

Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 26, 2025

From: Jennifer H. Mennucci, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
(a) AUTHORIZE BUDGET TRANSFERS AND ADJUSTMENTS TO THE
FY 24/25 OPERATING BUDGET

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize operating budget transfers of \$8,105,000, or 3.0%, of total FY 24/25 Operating Budget Expenses as detailed in Attachment A, but summarized below:

INTRADIVISION TRANSFERS

	TO			
FROM	Bridge	Bus	Ferry	District
Bridge	\$820,000		\$675,000	
Bus		\$200,000	\$2,595,000	
Ferry			\$2,525,000	
District				\$1,290,000

1. The Bridge Division will transfer \$820,000 between budget categories in the Bridge Division. Additionally, the Bridge Division will transfer \$675,000 between budget categories to the Ferry Division.
2. The Bus Division will transfer \$200,000 between budget categories in the Bus Division. Additionally, the Bus Division will transfer \$2,595,000 between budget categories to the Ferry Division.
3. The Ferry Division will transfer \$2,525,000 between budget categories in the Ferry Division.
4. The District Division will transfer \$1,290,000 between budget categories in the District Division.

This matter will be presented to the Board of Directors at its June 27, 2025, meeting for appropriate action.

Any additional transfers necessary at the end of the fiscal year will be adjusted as needed per the authority requested as part of the annual Board approval of the FY 25/26 Budget.

Summary

The District is projected to finish the year with lower actual expenses than budgeted in FY 24/25. However, there are some sub-categories of expense that are higher than projected. In accordance with Golden Gate Bridge, Highway and Transportation District (District) policy, budget transfers greater than \$50,000 made across different Divisions, or across different line items within the same Division, are subject to Board approval.

This item transfers funds in order to comply with the budget and the District's policies. There are no net additional expenses added to the District's FY 24/25 Operating Budget.

To be in compliance, there are multiple categories of increased expense in the operating budget that must be addressed. Listed in order of largest increase in expense, these categories are:

- 1) Depreciation
- 2) Litigation
- 3) Liability Payouts
- 4) Settlements
- 5) Leases

There are a few major reasons for the transfers this fiscal year. They are as follows:

1. *The Bridge Division as a whole is anticipated to end the year under budget*, but to comply with District policy, it is recommended that funds be transferred in four categories within its own Division Budget. Additionally, funds will be transferred from the Bridge Division to the Ferry Division category of depreciation to fund higher-than-projected expenses (see details in the Bridge and Ferry sections). The reason for the transfers in each area is as follows:
 - a. Transfer funds from Bridge Division fringe benefits and repair and maintenance costs to fund depreciation and lease costs.
 - i. Greater depreciation costs related to higher expenditure in Bridge capital equipment, which includes the purchase of non-revenue vehicles and operational machinery.
 - ii. Increase in lease costs related to non-revenue vehicles, including a new vehicle for van pooling.
2. *The Bus Division as a whole is anticipated to end the year under budget*, but to comply with District policy, it is recommended that funds be transferred in two categories within its own Division Budget. Additionally, funds will be transferred from the Bus Division to the Ferry Division categories of depreciation, to fund higher-than-projected expenses (see details in the Bus and Ferry sections). The reason for the transfers in each area is as follows:

- a. Transfer funds from the Bus Division benefits and fuel to fund liability payout expenses.
 - i. Increase in cost related to payouts for general liability claims.
3. *The Ferry Division as a whole is anticipated to end the year over budget.* In order to comply with District policy, it is recommended that funds be transferred in six categories within its own division budget. Additionally, funds will be transferred from the Bridge and Bus Divisions to the Ferry Division categories of depreciation, to fund higher than projected expenses (see details in the Bridge, Bus and Ferry sections). The reason for the transfers in each area is as follows:
 - a. Transfer funds from Ferry Division benefits, professional services, repair and maintenance supplies, and services to fund higher than projected expenses in depreciation and one-time settlements.
 - i. Increase in depreciation costs related to dredging of the Larkspur Ferry Terminal berth after the project was capitalized.
 - ii. Increase in costs related to a one-time settlement.
4. *The District Division as a whole is anticipated to end the year under budget,* but to comply with District policy, it is recommended that funds be transferred from the fringe and depreciation benefits category to the litigation within the District Division Budget. The reason for the transfers in each area is as follows:
 - a. Increase in litigation costs, primarily due to the higher than anticipated outside counsel and hiring of experts.

Fiscal Impact

There is no fiscal impact associated with this action for FY 24/25. The budget transfers, totaling \$8,105,000, will not result in a net increase in the operating budget for the agency.

Attachment: A. Proposed Budget Adjustments FY 24

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ATTACHMENT A
PROPOSED BUDGET ADJUSTMENTS FY 24/25

DISTRICT DIVISION	BRIDGE	BUS	FERRY	DISTRICT	TOTAL
District – Fringe Benefits				(\$1,180,000)	(\$1,180,000)
District – Depreciation				(\$110,000)	(\$110,000)
District – Litigation				\$1,290,000	\$1,290,000
TOTAL NET CONTRIBUTION	\$0	\$0	\$0	\$0	\$0

BRIDGE DIVISION	BRIDGE	BUS	FERRY	DISTRICT	TOTAL
Bridge – Fringe Benefits	(\$670,000)		(\$675,000)		(\$1,345,000)
Bridge – Repair and Maintenance	(\$150,000)				(\$150,000)
Bridge – Lease	\$90,000				\$90,000
Bridge – Depreciation	\$730,000				\$730,000
TOTAL NET CONTRIBUTION	\$0	\$0	(\$675,000)	\$0	(\$675,000)

BUS DIVISION	BRIDGE	BUS	FERRY	DISTRICT	TOTAL
Bus – Fringe Benefits			(\$2,445,000)		(\$2,445,000)
Bus – Fuel		(\$200,000)	(\$150,000)		(\$350,000)
Bus – Liability Payments		\$200,000			\$200,000
TOTAL NET CONTRIBUTION	\$0	\$0	(\$2,595,000)	\$0	(\$2,595,000)

FERRY DIVISION	BRIDGE	BUS	FERRY	DISTRICT	TOTAL
Ferry – Fringe Benefits			(\$450,000)		(\$450,000)
Ferry – Professional Services			(\$750,000)		(\$750,000)
Ferry – Repair & Maintenance			(\$825,000)		(\$825,000)
Supplies					
Ferry – Services			(\$500,000)		(\$500,000)
Ferry – Settlements - Not Insurance			\$140,000		\$140,000
Ferry – Depreciation	\$675,000	\$2,595,000	\$2,385,000		\$5,655,000
TOTAL NET CONTRIBUTION	\$675,000	\$2,595,000	\$0	\$0	\$3,270,000

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