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 13, 2020

Bay Area Metro Center
375 Beale Street, 1st Floor, Board Room
San Francisco, CA 94105
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/92472864447
Join by Telephone: 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)
Webinar ID: 924 7286 4447

Detailed instructions on participating via Zoom are available at: https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom.

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 13, 2020 at 9:05 a.m., at the Bay Area Metro Center, 375 Beale Street, 1st Floor, Board Room, San Francisco, CA 94105. The business to be transacted will include: (1) Roll Call; (2) Pledge of Allegiance; (3) Compensation Announcement; (4) Fiscal Year 2020-21 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.

Scott Haggerty

Scott Haggerty
May 8, 2020

Metropolitan Transportation Commission

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

Meeting Agenda

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

Scott Haggerty, Chair   Alfredo Pedroza, Vice Chair

Wednesday, May 13, 2020	9:05 AM	Board Room - 1st Floor (REMOTE)

The Budget Study Session of MTC, MTC SAFE, BATA, BAHA, and BAIFA is scheduled to meet on Wednesday, May 13, 2020 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.

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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.

1. 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 2020-21 Agency Budget Study Session

20-0716 An overview of the draft FY 2020-21 agency budgets.

Action: Information

Presenter: Brian Mayhew and Arleicka Conley

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 Commission meetings by completing a request-to-speak card (available from staff) and passing it to the Commission 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 Commission 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: Commission 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 Commission members, key staff and others as appropriate. Copies will be available at the meeting.

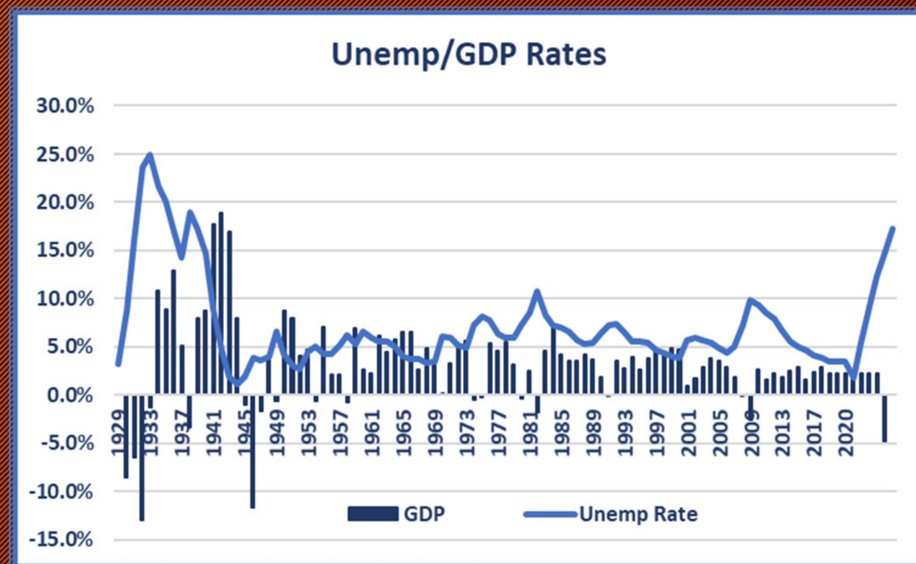
All items on the agenda are subject to action and/or change by the Commission. Actions recommended by staff are subject to change by the Commission.

MTC Budget Study Session

May 13, 2020

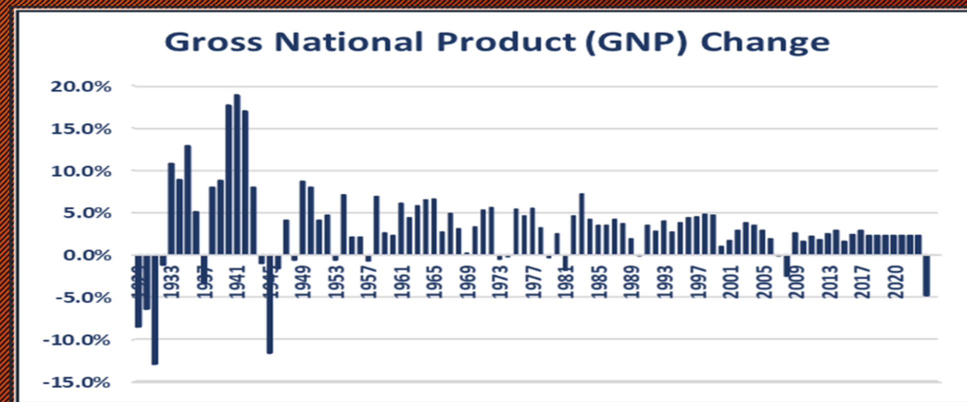
The Entire Economy Has Changed Since Approval Of The FY 2019-20 Budget

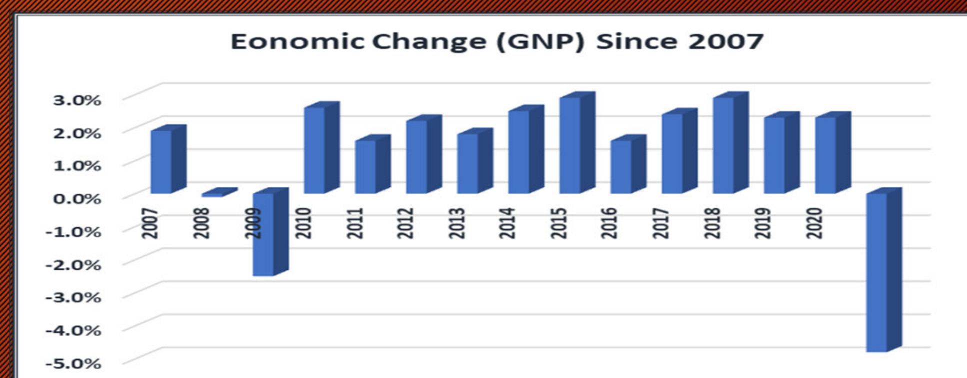
- longest economic expansion on record ended - July 2009 - February 2020
- US economy will enter a recession starting Q1 2020
- Nearly 30 million unemployment applications filed in just six weeks
- Unemployment rate already
  - Exceeds the Great Recession
  - Second only to the Great Depression



The Only Economic Comparison May Be The Great Depression

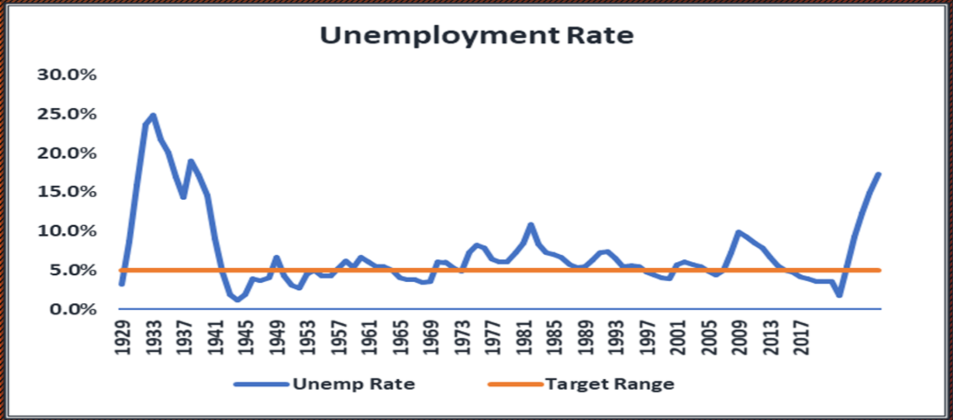
- If trends continue the 2020 recession will exceed the Great Depression in economic loss and unemployment
- GNP fell 27% in the Great Depression (1929 – 1941)
- After WWII demobilization (1945) – Great Recession (2007-2010)was the longest recession with the largest GNP drop – 5.1%
- Q1 2020 – GNP fell 4.8%
- If Q2 2020 GNP drops the expected 30% it will exceed the accumulated economic loss of the Great Depression

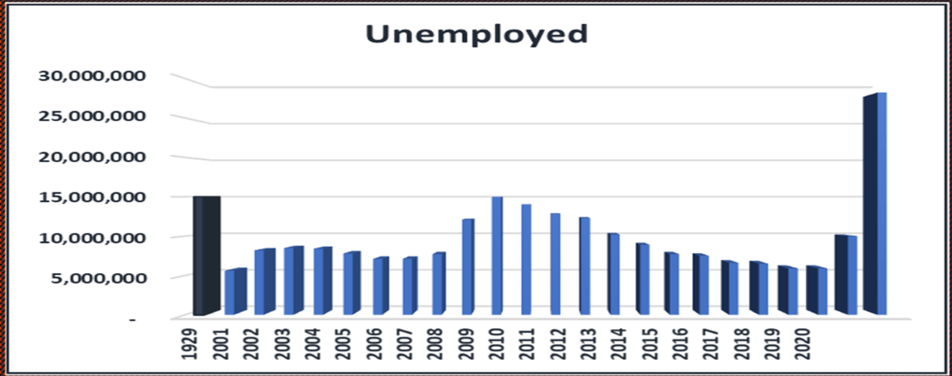




Total Unemployed Already Exceed The Great Recession Level

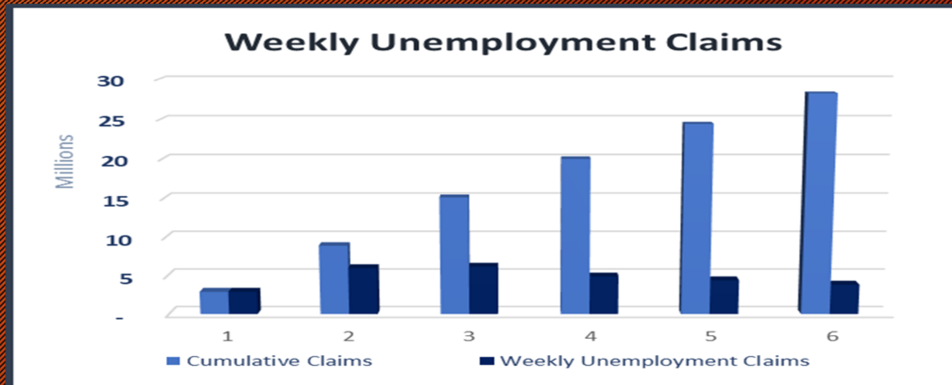
- The three highest unemployment rate levels
  - 1932 25.0%
  - 1982 10.3%
  - 2008 9.9%
- Current unemployment rate
  - January 2020 3.5%
  - April 2020 17.8%
- The number of unemployed already breaks all previous recession records

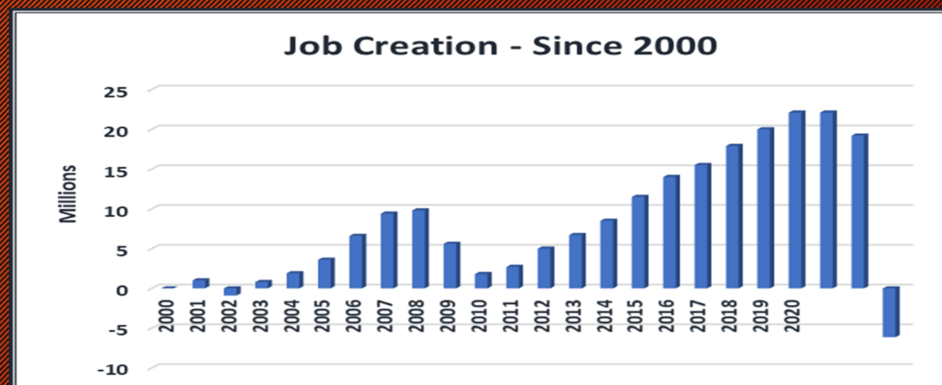




First Time Unemployment Claims Exceeded 28 Million In Only Six Weeks

- Based on the current unemployment data
  - Nearly 10% of the US population is unemployed
  - Nearly 18% of the labor force is unemployed
  - Nearly 1 in 5 jobs have been furloughed/laid off
- Current job losses wiped out the entire job growth since 2000





MTC Is Relatively Well Positioned To Deal With The Immediate Economic Crisis

- **All MTC operating funds have been building cash liquidity positions since the Great Recession (2008)**
- MTC has nearly 6 months operating liquidity on hand
- All other MTC operating funds have an excess of 6 months operating liquidity in cash on hand
- Even at the reduced revenue levels all funds can maintain full operations for over a year

Fund	Ending Balance (2020)	Budget (2021)	Days Cash on Hand
MTC	$41 million	$84 million	177
BATA	$1 billion	$810 million	450
SAFE	$14 million	$21 million	240

MTC Fund Balance

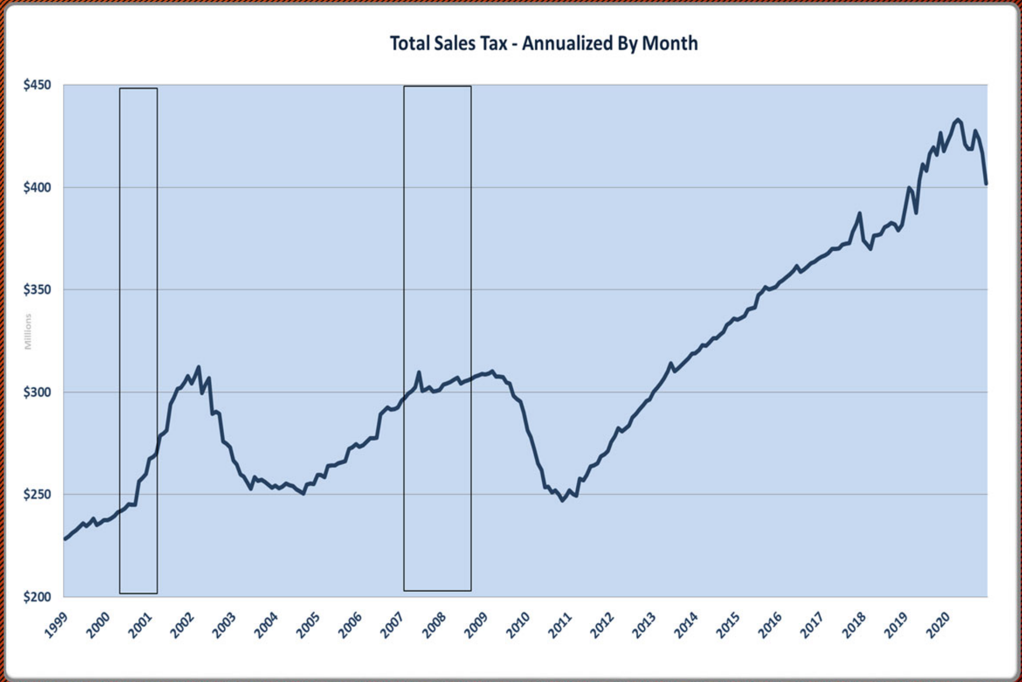
- MTC maintains liquidity balances in all funds
- Ending balances are classified as
  - “Restricted”
  - “Unrestricted” – assets that remain after short and long term restrictions
- MTC had a negative “net position” -$19 million for FY 2020
- The “negative” position is reduced to -$1.3 million for FY 2021

MTC Fund Balance

	Actual									Budget	Budget
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 15-16	FY 16-17	FY 17-18	FY18-19	FY 19-20	FY 20-21
Fund balance, July 1	$ 23,561,396	$ 27,782,096	$30,888,242	$ 34,175,123	$ 36,676,996	$ 36,676,996	$ 40,369,795	$ 41,664,790	$ 46,412,978	$ 46,028,526	$ 40,913,381
Surplus (deficit)	5,056,061	3,106,146	3,286,881	2,501,873	3,692,799	144,714	1,294,995	4,748,188	(384,452)	(5,115,145)	(4,984,502)
Transfer in from other Funds			-	-	-		-	-		-	-
Fund balance, June 30	27,782,096	30,888,242	34,175,123	36,676,996	40,369,795	36,821,710	41,664,790	46,412,978	46,028,526	40,913,381	35,928,879
Adjusted balance June 30	27,782,096	30,888,242	34,175,123	36,676,996	40,369,795	36,821,710	41,664,789	46,412,978	46,028,526	40,913,381	35,928,879
Reserve for encumbrance	3,496,549	2,266,373	2,396,509	2,725,781	4,885,700	4,000,000	3,013,964	3,291,429	3,944,446	4,000,000	4,000,000
Benefits/Retirement Reserve	1,076,467	727,038	1,500,745	1,500,308	1,468,652	2,000,000	1,515,948	1,362,773	3,158,877	6,000,000	6,000,000
Compensated Absences	3,586,668	3,857,077	4,019,949	4,347,801	4,842,422	4,500,000	5,151,294	3,921,386	4,253,618	5,500,000	6,000,000
STA Reserve	2,389,269	1,254,051	528,260	511,807	158,050	2,500,000	49,194	27,196	-	500,000	-
Capital Reserve			-	-	-		-	-		130,000	500,000
Liability Contingency Reserve	456,647	-	-	234,040	964,580	1,250,000	294,763	123,850	285,120	-	500,000
Subtotal reserve, restricted	11,005,600	8,104,539	8,445,463	9,319,737	12,319,404	17,094,108	10,025,163	8,726,634	11,642,061	16,130,000	17,000,000
Net before retirement	16,776,496	22,783,703	25,729,660	27,357,259	28,050,391	19,727,602	31,639,626	37,686,344	34,386,465	24,783,381	18,928,879
Net Pension Liability	-	-	-	16,010,789	18,286,012	16,010,789	22,572,445	24,420,309	19,889,459	36,671,000	20,350,300
OPEB			-	-	-		-	4,763,606	5,059,342	7,100,000	(123,000)
Net unrestricted	16,776,496	22,783,703	25,729,660	11,346,470	9,764,379	3,716,813	9,067,181	8,502,429	9,437,664	(18,987,619)	(1,298,421)
Total Adjusted Reserve	$ 27,782,096	$ 30,888,242	$ 34,175,123	$ 36,676,996	$ 40,369,795	$ 36,821,710	$ 41,664,790	$ 46,412,978	$ 46,028,526	$ 40,913,381	$ 35,928,879
Unrestricted	60%	74%	75%	31%	24%	10%	22%	18%	21%	-46%	-4%
Restricted	40%	26%	25%	69%	76%	90%	78%	82%	79%	146%	104%
Total Fund balance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

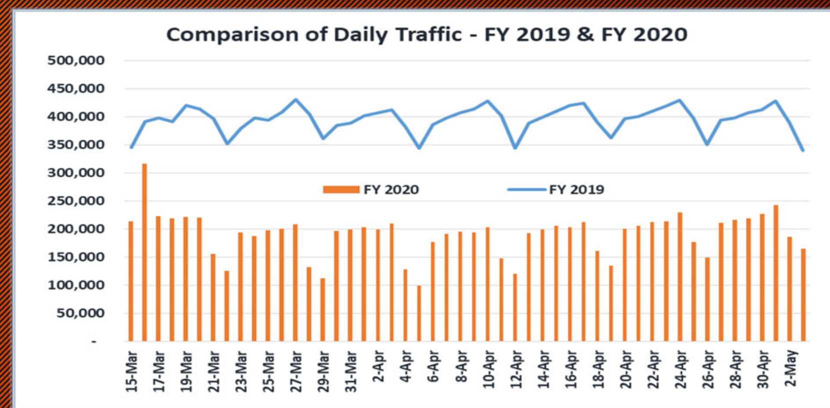
Where Will MTC Operations Be Impacted - Sales Tax Revenue

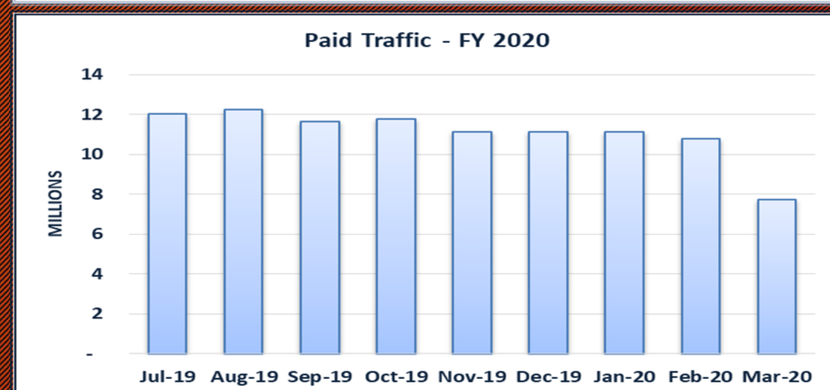
- MTC is particularly vulnerable to changes in retail sales including gasoline and diesel fuel excise charges
    - TDA - MTC ops
    - STA - Clipper ops/projects
    - AB 1107 - MUNI / ACT
    - SB 1 - MTC planning/projects
- Expect sales tax revenue to be off 10% for FY 2020
- Decline in gasoline and diesel excise tax could be 50%
- Expect revenue down 25% for FY 2021
- No current estimate for impact of payment extensions



Where Will MTC Operations Be Impacted - Bridge Toll Revenue

- Bridge Toll Revenue supports more than BATA operations and debt service
- BATA Transfers
  - MTC operating transfer (1%)
  - AB 664 - MTC
  - Rail Reserve Transfer - MTC
  - RM 2 transit transfers
  - RM 2 project payments
- BATA traffic dropped 50% since March
- Level and timing of cash/invoiced payments is still unknown
- Revenue estimates impacted for FY 2020 & FY 2021





Other Areas Of Concern

- Express Lanes
  - Stopped collecting tolls and sending violations in March
  - Continued operating expenses
  - Potential cash flow issues
- Clipper
  - Many operators stopped collecting fares –
  - Potential cash flow issues
- MTC
  - Pension expense
  - Structural deficit

On The Positive Side

- OPEB obligation
  - FY 2020 $7.1 million
  - FY 2021 -$123,000
- Pers
  - FY 2020 unfunded liability $36.7 million
  - FY 2021 unfunded liability $20.4 million
  - “Fresh Start” – 12 year amortization
  - New payments $2.5 million
- Grant / project revenue remains relatively unaffected

General Budget Strategy

- "Zero Base" discretionary expenses
- Hold budget on travel/training and contract expenses
- No new positions
- No layoffs/furloughs
- Hiring freeze
  - Effective immediately
  - Allowing exceptions for
    - Existing recruitments
    - Essential programs
    - New commitments/grants
- Commit reserves as necessary
  - MTC $10 million (25%) - $5 million FY 2020 & FY 2021
  - BATA $300 million (30%) - $100 million FY 2020 & $200 million FY 2021
  - Express lanes as necessary
  - Clipper – evaluate the potential of CARES funding
  - Continue to aggressively retire unfunded pension liability

General Budget Assumptions

- Budget assumptions
  - 305 full time staff
    - 2.8% contracted salary increase
    - 2.5% PERS normal cost increase
    - $4.5 million OPEB ARC
      - $1.2 million retiree premiums
  - Revenue
    - No economic impact to grant revenue
    - TDA down 25%
    - BATA toll revenue down 25%
    - RM3 revenue remains in escrow
    - Express lane revenue restarts by year end
    - Evaluate impact/distribution of CARES revenue

Draft FY 2020-21 Budgets

MTC Draft Budget

- FY 2020 budget will have to be amended for lower revenue - expected $5.1 million deficit
- FY 2021 draft budget has a deficit of $5.0 million
- Major changes*
  - Loss 25% or $3.7 million of TDA sales tax revenue
  - Total transfer in drops 18% or $7.7 million
  - Reclassified two long-term temporary positions as regular positions
  - Salary/Benefit down 2% or $758k
  - General Administration up 1.1%
  - Other expense down 26% or $236k
- Staff will work on additional revenue/expense ideas to reduce deficit in final budget

*Calculations off amendment 3

MTC Budget

MTC Revenue	Act & Enc As of 12/31/19	Amend #3 FY 19-20	Amend#4 FY 19-20	Poposed FY 20-21	Var	% Var
FHWA PL	4,868,156	$8,209,054	$8,209,054	$8,540,198	$331,144	4.0%
FTA PL 5303	2,445,518	3,510,474	3,510,474	3,730,640	$220,166	6.3%
FTA 5304		966,559	966,559	866,559	($100,000)	-10.3%
FHWA PL EST. C/O		626,663	626,663	1,909,831	$1,283,168	204.8%
FTA 5303 EST. C/O		1,350,737	1,350,737	2,781,149	$1,430,412	105.9%
SB1 Formula/Adaptation and Grants C/O		1,378,180	1,378,180	1,687,580	$309,400	22.4%
SB1 Sustainable Comm.	1,773,348	2,106,140	2,106,140	2,106,140	$0	0.0%
TDA	7,402,117	14,616,697	11,400,000	10,962,523	($3,654,174)	-25.0%
HOV revenue	316,573	520,000	520,000	500,000	($20,000)	-3.8%
Interest	339,026	115,000	115,000	57,500	(57,500)	-50.0%
Total planning	17,144,738	33,399,504	30,182,807	33,142,120	(257,384)	-0.8%
Total State Funding		0	0	4,720,738	4,720,738	N/A
Total Local Funding	1,832,415	6,549,201	6,549,241	5,274,670	(1,274,531)	-19.5%
Transfers:						
1% BATA	8,096,994	8,096,995	7,000,000	5,442,895	(2,654,100)	-32.8%
Other Transfers	3,248,842	35,430,676	34,430,677	30,363,385	(5,067,291)	-14.3%
Total Revenue Sources	**30,322,989**	**83,476,376**	**78,162,725**	**78,943,808**	**(4,532,568)**	**-5.4%**
Salaries & Benefits	13,587,315	41,504,347	41,504,347	40,746,748	(757,599)	-1.8%
Temp. Agency	251,014	817,079	817,079	981,659	164,580	20.1%
Contracts Operating	22,938,997	33,245,789	33,245,789	34,648,099	1,402,310	4.2%
Other	362,094	893,119	893,119	657,500	(235,619)	-26.4%
General Admin Expense	5,978,113	6,817,537	6,817,537	6,894,305	76,768	1.1%
Total before transfer out	43,117,533	83,277,871	83,277,871	83,928,311	650,440	0.8%
Transfer out						
Total Expenses	**43,117,533**	**83,277,872**	**83,277,872**	**83,928,312**	**650,440**	**0.8%**
Surplus (Deficit)	**(12,794,544)**	**198,506**	**(5,115,145)**	**(4,984,502)**	**(5,183,006)**	**-2611.0%**
C/O Encumbrance						
Net Surplus (Deficit)	**($12,794,544)**	**$198,506**	**($5,115,145)**	**($4,984,502)**	**($5,183,008)**	**-2611.0%**

BATA Draft Operating Budget

- The FY 2020 budget amendment
  - Revenue shortfall of approximately $110 million
- FY 2021 Draft Budget
- Budgeted deficit of nearly $185 million
  - Total revenue down 30%*
    - Paid traffic down 30%
    - Violation revenue down 40%
    - RM3 revenue still escrowed
    - Total reserve transfer in $184 million
  - Operating expenses up 6.2%*
    - Caltrans operations up 7.5%
    - Fastrak Operations up 5.9%
    - Debt service up 1.2%
- Toll Bridge Rehabilitation Program
  - Projects still under review
  - No new projects

*calculations from amendment 1

BATA Operating Budget

	Act & Enc	Budget				
	As of 12/31/19	FY 19-20 Amendment 1	FY 19-20 Amendment 2	FY 20-21	Var	% Var
Op Revenue						
RM1 & Seismic Toll Revenue	301,211,692	603,709,547	523,695,444	422,596,683	(181,112,864)	-30.0%
RM2 Toll Revenue	65,311,409	130,989,803	113,804,556	91,692,862	(39,296,941)	-30.0%
Violation	16,929,682	25,000,000	20,000,000	15,000,000	(10,000,000)	-40.0%
Interest	23,018,392	50,000,000	42,500,000	15,000,000	(35,000,000)	-70.0%
Reimbursement	5,250,933	14,764,459	14,764,459	7,973,335	(6,791,124)	-46.0%
Rebate for BABs	17,953,681	71,713,641	71,713,641	71,638,789	(74,852)	-0.1%
Total Op Revenue	429,675,789	896,177,450	786,478,100	623,901,669	(272,275,781)	-30.4%
Op Expenses						
Caltrans Toll Op	15,191,000	29,700,000	29,700,000	31,925,000	2,225,000	7.5%
Transbay Transit Terminal	5,201,958	5,201,958	5,201,958	5,384,027	182,069	3.5%
Fastrak Operations	52,148,672	53,750,000	53,750,000	56,940,000	3,190,000	5.9%
Other Operating Expenses	13,920,195	23,467,296	23,467,296	24,860,553	1,393,257	5.9%
Total Op Expenses	**86,461,825**	**112,119,254**	**112,119,254**	**119,109,580**	**6,990,326**	**6.2%**
Non Op Expenses						
Debt Service	156,994,956	607,490,461	607,490,461	614,664,787	7,174,326	1.2%
Financing Fees	4,899,601	14,073,400	14,073,400	16,025,300	1,951,900	13.9%
Total Non Op Expenses	**161,894,557**	**621,563,861**	**621,563,861**	**630,690,087**	**9,126,226**	**1.5%**
Transfer Out/(In)	**22,327,528**	**23,514,412**	**21,425,899**	**15,123,663**	**(8,390,749)**	**-39.7%**
RM2 Expenses	**50,690,576**	**56,716,125**	**50,185,732**	**39,334,288**	**(17,381,837)**	**-30.6%**
PY Enc	**-**	**1,864,226**	**1,864,226**	**-**	**(1,864,226)**	**-44.1%**
Depreciation & Amortization	**1,861,111**	**5,050,000**	**5,050,000**	**3,600,000**	**(1,450,000)**	**-28.7%**
Total Exp & Trans	**323,235,597**	**820,827,878**	**812,208,972**	**807,857,618**	**(12,970,260)**	**-1.6%**
Total Surplus (Deficit)	**106,440,192**	**75,349,572**	**(25,730,872)**	**(183,955,949)**	**(259,305,521)**	

SAFE Draft - Freeway Assist Budget

- Draft FY 2021 Freeway Assist budget
  - Slight budgeted deficit of $394,000 -
  - $134,000 before depreciation
- Revenue - down 8%
  - Interest earnings down 90%
- Expense - down 9%
  - Salary & Benefit down 17%
  - General Admin down 21%
  - Repairs & Maintenance n/c
- Transferring $4.1 million to Freeway Service Patrol (FSP) operation
- Deficit will be covered from fund balance

SAFE - Freeway Assist Budget

	Act & Enc	Budget			
SAFE Freeway Assist 610	As of 12/31/19	FY 19-20	FY 20-21	Var	% Var
Op Revenue					
DMV Revenue	$ 3,291,828	$ 6,600,000	$ 6,402,000	$ (198,000)	-3.0%
Interest income	137,244	400,000	40,000	(360,000)	-90.0%
Total Op Revenue	3,429,072	7,000,000	6,442,000	(558,000)	-8.0%
Op Expense					
Salaries and Benefits	331,832	651,700	542,100	(109,600)	-16.8%
Professional Fees	468,245	825,000	820,000	(5,000)	-0.6%
General Administration	432,949	629,300	499,800	(129,500)	-20.6%
Communications Expense	80,375	200,000	250,000	50,000	25.0%
Repairs and Maintenance	400,000	400,000	400,000	-	0.0%
Other	6,078	10,000	10,000	-	0.0%
PY Enc	-	60,260	-	(60,260)	-100.0%
Total Op Expense	1,719,479	2,776,260	2,521,900	(254,360)	-9.2%
Revenue over expense	1,709,593	4,223,740	3,920,100	(303,640)	
Transfer	(12,150,285)	(3,882,240)	(4,054,000)	(171,760)	4.4%
Depreciation	114,411	310,000	260,000	(50,000)	
Total Operating Surplus (Deficit)	**$ (10,555,103)**	**$ 31,500**	**$ (393,900)**	**$ (425,400)**	

SAFE Draft - Freeway Service Patrol Budget

The Freeway Service Patrol's draft FY 2021 budget is balanced as proposed

- Total Revenue up 2% - $275,000
  - Revenue consists of Local Assistance (LAP) and SB1 funding.
- Total Expense up 2.9% - $506,500
  - Professional fees down $1 million as the SB1 pass-through to CHP completed in FY 2020
  - Tow Beat up $1.5 million with new services funded through LAP and SB1 sources

SAFE - Freeway Service Patrol Budget

	Act & Enc	Budget			
SAFE FSP 620	As of 12/31/19	FY 19-20	FY 20-21	Var	% Var
Revenue					
LAP	$ 2,776,712	$ 6,650,000	$ 7,200,000	$ 550,000	8.3%
SB1	2,216,274	7,000,000	6,825,000	(175,000)	-2.5%
State of California (TMP)	-	100,000	-	(100,000)	-100.0%
Total revenue	4,992,986	13,750,000	14,025,000	275,000	2.0%
Expense					
Salaries and Benefits	126,197	314,000	319,000	5,000	1.6%
Professional Fees	1,017,864	1,150,000	150,000	(1,000,000)	-87.0%
Tow Beat Expense	15,413,827	15,500,000	17,000,000	1,500,000	9.7%
General Administration	118,877	238,500	245,000	6,500	2.7%
Communications Expense	113,225	150,000	100,000	(50,000)	-33.3%
Repairs and Maintenance	81,795	150,000	190,000	40,000	26.7%
Other	52,691	70,000	75,000	5,000	7.1%
Total expense	16,924,476	17,572,500	18,079,000	506,500	2.9%
Revenue over expense	(11,931,490)	(3,822,500)	(4,054,000)	(231,500)	6.1%
Transfer from Freeway Assist	11,931,490	3,822,500	4,054,000	231,500	
Total Operating Surplus (Deficit)	$ -	$ -	$ -	$ -	

BAIFA Draft Operating Budget

- BAIFA I680 Express Lane stopped collecting tolls and violations as of March 2020. The current FY 2021 budget is based on approximately 9 months of varied operations
- Total FY 2021 draft budget has a deficit of $2.8 million before depreciation and transfer
- Revenue down 43% - $6 million
  - Toll revenue down 42% - $5 million
  - Violation revenue down 55% - $1 million
- Expenses down $2.1 million
  - Toll operations down 9.4%
  - Operations & maintenance down 22% - $1.4 million
  - One transfer out to support the 680 EL project
- Assuming no toll or violation collections for the remainder of FY 2020 the resulting deficit will severely reduce the existing liquidity balance
- Current FY 2021 budget projects a deficit of $3.4 million further reducing liquidity balance

BAIFA Operating Budget

	Act & Enc As of 12/31/19	Budget FY 19-20	Budget FY 20-21	Var	% Var
Op Revenue					
CC-680 Toll Revenue	$ 6,944,327	$ 12,000,000	$ 6,944,327	$ (5,055,673)	-42.1%
Violations Revenue	291,187	1,900,000	850,407	(1,049,593)	-55.2%
Interest Revenue	156,418	360,000	328,750	(31,250)	-8.7%
Other Revenue	161,089	-	-	-	N/A
Total Op Revenue	**7,553,021**	**14,260,000**	**8,123,484**	**(6,136,516)**	**-43.0%**
Op Expenses					
FasTrak and Toll Operations	2,310,000	2,830,000	2,564,779	(265,221)	-9.4%
Operations and Maintenance	6,138,172	6,209,000	4,850,810	(1,358,190)	-21.9%
Express Lanes Administration	706,039	2,531,550	3,556,713	1,025,163	40.5%
PY Enc		1,518,577	-	(1,518,577)	-100.0%
Total Op Expenses	**9,154,211**	**13,089,127**	**10,972,302**	**(2,116,825)**	**-16.2%**
Operating Surplus (Deficit) before Depreciation	**(1,601,190)**	**1,170,873**	**(2,848,818)**	**(4,019,691)**	
Transfer	**-**	**-**	**(550,000)**	**(550,000)**	
Beginning Balance	**11,634,782**	**11,634,782**	**12,805,655**		
Ending Balance	**10,033,592**	**12,805,655**	**9,406,837**		
Depreciation	**1,813,216**	**3,750,000**	**2,000,000**	**(1,750,000)**	
Net available asset	**$ 6,619,186**	**$ 10,226,528**	**$ 4,558,019**	**$ (2,819,691)**	

BAHA Draft Budget

Draft budget is balanced before depreciation

Revenue up $600,391

- Lease revenue up $354k or 4% from contracted increases
- A $205k of special assessment from Air District for Temazcal operation

- Expenses up 13%
  - Property Mgt. +12%
  - Salary & Benefit - 15%
  - Contractual services +10%
  - Expenses include $420,000 for new Temazcal operating space
- Cash flow of $3.1 million before depreciation and transfers
- Transfers include
  - Setting up Operating and Capital Reserves
  - Repaying BATA

BAHA Operating Budget

	Act & Enc As of 12/31/19	Budget FY 19-20	Budget FY 20-21	Var	% Var
Revenue					
Special Assessment - Air District Temazcal	$ -	$ -	$ 205,000	$ 205,000	N/A
Lease income	4,821,088	9,645,222	9,999,494	354,272	3.7%
Expense reimbursements	143,617	358,333	412,816	54,483	15.2%
Other income - Parking	95,049	202,200	188,720	(13,480)	-6.7%
Other income	-	3,819	3,935	116	3.0%
Interest Income	129,119	-	-	-	0.0%
Total Revenue	5,188,873	10,209,574	10,809,965	600,391	5.9%
Operating Exp					
Salaries, Benefits and Overhead	358,320	1,130,900	961,567	(169,333)	-15.0%
Contractual services	105,354	339,520	375,000	35,480	10.5%
IT Licenses, Maintenance	253,894	421,000	804,775	383,775	91.2%
Other Op Exp	77,746	198,500	373,000	174,500	87.9%
Contribution to Ada's	-	32,000	-	(32,000)	-100.0%
Lease commission	-	50,000	40,000	(10,000)	0.0%
Property Management Op Exp (CW)	2,396,027	4,616,645	5,151,141	534,496	11.6%
Total Operating Exp	3,191,341	6,788,565	7,705,483	916,918	13.5%
Operating Surplus (Deficit) before Transfer and Depreciation	1,997,532	3,421,009	3,104,482	(316,527)	-9.3%
Transfer In/(Out)	(2,000,000)	(3,421,009)	(3,104,482)	316,527	-9.3%
Depreciation	3,499,910	6,814,218	7,314,218	500,000	7.3%
Operating Suplus (Deficit)	$ (3,502,378)	$ (6,814,218)	$ (7,314,218)	$ (500,000)	

375 Beale Corp.

- Condo Corp budget is balanced
- Assessment fees up 10.6% - Increase covers
- Operating costs distributed to three owners - MTC, ABAG & Air District
- Balances/(deficits)are reconciled with three owners at year end

375 Beale Condo Corporation Operating Budget

	Act & Enc As of 12/31/19	Budget FY 19-20	Budget FY 20-21	Var	% Var
Revenue					
Assessment Fee - Shared Services	$ 1,003,300	$ 2,006,600	$ 2,275,557	$ 268,957	13.4%
Assessment Fee - Common Area	1,727,636	3,455,272	3,828,558	373,286	10.8%
Interest Income	1,660	-	-	-	0.0%
Total Revenue	2,732,596	5,461,872	6,104,115	642,243	11.8%
Operating Exp					
Salaries, Benefits and Overhead	632,391	919,600	1,001,847	82,247	8.9%
Contractual services	34,639	53,000	63,000	10,000	18.9%
IT Licenses, Maintenance	557,075	655,500	893,710	238,210	36.3%
Office Supplies	144,131	140,000	97,000	(43,000)	-30.7%
Other Op Exp	203,913	238,500	220,000	(18,500)	-7.8%
Property Management Op Exp (CW)	1,569,964	3,455,272	3,828,558	373,286	10.8%
Total Operating Exp	3,142,113	5,461,872	6,104,115	642,243	11.8%
Operating Surplus (Deficit)	$ (409,517)	$ -	$ -	$ -	

Budget Schedule

- May 13 –
  - Joint budget study session with Commission
  - OWP to Admin Committee for approval
- May 27 –
  - Approval of OWP
- June 10 –
  - Committee approval(s)
- June 24
  - Final Commission approval