

**METROPOLITAN
TRANSPORTATION
COMMISSION**
Meeting Transcript



February 10, 2021

1 **METROPOLITAN TRANSPORTATION COMMISSION**
2 **ADMINISTRATION COMMITTEE**
3 **WEDNESDAY, FEBRUARY 10, 2021, 9:40 AM**

4
5 **FEDERAL GLOVER:** THANK YOU. I AM COMMISSIONER GLOVER AND I AM
6 CHAIR OF THE ADMINISTRATION COMMITTEE. I WILL CALL IT TO ORDER
7 AND ASK IF KIMBERLY WOULD ROLL THE TAPE? [RECORDED MEETING
8 PROCEDURES ANNOUNCEMENT] DUE TO COVID-19, THIS MEETING WILL BE
9 CONDUCTED AS A ZOOM WEBINAR, PURSUANT TO THE GOVERNOR'S
10 EXECUTIVE ORDER N-29-20 WHICH SUSPENDS CERTAIN REQUIREMENTS OF
11 THE BROWN ACT. THIS MEETING IS BEING WEBCAST ON THE MTC WEB
12 SITE. THE CHAIR WILL CALL UPON COMMISSIONERS, PRESENTERS,
13 STAFF, AND OTHER SPEAKERS BY NAME, AND ASK THAT THEY SPEAK
14 CLEARLY AND STATE THEIR NAMES BEFORE GIVING COMMENTS OR
15 REMARKS. PERSONS PARTICIPATING VIA WEBCAST AND ZOOM, WITH
16 THEIR CAMERAS ENABLED, ARE REMINDED THAT THEIR ACTIVITIES ARE
17 VISIBLE TO VIEWERS. COMMISSIONERS AND MEMBERS OF THE PUBLIC
18 PARTICIPATING VIA ZOOM WISHING TO SPEAK SHOULD USE THE RAISED
19 HAND FEATURE OR DIAL STAR NINE, AND THE CHAIR WILL CALL UPON
20 THEM AT THE APPROPRIATE TIME. TELECONFERENCE ATTENDEES WILL BE
21 CALLED UPON BY THE LAST FOUR DIGITS OF THEIR PHONE NUMBER. IT
22 IS REQUESTED THAT PUBLIC SPEAKERS STATE THEIR NAMES AND
23 ORGANIZATION, BUT PROVIDING SUCH INFORMATION IS VOLUNTARY.
24 WRITTEN PUBLIC COMMENTS RECEIVED AT INFO@BAYAREAMETRO.GOV BY
25 5:00 P.M. YESTERDAY WILL BE POSTED TO THE ONLINE AGENDA AND



February 10, 2021

1 ENTERED INTO THE RECORD, BUT WILL NOT BE READ OUT LOUD. IF
2 AUTHORS OF THE WRITTEN CORRESPONDENCE WOULD LIKE TO SPEAK,
3 THEY ARE FREE TO DO SO, AND SHOULD RAISE THEIR HAND AND THE
4 CHAIR WILL CALL UPON THEM ON THE APPROPRIATE TIME. A ROLL CALL
5 VOTE WILL BE TAKEN FOR ALL ACTION ITEMS. PANELISTS SHOULD NOTE
6 THAT THE CHAT FEATURE IS NOT ACTIVE TO ATTENDEES. IN ORDER TO
7 GET THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE YOUR
8 APPLICATION IS UP TO DATE.

9

10 **FEDERAL GLOVER:** KIMBERLY IF WE COULD HAVE ROLL CALL, PLEASE.

11

12 **CLERK OF THE BOARD:** YES. ABE-KOGA?

13

14 **DIR. MARGARET ABE-KOGA:** HERE.

15

16 **CLERK OF THE BOARD:** DUTRA-VERNACI?

17

18 **CAROL DUTRA-VERNACI:** HERE.

19

20 **CLERK OF THE BOARD:** EL-TAWANSY?

21

22 **DINA EL-TAWANSY:** HERE.

23

24 **CLERK OF THE BOARD:** GLOVER?

25



February 10, 2021

1 **FEDERAL GLOVER:** HERE.

2

3 **CLERK OF THE BOARD:** JOSEFOWITZ?

4

5 **COM. NICK JOSEFOWITZ:** HERE.

6

7 **CLERK OF THE BOARD:** PAPAN?

8

9 **GINA PAPAN:** HERE.

10

11 **CLERK OF THE BOARD:** RONEN?

12

13 **DIR. HILLARY RONEN:** HERE.

14

15 **CLERK OF THE BOARD:** SCHAFF?

16

17 **LIBBY SCHAAF:** HERE.

18

19 **CLERK OF THE BOARD:** WORTH?

20

21 **AMY R. WORTH:** HERE.

22

23 **CLERK OF THE BOARD:** THANK YOU. QUORUM IS PRESENT.

24



February 10, 2021

1 **FEDERAL GLOVER:** NEXT ITEM IS CONSENT CALENDAR. IS THERE ANY
2 MEMBER OF THE PUBLIC HAS ANYTHING TO SAY IN REGARD TO ITEM
3 FIVE AND IS THERE ANYONE WHO WISHES TO SPEAK TO ANY ITEM ON
4 THE CONSENT CALENDAR.

5

6 **CLERK OF THE BOARD:** I HAVE RECEIVED NO PUBLIC COMMENT FOR THIS
7 ITEM AND I SEE NO MEMBERS OF THE PUBLIC WITH THEIR HAND
8 RAISED.

9

10 **FEDERAL GLOVER:** OKAY IS THERE ANY NUMBER OF THE COMMISSION
11 WISHING TO REMOVE AN ITEM? OKAY. SEEING NONE. DO I HAVE A
12 MOTION?

13

14 **CAROL DUTRA-VERNACI:** DUTRA-VERNACI MAKES THE MOTION TO APPROVE
15 THE CONSENT CALENDAR.

16

17 **GINA PAPAN:** PAPAN SECOND.

18

19 **FEDERAL GLOVER:** OKAY. MOVED BY DUTRA-VERNACI. SECOND BY PAPAN.
20 ALL IN FAVOR, CAN WE HAVE A ROLL CALL?

21

22 **CLERK OF THE BOARD:** ABSOLUTELY. [ROLL CALL VOTE].

23

24 **FEDERAL GLOVER, CHAIR:** OKAY. THANK YOU. NEXT ITEM ON OUR
25 AGENDA IS ITEM 3A THIS IS MTC RESOLUTION NUMBER 4421, REVISED



February 10, 2021

1 FOR FISCAL YEAR 2020/'21. THIS IS THE OVERALL WORK PLAN. AND
2 I'M GOING TO ASK THAT OUR CFO BRIAN MAYHEW PRESENT THIS ITEM.

3

4 **BRIAN MAYHEW:** THANK YOU MR. CHAIRMAN AND GOOD MORNING
5 COMMISSIONERS. THIS IS SECOND AMENDMENT TO RESOLUTION 4421
6 ROUTINE ROLLOVER FOR FEDERAL AND STATE FUNDS THAT GO INTO OUR
7 OVERALL WORK PLAN THESE ARE NOT NEW MONEYS THIS IS CARRY OVER
8 FROM PRIOR YEAR BUT BECAUSE OF FEDERAL TIMING AND BUDGET BEING
9 DIFFERENT FROM OURS IT REQUIRES A COUPLE OF AMENDMENTS DURING
10 THE YEAR TO SORT OF TIE THINGS OFF FOR THEM TOTAL AMOUNT IS
11 5000004.9 MILLION, IN TOTAL 3.4 MILLION FEDERAL 1.5 MILLION
12 ALL GOING BACK INTO THE PROGRAM ALL HAVE BEEN ALLOCATED THERE
13 IS NO CHANGE THERE EXCEPT TO GET THE DOCUMENTS SQUARED AWAY
14 FOR THE FEDERAL AGENCIES AND CALTRANS SO THEY CAN REVIEW T
15 WITH THAT I ASK FOR APPROVAL.

16

17 **FEDERAL GLOVER, CHAIR:** ANY COMMENTS FROM ANY MEMBER? OKAY. DO
18 WE HAVE ANY PUBLIC COMMENTS ON THIS ITEM?

19

20 **CLERK OF THE BOARD:** I HAVE RECEIVED NOTHING IN WRITING AND SEE
21 NO MEMBERS OF THE PUBLIC WITH THEIR HAND RAISED.

22

23 **FEDERAL GLOVER, CHAIR:** THANK YOU. I WOULD ENTERTAIN A MOTION
24 FOR APPROVAL.

25



February 10, 2021

1 **DIR. HILLARY RONEN:** SO MOVED, RONEN.

2

3 **FEDERAL GLOVER, CHAIR:** MOVED BY RONEN. IS THERE A SECOND?

4

5 **CAROL DUTRA-VERNACI:** DUTRA-VERNACI.

6

7 **FEDERAL GLOVER, CHAIR:** AND SECOND BY DUTRA-VERNACI. OKAY. CAN
8 WE HAVE A ROLL CALL VOTE, PLEASE.

9

10 **CLERK OF THE BOARD:** YES. [ROLL CALL VOTE].

11

12 **CLERK OF THE BOARD:** THANK YOU. THE MOTION PASSES UNANIMOUSLY.

13

14 **FEDERAL GLOVER, CHAIR:** THANK YOU WE'LL MOVE TO OUR NEXT ITEM
15 B3, MTC RESOLUTION NUMBER 4422, MTC OPERATING BUDGET FOR
16 FISCAL YEAR 2020/'21, MTC OPERATING BUDGET. AND AGAIN I WOULD
17 ASK BRIAN MAYHEW TO PRESENT THIS ITEM.

18

19 **BRIAN MAYHEW:** THIS IS A RELATIVELY SERIOUS BUDGET. 22 MILLION
20 OF THESE FUNDS IS CARRYOVER. IT COMES FROM OTHER YEARS, OTHER
21 SOURCES. YOU SAW PART OF IT IN THE OWP PROGRAM. THOSE
22 CARRYOVER FUNDS HAVE TO BE BUDGETED INTO THE CURRENT YEAR.
23 HOWEVER THERE IS ABOUT 13 MILLION IN NEW TRANSFERS AND, I'LL
24 GO THROUGH THOSE IN JUST A SECOND. IT DOES, BECAUSE THE
25 REVENUE SOURCES 35 MILLION, AND THE EXPENSES TIED TO THEM ARE



February 10, 2021

1 36, THERE WILL CREATE AN INCREASE IN THE DEFICIT BY ABOUT
2 \$500,000. AGAIN, THAT WILL BE COVERED BY THE RESERVE FUNDS OF
3 WHICH THERE WERE 32 MILLION AT THE BEGINNING OF THE YEAR. SO
4 THAT PART IS TAKEN CARE OF. NOW, AS FAR AS THE INTERFUND
5 TRANSFERS ARE CONSIDERED GENERALLY SPEAKING INTERFUND REVENUES
6 ARE NOT REVENUE BUT IN THIS CASE THEY ARE. FIRST OF ALL THE
7 STA FUNDS WILL BE BROUGHT IN FROM CLIPPER AND THAT IS 5.6 --
8 ALMOST \$6 MILLION. 5.6 MILLION WILL COME IN AND BE RELIEVED
9 FROM CLIPPER AND TRANSFERRED INTO MTC, WHERE IT WILL BE PLACED
10 INTO THE MEANS-BASED PROGRAM. THE MONEY COVERING THE CLIPPER
11 OPERATIONS, CLIPPER OPERATIONS WILL BE PROTECTED. THAT MONEY
12 WILL BE COVERED BY A TRANSFER OF THE NEW FUNDS FROM THE CARES
13 ACT. SO THIS ACTUALLY CREATES A NEW SOURCE TO US, ALSO THE
14 EXCHANGE FUND COMING THIS IS 7.7 MILLION GOING INTO THE
15 CONFIRMATION AREAS PCAS AND YOU WILL SEE THAT IN THE BUDGET
16 AMENDMENTS ON PAGE SIX. THE BALANCE ARE CARRYOVER FUNDS OF 22
17 AND A HALF MILLION DOLLARS, 21 MILLION ARE PROJECTS THAT ARE
18 ALREADY BUDGETED, ALREADY IN PLACE, FROM A TECHNICAL
19 STANDPOINT WE NOW HAVE TO INCORPORATE THEM INTO THIS YEARS'S
20 BUDGETS AND 800 THOUSAND TRANSFERS GOING INTO THE OPERATING
21 COMPONENT. AGAIN, NOT NEW MONEY JUST NEW TO PUT INTO THIS SIDE
22 OF THE BUDGET TO BALANCE EVERYTHING. THERE ARE TWO OTHER
23 CHANGES BEING MADE TO THE BUDGET AND ONE OF THEM IS THAT WE
24 ARE INCORPORATING A CONTRACT THAT CAME IN LATER WITH THE
25 CAPITAL CORRIDORS JOINT POWER A PROGRAM MANAGEMENT CONTRACT



February 10, 2021

1 EXCESS OF \$571,000 THAT WILL NOW BE INCORPORATED INTO THE
2 BUDGET THAT CAME IN AFTER. AND FINALLY THE LAST PIECE OF THIS
3 IS A REDUCTION IN THE CLIPPER TWO BUDGET. WHAT HAPPENED, IT
4 WILL BE A REDUCTION OF \$23 MILLION, WHAT HAPPENED THERE IS
5 THERE WAS MONEY EXPECTED TO BE REMAINING IN THE CLIPPER ONE
6 BUDGET THAT'S NOT AVAILABLE FOR TRANSFER TO CLIPPER TWO, AND
7 THEREFORE WE HAVE TO REDUCE THE CLIPPER TWO BUDGET THAT WILL
8 REMAIN IN CLIPPER ONE. I KNOW THAT'S A LOT OF THINGS IN A VERY
9 QUICK MOMENT. ALL OF THE NUMBERS ARE DETAILED IN THE BACK. AS
10 I SAID, THE REAL SORT OF GAIN HERE IS THE INTERFUND TRANSFERS
11 ARE COMING INTO THE MTC PROJECTS ALL OF THE REST IS PREVIOUS
12 PROGRAM FUNDS. WITH THAT I ASK FOR APPROVAL AND WOULD BE HAPPY
13 TO ANSWER QUESTIONS.

14

15 **FEDERAL GLOVER, CHAIR:** WE DO HAVE QUESTIONS. CAROL DUTRA-
16 VERNACI?

17

18 **CAROL DUTRA-VERNACI:** EXCELLENT REPORT BRIAN, I THANK YOU, AND
19 THANK YOU FOR THE MAGIC OF MOVING MONEY AROUND THAT KEEPS US
20 GOING. I AM CONCERNED ABOUT THE MONEY BEING TRANSFERRED FOR
21 THE CAPITAL CORRIDOR AUTHORITY, BASED ON MY KNOWLEDGE IT SEEMS
22 PREMATURE IT'S STILL IN THE ENVIRONMENTAL PHASE THE DOCUMENT
23 IS NOT COMPLETE AT THE ALAMEDA TRANSPORTATION COMMISSION WE
24 HAVE BEEN HAVING CONVERSATIONS ABOUT THIS. THE CITY SAN
25 LEANDRO, HAYWARD, UNION CITY, AND FREMONT HAVE CONCERNS ABOUT



February 10, 2021

1 THIS MY REQUEST WOULD BE TO HOLD OFF ON THIS DECISION UNTIL WE
2 HAVE AN UPDATE. BECAUSE A SAY, THERE IS STILL A LOT OF
3 UNANSWERED QUESTIONS AND CONCERNS AS FAR AS EQUITY ISSUES,
4 TRANSIT OCCUPANCY DEVELOPMENT, SEA LEVEL RISE, THE LIST GOES
5 ON AND ON. SO THAT BEING SAID, I WOULD REQUEST THAT WE HOLD
6 OFF ON THIS DECISION -- THAT PARTICULAR DECISION.

7

8 **BRIAN MAYHEW:** WELL, COMMISSIONER, LET ME -- THAT PARTICULAR
9 CONTRACT IS A FUNDING AGREEMENT. WE ARE BEING PAID TO DO
10 PROJECT MANAGEMENT OF THAT. SO THE THINGS YOU'RE TALKING ABOUT
11 ARE ALL GOING ON IN THE FUTURE, OUR STAFF WILL BE PAID TO HELP
12 DEVELOP THESE THINGS. I THINK ANDY IS ON. HE CAN TALK TO IT IF
13 HE WANTS. BUT THIS IS ACTUALLY THE FUNDING AGREEMENT FOR US TO
14 BE PAID TO PROJECT MANAGE THE DEVELOPMENT OF THE VERY THINGS
15 YOU'RE TALKING ABOUT.

16

17 **CAROL DUTRA-VERNACI:** SO, ARE YOU SAYING THEN THAT, HOW EVER IT
18 GOES FORWARD, THIS WOULD BE MONEY THAT WOULD BE USED? THE
19 REASON I SAY THAT IS BECAUSE IT DOES MENTION PROJECT
20 MANAGEMENT AND OTHER SERVICES. SO THAT RAISED CONCERNS, WHAT
21 KIND OF SERVICES ARE WE TALKING ABOUT WHEN WE DON'T EVEN KNOW
22 FOR SURE WHAT THE PROJECT, IT'S GOING TO LOOK LIKE, YET.

23

24 **ANDREW FREMIER:** COMMISSIONER DUTRA-VERNACI, YEAH, ANDREW
25 FREMIER DEPUTY EXECUTIVE DIRECTOR, PART OF THE DO YOU KNOW --



February 10, 2021

1 DUMBARTON FORWARD PROJECT HAS TO DO WITH RECONFIGURE RATION OF
2 THE WAY DUMBARTON BUSES APPROACH THE ARDENWOOD PARKING LOT
3 THAT'S A FOOTPRINT OF WHAT THE CAPITAL CORRIDOR IS DOING SO
4 BETWEEN THE DISCUSSION WITH ALL OF THE DIFFERENT PARTNERS IT
5 MAKES SENSE TO KEEP THE PROJECTS TOGETHER IN TERMS OF WHAT
6 INFORMATION IS GOING FORWARD. THERE IS NO EXPECTATION OF
7 PROJECT MANAGEMENT AT THIS POINT THAT WE WOULD DO ANYTHING
8 OTHER THAN THAT BUT IT'S IMPORTANT TO MAKE SURE THAT WHATEVER
9 THEY'RE THINKING ABOUT THE CAPITAL CORRIDOR WORK THERE DOESN'T
10 INTERFERE WITH ARDENWOOD EFFORTS THAT WE DO HAVE IN PLACE. IT
11 WAS REALLY A GOOD GOVERNMENT EFFICIENCY TRANSFER OF FUNDS TO
12 ALLOW ONE PROJECT TEAM TO WORK ON THE PROBLEM. IT WILL ONLY
13 IMPACT US IF IT GOES FORWARD AND THAT'S GOT TO GO THROUGH ITS
14 NATURAL PROCESSES. THERE IS PLENTY OF TIME FOR WHATEVER INPUT
15 AND CONCERNS COME FROM THE CITIES. AND WE DON'T HAVE A STAKE
16 WHAT CAPITAL CORRIDOR IS DOING BEYOND THE EFFECTS OF THE
17 ARDENWOOD PARKING LOT.

18

19 **CAROL DUTRA-VERNACI:** AS I YOU UNDERSTAND WHAT YOU'RE SAYING
20 ANDY, THE MONEY AT THIS POINT IS JUST BEING ALLOCATED, BUT
21 SHOULD THINGS NOT GO AS ANTICIPATED, THEN THIS MONEY WOULD END
22 UP BEING REPROGRAMMED FOR SOMETHING ELSE? IS THAT CORRECT?

23

24 **ANDREW FREMIER:** YEAH. EXACTLY. WE'RE JUST WORKING ON THE
25 PROJECT MANAGEMENT EFFORTS.



February 10, 2021

1

2 **CAROL DUTRA-VERNACI:** OKAY. THANK YOU. THAT HELPS CLARIFY THE
3 SITUATION.

4

5 **THERESE MCMILLAN:** AND COMMISSIONER, THIS IS THERESE MCMILLAN
6 EXECUTIVE DIRECTOR, I THINK I HAVE ALSO HEARD THAT YOU WOULD
7 APPRECIATE A BRIEFING FROM OUR PERSPECTIVE ON THE STATUS OF
8 THE PROJECT, AND I THINK, AS ANDY SAID, THE COORDINATING
9 ACTIVITIES THAT WE'RE ANTICIPATING, WE WOULD BE HAPPY TO
10 PROVIDE THOSE TO YOU. YOU KNOW, ONE-ON-ONE. AND THEN BASED ON
11 THAT IF THERE IS ANYTHING THAT WOULD NEED TO COME TO A
12 COMMITTEE FOR FURTHER EXPLORATION, WE WOULD DO THAT:

13

14 **CAROL DUTRA-VERNACI:** I WOULD APPRECIATE THAT. BECAUSE I KNOW
15 THAT AT ACTC WE'RE GETTING AN UPDATE PRESENTATION IN MARCH. SO
16 THE MORE INFORMATION I HAVE, THE BETTER. THANK YOU.

17

18 **BRIAN MAYHEW:** COMMISSIONERS THIS ESTABLISHES THE BUDGET. THE
19 CONTRACT AS IT GOES FORWARD HAS TO COME BACK IN ANY EVENT.

20

21 **CAROL DUTRA-VERNACI:** OKAY. APPRECIATE THAT, BRIAN. THANK YOU.

22

23 **FEDERAL GLOVER, CHAIR:** OKAY. DON'T SEE ANY OTHER HANDS. IS
24 THERE ANYONE ELSE WHO WOULD LIKE TO ADDRESS THE COMMISSION?
25 OKAY. DO WE HAVE ANY PUBLIC COMMENTS?



February 10, 2021

1

2 **CLERK OF THE BOARD:** I SEE NO MEMBERS OF THE PUBLIC WITH THEIR
3 HAND RAISED, AND I HAVE RECEIVED NO WRITTEN PUBLIC COMMENT FOR
4 THIS ITEM, MR. CHAIR.

5

6 **FEDERAL GLOVER, CHAIR:** OKAY. THANK YOU. IS THERE A MOTION TO
7 MOVE THIS FORWARD?

8

9 **LIBBY SCHAFF:** I WOULD BE HAPPY TO MOVE IT, CHAIR GLOVER. THIS
10 IS MAYOR SCHAFF.

11

12 **FEDERAL GLOVER, CHAIR:** OKAY.

13

14 **DIR. HILLARY RONEN:** SECOND, RONEN.

15

16 **FEDERAL GLOVER, CHAIR:** WHO WAS OF THE SECOND?

17

18 **DIR. HILLARY RONEN:** RONEN.

19

20 **FEDERAL GLOVER, CHAIR:** OKAY. SO WE HAVE A MOTION BY SCHAFF,
21 SECOND BY RONEN. ROLL CALL, PLEASE.

22

23 **CLERK OF THE BOARD:** YES. [ROLL CALL VOTE].

24



February 10, 2021

1 **FEDERAL GLOVER, CHAIR:** THANK YOU NEXT AGENDA ITEM 4A MID-YEAR
2 FISCAL YEAR 2020/'21, MID-YEAR BUDGET REPORT. OUR CFO BRIAN
3 MAYHEW.

4
5 **BRIAN MAYHEW:** THANK YOU EVERYONE. WE'RE GOING TO TALK ABOUT
6 MTC'S MID-YEAR STATUS I HAVE GONE INTO MANY ECONOMIES, MANY
7 BUDGETS, IN 30 YEARS YOU WOULD THINK YOU HAVE SEEN JUST ABOUT
8 EVERYTHING, AND I WILL TELL YOU, AT THIS STAGE OF THE YEAR,
9 THROUGH AT LEAST JANUARY, I AM GUARDEDLY OPTIMISTIC. AND MUCH
10 MORE THAN THAT, I REALLY CAN'T SAY. CAN WE GET THE
11 PRESENTATION UP? THERE WE GO. LET'S GO TO THE FIRST PAGE.
12 THANK YOU. JUST AS A GENERAL REMINDER, WE WENT INTO THE BUDGET
13 OF THE FISCAL YEAR '21 BUDGET WITH SOME VERY BASIC STRATEGIES.
14 THE FIRST ONE, THERE WASN'T GOING TO BE AN ECONOMIC MIRACLE.
15 IN OTHER WORDS THE SO-CALLED V SHAPE RECOVERY THAT WAS
16 SUPPOSED TO START IN JULY WAS SUPPOSED TO BE OVER BY JUNE,
17 ACTUALLY DIDN'T HAPPEN. THERE ARE RECOVERIES IN PARTS OF THE
18 ECONOMY, AND THERE ARE OTHER PARTS OF THE ECONOMY WE COULDN'T
19 FIGURE OUT WHY THEY'RE NOT RECOVERING. BUT GOING INTO THE
20 BUDGET WE DID ZERO BASED DISCRETIONARY EXPENSES WE DID NOT ADD
21 ANY NEW POSITIONS THERE WERE NO LAYOFFS OR FURLOUGHS. WE
22 BANKED ON CASH FLOW MANAGEMENT THE ABILITY TO CONTROL OUR
23 CONTRACTS AND HIRING. THE ABILITY TO MANAGE CASH WOULD A LEAST
24 AVOID THE DEFICIT IN THE BUDGET. THE ECONOMIC MIRACLE TURNED
25 OUT TO BE PARTIALLY CORRECT AND GOING THROUGH THE CASH FLOWS



February 10, 2021

1 FOR THE YEAR WE HAVE MAINTAIN THE A ROUGH BALANCE OF 31
2 MILLION THAT COMPONENT SEEMS TO HAVE BEEN WORKING WELL. CAN WE
3 GO TO THE NEXT PAGE, PLEASE? THESE WERE BUDGET ASSUMPTIONS
4 GOING IN 330 FULL TIME PEOPLE WE REDUCED TO 2.8 CONTRACT
5 SALARY INCREASE, THE PERS UNFUNDED ACTUARIAL LIABILITY PERS
6 AAL AND THE 3.3 MILLION OPEB [INDISCERNIBLE] WERE ALL FACTORS
7 WE KNEW GOING INTO THE BUDGET. WHETHER WERE GUARDEDLY
8 OPTIMISTIC GOING INTO '21 THAT IT WOULD IMPROVE NOT CONTINUE
9 TO DECLINE BUT IT WOULD NOT BE A BIG GENERAL RECOVERY IN 2021.
10 THE GOOD PART FOR MTC, WHICH IS DIFFERENT FROM ALL OUR OTHER
11 FUNDS IT IS PREDOMINANTLY GRANT FUNDED AND WE DID NOT SEE ANY
12 AREAS WHERE THERE WAS A REDUCTION OF GRANT FUNDS SO THAT
13 ACTUALLY WAS A GOOD SIGN GOING IN. WE LOOKED AT TDA, OUR SALES
14 TAXES WE ESTIMATED THEM BEING DOWN 25 PERCENT, AND GIVEN HOW
15 SHARPLY THEY DROPPED, I'LL SHOW YOU THAT IN JUST A SECOND,
16 THAT WAS -- WE THOUGHT THAT WAS A GOOD ESTIMATE, WE ESTIMATED
17 TOLL REVENUES, WHICH HAVE HAD TRANSFERS TO MTC DOWN TO 25
18 PERCENT WE HAVE PRETTY -- [AUDIO DIFFICULTIES] REVENUE REMAINS
19 IN ESQ. OWE SO THERE IS NO HELP THERE. NEXT PAGE PLEASE. OKAY.
20 THE CURRENT BUDGET'S DEFICIT IS NOW 1.7 MILLION BY THE AMENDED
21 BUDGET. THERE WAS A REVENUE SURPRISE IN SALES TAX. A BIG
22 SURPRISE FOR EVERYBODY. MOST OF US KNEW ABOUT IT BUT HAD NO
23 WAY OF PREDICTING. WE'RE SEEING RESULTS. WE HAVE CONTROLLED
24 HIRING AND HAS HAD A POSITIVE CASH FLOW ALTHOUGH POSITIONS ARE
25 BEING FILLED AND NOW IF WE LOOK AT THE REVENUE TO EXPENSE



February 10, 2021

1 PROJECTIONS THROUGH DECEMBER AND EXTRAPOLATE SOME OF THE DATA
2 IT DOES LOOK LIKE IF EVERYTHING STAYS IN PLACE AND CONTROLS
3 STAY IN PLACE WE MAY BE ABLE TO ELIMINATE OR MANAGE THAT
4 DEFICIT BY THE END OF THE YEAR. GO TO THE NEXT PAGE. NOW THIS
5 IS PROBABLY GOING TO BE KNOWN AS THE MIRACLE OF '21. THE MAJOR
6 CHANGE HERE IS THE WAYFAIR DECISION. IT HAPPENED A COUPLE OF
7 YEARS AGO, A FEDERAL JUDGE RULED THAT THE INTERSTATE COMMERCE
8 COMMISSION'S RULES THAT YOU COULD NOT ASSESS STATE SALES TAXES
9 ON A COMPANY UNLESS IT HAD A PHYSICAL PRESENCE IN THE STATE
10 FOR WHICH IT WAS DELIVERING THE BUSINESS. THE ACTUAL SUPREME
11 COURT RULED THAT TO BE IN VIOLATION OF INTERSTATE COMMERCE AS
12 RESTATE ON INTERSTATE TRADE. AND SO ACTUALLY AUTHORIZED THE
13 EXTENSION OF NOW FOR THE MOMENT, I BELIEVE IT'S JUST STATE
14 SALES TAXES I DON'T KNOW HOW LOCALS OR OVERRIDES HAVE GONE IN,
15 ALL OUR DATA AND ALL INFORMATION INVOLVING STATES BUT IT HAS
16 ALLOWED STATES TO ASSESS THEIR SALES TAXES THROUGH BUSINESSES,
17 THROUGH THE INTERNET, THROUGH PURCHASES TO THE INTERNET, TO
18 COMPANIES THAT SELL MORE THAN \$100,000 IN ANY GIVEN STATE. AND
19 I THINK CALIFORNIA HAS RAISED THAT LIMIT TO ABOUT 500,000. SO,
20 IF YOU LOOK AT THAT BOX ON THE LEFT, THE LOWER LEFT, YOU SEE
21 THAT WHITE PART OF THAT SORT OF TAN COMPONENT AT THE TOP, THAT
22 IS THE DIFFERENCE THE INTERNET SALES MADE THIS YEAR. NOW, IF
23 YOU LOOK AT WHERE IT HAD BEEN, WE WOULD HAVE BEEN CLOSER TO
24 OUR ESTIMATE OF OFF 25 PERCENT THAN NOT. WITH THIS, WE
25 ACTUALLY HAVE -- WE WILL NOT REACH THE 2021 LEVEL, BUT OUR



February 10, 2021

1 DEFICIT WON'T BE NEARLY AS BAD AS WE THOUGHT IT WAS GOING TO
2 BE. I'LL SHOW YOU IN SECOND. NOW, I PUT THE SALES TAX CHART
3 UP, THE BRACKETED AREAS ARE PAST RECESSIONS, YOU SEE THE W
4 FROM 2,000 TO 2008 SORT OF A CLASSIC CONTINUING RECESSION
5 ECONOMIC RECOVERY PATTERN THEN YOU SEE IT GROW FROM 2008 AND
6 THEN YOU SEE IT TAKE OFF. IF YOU LOOK AT THE BOTTOM PART GOING
7 INTO THE MIDDLE, RIGHT IN HERE, THIS TOOK THE REVENUE BACK TEN
8 YEARS. BASICALLY, WE LOST, OVERNIGHT, TEN YEARS THE REVENUE,
9 AND IF YOU LOOK WHERE THE RECOVERY S THE WHOLE THING WAS ABOUT
10 14 YEARS BEFORE YOU WERE EVER POSITIVE AGAIN. WE'RE LOOKING AT
11 A DIFFERENT CYCLE THIS TIME. THIS TIME THE RECESSION STARTED
12 RIGHT AT ITS POINT. IT'S JUMPED OFF THE CLIFF. WHEN YOU SEE,
13 IS THAT THE RECESSION ISN'T GETTING NEARLY THIS TYPE OF DEPTH.
14 IT'S MUCH SHARPER, IT'S MUCH FASTER, HOWEVER, IN SALES -- IN
15 THE SALES TAX WORLD, IF THERE IS A RECOVERY GOING ON, IT'S
16 CERTAINLY NOT SHOWING ITSELF HERE, AND THIS IS THE NINE COUNTY
17 TOTALS. NOW THE GOOD PART HERE IS WE HAVE SEEN BOTH DECEMBER
18 AND JANUARY NUMBERS ON A MONTH TO MONTH -- OR A YEAR OVER YEAR
19 BASIS, THOSE NUMBERS ARE SLIGHTLY AHEAD OF THE 2020 NUMBERS.
20 BUT WE MAY BE SEEING A RECOVERY. WE MAY SEE A FLATTENING OUT
21 OF THIS CURVE, WE MAY SEE THIS LINE RIGHT HERE BEGIN ITS --
22 YOU SEE ITS SORT OF SLIGHT BUMP RIGHT THERE, BUT WE DID THAT
23 THERE TOO. THIS IS ALL OF WAYFAIR THROWN IN. WE DON'T KNOW --
24 IF YOU TAKE THE FACT THAT WAYFAIR IS THERE AND THEN TAKE THE
25 FEDERAL STIMULUS OF, GOSH, OVER \$3 TRILLION OVER THE LAST YEAR



February 10, 2021

1 AND WHAT THAT MEANT TO SPENDING, IT'S HARD TO SEE WHERE THE
2 NEXT SPURT IN THE ECONOMY IS GOING COME FROM. BUT, ALL THINGS,
3 I MEAN, THIS HAS TO TURN UP. WE JUST DO NOT SEE EXACTLY WHERE
4 JUST YET. AS YOU CAN SEE, THOUGH, THE INTERESTING THING IS,
5 WE'RE BOOST 2018 LEVEL. THIS ISN'T A DECADE PAST WE'RE ALREADY
6 PAST THE LEVEL OF 2018 WE PROBABLY WON'T GET TO THE LEVEL OF
7 2020. IT IS VERY POSITIVE THAT THIS PIECE WILL STAY SHALLOW
8 AND THE RECOVERY WILL BE FAIRLY GOOD GOING INTO NEXT YEAR. NOW
9 GO TO THE NEXT PAGE? SO HERE YOU SEE, AS FAR AS THE BUDGET
10 ASSUMPTIONS, THE BIGGEST THING, THE TWO MAIN THINGS IN MTC'S
11 BUDGET, ONE IS SALARIES AND BENEFITS AND THE OTHER IS
12 CONTRACTURAL. CONTRACTS TIED TO OPERATIONS, WE CAN TEND TO
13 CONTROL, CONTRACTS TIED TO GRANTS WILL GO ALONG AS GRANTS ARE
14 SPENT AND THE MONEY IS RECOVERED SO THEY SORT OF TAKE CARE OF
15 THEMSELVES SO THIS IS THE SALARY AND BENEFIT OF MTC THIS IS
16 ONE OF THE AREAS WHERE WE HAD TO REALLY FOCUS ONGOING INTO THE
17 BUDGET THIS YEAR AND TO SEE HOW WE COULD CONTROL IT. IF YOU
18 LOOK AT GOING INTO THIS YEAR, THESE BARS REPRESENT WHERE WE
19 ARE. THAT'S THE ANNUAL YEAR TO DATE NUMBER. AND THIS LINE
20 REPRESENTS WHERE BUDGET MATERIALLY WE THINK WE SHOULD BE. NOW,
21 SO YOU SEE A SLIGHT GAP HERE. NOT A BIG GAP. IT'S SLIGHT. NOW
22 TAKING IT BACK AND PROJECTING OUT INTO THE FUTURE, INTO THE
23 NEXT FIVE MONTHS, YOU CAN SEE THE BENEFIT LINES AND THE SALARY
24 LINES BEGIN TO CATCH UP A LITTLE BIT BUT THEY WON'T -- RIGHT
25 NOW OUR PROJECTIONS ARE THAT THEY WON'T PASS IT. THEREFORE WE



February 10, 2021

1 THINK WE'LL COME IN SALARY AND BENEFIT WISE THAT OUR
2 PROJECTIONS SHOULD COME IN SLIGHTLY UNDER BUDGET GIVE US A
3 LITTLE BIT OF A SURPLUS THERE, GIVE US A LITTLE BIT OF A GAIN
4 IN CASH FLOW AND THAT COMBINED WITH THE SALES TAXES AND SHOULD
5 CONTROLS ON CONTRACTS, I THINK WILL GET US -- WILL CARRY US
6 THROUGH TO THE END OF THE YEAR. NOW IF WE GO TO THE NEXT ONE.
7 NOW HERE'S A -- THE CHART, AND YOU CAN SEE HERE, THERE IS NO
8 MIRACLE. THERE IS NO MAGIC TO EXACTLY WHAT'S HAPPENED. THIS IS
9 SALES TAX THIS YEAR. AND YOU LOOK, AND YOU TAKE WHERE WE ARE
10 NOW AND EXTRAPOLATE IT, EVEN WITH -- IN FACT I WAS VERY
11 CAREFUL TO LOOK AT JANUARY AND DECEMBER NUMBERS, BECAUSE THE
12 STATE HAS AN AMNESTY PLAN THAT ALLOWS TO YOU EXTEND YOUR
13 PAYMENTS FOR 90 DAYS, NOW THAT WILL END IN JANUARY SO WE WON'T
14 SEE THE CHRISTMAS CLOSE OUT YET BUT WE WILL SEE PRETTY GOOD
15 DATA AND AS I SAID JANUARY '21 WAS ACTUAL AHEAD OF JANUARY '20
16 SO THAT GAVE US A GOOD TRACK TO WORK WITH. WE HAD ABOUT
17 PROJECTIONS WISE 13.1 MILLION GIVING US THE GAP OF \$2 MILLION
18 TO CARRY US THROUGH THIS DEFICIT. IF WE CONTROL EVERYTHING
19 ELSE AND IT'S PREDICTABLE AT THIS STAGE SALES TAX ONCE YOU GET
20 PAST DECEMBER IS LINEAR AND I CANNOT PREDICT THIS WAGER THING.
21 WE'LL NEED MORE DATA ON THAT. EVERYTHING ELSE, FEDERAL, YOU
22 SPEND THE MONEY AND EARN THE MONEY THOSE SHOULD STAY THE SAME
23 THEMSELVES STATE THE SAME WAY. IF YOU LOOK AT THE YEAR TO DATE
24 NUMBER THE REVENUE VERSUS EXPENSE, WE'RE ABOUT 5 MILLION AHEAD
25 A GOOD CHUNK OF THAT, 3 MILLION IS THE TRANSFERS ARE ALL TAKEN



February 10, 2021

1 IN AT THE BEGINNING OF THE YEAR. ALL INTERFUND TRANSFERS BEGIN
2 AT THE BEGINNING OF THE YEAR SO IT DOESN'T DEPEND HOW AN
3 OPERATION ENDS AT THE END OF THE YEAR. SO THAT HAPPENED. YOU
4 CAN SEE WE'RE WAY AHEAD GOING INTO THIS YEAR. THIS WILL BLEED
5 ITSELF OUT A LITTLE BIT. BUT WE DO THINK, IF -- HERE, WE'RE
6 NOT TRACKING THROUGH, WITH THE REVENUE INCREASES WE HAVE, WE
7 THINK THAT THE SALARY AND BENEFITS -- [INDISCERNIBLE] [AUDIO
8 DIFFICULTIES] SLIGHT GAIN HERE GENERAL OPERATIONS IS WHERE YOU
9 SEE MOST OF THE CONTROLS ON CONTRACTS AND EXPENDITURES, BUT IF
10 THAT, IF ALL OF THIS HOLDS TRUE THEN WE WOULD HAVE A SLIGHT
11 SURPLUS AT THE ENDS OF THE YEAR AND MY ONE AND ONLY BUDGET
12 DEFICIT EVER IN MY CAREER MIGHT POTENTIALLY BECOME A SLIGHT
13 SURPLUS. THERE IS NO GUARANTEE AT THIS POINT IN TIME. LIKE I
14 SAID IF THERE IS A RECOVERY GOING ON IT IS HIDING ITSELF WELL
15 IN MANY RESPECTS OF THE ECONOMY. IF YOU LOOK AT THE BAY AREA
16 UNEMPLOYMENT IS STILL SIX AND A HALF PERCENT. IT WAS THREE
17 PERCENT IN JANUARY OF 2020. IF YOU LOOK AT THE STATE OF
18 CALIFORNIA, IT'S STILL BORDERING ON TEN PERCENT STILL NORTH OF
19 NINE PERCENT EVEN THOUGH IT HAS RECOVERED 30 TO 40 PERCENT.
20 AND OF COURSE AT THE FEDERAL LEVEL, YOU KNOW, WE HAD
21 UNEMPLOYMENT GO AS HIGH AS 14 PERCENT, JUST IN MAY OF 2020.
22 THE JOBS HAVE BEEN RECOVERING, AND THEN THEY SORT OF STOPPED
23 RECOVERING. IT IS VERY DIFFICULT TO READ WHAT THE FUTURE IS
24 GOING TO LOOK LIKE UNTIL WE HAVE A MORE NORMAL WORLD, IN OTHER
25 WORDS, A WORLD WHERE PEOPLE CAN TRAVEL RELATIVELY FREELY, AND



February 10, 2021

1 GO ABOUT THEIR BUSINESS AND THEIR LEISURE AND VACATION AND ALL
2 THE OTHER THINGS. BUT FOR THE MOMENT, EVEN THOUGH THIS IS
3 STILL LOWER THAN IT WAS BEFORE, IT'S STILL ENOUGH OF A CHANGE
4 THIS YEAR, THAT AND THE CONTROLS DOWN HERE, WE THINK, IN THE
5 TWO AREAS WE WANTED TO FOCUS CONTRACTURAL SERVICES
6 DISCRETIONARY AND SALARIES AND BENEFITS WE THINK THAT CAN LEAD
7 TO A SURPLUS BY THE YEAR-END. AND IT'S ONE OF THE BIGGEST
8 GUESSES I HAVE EVER MADE. HOWEVER, I DO FEEL GOOD ABOUT WHERE
9 WE ARE RIGHT NOW. WE WILL COME -- THE OTHER ISSUE, GOING LAST
10 YEAR'S BUDGET WAS BATA RIGHT NOW WE'RE IN RADIATION INVESTOR
11 PRESENTATIONS ON FINANCING DUE IN THE NEXT THREE WEEKS SO THAT
12 ONE WILL HAVE TO WAIT A LITTLE WHILE, AS WE BRING YOU MORE
13 DATA BACK ON BATA. THAT IS THE STORY FOR THE MIDDLE OF THE
14 YEAR. IT'S NOT AS BAD AS WE THOUGHT IT WOULD BE GIVEN THE
15 CIRCUMSTANCES WE'RE DOING AS WELL AS WE CAN, BUT THIS MIRACLE
16 UP HERE, JUST CAUGHT ME COMPLETELY BY SURPRISE. IN FACT IF YOU
17 LOOK AT SALES TAX DATA MOST OF IT'S DOWN, YOU THERE SEE MOST
18 OF THE INCREASE. SO AS THE REST OF THE ECONOMY RECOVERS, I
19 THINK THERE IS ROOM FOR OPTIMISM. MR. CHAIRMAN, THAT CONCLUDES
20 MY PRESENTATION. I WOULD BE HAPPY TO ANSWER QUESTIONS.

21

22 **FEDERAL GLOVER, CHAIR:** THANK YOU BRIAN. GOOD PRESENTATION. DO
23 WE HAVE ANY COMMISSIONERS' COMMENTS? I SEE NO HAND RAISED.
24 YES, I DO. WHOSE HAND IS THAT? ROLAND. OH, THIS IS PUBLIC
25 COMMENT. SO IS THAT ROLAND LE BRUN?



February 10, 2021

1

2 **CLERK OF THE BOARD:** YES IT IS.

3

4 **FEDERAL GLOVER, CHAIR:** OKAY.

5

6 **CLERK OF THE BOARD:** MR. LE BRUN, WOULD YOU UNMUTE YOURSELF.

7

8 **SPEAKER:** OKAY I'M NOW SEEING TWO ITEMS. QUICKLY, I WANT TO
9 CONGRATULATE BRIAN ON HOW WE WENT ABOUT BALANCING THE BUDGET.
10 THE REASON I'M CONGRATULATING YOU IS I WANT TRANSIT OPERATORS
11 TO SEE HOW YOU GOT THERE AND THAT'S BY MANAGING CONTRACTOR
12 SERVICES. TRANSIT SHOULD BE FOCUSING ON PROVIDING SERVICE TO
13 PEOPLE WHO NEED TRANSIT, NOT CONSULTANTS. THANK YOU.

14

15 **FEDERAL GLOVER, CHAIR:** OKAY. DO WE HAVE ANY OTHER CALLERS?

16

17 **CLERK OF THE BOARD:** I SEE NO ADDITIONAL HANDS RAISED, MR.
18 CHAIR, AND I HAVE RECEIVED NO WRITTEN PUBLIC COMMENT FOR THIS
19 ITEM. IS.

20

21 **FEDERAL GLOVER, CHAIR:** SO THIS IS AN ACTION TO RECEIVE THE
22 REPORT?

23



February 10, 2021

1 **CLERK OF THE BOARD:** ACTUALLY THERE IS NO ACTION REQUIRED FOR
2 THIS ITEM. THIS IS AN INFORMATION ITEM, MR. CHAIR. I SEE --
3 OH, SHE PUT HER HAND DOWN.

4

5 **FEDERAL GLOVER, CHAIR:** OKAY. THANK YOU. SO WE WILL MOVE ON TO
6 THE NEXT ITEM, WHICH IS PUBLIC COMMENTS. ARE THERE ANY MEMBERS
7 OF THE PUBLIC WISHING TO ADDRESS THE COMMISSION ON ITEMS THAT
8 WERE NOT ON TODAY'S AGENDA?

9

10 **CLERK OF THE BOARD:** I SEE NO MEMBERS OF THE PUBLIC WITH THEIR
11 HAND RAISED FOR THIS ITEM, AND I HAVE RECEIVED NOTHING IN
12 WRITING, MR. CHAIR.

13

14 **FEDERAL GLOVER, CHAIR:** THANK YOU SO MUCH. OKAY. WE STAND
15 ADJOURNED UNTIL MARCH 10TH AT 9:40 THROUGH ZOOM, AGAIN, I
16 WOULD GUARANTEE YOU. WE ARE ADJOURNED. [ADJOURNED]

17



Broadcasting Government