SFBP - INDUSTRY AGREED EXPENSE PROJECTIONS

Operating Expenses:	Projected									
	2015	Chg from 2014	2016	Chg	2017	Chg	2018	Chg	2019	Chg
Pilot Boat Expenses	**$7,111,534**	5.4%	**$7,374,332**	3.7%	**$7,640,040**	3.6%	**$7,911,990**	3.6%	**$8,205,561**	3.7%
Pilot Office & Dispatch Expenses	**$2,963,650**	-9.4%	**$3,044,917**	2.7%	**$3,128,828**	2.8%	**$3,214,313**	2.7%	**$3,302,285**	2.7%
Terminal Expenses	**$700,348**	-6.7%	**$719,988**	2.8%	**$740,270**	2.8%	**$761,159**	2.8%	**$782,676**	2.8%
General Expenses	**$2,491,052**	2.3%	**$2,545,423**	2.2%	**$2,602,828**	2.3%	**$2,661,530**	2.3%	**$2,721,557**	2.3%
Total Operating Exp.	$13,266,585	0.5%	$13,684,661	3.2%	$14,111,965	3.1%	$14,548,991	3.1%	$15,012,080	3.2%
Stipulated Total Op. Exp for Rate Hearing:	**$13,079,312**	0.5%	**$13,493,455**	3.2%	**$13,916,553**	3.1%	**$14,349,280**	3.1%	**$14,807,975**	3.2%

Stipulated Total Operating Exp. = ***Total Operating Expenses, excluding 40% of Lobby Exp. And 100% of Political Contributions***

Note: This is a summary of SFBP's projections of their expenses for 2015 through 2019. These projections are intended to cover normal operating costs but do not include projected costs for extraordinary equipment failures, substantial repairs to Pier 9 or for upgrading navigation technology equipment.

PILOT BOAT EXPENSE PROJECTIONS

	Projected										Notes
	2015	Chg for 2014	2016	Chg	2017	Chg	2018	Chg	2019	Chg	
Food Supplies	154,456	3.0%	159,090	3.0%	163,862	3.0%	168,778	3.0%	173,842	3.0%	
Fuel	1,107,240	3.0%	1,162,602	5.0%	1,220,732	5.0%	1,281,769	5.0%	1,345,857	5.0%	
Health & Welfare	548,443	5.0%	575,865	5.0%	604,659	5.0%	634,892	5.0%	666,636	5.0%	
Insurance	147,737	2.4%	151,283	2.4%	154,914	2.4%	158,632	2.4%	162,439	2.4%	
Maint. and Repair	1,225,334	4.0%	1,274,347	4.0%	1,325,321	4.0%	1,378,334	4.0%	1,433,467	4.0%	
Payroll Taxes	211,259	2.4%	216,329	2.4%	221,521	2.4%	226,837	2.4%	232,281	2.4%	
Retire. Benefits	473,391	2.4%	484,752	2.4%	496,386	2.4%	508,300	2.4%	520,499	2.4%	
Salaries & Wages	2,635,780	2.4%	2,699,038	2.4%	2,763,815	2.4%	2,830,147	2.4%	2,898,070	2.4%	
Other	34,825	2.3%	35,556	2.1%	36,338	2.2%	37,138	2.2%	37,955	2.2%	
Sub-Total	6,538,465	3.0%	6,758,863	3.4%	6,987,549	3.4%	7,224,826	3.4%	7,471,047	3.4%	
Charter Hire	573,070	44%	615,469	7.4%	652,491	6.0%	687,164	5.3%	734,515	6.9%	Note (A)
TOTAL	*$7,111,534*	5.4%	*$7,374,332*	3.7%	*$7,640,040*	3.6%	*$7,911,990*	3.6%	*$8,205,561*	3.7%	

(A) Charter Hire was reduced in 2014 then restored to original monthly level ($57,000) for 2015.

OFFICE & DISPATCH EXPENSE PROJECTIONS

	Projected										Notes
	2015	Chg for 2014	2016	Chg	2017	Chg	2018	Chg	2019	Chg	
Telephone	48,352	2.3%	49,368	2.1%	50,454	2.2%	51,564	2.2%	52,698	2.2%	
Emp. Retire. Plan	173,357	-5.9%	177,517	2.4%	181,778	2.4%	186,140	2.4%	190,608	2.4%	
Food Suplies	20,141	3.0%	20,746	3.0%	21,368	3.0%	22,009	3.0%	22,669	3.0%	
Maint.and Repair	73,831	2.3%	75,382	2.1%	77,040	2.2%	78,735	2.2%	80,467	2.2%	
Medical Insurance	207,487	3.8%	217,861	5.0%	228,754	5.0%	240,192	5.0%	252,202	5.0%	Note (A)
Office Supplies	29,067	2.3%	30,521	5.0%	32,047	5.0%	32,752	2.2%	33,472	2.2%	
Payroll Taxes	110,998	1.2%	113,662	2.4%	116,390	2.4%	119,183	2.4%	122,043	2.4%	Note (B)
Salaries & Wages	1,397,205	-8.2%	1,430,738	2.4%	1,465,076	2.4%	1,500,237	2.4%	1,536,243	2.4%	Note (B)
Pier 9 Rent (75%)	771,575	-19.5%	794,722	3.0%	818,564	3.0%	843,121	3.0%	868,414	3.0%	Per Contract
Utilities	97,574	2.3%	99,623	2.1%	101,814	2.2%	104,054	2.2%	106,343	2.2%	
Workers' Comp. Ins.	21,664	1.4%	22,119	2.1%	22,605	2.2%	23,103	2.2%	23,611	2.2%	
Other	12,399	2.3%	12,660	2.1%	12,938	2.2%	13,223	2.2%	13,514	2.2%	
TOTAL	*$2,963,650*	-9.4%	*$3,044,917*	2.7%	*$3,128,828*	2.8%	*$3,214,313*	2.7%	*$3,302,285*	2.7%	

(A) Reduction in staff - Business Director - then 5% healthcare increases

(B) Reduction in staff - Business Director - then Proj. CPI increases

TERMINAL EXPENSE PROJECTIONS

	Projected										
	2015	Chg for 2014	2016	Chg	2017	Chg	2018	Chg	2019	Chg	
Health and Welfare	55,735	5.0%	58,522	5.0%	61,448	5.0%	64,520	5.0%	67,746	5.0%	
Payroll Taxes	19,435	2.4%	19,901	2.4%	20,379	2.4%	20,868	2.4%	21,369	2.4%	
Pier 9 Rent (25%)	257,192	-20%	264,908	3.0%	272,855	3.0%	281,041	3.0%	289,472	3.0%	Per Contract
Retirement Benefits	40,406	2.4%	41,376	2.4%	42,369	2.4%	43,386	2.4%	44,427	2.4%	
Salaries & Wages	274,045	2.4%	280,622	2.4%	287,357	2.4%	294,253	2.4%	301,315	2.4%	
Workers Comp.	14,311	2.3%	14,611	2.1%	14,933	2.2%	15,261	2.2%	15,597	2.2%	
Other	39,225	2.3%	40,049	2.1%	40,930	2.2%	41,830	2.2%	42,751	2.2%	
TOTAL	$700,348	-6.7%	$719,988	2.8%	$740,270	2.8%	$761,159	2.8%	$782,676	2.8%	

GENERAL EXPENSE PROJECTIONS

	Projected										Notes
	2015	Chg for 2014	2016	Chg	2017	Chg	2018	Chg	2019	Chg	
Business Taxes	95,770	2.3%	97,781	2.1%	99,933	2.2%	102,131	2.2%	104,378	2.2%	
Donations	58,814	2.3%	60,049	2.1%	61,370	2.2%	62,720	2.2%	64,100	2.2%	
Dues and Subscriptions	210,193	2.3%	214,607	2.1%	219,329	2.2%	224,154	2.2%	229,085	2.2%	
Insurance	686,389	2.4%	702,862	2.4%	719,731	2.4%	737,005	2.4%	754,693	2.4%	
Legal	32,255	2.3%	32,932	2.1%	33,657	2.2%	34,397	2.2%	35,154	2.2%	
Accounting	54,869	2.3%	56,021	2.1%	57,254	2.2%	58,513	2.2%	59,801	2.2%	
Bank Services	17,984	2.3%	18,362	2.1%	18,766	2.2%	19,179	2.2%	19,601	2.2%	
Lobbying Expenses	242,176	2.3%	247,262	2.1%	252,702	2.2%	258,261	2.2%	263,943	2.2%	Note (A)
Political Contributions	90,402	2.3%	92,301	2.1%	94,331	2.2%	96,407	2.2%	98,528	2.2%	Note (B)
Professional Services	167,005	2.3%	170,512	2.1%	174,263	2.2%	178,097	2.2%	182,015	2.2%	
Public Relations	176,666	2.3%	180,376	2.1%	184,344	2.2%	188,400	2.2%	192,545	2.2%	
Land Transportation	497,571	2.3%	508,020	2.1%	519,197	2.2%	530,619	2.2%	542,293	2.2%	
Launch Service	70,466	2.3%	71,945	2.1%	73,528	2.2%	75,146	2.2%	76,799	2.2%	
Travel and Meals	50,355	2.3%	51,412	2.1%	52,543	2.2%	53,699	2.2%	54,881	2.2%	
Other	40,136	2.3%	40,978	2.1%	41,880	2.2%	42,801	2.2%	43,743	2.2%	
TOTAL	$2,491,052	2.3%	$2,545,423	2.2%	$2,602,828	2.3%	$2,661,530	2.3%	$2,721,557	2.3%	

(A) For Purposes of Rate Hearing - Deduct 40% of Lobbying Expenses as related to Rate Hearing Efforts

(B) For Purposes of Rate Hearing – Deduct 100% of Political Contributions