255,200	\$ 265,800	\$ 276,200	\$ 280,700	\$ 286,000	\$ 292,700	\$ 304,100	\$ 310,400	\$ 1,274,900	\$ 2,748,800
Total Operating Revenue	\$ 238,500	\$ 239,300	\$ 240,500	\$ 241,000	\$ 241,600	\$ 241,900	\$ 241,500	\$ 241,000	\$ 241,300	\$ 242,400	\$ 1,200,900	\$ 2,409,000
Total Net Surplus/(Deficit)	\$ 4,800	\$ (4,700)	\$ (14,700)	\$ (24,800)	\$ (34,600)	\$ (38,800)	\$ (44,500)	\$ (51,700)	\$ (62,800)	\$ (68,000)	\$ (74,000)	\$ (339,800)
Bridge Expense	\$ 84,400	\$ 86,600	\$ 91,100	\$ 94,700	\$ 99,500	\$ 100,400	\$ 103,400	\$ 106,100	\$ 112,000	\$ 113,300	\$ 456,300	\$ 991,500
Transit Expense	\$ 149,300	\$ 157,400	\$ 164,100	\$ 171,100	\$ 176,700	\$ 180,300	\$ 182,600	\$ 186,600	\$ 192,100	\$ 197,100	\$ 818,600	\$ 1,757,300

**Golden Gate Bridge, Highway & Transportation District Operating Budget Projection
Five-Year and Ten-Year Financial Projections FY 19/20 - FY 28/29**

Revenue Detail

All Figures Rounded to (\$000)

<u>Revenue Categories</u>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	Total
	<u>FY 2020</u>	<u>FY2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>5 Year</u>	<u>10 Year</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>
Bridge Tolls	\$ 150,200	\$ 150,200	\$ 150,200	\$ 150,200	\$ 150,200	\$ 150,200	\$ 150,200	\$ 150,200	\$ 150,200	\$ 150,200	\$ 751,000	\$ 1,502,000
Transit Fares	38,000	38,800	39,700	39,700	39,700	39,700	39,700	39,700	39,700	39,700	195,900	394,400
Investment Income	5,600	5,600	5,800	6,300	6,900	7,100	6,700	6,100	6,300	7,400	30,200	63,800
Ferry Concessions	1,300	1,300	1,400	1,400	1,400	1,500	1,500	1,500	1,600	1,600	6,800	14,500
Other (Incl Adv. & Leases)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,100	2,100	2,100	10,000	20,300
RM2 Local funding	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	14,000	28,000
Local Funds (MCTD Contract)	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	52,000	104,000
Federal/State/Local Funds	18,300	18,300	18,300	18,300	18,300	18,300	18,300	18,300	18,300	18,300	91,500	183,000
Sub-Total Revenue	\$ 228,600	\$ 229,400	\$ 230,600	\$ 231,100	\$ 231,700	\$ 232,000	\$ 231,600	\$ 231,100	\$ 231,400	\$ 232,500	\$ 1,151,400	\$ 2,310,000
Known Changes:												
Temporary License Plate	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000	\$ 20,000
STA Funding-Senate Bill 1	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 39,500	\$ 79,000
Total Known Changes	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900	\$ 49,500	\$ 99,000
Total Revenue	\$ 238,500	\$ 239,300	\$ 240,500	\$ 241,000	\$ 241,600	\$ 241,900	\$ 241,500	\$ 241,000	\$ 241,300	\$ 242,400	\$ 1,200,900	\$ 2,409,000

Bridge Revenue	\$ 158,400	\$ 158,400	\$ 158,600	\$ 159,100	\$ 159,800	\$ 160,000	\$ 159,600	\$ 159,000	\$ 159,300	\$ 160,300	\$ 794,300	\$ 1,592,500
Transit Revenue	\$ 80,100	\$ 80,900	\$ 81,900	\$ 81,900	\$ 81,800	\$ 81,900	\$ 81,900	\$ 82,000	\$ 82,000	\$ 82,100	\$ 406,600	\$ 816,500

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 19/20 – FY 28/29**

CATEGORY ASSUMPTIONS

Operating Revenue

General Assumption: The FY 18/19 Adopted Budget has been used as the basis for all revenue and expense projections.

Bridge Tolls

Bridge southbound traffic is projected to remain flat over 10 years. No increase in toll revenue is recognized in the 10-year projection.

Bus Transit

Regional Bus ridership is projected to remain flat over 10 years. The Board of Directors approved a new five-year fare plan effective July 2017. Though bus ridership remains flat, the revenue slightly increases in the first three years and remains flat for all the other years. Marin Transit contract is assumed at the same level of service.

Ferry Transit

Ferry ridership is projected to remain flat over 10 years. The Board of Directors approved a new five-year fare plan effective July 2017. Though Ferry ridership remains flat, the revenue slightly increase in the first three years and remains flat for all the other years.

Local Funds

This projection assumes Marin Transit contract revenue at the same level of service. No increases to local funding for Regional Measure 2 (RM2) are anticipated per Metropolitan Transportation Commission (MTC).

State Funding

All State Transit Assistance (STA) and Transportation Development Act (TDA) funding is based on historical trends on funds received.

Federal Funding

No Federal operating funding is assumed for this projection.

Investment Income

Interest on investment is projected to be 2.27% 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, bridge self-insurance reserve and depreciation and includes projected capital spending plan.

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 18/19 – FY 27/28**

CATEGORY ASSUMPTIONS

Other Revenue

Other Revenue is based on a projected average CPI rate ranging from 2.2 to 2.4%. This revenue includes leases, advertising, parking meters, ferry concessions, and parking fees.

Known Changes

Temporary License Plate – AB516 bill

Projected revenue for implementing temporary license plates will begin on January 1, 2019, and continue throughout the projection.

Transportation Funding – SB1

Projection assumes new revenue of \$7.9 million per year associated with the passage of Senate Bill 1, for each year of the ten year period. If voters approve Proposition 6 on the November ballot, this revenue would go away, exasperating the ten-year shortfall by an additional \$79 million.

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 19/20 - FY 21/22 are based on an average of all rates. Projected rates for FY 22/23 - FY 26/27 are based on MTC and CBO projections which average 2.3%. The projected CPI rate from MTC for FY 27/28-FY28/29 is 2.2%.

Salaries

Salary increases for non-Bus Operators are based on negotiated wage rates for the first year and CPI rate projections for the remaining nine years as noted above. No salary increase is included for ATU-represented employees, so CPI rates are used for the Bus Operators projections. Capitalized labor and ICAP (Indirect Cost Allocation Plan) 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 34.1%, 36.7%, 38.8%, 40.4%, 41.3% and 41.8% for the years FY19/20 through FY24/25 respectively. This projection assumes that pension cost continues to remain flat for the years of FY 25/26 - FY 28/29. Pension rate for Bus Operator (ATU) is 22.165% for FY 18/19. This projection assumes that the ATU pension rates continue to remain flat for the years of FY 19/20 - FY 28/29.

Medical Insurance

Medical insurance is based on Centers for Medicare & Medicaid Services, Office of the Actuary rates of 5.8%, 5.6%, 5.5%. 5.6%, 5.7%, 5.5% for FY19-20-FY24/25 respectively. The rate 6.1% is used from FY25/26 to FY28-29.

Workers’ Compensation

Workers’ Compensation is based on five-year average and are projected to increase based on CPI rates.

**Golden Gate Bridge, Highway and Transportation District
Five- and Ten-Year Financial Projection for FY 19/20 – FY 28/29**

CATEGORY ASSUMPTIONS

Debt Service Payment

Assumes an interest rate increase of 0.5% per year reaching a cap of 5.0% in year 5.

All other expenses not mentioned above

Projection assumes an average increase of 2.2% - 2.4% depending on the year based on LAO, MTC and CBO CPI projections as described above.

Depreciation

Based on the 10-Year Capital Expenditure Plan, major projects that are projected to be complete for the first five years are as follows: Suicide Deterrent, Main Cable Access, Bridge Pavement Repairs, 67 Hybrid Buses, MS Sonoma Refurbishment and Repower, Purchase New Ferry Vessel, Channel Dredging and IS related projects. For the last five years, major capital projects that are assumed completed are Seismic IIIB, Bridge Access Systems, North Tower Paint Rehabilitation, Toll Collection Gantry, Bus Lot Campus Redevelopment, SRTC Relocation, MV Del Norte, End of Useful Life Replacement, Gangway & Piers-Larkspur/San Francisco and LFT Garage.

Known Changes

ACA

Costs for the Federal Health Excise Tax (ACA) will begin in FY21/22 and continue throughout the projection.

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 70.46% of Engineering capitalized labor expense.

Commercial Paper Principal

Payments to the Commercial Paper Debt Principal will begin in FY 26/27, following completion of the Seismic Retrofit project. Per the original indenture agreement, projected payments are based on \$1.4 million.

Commercial Paper Savings

Cost savings on Commercial Paper debt service expense calculated at the 2.0% difference between the projected interest rate of approximately 2.9% and the 5.0% interest rate cap.

Depreciation Adjustment

Reduction in depreciation cost due to the delay in the completion of capital projects and acquisition of capital equipment.

Hiring Patterns

There will be no assumption for the hiring pattern.

Salary/Fringe Benefits

This projection assumes an adjustment in Salaries/Fringe Benefit due to known actual spending experience.

GGBHTD
10-Year Capital Plan

GGBHTD
TEN YEAR CAPITAL REQUIREMENT
CAPITAL PROJECT DETAIL

	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	Total Project	FY18 & Prior Yrs	FY19 Budget	<<<10-YEAR PROJECTED CAPITAL NEED >>>										Future Years	Line Item Total
							Year 1 FY2020 (\$000)	Year 2 FY2021 (\$000)	Year 3 FY2022 (\$000)	Year 4 FY2023 (\$000)	Year 5 FY2024 (\$000)	Year 6 FY2025 (\$000)	Year 7 FY2026 (\$000)	Year 8 FY2027 (\$000)	Year 9 FY2028 (\$000)	Year 10 FY2029 (\$000)		
BRIDGE																		
GRANTS	725,496	725,496	-	779,192	43,324	10,372	63,868	62,783	92,953	116,985	116,927	116,057	118,381	21,109	10,311	6,121	779,190	
DISTRICT	334,954	-	334,954	361,869	19,505	7,410	40,238	37,678	36,671	34,657	34,769	36,587	50,477	29,129	22,343	12,405	361,868	
TOTAL	1,060,449	725,496	334,954	1,141,061	62,829	17,782	104,106	100,461	129,624	151,642	151,696	152,644	168,858	50,238	32,654	18,526	1,141,058	
BUS																		
GRANTS	235,361	235,361	-	239,161	1,318	881	60,378	15,570	20,854	20,359	15,887	33,688	11,813	47,223	6,830	2,759	239,160	
DISTRICT	67,652	-	67,652	68,788	261	475	13,815	2,205	4,916	5,531	8,331	18,288	3,215	8,210	2,020	1,120	68,788	
TOTAL	303,013	235,361	67,652	307,949	1,579	1,356	74,193	17,775	25,770	25,890	24,218	51,976	15,028	55,433	8,850	3,879	307,948	
FERRY																		
GRANTS	278,679	278,679	-	424,835	9,026	1,814	30,664	39,998	21,549	4,520	7,818	28,557	60,377	45,288	24,404	15,504	424,835	
DISTRICT	87,625	-	87,625	134,033	8,649	3,931	16,648	13,462	6,640	2,885	2,922	7,714	15,829	11,397	6,176	3,951	134,033	
TOTAL	366,304	278,679	87,625	558,868	17,675	5,745	47,312	53,460	28,189	7,405	10,740	36,271	76,206	56,685	30,580	19,455	558,868	
DISTRICT																		
GRANTS	5,929	5,929	-	6,987	889	169	1,157	490	600	900	1,838	44	800	100	-	-	6,987	
DISTRICT	38,941	-	38,941	49,148	2,578	1,418	5,984	9,139	3,491	2,600	3,258	3,786	3,504	3,680	2,100	1,400	49,148	
TOTAL	44,870	5,929	38,941	56,135	3,467	1,587	7,141	9,629	4,091	3,500	5,096	3,830	4,304	3,780	2,100	1,400	56,135	
AGENCY TOTAL																		
GRANTS	1,245,465	1,245,465	-	1,450,175	54,558	13,235	156,067	118,841	135,955	142,765	142,470	178,346	191,371	113,720	41,545	24,384	1,450,172	
DISTRICT	529,172	-	529,172	613,838	30,993	13,235	76,685	62,483	51,718	45,673	49,280	66,375	73,025	52,415	32,639	18,876	613,837	
TOTAL	1,774,636	1,245,465	529,172	2,064,013	85,551	26,470	232,751	181,324	187,673	188,438	191,750	244,721	264,396	166,135	74,184	43,260	2,064,009	

**GGBHTD
10-Year Capital Plan**

BRIDGE DIVISION

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>													Future Years	Line Item Total
				Total Project	FY18 & Prior Yrs	FY19 Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
							FY2020 (\$000)	FY2021 (\$000)	FY2022 (\$000)	FY2023 (\$000)	FY2024 (\$000)	FY2025 (\$000)	FY2026 (\$000)	FY2027 (\$000)	FY2028 (\$000)	FY2029 (\$000)		
GGB SEISMIC RETROFIT																		
Seismic: Design																		
9102 - Seismic Phase III - Design Review (BR-0025)	9,196	8,394	802	40,591	30,395	1,000	9,196	-	-	-	-	-	-	-	-	-	-	40,591
Seismic: Construction																		
1528 - GGB Wind Retrofit (BR-0027)	9,889	9,889	-	11,860	1,471	500	3,000	3,000	3,889	-	-	-	-	-	-	-	-	11,860
0000 - Seismic Phase IIIB Construction (BR-0023)	609,140	499,495	109,645	609,140	-	-	-	20,000	80,000	130,000	130,000	130,000	119,140	-	-	-	-	609,140
0000 - Seismic Phase IIIB Construction (Financing) (BR-0059)	35,000	28,000	7,000	35,000	-	-	-	3,200	2,000	2,056	2,846	6,034	7,136	5,687	4,014	2,026	-	35,000
BRIDGE IMPROVEMENTS/REHABILITATION																		
Safety/security Enhancements																		
0805 - South Approach & Pier Security Improvements (BR-0020)	3,814	635	3,179	5,000	1,136	50	1,000	1,000	1,814	-	-	-	-	-	-	-	-	5,000
1118 - Suicide Deterrent - Design (BR-0018)	-	-	-	5,543	5,466	77	-	-	-	-	-	-	-	-	-	-	-	5,543
1524 - North Anchorage House Security (BR-0016)	795	-	795	1,000	155	50	300	495	-	-	-	-	-	-	-	-	-	1,000
1526 - Suicide Deterrent - Construction (BR-0019)	162,537	111,865	50,672	192,335	17,798	12,000	76,000	59,000	27,537	-	-	-	-	-	-	-	-	192,335
0000 - Fixed CMS North Approach (#1620) (BR-0015)	1,560	-	1,560	1,560	-	-	60	500	1,000	-	-	-	-	-	-	-	-	1,560
Bridge Access Systems																		
1922 - Technical Svcs for Bridge Access Systems (BR-0062)	350	-	350	400	-	50	50	50	50	50	50	50	-	-	-	-	-	400
9826 - Main Cable Access (BR-0003)	11,213	-	11,213	13,180	1,817	150	4,000	4,000	3,213	-	-	-	-	-	-	-	-	13,180
0000 - South Approach & Arch Access Systems (#1521) (BR-0002)	19,992	-	19,992	20,000	8	-	-	-	-	-	500	5,000	12,000	2,492	-	-	-	20,000
0000 - North End Access Systems (#1522) (BR-0030)	20,000	-	20,000	20,000	-	-	-	-	-	-	-	500	5,000	12,000	2,500	-	-	20,000
Improvements/Rehab																		
0000 - Electrical Service to North Approach (BR-0007)	3,960	-	3,960	3,960	-	-	-	-	-	-	160	1,290	1,660	850	-	-	-	3,960
0000 - Roadway Lighting (BR-0008)	100	-	100	100	-	-	-	-	-	-	-	100	-	-	-	-	-	100
Paint/Erosion Rehab																		
1822 - North Tower Pier Shore Protection Des/Env (BR-0051)	484	-	484	500	1	15	484	-	-	-	-	-	-	-	-	-	-	500
0000 - North Tower Paint Rehab (BR-0009)	30,000	24,000	6,000	30,000	-	-	-	-	-	-	500	10,000	15,000	4,500	-	-	-	30,000
0000 - Fort Point Arch Paint Rehab (BR-0010)	7,500	6,000	1,500	7,500	-	-	-	-	-	-	1,000	4,500	2,000	-	-	-	-	7,500
0000 - North Tower Pier Shore Protection Construction (BR-0052)	1,000	-	1,000	1,000	-	-	1,000	-	-	-	-	-	-	-	-	-	-	1,000
Roadway Rehab																		
1722 - Toll Plaza Pavement Overlay (BR-0057)	3,362	-	3,362	3,500	88	50	1,000	1,000	1,362	-	-	-	-	-	-	-	-	3,500
1424 - Deck Paving Investigation (BR-0013)	150	-	150	150	-	-	75	75	-	-	-	-	-	-	-	-	-	150
0000 - Bridge Pavement Repair (BR-0011)	30,000	15,000	15,000	30,000	-	-	-	-	500	15,000	14,500	-	-	-	-	-	-	30,000
Structure Rehab																		
0000 - Cable Band Rehab Construction (BR-0022)	8,200	6,560	1,640	8,200	-	-	-	-	-	-	2,000	3,500	2,700	-	-	-	-	8,200
0000 - Cable Band Rehab Design (BR-0021)	400	320	80	400	-	-	-	-	200	200	-	-	-	-	-	-	-	400

GGBHTD
10-Year Capital Plan

BRIDGE DIVISION (continued)

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	<<<10-YEAR PROJECTED CAPITAL NEED >>>														Future Years	Line Item Total
				Total Project	FY18 & Prior Yrs.	FY19 Budget	Year 1 FY2020 (\$000)	Year 2 FY2021 (\$000)	Year 3 FY2022 (\$000)	Year 4 FY2023 (\$000)	Year 5 FY2024 (\$000)	Year 6 FY2025 (\$000)	Year 7 FY2026 (\$000)	Year 8 FY2027 (\$000)	Year 9 FY2028 (\$000)	Year 10 FY2029 (\$000)			
FACILITIES REHABILITATION																			
Grounds and Roads																			
1920 - Alexander Avenue Slope Strengthening Des/Env (BR-0060)	480	-	480	500	-	20	480	-	-	-	-	-	-	-	-	-	-	500	
0000 - Alexander Avenue Pavement Rehabilitation (#1421) (BR-0033)	2,987	-	2,987	3,000	13	-	-	-	200	200	1,000	1,587	-	-	-	-	-	3,000	
0000 - Alexander Avenue Slide Repair - Design/Env (BR-0054)	500	-	500	500	-	-	-	100	100	300	-	-	-	-	-	-	-	500	
0000 - Employee Parking Lots & Tunnel Rehab (BR-0032)	2,300	-	2,300	2,300	-	-	-	-	-	-	-	400	1,300	600	-	-	-	2,300	
0000 - Merchant Road Rehabilitation (BR-0031)	1,800	-	1,800	1,800	-	-	-	-	-	-	-	400	1,400	-	-	-	-	1,800	
0000 - Alexander Avenue Slide Repair - Construction (BR-0055)	850	-	850	850	-	-	-	-	-	-	200	200	450	-	-	-	-	850	
Improvements/Rehab																			
1523 - Modular Offices Rehabilitation (BR-0035)	140	-	140	559	319	100	140	-	-	-	-	-	-	-	-	-	-	559	
Maintenance Facilities																			
0000 - Fuel Station Upgrade and Rehabilitation (BR-0037)	820	410	410	820	-	-	-	100	720	-	-	-	-	-	-	-	-	820	
0000 - Maintenance Facility Relocation (BR-0038)	9,150	9,150	-	9,150	-	-	-	-	-	-	-	-	350	800	3,500	4,500	-	9,150	
0000 - Wash Rack Replacement (BR-0036)	755	378	378	755	-	-	-	-	-	-	-	300	455	-	-	-	-	755	
Toll Plaza Buildings																			
1721 - Toll Plaza Admin Bldg HVAC Repl & Roof Rehab (BR-0039)	-	-	-	2,952	2,088	864	-	-	-	-	-	-	-	-	-	-	-	2,952	
1820 - Toll Plaza Gantry - Construction (BR-0058)	7,062	-	7,062	7,264	2	200	3,000	3,000	1,062	-	-	-	-	-	-	-	-	7,264	
1821 - IS Data Center Seismic Retrofit (BR-0042)	1,481	-	1,481	1,500	4	15	1,000	481	-	-	-	-	-	-	-	-	-	1,500	
1921 - Stores Bldg Office Space HVAC Replacement (BR-0061)	20	-	20	35	-	15	20	-	-	-	-	-	-	-	-	-	-	35	
0000 - Permanent Toll Collection Gantry & Pavement Rehab (BR-0056)	30,000	-	30,000	30,000	-	-	-	-	-	-	-	-	-	5,000	15,000	10,000	-	30,000	
0000 - Toll Plaza Administration Bldg Rehab (BR-0040)	3,000	2,400	600	3,000	-	-	-	-	100	800	2,100	-	-	-	-	-	-	3,000	
0000 - Maintenance Shop Retrofit & Roof Rehab (BR-0041)	1,690	-	1,690	1,690	-	-	-	500	1,190	-	-	-	-	-	-	-	-	1,690	
0000 - Round House Roof Rehab (BR-0044)	590	-	590	590	-	-	-	-	-	-	-	-	-	300	290	-	-	590	
0000 - Purchasing & Stores Bldg & Roof Rehab (BR-0045)	860	-	860	860	-	-	100	760	-	-	-	-	-	-	-	-	-	860	
0000 - South Visitor Plaza Restrooms Improvement - Construction (BR-0006)	3,000	3,000	-	3,000	-	-	-	-	2,000	1,000	-	-	-	-	-	-	-	3,000	
INFORMATION SYSTEMS/TECHNOLOGY																			
1422 - FASTRAK Equipment Upgrade (BR-0047)	586	-	586	1,000	364	50	200	200	186	-	-	-	-	-	-	-	-	1,000	
1525 - Toll System Upgrade (BR-0048)	3,736	-	3,736	5,942	1,706	500	1,000	1,000	1,000	736	-	-	-	-	-	-	-	5,942	
CAPITAL EQUIPMENT																			
Tools and Equipment																			
XX29 - Tools and Equipment	20,000	-	20,000	22,075	-	2,075	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,075	
TOTAL	1,060,450	725,496	334,954	1,141,061	62,831	17,781	104,105	100,461	129,623	151,642	151,696	152,644	168,858	50,239	32,654	18,526	-	1,141,061	
		68%	32%																

**GGBHTD
10-Year Capital Plan**

BUS DIVISION

CAPITAL PROJECT DETAIL	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>																Future Years	Line Item Total
	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	Total Project	FY18 & Prior Yrs	FY19 Budget	Year 1 FY2020 (\$000)	Year 2 FY2021 (\$000)	Year 3 FY2022 (\$000)	Year 4 FY2023 (\$000)	Year 5 FY2024 (\$000)	Year 6 FY2025 (\$000)	Year 7 FY2026 (\$000)	Year 8 FY2027 (\$000)	Year 9 FY2028 (\$000)	Year 10 FY2029 (\$000)		
	REVENUE VEHICLES																	
0000 - Replace Fareboxes (BUS-0034)	5,500	4,565	935	5,500	-	-	-	-	-	-	500	1,000	3,000	1,000	-	-	5,500	
0000 - Revenue Vehicle Enhancements: bike racks, outlets, etc (BUS-0035)	500	400	100	500	-	-	-	-	-	-	-	-	-	-	500	-	500	
1532 - MCI USB Outlets (BUS-0032)	328	262	66	428	-	100	328	-	-	-	-	-	-	-	-	-	428	
Revenue Vehicle Replacement																		
0000 - ADA Paratransit Vans (BUS-0039)	3,198	2,654	544	92,471	-	-	-	1,270	-	570	-	1,358	-	-	-	-	3,198	
0000 - Replace Buses (Local) (BUS-0038)	26,286	26,286	-	67,600	-	-	8,960	-	6,378	-	-	-	10,948	-	-	-	26,286	
0000 - Replace Buses (Regional) (BUS-0037)	92,471	76,751	15,720	26,286	-	-	-	22,270	20,240	-	20,726	-	29,235	-	-	-	92,471	
1730 - Replace 67 Transit Buses with Hybrids (BUS-0036)	67,100	56,048	11,052	3,198	-	500	67,100	-	-	-	-	-	-	-	-	-	67,600	
1831 - Replace Six (6) Paratransit 22' Gas Cutaways (BUS-0050)	525	420	105	540	-	15	525	-	-	-	-	-	-	-	-	-	540	
Safety/Security																		
0000 - Security Systems (BUS-0044)	1,000	800	200	1,000	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000	
1434 - Security Systems - Bus Security Cameras (BUS-0045)	-	-	-	900	765	135	-	-	-	-	-	-	-	-	-	-	900	
Systemwide																		
1932 - Zero Emission Bus (ZEB) Fleet/Infrastructure Analysis (BUS-0054)	110	-	110	125	-	15	110	-	-	-	-	-	-	-	-	-	125	
FACILITIES REHABILITATION																		
Safety/Security																		
D-1: San Rafael																		
1431 - Resurface D1 Employee Parking Lot & Solar Panels (BUS-0002)	4,887	3,910	977	5,130	143	100	2,000	2,887	-	-	-	-	-	-	-	-	5,130	
1830 - D-1 Heavy Duty Shop Rehab: Roof/HVAC/Paint/Windows (BUS-0004)	1,206	965	241	1,600	294	100	1,206	-	-	-	-	-	-	-	-	-	1,600	
1931 - Bus Division Office Improvements (BUS-0053)	345	-	345	420	-	75	345	-	-	-	-	-	-	-	-	-	420	
1934 - San Rafael Server HVAC Modifications (BUS-0055)	30	-	30	50	-	20	30	-	-	-	-	-	-	-	-	-	50	
0000 - San Rafael Card Access Security (BUS-0042)	216	173	43	216	-	-	-	-	-	-	-	-	-	-	-	216	216	
0000 - Replace Steam Bay Waste Water Recycling System (FY11) (BUS-0012)	284	227	57	284	-	-	-	-	-	-	-	-	-	-	-	284	284	
0000 - Injector Room Ventilation (BUS-0016)	35	28	7	35	-	-	-	-	-	-	-	-	-	-	-	35	35	
0000 - Extend/Add Mezzanine (FY10; FY11; FY12) (BUS-0019)	115	-	115	115	-	-	-	-	-	-	-	-	-	-	-	115	115	
0000 - Elevator for D1 HD Shop Building (BUS-0018)	650	520	130	650	-	-	-	-	-	-	-	-	-	-	-	650	650	
0000 - D1 New Warehouse: Parts and Records Storage (FY10) (BUS-0017)	225	180	45	225	-	-	-	-	-	-	-	-	-	-	-	225	225	
0000 - D-1 Main Shop Utility Rehab (BUS-0007)	1,900	1,520	380	1,900	-	-	-	800	1,100	-	-	-	-	-	-	-	1,900	
0000 - D-1 Main Shop Roof Replacement (BUS-0003)	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-	-	-	2,000	
0000 - D-1 IT Dispatch Office Rehab (BUS-0009)	800	640	160	800	-	-	-	-	-	-	-	-	-	-	-	800	800	
0000 - D-1 Fuel Island Building Rehab: Concrct Apron/Roof/Paint (BUS-0005)	850	680	170	850	-	-	-	100	750	-	-	-	-	-	-	-	850	
0000 - D-1 Fire Alarm System Upgrade (BUS-0041)	300	240	60	300	-	-	-	-	-	-	-	-	-	-	-	300	300	
0000 - D1 Drainage Improvements Warehouse Area (BUS-0014)	25	20	5	25	-	-	-	-	-	-	-	-	-	-	-	25	25	
0000 - D-1 Bus Lot Pavement Rehabilitation (BUS-0008)	2,500	2,000	500	2,500	-	-	500	1,000	1,000	-	-	-	-	-	-	-	2,500	
0000 - D-1 Bus Lot Campus Redev. Ph1-Planning Study (BUS-0010)	400	320	80	400	-	-	-	-	200	200	-	-	-	-	-	-	400	
0000 - D-1 Bus Lot Campus Redev. Ph2-Construction (BUS-0011)	25,000	20,000	5,000	25,000	-	-	-	-	-	1,000	10,000	10,000	4,000	-	-	-	25,000	
0000 - D-1 Bus Admin Bldg Roof, HVAC & Dispatch Rm (BUS-0040)	1,700	1,360	340	1,700	-	-	100	1,500	100	-	-	-	-	-	-	-	1,700	
0000 - D-1 Body Shop Roof and Coating, Storage Bldg (BUS-0006)	1,100	880	220	1,100	-	-	-	-	600	500	-	-	-	-	-	-	1,100	
0000 - Bus Main Shop Heaters Replacement (BUS-0015)	91	73	18	91	-	-	-	-	-	-	-	-	-	-	-	91	91	
0000 - Bus Lot Landscapes (BUS-0056)	100	-	100	100	-	-	-	-	100	-	-	-	-	-	-	-	100	
0000 - Automatic Door/Enclosure by Driver's Room (FY11; FY12) (BUS-0043)	150	120	30	150	-	-	-	-	-	-	-	-	-	-	-	150	150	

**GGBHTD
10-Year Capital Plan**

BUS DIVISION (continued)

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>													Future Years	Line Item Total		
				Total Project	FY18 & Prior Yrs	FY19 Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10				
							FY2020 (\$000)	FY2021 (\$000)	FY2022 (\$000)	FY2023 (\$000)	FY2024 (\$000)	FY2025 (\$000)	FY2026 (\$000)	FY2027 (\$000)	FY2028 (\$000)	FY2029 (\$000)				
D-2: Novato																				
1930 - D-2 Pavement & Remediation (BUS-0052)	1,980	1,584	396	2,000	-	20	800	1,180	-	-	-	-	-	-	-	-	-	-	2,000	
0000 - D-2 Dispatch & Fuel Island Bldg Roof Rehab (BUS-0020)	760	608	152	760	-	-	-	-	-	320	440	-	-	-	-	-	-	-	760	
0000 - D-2 Pavement Rehabilitation (BUS-0022)	1,700	1,360	340	1,700	-	-	-	-	-	-	300	600	800	-	-	-	-	-	1,700	
0000 - D-2 Wash Rack Improvements (BUS-0021)	840	672	168	840	-	-	-	-	-	-	320	520	-	-	-	-	-	-	840	
D-3: Santa Rosa																				
0000 - D-3 Bus Security Improvements (BUS-0046)	1,500	1,200	300	1,500	-	-	-	-	-	-	300	1,200	-	-	-	-	-	-	1,500	
0000 - D-3 Dispatch & Fuel Island Bldg Roof and Restroom Rehab (BUS-0024)	900	720	180	900	-	-	-	-	300	600	-	-	-	-	-	-	-	-	900	
0000 - D-3 Pavement Rehabilitation (BUS-0026)	2,100	1,680	420	2,100	-	-	-	-	-	-	-	-	800	800	500	-	-	-	2,100	
0000 - D-3 Wash Rack Improvements (BUS-0025)	840	672	168	840	-	-	-	-	-	300	540	-	-	-	-	-	-	-	840	
D-4: San Francisco																				
1933 - SF Curb Cut Bus Stop Improvements (BUS-0057)	30	-	30	50	-	20	30	-	-	-	-	-	-	-	-	-	-	-	50	
1531 - San Francisco (D-4) Bus Lot Env Eval and Mods (BUS-0027)	480	-	480	500	-	20	480	-	-	-	-	-	-	-	-	-	-	-	500	
0000 - D-4 Pavement Rehabilitation (BUS-0028)	1,500	1,200	300	1,500	-	-	-	-	-	-	-	-	300	1,200	-	-	-	-	1,500	
R-7: San Rafael Transit Center																				
0000 - SRTC Relocation PS&E/CON (BUS-0029)	45,000	22,500	22,500	45,000	-	-	-	-	500	2,000	15,000	27,500	-	-	-	-	-	-	45,000	
1717 - SRTC Relocation Design/Env (Planning Dept) (BUS-0048)	1,629	986	643	2,065	337	100	600	1,029	-	-	-	-	-	-	-	-	-	-	2,065	
Systemwide																				
0000 - Install LED Yard Lighting at Bus Facilities (BUS-0031)	138	138	-	138	-	-	-	-	-	-	-	-	-	-	-	-	-	138	138	
INFORMATION SYSTEMS/TECHNOLOGY																				
1715 - Aviat Microwave Update - Santa Rosa Link (BUS-0051)	190	-	190	250	40	20	190	-	-	-	-	-	-	-	-	-	-	-	250	
CAPITAL EQUIPMENT																				
CAPITAL EQUIPMENT	3,500	-	3,500	3,617	-	117	350	350	350	350	350	350	350	350	350	350	350	350	3,617	
TOTAL	303,014	235,362	67,652	307,949			1,579	1,357	74,194	17,776	25,770	25,890	24,218	51,976	15,028	55,433	8,850	3,879	2,000	307,949

78% 22%

GGBHTD
10-Year Capital Plan

FERRY DIVISION

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>														Future Years	Line Item Total
				Total Project	FY18 & Prior Yrs	FY19 Budget	Year 1 FY2020 (\$000)	Year 2 FY2021 (\$000)	Year 3 FY2022 (\$000)	Year 4 FY2023 (\$000)	Year 5 FY2024 (\$000)	Year 6 FY2025 (\$000)	Year 7 FY2026 (\$000)	Year 8 FY2027 (\$000)	Year 9 FY2028 (\$000)	Year 10 FY2029 (\$000)			
REVENUE VEHICLES																			
MS San Francisco																			
0000 - MS San Francisco Repower & Capital Improvement (FER-0042)	6,510	5,208	1,302	8,260			785	1,685	-	785	-	785	-	1,685	-	785	1,750	8,260	
0000 - MS San Francisco: End of Useful Life Replacement (FER-0043)	-	-	-	25,000			-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
MS Marin																			
0000 - M.S. Marin Ramp & Gangways Vessel Modifications (#1640) (FER-0019)	1,340	1,072	268	1,340			-	500	500	340	-	-	-	-	-	-	-	1,340	
0000 - MS Marin: End of Useful Life Replacement (FER-0041)	-	-	-	25,000			-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
0000 - MS Marin: Repower & Capital Improvements (FER-0040)	5,290	4,232	1,058	5,290			1,850	-	585	-	1,685	-	585	-	585	-	-	5,290	
1741 - M.S. Marin Repower & Dry Dock (FER-0015)	5,345	560	4,785	13,334	5,990	2,000	5,345	-	-	-	-	-	-	-	-	-	-	-	13,335
MS Sonoma																			
1740 - M.S. Sonoma Refurbishment and Repower (FER-0016)	20,565	19,951	614	22,500	1,785	150	10,000	10,565	-	-	-	-	-	-	-	-	-	-	22,500
0000 - MS Sonoma: End of Useful Life Replacement (FER-0045)	-	-	-	25,000			-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
0000 - MS Sonoma Repower & Capital Improvements (FER-0044)	4,205	3,364	841	5,890			-	565	-	585	-	1,885	-	585	-	585	1,685	5,890	
MV Mendocino																			
0000 - MV Mendocino: End of Useful Life Replacement (FER-0051)	-	-	-	25,000			-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
0000 - MV Mendocino Repower & Capital Improvements (FER-0050)	7,300	5,840	1,460	7,300			1,070	-	1,070	-	3,320	-	920	-	920	-	-	7,300	
MV Del Norte																			
1941 - M.V. Del Norte Engine Rebuild/Cap Improvement (FER-0068)	4,495	3,596	899	4,545		50	1,000	2,000	1,495	-	-	-	-	-	-	-	-	-	4,545
0000 - MV Del Norte QL3 (FER-0065)	665	532	133	665			300	365	-	-	-	-	-	-	-	-	-	-	665
0000 - MV Del Norte Repower & Capital Improvements (FER-0046)	8,130	6,504	1,626	16,260			-	1,090	-	1,490	-	3,530	-	1,010	-	1,010	8,130	16,260	
0000 - MV Del Norte: End of Useful Life Replacement (FER-0047)	25,000	20,000	5,000	25,000			-	-	-	-	-	-	25,000	-	-	-	-	25,000	
MV Napa																			
0000 - MV Napa Capital Improvements & DD (FER-0066)	1,000	800	200	1,000			-	100	400	500	-	-	-	-	-	-	-	-	1,000
0000 - MV Napa Repower & Capital Improvements (FER-0052)	8,630	6,904	1,726	8,630			-	1,450	-	1,450	-	1,000	-	3,730	-	1,000	-	8,630	
0000 - MV Napa: End of Useful Life Replacement (FER-0053)	-	-	-	25,000			-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
1942 - M.V. Napa Engine Rebuild/Cap Improvement (FER-0022)	4,160	3,328	832	4,410	250		1,000	1,000	2,160	-	-	-	-	-	-	-	-	-	4,410
0000 - M.V. Napa Ramp & Gangways Vessel Modifications (#1641) (FER-0072)	1,180	944	236	1,180			200	500	480	-	-	-	-	-	-	-	-	-	1,180
MV Golden Gate																			
1943 - M.V. Golden Gate Engine Rebuild/Cap Improvement (FER-0071)	3,385	2,708	677	3,535		150	1,000	1,000	1,385	-	-	-	-	-	-	-	-	-	3,535
0000 - MV Golden Gate Repower & Capital Improvements (FER-0048)	7,580	6,064	1,516	15,160			-	1,050	-	1,000	-	3,530	-	1,000	-	1,000	7,580	15,160	
0000 - MV Golden Gate: End of Useful Life Replacement (FER-0049)	-	-	-	25,000			-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
0000 - MV Golden Gate: Structural Modifications (#1440) (FER-0020)	100	80	20	100			100	-	-	-	-	-	-	-	-	-	-	-	100
Systemwide																			
1940 - Purchase New Vessel - Phase 1 (FER-0067)	10,950	6,570	4,380	11,000		50	8,000	2,950	-	-	-	-	-	-	-	-	-	-	11,000
0000 - Purchase New Vessel - Phase 2 (FER-0080)	19,000	11,400	7,600	19,000			8,000	11,000	-	-	-	-	-	-	-	-	-	-	19,000
1945 - Renewable Diesel Pilot Program (FER-0069)	535	-	535	560		25	535	-	-	-	-	-	-	-	-	-	-	-	560

**GGBHTD
10-Year Capital Plan**

FERRY DIVISION (continued)

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	Total Project	FY18 & Prior Yrs	FY19 Budget	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										Future Years	Line Item Total
							Year 1 FY2020 (\$000)	Year 2 FY2021 (\$000)	Year 3 FY2022 (\$000)	Year 4 FY2023 (\$000)	Year 5 FY2024 (\$000)	Year 6 FY2025 (\$000)	Year 7 FY2026 (\$000)	Year 8 FY2027 (\$000)	Year 9 FY2028 (\$000)	Year 10 FY2029 (\$000)		
FACILITIES REHABILITATION																		
Systemwide																		
0503 - Gangway & Piers - Design (FER-0007)	3,019	2,502	517	11,863	7,843	1,000	500	500	2,019	-	-	-	-	-	-	-	11,862	
0000 - Security Systems (FER-0059)	500	400	100	500	-	-	-	500	-	-	-	-	-	-	-	-	500	
0000 - Warehouse Security and Storage Project (FER-0079)	1,970	-	1,970	1,970	-	-	100	200	500	500	670	-	-	-	-	-	1,970	
Larkspur Ferry Terminal																		
0000 - Admin Bldg Roof, Paint Exterior, Restroom Rehab (FER-0028)	1,500	1,200	300	1,500	-	-	300	1,200	-	-	-	-	-	-	-	-	1,500	
0000 - Design/Install Swing Mooring Apparatus (FER-0057)	86	-	86	86	-	-	-	86	-	-	-	-	-	-	-	-	86	
0000 - Gangways & Piers - Larkspur Construction (FER-0026)	66,000	52,800	13,200	66,000	-	-	-	-	-	-	-	4,000	24,000	24,000	14,000	-	66,000	
0000 - LFT Berth and Turning Basin Dredging (FER-0025)	8,000	6,400	1,600	8,000	-	-	-	300	3,000	-	-	-	400	4,300	-	-	8,000	
0000 - LFT Channel Dredging (FER-0024)	29,100	23,280	5,820	29,100	-	-	-	500	12,500	-	-	-	800	15,300	-	-	29,100	
0000 - LFT Maintenance Facility Rehabilitation (FER-0060)	1,160	-	1,160	1,160	-	-	-	-	-	-	-	500	660	-	-	-	1,160	
0000 - LFT Parking Garage (FER-0035)	40,000	32,000	8,000	40,000	-	-	-	-	-	-	-	500	4,500	5,000	15,000	15,000	40,000	
0000 - Oil Boom Platform Berth 3 (FER-0032)	900	-	900	900	-	-	-	900	-	-	-	-	-	-	-	-	900	
0000 - Parking Lot Striping, Improvements, Signage (FER-0055)	50	-	50	50	-	-	-	50	-	-	-	-	-	-	-	-	50	
0000 - Rehab Overflow Parking Lot Area (FER-0033)	800	640	160	800	-	-	-	800	-	-	-	-	-	-	-	-	800	
0000 - Rehab Parking Lot (FER-0034)	1,500	1,200	300	1,500	-	-	-	-	-	-	-	300	1,200	-	-	-	1,500	
0000 - Terminal Bldgs and Waiting Area Roof Rehab (FER-0027)	2,000	1,600	400	2,000	-	-	300	1,700	-	-	-	-	-	-	-	-	2,000	
0000 - Terminal Truss Rehab and Painting (FER-0030)	4,000	3,200	800	4,000	-	-	-	-	-	-	468	1,766	1,766	-	-	-	4,000	
0000 - Terminal Water Line and Utilities Rehab (FER-0029)	1,000	800	200	1,000	-	-	-	500	500	-	-	-	-	-	-	-	1,000	
1542 - SLEP Larkspur (FER-0003)	1,481	1,185	296	1,740	209	50	1,481	-	500	-	-	-	-	-	-	-	1,740	
1841 - Fuel System Rehab (FER-0031)	1,480	-	1,480	1,500	-	20	200	200	500	580	-	-	-	-	-	-	1,500	
0000 - EV Charger Upgrades (FER-0070)	200	-	200	200	-	-	-	50	50	100	-	-	-	-	-	-	200	
0000 - Larkspur Ferry Office Partitions and Furniture (FER-0074)	58	-	58	58	-	-	-	58	-	-	-	-	-	-	-	-	58	
0000 - Modify Slip #3, Larkspur Ferry Terminal (ADA Compliance) (FER-0075)	96	-	96	96	-	-	-	96	-	-	-	-	-	-	-	-	96	
0000 - Larkspur Ferry Kiosk Restoration and Refurbishment (FER-0076)	380	-	380	380	-	-	200	180	-	-	-	-	-	-	-	-	380	
0000 - Modify/Improve Larkspur Ferry Overflow Parking Lot (FER-0077)	400	-	400	400	-	-	100	300	-	-	-	-	-	-	-	-	400	
San Francisco Ferry Terminal																		
0000 - Gangways & Piers - San Francisco Construction (FER-0036)	30,000	24,000	6,000	30,000	-	-	-	-	-	-	3,500	12,500	14,000	-	-	-	30,000	
0000 - Rehab Former Ticket Office Bldg (FER-0038)	2,800	2,240	560	2,800	-	-	-	-	-	-	-	2,000	800	-	-	-	2,800	
0000 - SFFT Security Gate (FER-0063)	300	-	300	300	-	-	300	-	-	-	-	-	-	-	-	-	300	
0000 - Waiting Area Roof Rehab (FER-0037)	1,200	960	240	1,200	-	-	-	-	-	-	300	900	-	-	-	-	1,200	
0000 - San Francisco Ferry Terminal Improvements (FER-0078)	1,222	-	1,222	1,222	-	-	100	200	200	500	222	-	-	-	-	-	1,222	
Sausalito Ferry Terminal																		
1441 - Gangways & Piers - Sausalito Construction (FER-0005)	11,300	9,040	2,260	11,500	-	200	3,000	8,300	-	-	-	-	-	-	-	-	11,500	
0000 - Sausalito Terminal Environmental Mitigation (FER-0039)	100	-	100	100	-	-	100	-	-	-	-	-	-	-	-	-	100	
ENVIRONMENTAL MITIGATION																		
Corte Madera Marsh																		
9710 - Corte Madera Marsh Restoration Design	618	-	618	2,489	1,821	50	618	-	-	-	-	-	-	-	-	-	2,489	
0000 - CM Marsh Restoration Construction	5,000	4,000	1,000	5,000	-	-	-	-	-	500	3,000	1,500	-	-	-	-	5,000	
INFORMATION SYSTEMS/TECHNOLOGY																		
1944 - Ticketing Systems/TVMs/Door Replacement (FER-0073)	1,969	1,575	394	2,019	-	50	500	800	669	-	-	-	-	-	-	-	2,019	
1842 - Automatic Identification System (AIS) (FER-0064)	-	-	-	37	27	10	-	-	-	-	-	-	-	-	-	-	37	
CAPITAL EQUIPMENT																		
XX49 - Capital Equipment (FER-0001)	750	-	750	2,440	-	1,690	75	75	75	75	75	75	75	75	75	75	2,440	
TOTAL	366,304	278,679	87,625	558,869	17,675	5,745	47,313	53,461	28,188	7,405	10,740	36,271	76,206	56,685	30,580	19,455	558,869	

GGBHTD
10-Year Capital Plan

DISTRICT DIVISION CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>													Future Years	Line Item Total	
				Total Project	FY18 & Prior Yrs	FY19 Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10			
							FY2020 (\$000)	FY2021 (\$000)	FY2022 (\$000)	FY2023 (\$000)	FY2024 (\$000)	FY2025 (\$000)	FY2026 (\$000)	FY2027 (\$000)	FY2028 (\$000)	FY2029 (\$000)			
FACILITIES REHABILITATION																			
0000 - A&D Admin Building Remodel/Rehab (DIST-0002)	1,500	-	1,500	1,500	-	-	200	1,300	-	-	-	-	-	-	-	-	-	1,500	
0000 - Office Facility Renovation/Consolidation (DIST-0003)	750	-	750	6,960	-	-	-	-	-	-	-	-	-	-	-	-	750	6,210	6,960
0000 - Security Systems (DIST-0046)	700	560	140	700	-	-	100	100	-	500	-	-	-	-	-	-	-	-	700
INFORMATION SYSTEMS/TECHNOLOGY																			
1513 - Electronic Time Keeping (DIST-0010)	-	-	-	1,141	952	189	-	-	-	-	-	-	-	-	-	-	-	-	1,141
1518 - Website Redesign (DIST-0013)	-	-	-	532	383	149	-	-	-	-	-	-	-	-	-	-	-	-	532
1711 - Radio System Upgrade (DIST-0005)	699	444	255	1,844	944	200	699	-	-	-	-	-	-	-	-	-	-	-	1,843
1712 - Transit Scheduling System (DIST-0009)	1,654	-	1,654	2,135	231	250	700	500	454	-	-	-	-	-	-	-	-	-	2,135
1713 - ADS ACIS Data Radio Replacement (DIST-0006)	-	-	-	700	597	103	-	-	-	-	-	-	-	-	-	-	-	-	700
1810 - Financial/HR/Payroll Management System Procurement (DIST-0021)	4,456	2,228	2,228	4,500	44	-	200	500	1,000	1,000	1,756	-	-	-	-	-	-	-	4,500
1811 - Hardware and Software for ACIS/INIT (DIST-0051)	633	533	100	1,000	317	50	633	-	-	-	-	-	-	-	-	-	-	-	1,000
1813 - Transportation Statistics Reporting (DIST-0061)	500	-	500	500	-	-	250	250	-	-	-	-	-	-	-	-	-	-	500
1815 - Customer Service Incident System (Marketing) (DIST-0056)	25	-	25	45	-	20	25	-	-	-	-	-	-	-	-	-	-	-	45
1816 - Document Management System (DIST-0057)	250	-	250	300	-	50	250	-	-	-	-	-	-	-	-	-	-	-	300
1910 - Maximo for Bridge Division (DIST-0064)	513	-	513	533	-	20	513	-	-	-	-	-	-	-	-	-	-	-	533
1911 - Cyber Security Improvements (DIST-0065)	308	-	308	408	-	100	308	-	-	-	-	-	-	-	-	-	-	-	408
1912 - Manage Detection and Response Services (DIST-0066)	310	-	310	360	-	50	310	-	-	-	-	-	-	-	-	-	-	-	360
1913 - Disaster Recovery Improvements (2019) (DIST-0067)	298	-	298	318	-	20	298	-	-	-	-	-	-	-	-	-	-	-	318
1914 - Technology Improvements (2019) (DIST-0068)	219	-	219	269	-	50	219	-	-	-	-	-	-	-	-	-	-	-	269
1915 - Cisco Phone System Software Upgrade (DIST-0069)	119	-	119	144	-	25	119	-	-	-	-	-	-	-	-	-	-	-	144
1916 - San Rafael A&D Admin Office Improvements (DIST-0070)	181	-	181	231	-	50	181	-	-	-	-	-	-	-	-	-	-	-	231
0000 - Video Conferencing (DIST-0053)	299	-	299	299	-	-	-	-	-	-	50	125	124	-	-	-	-	-	299
0000 - Transit Scheduling System (DIST-0018)	1,200	960	240	1,200	-	-	-	-	-	-	1,200	-	-	-	-	-	-	-	1,200
0000 - Time Keeping System (DIST-0026)	1,055	844	211	1,055	-	-	-	-	-	-	-	55	1,000	-	-	-	-	-	1,055
0000 - Telephone System Upgrade (DIST-0019)	2,550	-	2,550	2,550	-	-	-	-	800	-	-	-	50	1,700	-	-	-	-	2,550
0000 - Technology Improvements (DIST-0052)	2,250	-	2,250	2,250	-	-	250	250	250	250	250	250	250	250	250	-	-	-	2,250
0000 - Replace Server Equipment (DIST-0024)	600	-	600	600	-	-	200	-	-	-	200	-	-	-	200	-	-	-	600
0000 - Replace Network Equipment (DIST-0023)	740	-	740	740	-	-	-	-	-	-	740	-	-	-	-	-	-	-	740
0000 - Redundant Network / Systems (DIST-0017)	650	-	650	650	-	-	-	-	-	150	-	350	150	-	-	-	-	-	650
0000 - Radio System Upgrade (DIST-0016)	2,000	-	2,000	2,000	-	-	-	-	500	-	500	-	500	-	500	-	500	-	2,000
0000 - Radio Subscriber Upgrade (DIST-0060)	4,000	-	4,000	4,000	-	-	-	3,000	-	-	-	-	1,000	-	-	-	-	-	4,000
0000 - Network Security (DIST-0035)	230	-	230	230	-	-	-	-	230	-	-	-	-	-	-	-	-	-	230
0000 - Maximo Upgrade SAAS (DIST-0071)	452	-	452	452	-	-	100	100	252	-	-	-	-	-	-	-	-	-	452
0000 - IVR replacement (DIST-0036)	200	-	200	200	-	-	-	-	200	-	-	-	-	-	-	-	-	-	200
0000 - Internet of Things for all Divisions (DIST-0050)	750	-	750	750	-	-	-	-	250	-	-	250	-	-	-	250	-	-	750
0000 - INIT software refresh (DIST-0045)	1,100	-	1,100	1,100	-	-	1,100	-	-	-	-	-	-	-	-	-	-	-	1,100
0000 - Indoor and Outdoor Wireless Network Access (DIST-0028)	660	-	660	660	-	-	-	-	320	-	-	-	-	-	340	-	-	-	660
0000 - GFI System Upgrade (DIST-0037)	245	-	245	245	-	-	86	159	-	-	-	-	-	-	-	-	-	-	245
0000 - Firetide Mesh Refresh (DIST-0042)	500	-	500	500	-	-	-	500	-	-	-	-	-	-	-	-	-	-	500
0000 - Financial/HR/Payroll Management System Procurement (DIST-0058)	2,000	-	2,000	2,000	-	-	-	-	-	-	-	1,000	-	-	-	1,000	-	-	2,000

GGBHTD
10-Year Capital Plan

DISTRICT DIVISION (continued)

CAPITAL PROJECT DETAIL	10-YR TOTAL (\$000)	10-YR GRANTS (\$000)	10-YR DISTRICT (\$000)	Total Project	FY18 & Prior Yrs	FY19 Budget	<<<=10-YEAR PROJECTED CAPITAL NEED =>>>										Future Years	Line Item Total
							Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
							FY2020 (\$000)	FY2021 (\$000)	FY2022 (\$000)	FY2023 (\$000)	FY2024 (\$000)	FY2025 (\$000)	FY2026 (\$000)	FY2027 (\$000)	FY2028 (\$000)	FY2029 (\$000)		
0000 - Ferry Passenger Information Systems (DIST-0030)	250	200	50	250	-	-	-	-	125	-	-	-	-	-	125	-	-	250
0000 - Exacom Voice Recorder Refresh (DIST-0044)	40	-	40	40	-	-	-	-	40	-	-	-	-	-	-	-	-	40
0000 - Email/MS Office (DIST-0032)	1,000	-	1,000	1,000	-	-	-	-	500	-	250	-	-	250	-	-	-	1,000
0000 - Document Management System (DIST-0025)	540	-	540	540	-	-	-	-	-	-	70	470	-	-	-	-	-	540
0000 - District Web Site Re-Design w/Mobile App (DIST-0039)	220	-	220	220	-	-	-	-	-	-	220	-	-	-	-	-	-	220
0000 - Disaster Recovery (DIST-0029)	1,000	-	1,000	1,000	-	-	-	-	250	-	250	-	250	-	250	-	-	1,000
0000 - Database Systems (SQL) (DIST-0062)	750	-	750	750	-	-	-	-	250	-	250	-	250	-	250	-	-	750
0000 - Data Storage System (DIST-0027)	1,200	-	1,200	1,200	-	-	-	-	600	-	-	-	600	-	-	-	-	1,200
0000 - Cyber Security (DIST-0033)	805	-	805	805	-	-	-	-	250	-	-	-	80	260	215	-	-	805
0000 - Compellent San Replacement ACIS (DIST-0041)	200	160	40	200	-	-	-	-	200	-	-	-	-	-	-	-	-	200
0000 - Business Intelligence (DIST-0059)	1,250	-	1,250	1,250	-	-	-	-	750	-	-	-	500	-	-	-	-	1,250
0000 - Bus Wifi (DIST-0031)	750	-	750	750	-	-	-	250	-	-	-	500	-	-	-	-	-	750
0000 - Avtec VPGate Refresh (DIST-0043)	20	-	20	20	-	-	-	-	20	-	-	-	-	-	-	-	-	20
0000 - Asset and Vehicle Fluid Mgmt System (DIST-0054)	750	-	750	750	-	-	-	-	250	-	-	250	-	-	250	-	-	750
CAPITAL EQUIPMENT																		
XX19 - Capital Equipment	1,500	-	1,500	1,760	-	260	150	150	150	150	150	150	150	150	150	150		1,760
TOTAL DISTRICT CAPITAL	44,871	5,929	38,942	56,136	3,468	1,586	7,141	9,629	4,091	3,500	5,096	3,830	4,304	3,780	2,100	1,400	6,210	56,135
		13%	87%															

Golden Gate Bridge, Highway and Transportation District
Five-Year and Ten-Year Financial Projections FY 19/20 - FY 28/29

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

All Figures Rounded to (\$000)

	Year 1 FY 2020 Estimate	Year 2 FY 2021 Estimate	Year 3 FY 2022 Estimate	Year 4 FY 2023 Estimate	Year 5 FY 2024 Estimate	SubTotal Year 1 - 5 Estimate	Year 6 FY 2025 Estimate	Year 7 FY 2026 Estimate	Year 8 FY 2027 Estimate	Year 9 FY 2028 Estimate	Year 10 FY 2029 Estimate	Total Year 1 - 10 Estimate
DISTRICT GRANTS	\$76,685	\$62,483	\$51,718	\$45,673	\$49,280	\$285,839	\$66,375	\$73,025	\$52,415	\$32,639	\$18,876	\$529,169
	\$156,067	\$118,841	\$135,955	\$142,765	\$142,470	\$696,098	\$178,346	\$191,371	\$113,720	\$41,545	\$24,384	1,245,464
TOTAL	\$232,752	\$181,324	\$187,673	\$188,438	\$191,750	\$981,937	\$244,721	\$264,396	\$166,135	\$74,184	\$43,260	\$1,774,633
District Portion Of the Capital Requirement	\$76,690	\$62,480	\$51,720	\$45,670	\$49,280	\$285,840	\$66,380	\$73,030	\$52,420	\$32,640	\$18,880	\$529,190
Net Depreciation	10,690	15,000	17,000	20,970	22,910	\$ 86,570	21,250	19,840	19,000	22,130	22,850	\$ 191,640
Additional Capital Contribution Required to Fund Projected Capital Plan	66,000	47,480	34,720	24,700	26,370	\$ 199,270	45,130	53,190	33,420	10,510	(3,970)	\$ 337,550
Average of the 10 Year Capital Contribution	\$33,800	\$33,800	\$33,800	\$33,800	\$33,800	\$ 169,000	\$33,800	\$33,800	\$33,800	\$33,800	\$33,800	\$ 338,000

Re-Stated: Fund District Capital through Reserves	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Year 1 - 5	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Year 1 - 10
District Funded Capital Projects net of Depreciation	\$66,000	\$47,500	\$34,700	\$24,700	\$26,400	\$ 199,300	\$45,100	\$53,200	\$33,400	\$10,500	(\$4,000)	\$ 338,000
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	53,000	34,500	21,700	11,700	13,400	\$ 134,300	32,100	40,200	20,400	(2,500)	(17,000)	208,000
Average of the 10 Year Capital Contribution	21,000	21,000	21,000	21,000	21,000	\$ 105,000	21,000	21,000	21,000	21,000	21,000	\$ 210,000

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. The entire reserve balance is not allocated to fund capital projects, because the District is conservatively using the reserve due to the uncertainty of grant funding for the final phase of the seismic retrofitting of the Bridge. Thus, the capital contribution remains at **\$21 million** per year. The **\$21 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 net depreciation, for ten years divided by ten years and rounded to the nearest million.

Note:

* - The entire reserve balance is not allocated to fund capital projects, because the District is conservatively using the reserve due to the uncertainty of grant funding for the final phase of the seismic retrofitting of the Bridge.

**GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT
NET POSITION AVAILABLE FOR NEW CAPITAL PROJECTS OR OPERATIONS - FY 18/19 BUDGET**

Reserve Name	Category	Estimated Balance 7/1/2018	Estimated Balance 6/30/2019	Estimated Balance 7/1/2019
Available Net Position before Long Term Liabilities,				
Board Designated and Other Reserves¹:		[A] \$ 71,900,000	\$ 90,300,000	\$ 90,300,000
Long Term Liabilities²				
Cal PERS Net Pension Liability		\$ 97,900,000	\$ 97,900,000	\$ 97,900,000
Golden Gate Transit A		71,300,000	71,300,000	71,300,000
Subtotal Long Term Liabilities		[B] \$ 169,200,000	\$ 169,200,000	\$ 169,200,000
Board Designated and Other Reserves:				
Operating Reserve ³		\$ (16,000,000)	\$ (17,300,000)	\$ (17,300,000)
Emergency Reserve ⁴		(7,400,000)	(8,100,000)	(8,100,000)
Bridge Self Insurance Loss Reserve		(15,900,000)	(17,200,000)	(17,200,000)
Subtotal Board Designated and Other Reserves		\$ (39,300,000)	\$ (42,600,000)	\$ (42,600,000)
Net Position Available Before Committed Capital Projects		[A] + [B] + [C] \$ 201,800,000	\$ 216,900,000	\$ 216,900,000
Committed Capital Projects (District-funded portion only):				
Bridge		\$ (105,500,000)	\$ (97,600,000)	\$ (103,700,000)
Transit		(38,400,000)	(33,000,000)	(55,200,000)
Total Committed Capital Projects (District-funded portion only)		[D] \$ (143,900,000)	\$ (130,600,000)	\$ (158,900,000)
Net Position Available for New Capital Projects or Operations		[A] + [B] + [C] + [D] \$ 57,900,000	\$ 86,300,000	\$ 58,000,000

1. Adjusted to exclude funded capital contributions, Bridge self insurance reserves and restricted Local, State and Federal grant funds for capital projects.
2. In 2015, the District restated its Net Position as a result of the new reporting requirements of GASB 68 ("Accounting and Financial Reporting for Pensions"). GASB 68 requires agencies to report unfunded pension obligations as a liability on the financial statements even in cases where the agency is not legally responsible for the unfunded pension obligation. The District is not legally responsible for the funding of the Golden Gate Transit Amalgamated Retirement Plan.
3. Board policy funds the operating reserve at 7.5% of the budget or to cover the expected operating deficit, whichever is larger.
4. Board policy funds the emergency reserve at 3.5% of the operating budget to enable the amount kept in reserve for emergencies to remain relative to the size of District's operations.

Attachment C
Questions and Answers
November 15, 2018
Finance-Auditing Committee

1. Please explain the benefits of each of the 3 financial goals.

The Board report now reflects the benefits of funding each financial goal. In summary each goal represents the following:

- The first goal of approximately \$75 million is to fund the current projected shortfall in the District's annual projection which correlates to maintaining existing levels of service.
- The second goal of approximately \$90 million is to fund \$3 million more in transit operations (e.g. additional Larkspur Ferry service) for three years of the toll rate plan and set aside approximately 20% of the District need for a new ferry vessel.
- The third goal of approximately \$100 million is to fund \$3 million more in transit operations (e.g. additional Larkspur Ferry service) for three years of the toll rate plan and set aside approximately 50% of the District need for a new ferry vessel.

2. Can we utilize more technology in the Public Outreach process?

Yes. Among other things, the District will hold a virtual open house so people that cannot attend an open house in person will have an opportunity to participate online. Through the online event, people will be able to hear about the proposed toll plans, have their questions answered, and submit official public comments. Customers will also be able to see the open house information as well as submit and receive comments online anytime during the public comment period, when convenient for customers.

3. Please display both 2 tier and 3 tier options for proposed toll rates.

The Board report reflects a mix of 2-tier (1: FasTrak®, 2: all other payment methods) and 3-tier rates (1: FasTrak, 2: Pay As You Go, and 3: Invoice). The Board can choose to take any of the displayed options and modify it for a 2-tier or a 3-tier option.

4. How many customers pay with cash?

Overall, cash transactions represent 0.25% of all toll transactions on the Bridge. Customers can pay with cash at any established Cash Payment Network location found on the FasTrak Customer Service website or by calling. They can also make their cash payment at the Customer Service Center's walk-in office. Over the last year, there were 50,338 Golden Gate Bridge cash transactions that were paid either through the Customer Service Center or utilizing the Cash Payment Network. It appears that approximately 30% of these transactions were at the Customer Service Center and the remaining were at a Cash Payment Network. Also, approximately 48% were invoice payments, 41% were one-time payments, with the remaining 11% being violation payments.

5. Clarify the limitations of how you can sign All Electronic Tolling (AET) pricing and payment options on the highway.

All tolls including, AET pricing and payment information, is limited to Caltrans and MUTCD (Manual on Uniform Traffic Control Devices) guidelines and standards. These guidelines and standards limit what can be displayed on a static and changeable message signs. Currently, all copyrights, phone numbers, URLs, and proprietary symbols are prohibited.

6. Can we do real-time congestion pricing? If so, how is that done?

Our current toll collection system does not allow real-time congestion pricing, but the new replacement system when the gantry is installed will have that capability. The Board could choose to utilize this type of pricing in a future tolling plan.