METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
415.778.6700
www.mtc.ca.gov

CALL AND NOTICE OF Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA

9:05 a.m. Wednesday, May 12, 2021
Bay Area Metro Center
375 Beale Street, 1st Floor, Board Room
San Francisco, CA 94105
REMOTELY

The Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA is scheduled to meet on Wednesday, May 12, 2021 at 9:05 a.m., in the Bay Area Metro Center (Remotely). In light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with Executive Order N-29-20 issued by Governor Newsom on March 17, 2020 and the Guidance for Gatherings issued by the California Department of Public Health, the meeting will be conducted via webcast, teleconference, and Zoom for committee, commission, or board members who will participate in the meeting from individual remote locations. A Zoom panelist link for meeting participants will be sent separately to committee, commission, or board members.

The meeting webcast will be available at https://mtc.ca.gov/whats-happening/meetings/live-webcasts
Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.
Attendee Link: https://bayareametro.zoom.us/j/85925815841
Or iPhone one-tap: US: +16699006833,,85925815841# or +14086380968,,85925815841#
Or Join by Telephone: (for higher quality, dial a number based on your current location) US:
+1 408 638 0968 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 646 876 9923 or +1 301 715 8592 or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)
Webinar ID: 859 2581 5841
International numbers available: https://bayareametro.zoom.us/u/kdAVXfQI78

Detailed instructions on participating via Zoom are available at: https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom. Committee members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial "*9". In order to get the full Zoom experience, please make sure your application is up to date.

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

As Chair of the Metropolitan Transportation Commission ("MTC"), I am calling a Budget Study Session of the MTC, the Metropolitan Transportation Commission Service Authority for Freeways and Expressways ("MTC SAFE"), Bay Area Toll Authority ("BATA"), Bay Area Headquarters ("BAHA"), and Bay Area Infrastructure Financing Authority (BAIFA) for May 12, 2021 at 9:05 a.m., at the Bay Area Metro Center, 375 Beale Street, 1st Floor, Board Room, San Francisco, CA 94105 (Remotely). The business to be transacted will include: (1) Roll Call; (2) Pledge of Allegiance; (3) Compensation Announcement; (4) Fiscal Year 2021-22 Agency Budget Study Session; (5) Public Comment; and (6) Adjournment. Members of the public shall be provided an opportunity to directly address the aforementioned public agencies concerning any item described in this notice, before or during consideration of that item. An agenda will be posted and distributed for this meeting by MTC staff in the normal course.

Alfredo Pedroza
May 7, 2021

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Budget Study Session of MTC, MTC SAFE, BATA, BAHA, BAIFA

Alfredo Pedroza, Chair   Nick Josefowitz, Vice Chair

Wednesday, May 12, 2021	**9:05 AM**	**Board Room - 1st Floor (REMOTE)**

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1. Call to Order / Roll Call / Confirm Quorum

Quorum: A quorum of this commission shall be a majority of its voting members (10).

2. Pledge of Allegiance

3. Compensation Announcement (Clerk)

4. Fiscal Year 2021-22 Agency Budget Study Session

21-0592 An overview of the draft FY 2021-22 agency budgets.

Action: Information

Presenter: Brian Mayhew

Attachments: 4 - 21-0592 - Budget Presentation FY2022_.pdf

5. Public Comment / Other Business

6. Adjournment / Next Meeting

The next meeting of the Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA will take place at a date, time, and location to be duly noticed.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章：MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

375 Beale Street, Suite 800
San Francisco, CA 94105

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	21-0592	**Version:** 1	**Name:**		
Type:	Report		**Status:**	Informational	
File created:	4/5/2021		**In control:**	Budget Study Session of MTC, MTC SAFE, BATA, BAHA, BAIFA	
On agenda:	5/12/2021		**Final action:**		
Title:	An overview of the draft FY 2021-22 agency budgets.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	4 - 21-0592 - Budget Presentation FY2022_.pdf				

Date	Ver.	Action By	Action	Result

Subject:
An overview of the draft FY 2021-22 agency budgets.

Presenter:
Brian Mayhew

Recommended Action:
Information

MTC BUDGET STUDY SESSION

May 12, 2021

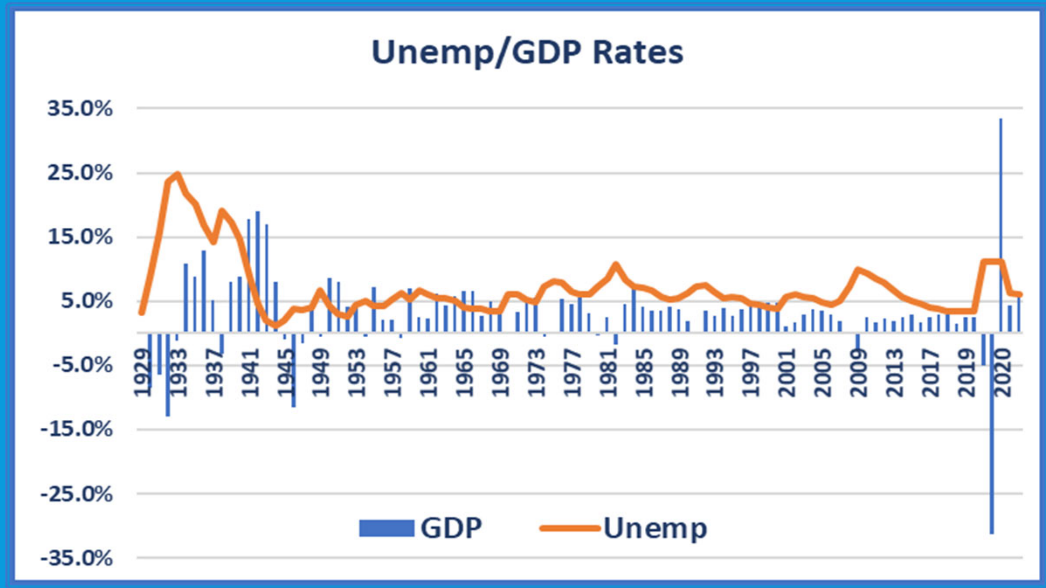
SUMMARY OF DISCUSSION

- Major Changes to economy
- Budget expectations
- MTC Budgets
  - MTC
  - BATA
  - SAFE
- JPA Budgets
  - BAIFA
  - BAHA / 375 Beale

BACKGROUND

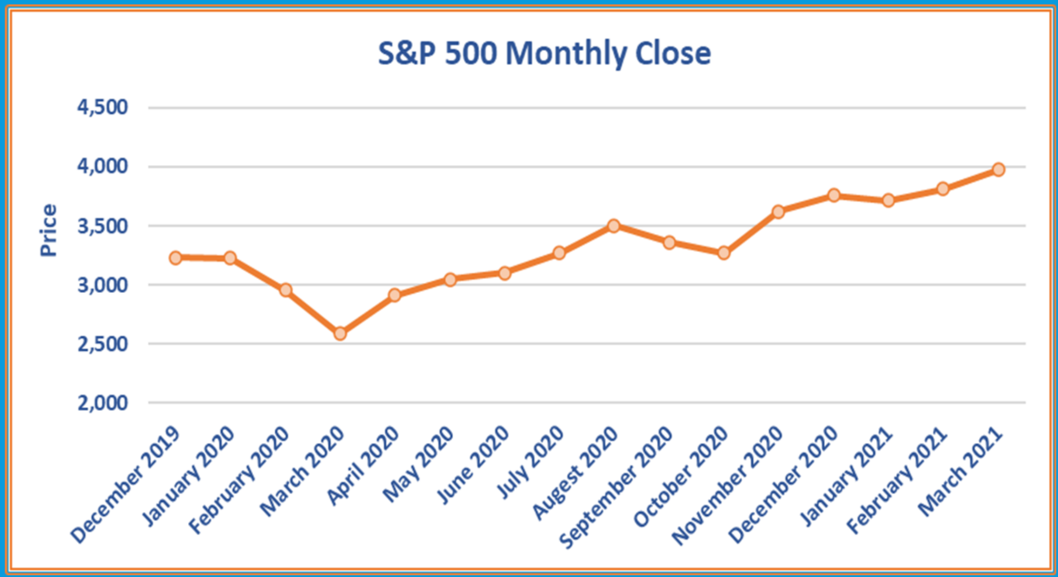
THE ENTIRE ECONOMY HAS BEEN DOWN AND UP SINCE APPROVAL OF THE FY 2021 BUDGET

- The longest economic expansion on record ended February 2020 (July 2009 – Feb 2020)
- US economy suffered its greatest single drop ever
  - GDP fell 29% from 1929-1933
  - GDP fell 36% in the first half of 2020
- GDP already recovered 2020 losses
  - 3rd quarter 2020 GDP jumped 34%
  - 4th quarter 2020 GDP increased 4.3%
  - 1st quarter 2021 GDP 6.4%



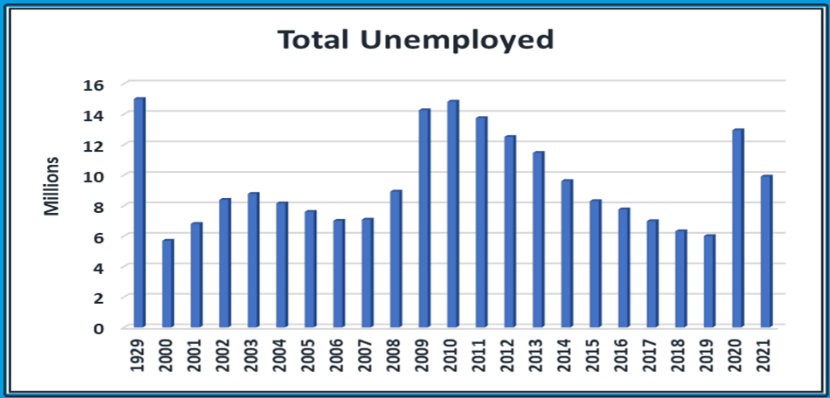
THE EQUITY MARKET HAS RECOVERED FROM ITS 2020 LOSS

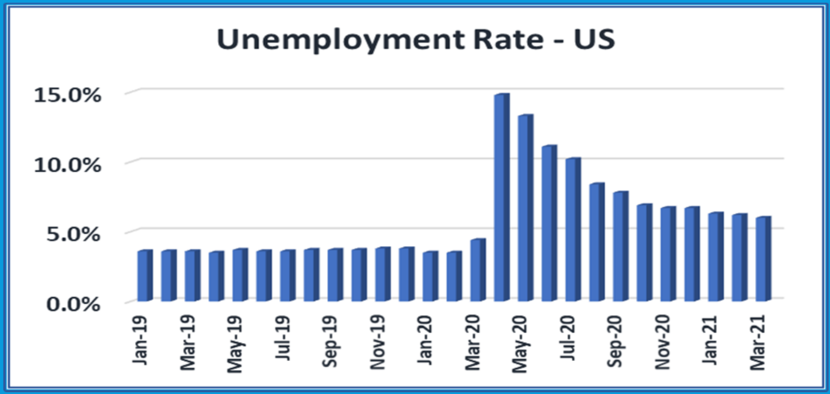
- S&P 500
  - Pre-pandemic high 3,200
  - March 2020 close 2,584 (-19%)
  - Recovered 3,271 (July 2020)
  - April close 4,151
- S&P up 31% since December 2019
  - Up 62% since low in March 2020



UNEMPLOYMENT REMAINS IN RECESSION TERRITORY

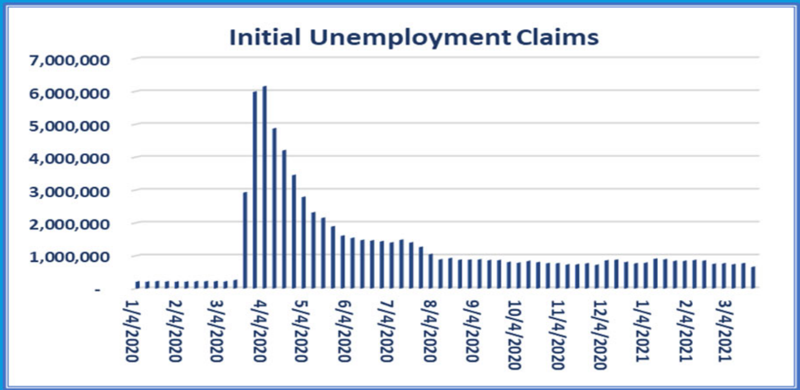
- Unemployment remains nearly 10 million
- Unemployment rate spiked near 15%
- Rate already down to 6%
- Total unemployed still 63% above 2019
- Unemployment rate still 70% higher than the "pre-pandemic" level





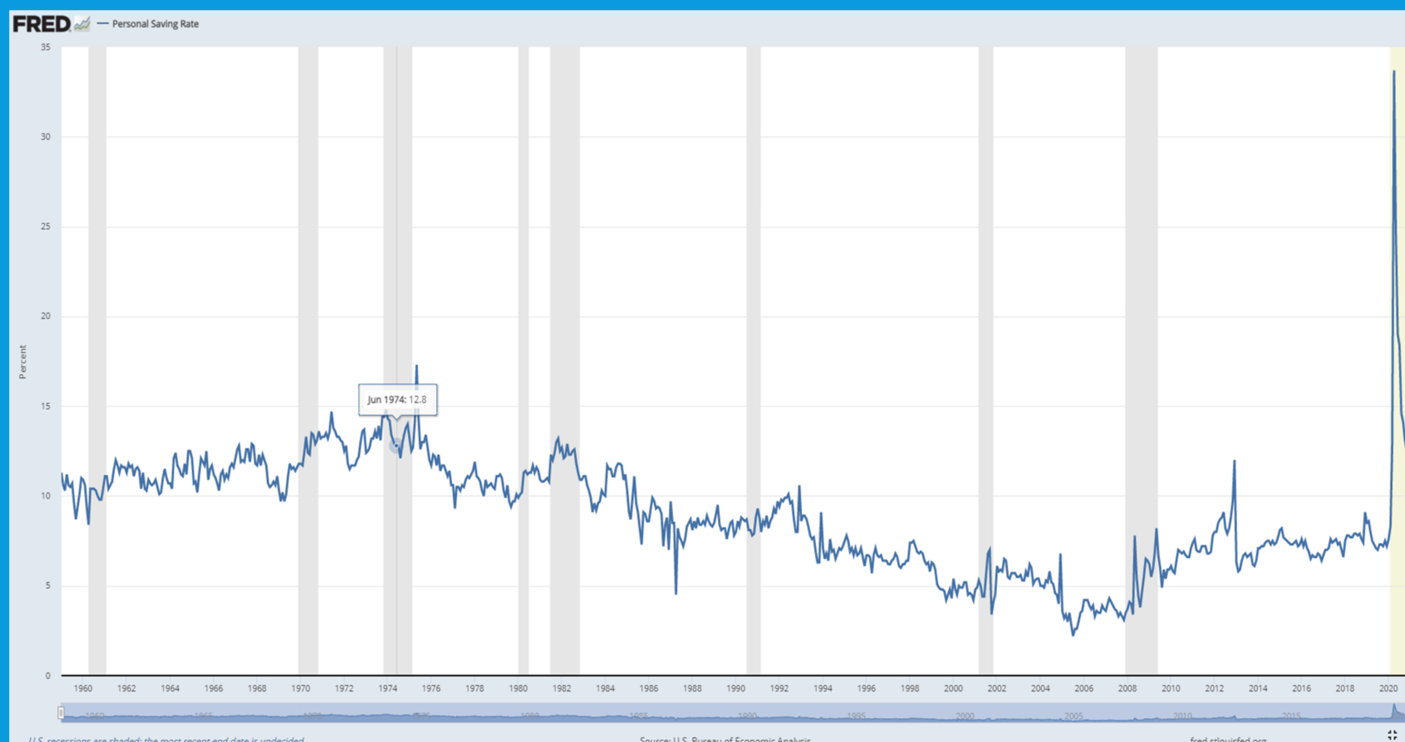
UNEMPLOYMENT MOVING IN THE RIGHT DIRECTION

- Initial unemployment claims are below 1 million in weekly new claims
  - Latest April number 576,000
  - Down 25% from prior week
- US full time positions – 151 million
  - Added 817,000 positions in 2021
  - 4.4 million (3%) above 2008 level
  - Still 8.0 million (5%) below 2020
- Mix of signals
  - National 6.0%
  - State 8.3%
  - Local 6.0%



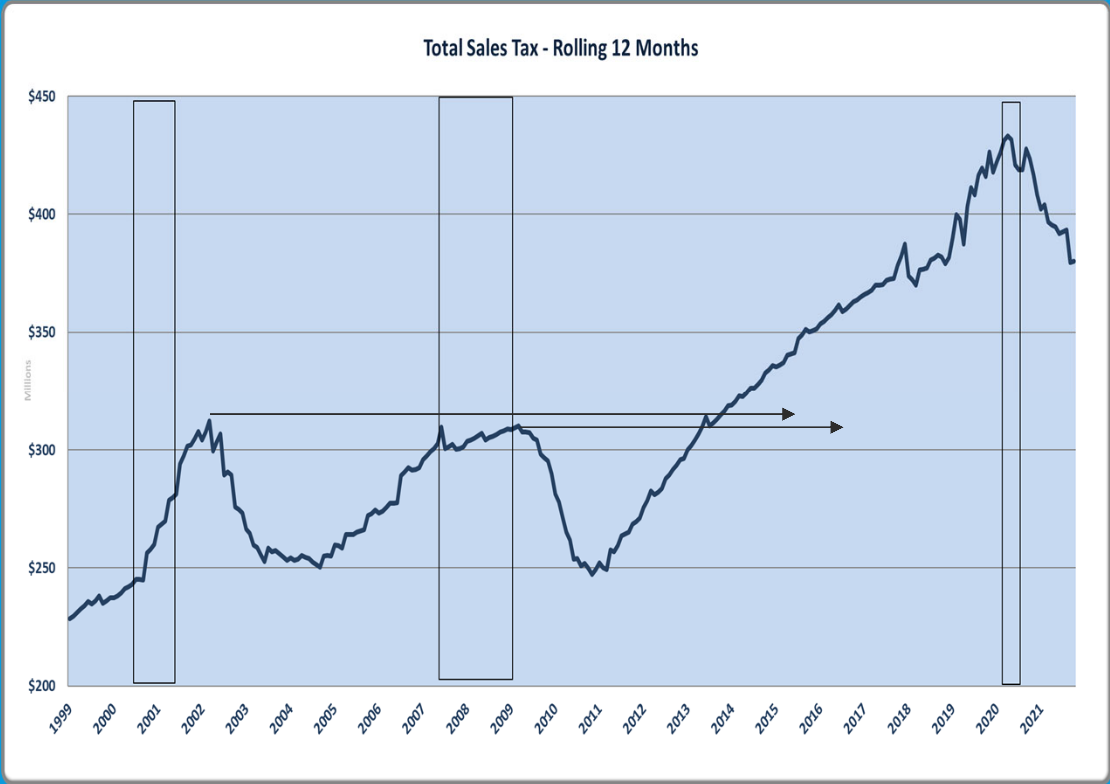
PERSONAL SAVINGS RATE

- Personal savings rates move in inverse to economy … up during economic contraction, down in economic expansion
- Previous high 1975
  - 1975 17.3%
  - 2000 4.2%
  - 2021 7.0%
  - 2008 3.4%
  - 2009 6.0%
  - Jan 2020 7.5%
  - April 2020 33.7%
  - May 2020 24.7%
  - Nov 2020 13.1%
  - Current 27.6%
- Current level indicates considerable expansion of personal disposable income



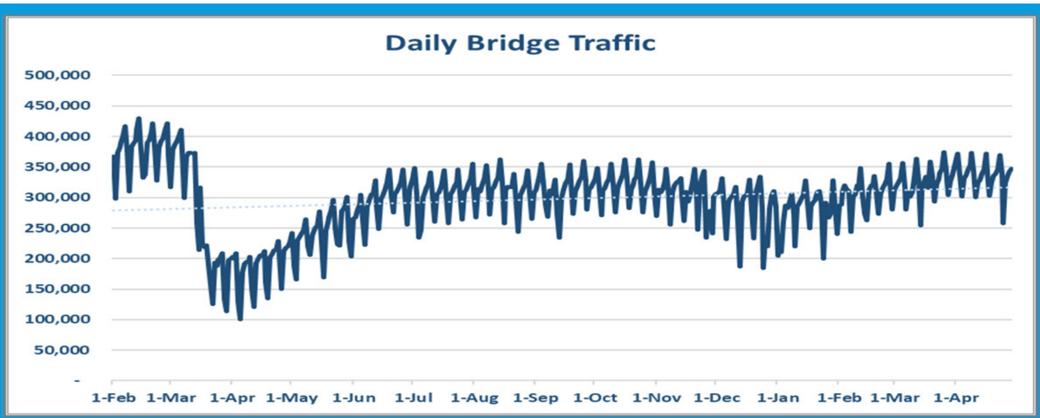
REGIONAL ECONOMY IS STILL RECOVERING

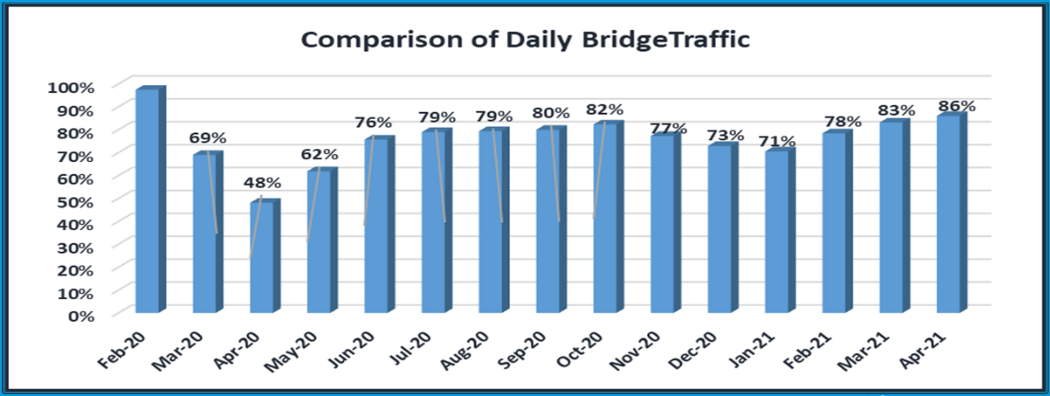
- Current recession is mild compared to past recessions
  - 2001 - drop $50 million (16 %)
  - 2008 - drop $57 million (18 %)
  - 2020 - drop $24 million (6 %)



TRAFFIC IS STABLE BUT STILL BELOW FY 2019 LEVEL

- FY 2021 total bridge traffic will be approximately 80% of FY 2019
- Daily traffic now averages 337,000 vehicles – up 79% from April 2020
- Since January 2020 average daily traffic has increased 22%





LOCAL ECONOMY RECOVERING BUT UNEVEN

- Five counties have recovered to FY 2020 levels
- Three counties have recovered to FY 2019 levels
- Excluding San Francisco – region is down just 1.1%
- Adjusted Revenue:
  - 2019 $314 million
  - 2020 $310 million
  - 2021 $311 million

		FY 2019		FY 2020		FY 2021		FY 2021 - FY 2020 Over/(under)	%	FY 2021 - FY 2019 Over/(under	%
Alameda	$	76,906,569	$	73,686,273	$	71,086,545	$	(2,599,728)	-3.5%	($5,820,024)	-7.6%
Contra Costa		38,844,761		38,522,454		40,477,458		1,955,005	5.1%	1,632,697	4.2%
Marin		11,979,876		11,611,428		11,719,026		107,598	0.9%	(260,850)	-2.2%
Napa		8,032,320		7,902,898		7,253,881		(649,017)	-8.2%	(778,439)	-9.7%
San Fransisco		44,761,461		43,924,335		27,746,395		(16,177,939)	-36.8%	(17,015,065)	-38.0%
San Mateo		38,834,785		38,964,232		35,762,542		(3,201,690)	-8.2%	(3,072,243)	-7.9%
Santa Clara		100,249,328		99,697,283		104,039,482		4,342,199	4.4%	3,790,154	3.8%
Solano		17,395,771		17,727,693		18,574,422		846,729	4.8%	1,178,651	6.8%
Sonoma		22,051,475		21,461,493		21,941,038		479,545	2.2%	(110,437)	-0.5%
Total	$	359,056,346	$	353,498,089	$	338,600,789	$	(14,897,300)	-4.2%	($20,455,556)	-5.7%

FY 2022 BUDGET ASSUMPTIONS

- **General Budget assumptions**
  - 303 full time staff
    - 2.8% contracted salary increase
    - 2.5% PERS normal cost increase
    - PERS UL payment $2.6 million
    - OPEB ARC $3.6 million
  - Revenue
    - No change to grant revenue
    - TDA up 29%
    - Toll revenue up 22%
    - **RM3 revenue and transfer to escrow now part of adopted budget**
    - Express lane revenue continues to recover

- All funds will maintain 6 months operating reserve
- No operational draw from reserves
- No special hiring or expenditure conditions

- **Additional work for final proposed budget**
  - **Still working on position requests**
  - **Some grants and related revenue/expense still in process**
  - **Need to balance final proposed budgets**

FY 2021 FINANCIAL MANAGEMENT

- The goal of the FY 2021 budget was to minimize the impact of the **$1.7 million** budgeted deficit expense controls
- Through March we have managed to remain above the June 30, 2020 cash balance

- Cash balances
  - FY June 30, 2019 $31.6 million
  - FY June 30, 2020 $38.6 million
  - September, 2020 $47.2 million
  - December, 2020 $41.3 million
  - March , 2021 $40.1 million

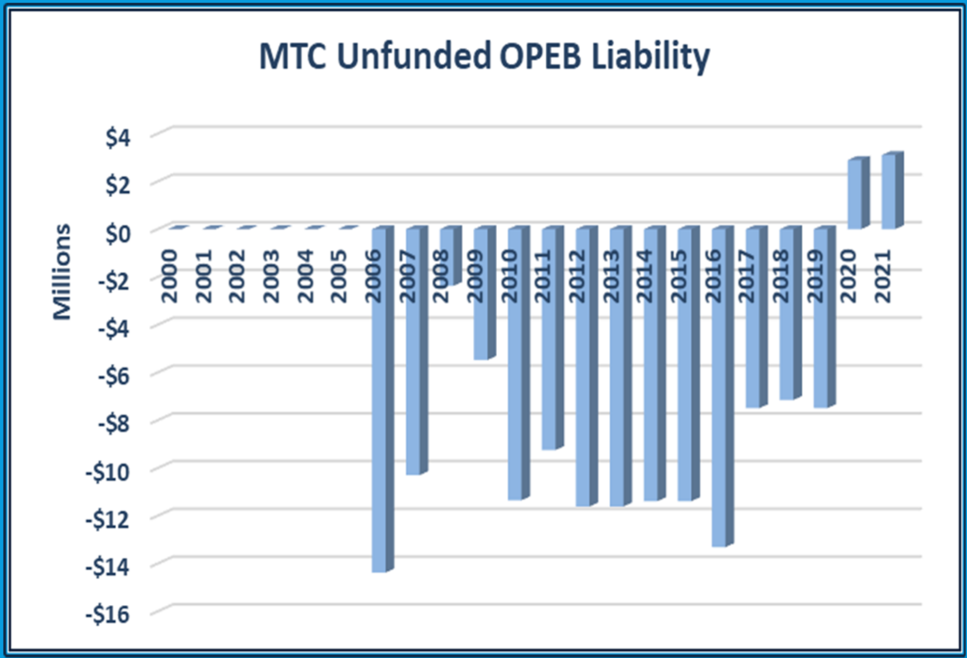
MTC RESERVE HISTORY

- MTC moved to positive net unrestricted balance starting in FY2020.
- Net pension liability is being reduced.
- The goal is to increase the unrestricted reserve to six months operating revenue.

			Actual			Budget	Budget
	FY 15-16	FY 16-17	FY 17-18	FY18-19	FY19-20	FY 20-21	FY 21-22
Fund balance, July 1	$36,676,996	$ 40,369,795	$ 41,664,790	$ 46,412,978	$ 46,028,526	$ 50,931,350	$ 49,196,599
Surplus (deficit)	144,714	1,294,995	4,748,188	(384,452)	4,902,824	(1,734,751)	(314,675)
Transfer in from other Funds		0	0			0	0
Fund balance, June 30	36,821,710	41,664,790	46,412,978	46,028,526	50,931,350	49,196,599	48,881,924
Adjusted balance June 30	36,821,710	41,664,790	46,412,978	46,028,526	50,931,350	49,196,599	48,881,924
Reserve for encumbrance	4,000,000	3,013,964	3,291,429	3,944,446	8,910,984	4,000,000	6,000,000
Benefits/Retirement Reserve	2,000,000	1,515,948	1,362,773	3,158,877	9,547,203	6,000,000	6,000,000
Building - Move Reserve	1,000,000	0	0	0	0	0	0
MTC/ABAG Integration	275,000	0	0	0	0	0	0
Compensated Absences	4,500,000	5,151,294	3,921,386	4,253,618	4,965,167	6,000,000	6,000,000
STA Reserve	2,500,000	49,194	27,196	0	0	0	0
Capital Asset	0	0	0	0	0	816,000	624,050
Liability Contingency Reserve	1,250,000	294,763	123,850	285,120	281,027	700,000	500,000
Fixed Asset Replacement	1,569,108	0	0	0	0	0	0
Subtotal reserve, restricted	17,094,108	10,025,163	8,726,634	11,642,061	23,704,381	17,516,000	19,124,050
Net before retirement	19,727,602	31,639,627	37,686,344	34,386,465	27,226,969	31,680,599	29,757,874
Net Pension Liability	16,010,789	36,671,290	29,279,328	39,358,740	22,033,953	21,014,200	18,414,200
OPEB		0	4,763,606	5,059,342	0	(123,000)	0
Net unrestricted	3,716,813	(5,031,663)	3,643,410	(10,031,617)	5,193,016	10,789,399	11,343,674
Total Adjusted Reserve	$ 36,821,710	$ 41,664,790	$ 46,412,978	$ 46,028,526	$ 50,931,350	$ 49,196,599	$ 48,881,924

TOTAL MTC UNFUNDED POST- RETIREMENT LIABILITIES ARE DOWN 60% SINCE FY 2019

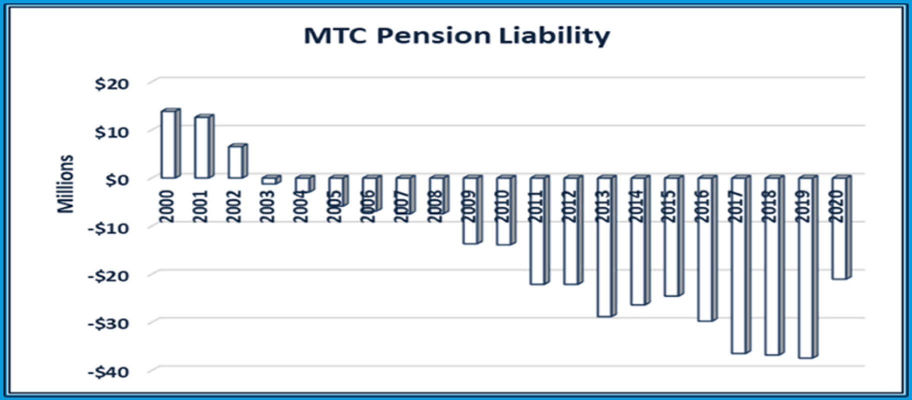
- OPEB
  - Unfunded liability was retired in FY 2020
  - Obligation is now an asset of $3.0 million
  - Interest on the section 115 trust now exceed retiree medical payments
  - Retiree medical payments are fully funded through the OPEB 115 Trust



UNFUNDED PENSION LIABILITY IS DOWN 43% SINCE FY 2019

- PERS
  - Highest UAL liability $38 million FY 2019
  - MTC restructured starting in FY 2020
  - Restructured plan in FY 2020
    - Saves millions in interest costs
    - Reduces amortization to 12 years or less
    - Lowers annual payment by $1.3 million
  - MTC made additional prepayments in FY 2021
  - Does not reflect $3 million transferred to section 115 pension trust
  - No way to predict how actual returns will impact future values

	6/30/2018	6/30/2019	6/30/2020
UAL	$ 30,780,949	$ 37,624,911	$ 21,014,200
Interest	22,787,907	28,309,581	9,613,125
Total	$ 53,568,856	$ 65,934,492	$ 30,627,325
Peak Pmt	$ 3,551,361	$ 3,906,324	$ 2,653,121
Term	25	25	12



MTC EXPECTS TO MAINTAIN OUR OPERATING RESERVE STRUCTURE FOR FY 2022

- **All MTC operating funds have been building cash liquidity positions since the Great Recession (2008)**
- All MTC operating funds have a minimum of 6 months liquidity in cash in funded reserves
- The proposed FY 2022 budgets will include new designated reserves for BAIFA and BAHA

Fund	Reserve (2021)	Budget (2022)	Days Cash
MTC	$49.2 million	$48.9 million	210
BATA	$1 billion	$1 billion	570
SAFE	$12.2 million	$11.8 million	200

FY 2022 BUDGETS

MTC DRAFT FY 2022 OPERATING BUDGET

- **The MTC Draft Budget has a slight deficit**
- **Operating Revenue $85.0 million**
  - Planning revenue
    - Increase in TDA $3.1 million
  - Transfers
    - Drop in project transfers – CARES, SAFE, STA & Exchange
- **Operating Expense $85.3 million**
  - Salary & Benefits - Negotiated MOU costs
  - Contractual Services – Reduction in project funding
- **Work still in progress**
  - Changes in proposed staffing under review
  - Additional grant revenue/expenses
  - Final proposed budget will be balanced

	FY 2021 Budget (thousands)	FY 2022 Budget (thousands)	Change
Revenue (thousands)			
Planning	$29,874	$34,150	14%
Transfers	48,735	40,413	-17%
Local	10,124	9,281	-8%
Other	1,380	1,119	-19%
Total Revenue	**90,113**	**$84,963**	**-6%**
Expense			
Salary & Benefit	38,896	41,419	6%
Gen Operations	2,456	2,686	9%
Contract Svcs	46,092	36,109	-22%
Other	4,404	5,064	15%
Total Expense	**91,848**	**85,278**	**-7%**
Balance (deficit)	**($1,753)**	**($315)**	**-82%**

MTC DRAFT FY 2022 GRANT BUDGET

- MTC will add nearly $20 million in FY 2022 grant projects
- Active (2021) 60 $291 million
- New 5 $ 20 million
- New projects:
  - Blue Ribbon $ 5.0 million
  - I-880 Communications Upgrade $ 1.8 million
  - Dumbarton Forward & Ped Imp $ 2.0 million
  - Climate Initiatives $10.9 million
  - Federal Work Zone Data Exchange (FWDZ) $ 0.2 million
- FY 2022 balance $129 million

MTC DRAFT FY 2022 OPERATING BUDGET CLIPPER OPERATIONS

- Proposed FY 2022 Operating Budget
  - Total revenue $30.9 million
    - RM2 $4.2 million
    - STA $8.0 million
    - SGR $2.6 million
    - CARES $2.0 million
    - Interest $0.8 million
    - Operators $13.3 million
  - Operating cost $30.9 million
    - Staff $ 1.3 million
    - Operations $29.6 million
  - Estimated FY 2022 operating costs down nearly $10 million with continuing impact of pandemic on transportation

MTC DRAFT FY 2022 BUDGET
CLIPPER CAPITAL

Clipper I

- Total Budget FY 2022 (LTD) $237 million
  - FY 2021 (LTD) $235 million
  - Addition FY 2022 $2.0 million

  additional card sales

Clipper II

- Total Budget FY 2022 (LTD) $226 million
- FY 2021 (LTD) $206 million
- Addition FY 2022 $ 19.8 million

- Staff $ 2.9 million
- Consultants $28.9 million
- Contingency use -$12.0 million

- Contingency balance will be $7.5 million after FY 2022 transfer

MTC DRAFT FY 2022 BUDGET
BAY AREA FORWARD

- Bridge capital projects improving bridge and freeway operations
- Funding for these projects come from a variety of federal, state and local sources
- New projects for FY 2022 (millions):
  - RSR $1.1
  - Bay Bridge (2020) $5.0
  - Dumbarton $7.2
  - Napa $0.2

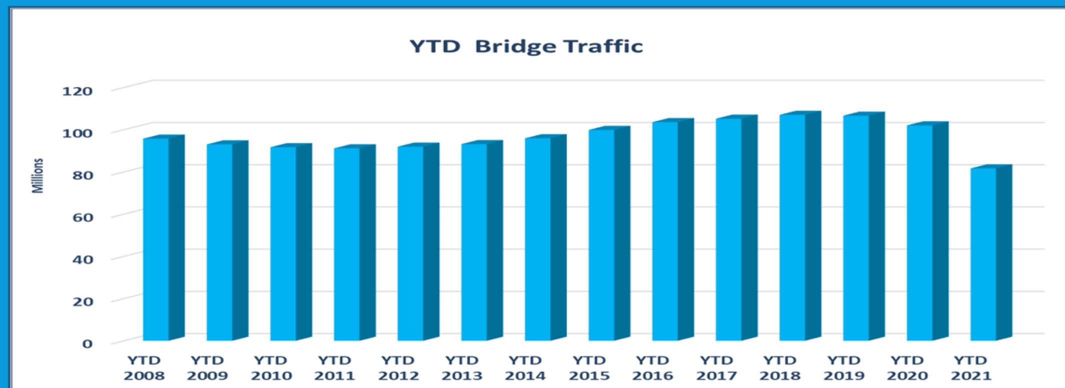
	FY 2021 (LTD) (thousands)	FY2022 (thousands)	Total (LTD)
Bay Bridge (2016)	$22,875	$50	$22,925
Bay Bridge (2020)	10,975	4,950	15,925
RSR	--	1,102	1,102
FPI – 680	14,000	--	14,000
FPI – 880	3,004	61	3,065
FPI – US 101	3,000	61	3,061
Dumbarton Fwd	1,000	7,150	8,150
Napa Fwd	1,000	162	1,162
Total	$55,854	$13,537	$69,392

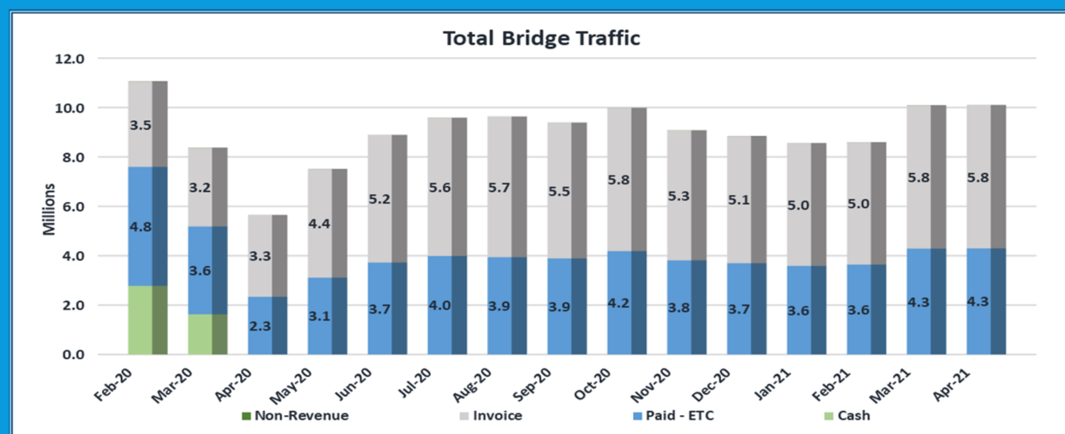
MTC DRAFT FY 2022 OPERATING BUDGET
MTC EXCHANGE FUND

- The Exchange Fund distributes funds exchanged with other agencies for regional projects
  - Balance FY 2021 $25.6 million
  - FY 2022 funding
    - TAM $ 75.7 million
    - STA $ 65.0 million
  - Total project funding $166.3 million

BATA DRAFT FY 2022 OPERATING BUDGET

- FY 2022 Budgeted surplus approximately $90 million
- FY 2022 Budget estimate at 90% of FY 2019 paid traffic
  - 28% increase in toll traffic
- Bridge traffic still 80% of FY 2019 traffic
  - Last two months traffic exceeded 10 million per month – first time since February, 2020
  - May and June should be stronger
- Operating questions:
  - Cash/liquidity levels
  - Completion of "cash" invoicing backlog
  - Impact of new invoicing system on revenue collection





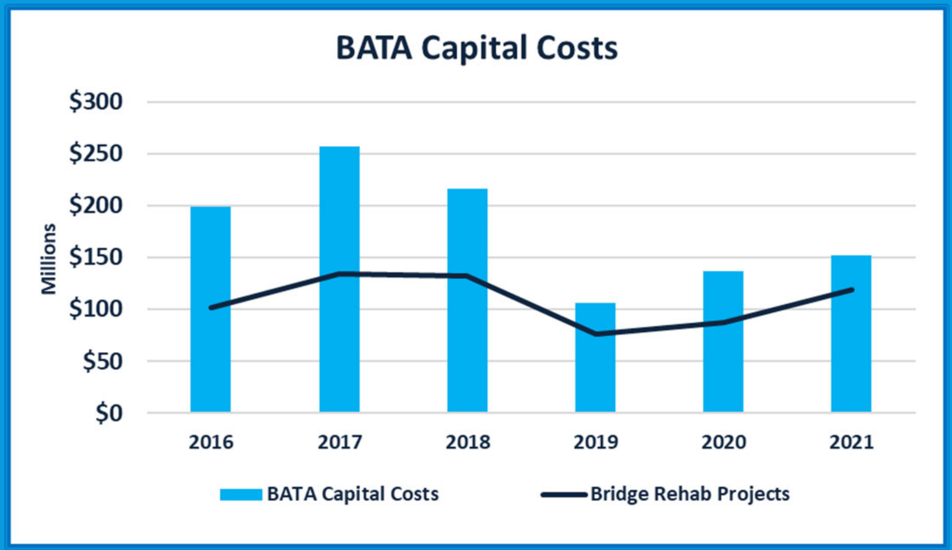
BATA DRAFT FY 2022 OPERATING BUDGET

- **Total proposed operating revenue is $757* million –**
- **Total budgeted revenue $932 million including $175 million RM3 revenue offset by transfer to RM3 escrow where funds will be held until released**
- Proposed paid toll revenue up 22%
- Other revenue mainly other operator reimbursements and change with traffic
- Caltrans/Fastrak change reflects change from cash collection to ETC
- Debt service includes $70 million prepayment of FY 2022 principal
- Transfers
  - RM2 operating and administration transfers increase with traffic

	FY 2021 (millions)	FY 2022 (millions)	Change
Revenue			
Toll*	$514	$625*	22%
Interest	93	91	-2%
Other	26	41	58%
Total Revenue	**633**	**757**	**20%**
Expense			
Caltrans Op	31	7	-77%
Fastrak Ops	57	79	39%
BATA Admin	35	38	9%
Debt Svc	440	458	4%
RM2 Transit	35	44	26%
Transfers	21	26	24%
Other	13	15	15%
Total Expense	**$632**	**$667**	**6%**
Op Balance (deficit)	**$1**	**$90**	**8,900%**

BATA DRAFT FY 2022 BUDGET CAPITAL PROJECTS

- BATA has a current capital program balance of $654 million*
  - RM2 $ 87 million
  - Bridge Rehab $340 million
  - 1171 (RM1) $ 81 million
  - CCCG $146 million
  - excluding $345 million ELN
- BATA capital funding – last 5 years
  - Total capital program $1,065 million
  - Bridge rehab costs $ 650 million
- Capital projects require significant cashflow –



BATA DRAFT FY 2022 CAPITAL BUDGET
PROPOSED BUDGET FOR FY 2022 $137 MILLION

- Proposed capital budget for FY 2022
  - FY 2021 budget $ 51 million
  - FY 2022 budget $137 million
  - 10 year total $1,210 million
  - 10 year average $121 million

	FY 22-31 totals by group
Capital Operations	$347,547,000
Bridge Integrity	$270,400,000
Paint	$300,576,311
ETC	$261,454,000
Other	$17,702,000
savings/overruns/in construction	$14,189,811

SURFACE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS (SAFE)
FY 2022 OPERATING BUDGET

- Two Programs
  - Freeway Asist (CallBox)
  - Freeway Service Patrol (FSP – tow trucks)
- Expense – $21.6 Million
  - Salary & Benefit - reassigned from another fund
  - Consultant Svcs - Increase communications
  - Op Contracts - No new tow services
- Capital Transfer
  - Transfer to SAFE capital $1,500 (million)
- The minor operating deficit will be covered through fund balance reserve of $11.8 million

	FY 2021 (thousands)	FY 2022 (thousands)	Change
Revenue			
DMV/Other	$6,442	$6,614	3%
State LAP	7,200	$7,629	6%
Road Rep (SB1)	7,425	7,000	-6%
Total Revenue	**21,067**	**21,243**	**1%**
Expense			
Salary & Benefit	861	1,226	42%
General Ops	974	1,070	10%
Consultant	625	760	22%
Op Contracts	18,970	18,570	-2%
Total Expense	**21,430**	**21,626**	**1%**
Balance (deficit)	**($363)**	**($383)**	**6%**

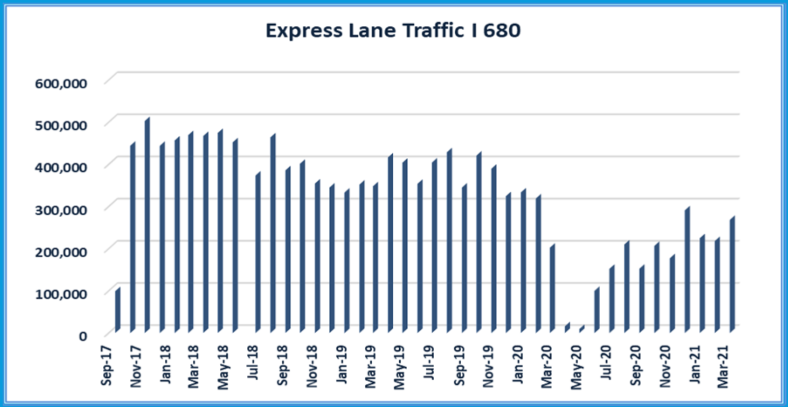
MTC DRAFT FY 2022 BUDGET SAFE CAPITAL PROGRAM

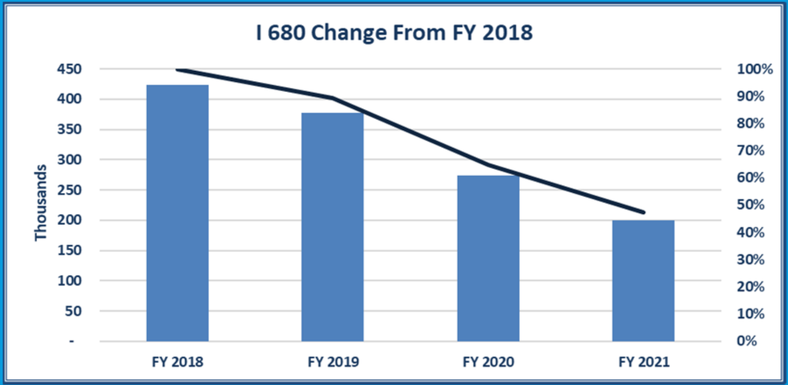
- Total five capital projects $9 million
- Two new projects
  - Incident management
  - Connected Bay Area

	FY 2021 (thousands)	FY 2022 (thousands)	Total (LTD)
FSP Data	$3,826	--	$3,826
CBX Site Improvement	2,744	--	2,744
Emergency/Major Incident	1,000	--	1,000
Incident Management	--	1,000	1,000
Connected Bay Area	--	500	500
Total	$7,571	$1,500	$9,070

BAIFA DRAFT OPERATING BUDGET

- The I-680 Express Lane stopped collecting tolls and violations in March 2020 and restarted in June 2020.
- Monthly average traffic is down from FY 2018 when the lane opened
  - I-680 has a budgeted operating deficit for FY 2021 $2.8 million
  - Budgeted operating deficit for FY 2022 $2.4 million
- I-680 has over $15 million in cash reserve to manage until traffic recovers
- I-880 has opened with strong traffic counts
  - Average 550,000 monthly trips





BAIFA DRAFT OPERATING BUDGET

- Operating Revenue $30.7 million
  - New I-880 adds $19 million new revenue
  - Continued drop in I-680 traffic
  - Violation processing restored FY 2021 plus addition of I-880
  - "Other" includes US -101 monitoring reimbursement of $2.5 million
- Operating Expense* $25.1 million
  - Increased expenses related to new I-880 express lanes

  * Before depreciation
- Estimated Operating surplus $5.5 million
- Surplus transferred to reserves
  - Operating equal to 1 year operating revenue
  - Capital repair/replacement

	FY 2021 (thousands)	FY 2022 (thousands)	Change
Revenue			
I-680	$6,944	$4,735	-32%
I-880	--	19,154	100%
Violation	850	4,057	377%
Other	329	2,788	747%
Total Revenue	**8,123**	**30,734**	**278%**
Expense			
Fastrak O&M	2,565	7,719	201%
EX Lane O&M	4,851	11,307	133%
Admin	3,496	3,617	3%
Other	--	2,483	100%
Total Expense*	**10,912**	**25,126**	**130%**
Ending Balance (deficit)	**($2,789)**	**$5,608**	**-301%**

BAHA DRAFT FY 2022 OPERATING BUDGET

- **Total Revenue $17.1 million +3.5%**
  - Assessments
    - Common area expenses paid by three owners
    - Increase covering restored operating hours
  - Lease revenue
    - Increase build into leases
  - Other - mainly parking and utility payments

- Expenses $13.7 million +8.5%
  - **Salary & Benefit – agreed MOU increases**
  - **IT license**
    - **System upgrades / new Temazcal space**

- Cash flow gain of $3.4 million (before depreciation) transferred as follows (millions):

	<u>$3.9</u>	<u>$3. 4</u>
Operating Reserve	$1.9	$1.2
Capital Reserve	$1.0	$1.1
BATA repayment	$1.0	$1.1

	FY 2021 (thousands)	FY 2022 (thousands)	Change
Revenue			
Assessments	$5,816	$6,297	8%
Lease	10,162	10,396	2%
Other	606	473	-22%
Total Revenue	**16,584**	**17,166**	**4%**
Expense			
Salary & Benefit	1,126	1,149	2%
IT lic & Maint	1,172	1,731	48%
Property Mgt	8,517	8,946	5%
Other	1,873	1,941	4%
Total Expense	**12,688**	**13,767**	**9%**
Balance (before dep)	**$3,896**	**$3,399**	**-13%**

BUDGET SCHEDULE

- May 12 –
  - Joint budget study session with Commission
- June 09 –
  - Committee approval(s)
- June 23
  - Final Commission approval