METROPOLITAN TRANSPORTATION COMMISSION

Meeting Transcript

METROPOLITAN TRANSPORTATION COMMISSION BUDGET STUDY SESSION OF MTC, MTC SAFE, BATA, BAHA, BAIFA

WEDNESDAY, 9:05 A.M., MAY 12, 2021

ALFREDO PEDROZA, CHAIR: GOOD MORNING EVERYONE. MY NAME IS ALFREDO PEDROZA CHAIR ALONG WITH NICK JOSEFOWITZ VICE CHAIR. I WANT TO APOLOGIZE FOR OUR LATE START WE HAD SOME TECHNICAL DIFFICULTIES BUT STAFF ADDRESSED IT REALTIME AWAY SO WE COULD HAVE THE BUDGET STUDY SESSION OF MTC, MTC SAFE, BATA, BAHA, BAIFA. WITH THAT I'M GOING TO CALL THE MEETING TO ORDER AND ASK FOR THE INTRODUCTORY REMARKS. [RECORDED MEETING PROCEDURES ANNOUNCEMENT] DUE TO COVID-19 THIS MEETING WILL BE CONDUCTED AS A ZOOM WEBINAR PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-29-20 WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE BROWN ACT. THIS MEETING IS BEING WEBCAST ON THE MTC WEB SITE. THE CHAIR WILL CALL UPON COMMISSIONERS, PRESENTERS, STAFF, AND OTHER SPEAKERS BY NAME AND ASK THAT THEY SPEAK CLEARLY AND STATE THEIR NAMES BEFORE GIVING COMMENTS OR REMARKS. PERSONS PARTICIPATING VIA WEBCAST AND ZOOM WITH THEIR CAMERAS ENABLED ARE REMINDED THAT THEIR ACTIVITIES ARE VISIBLE TO VIEWERS. COMMISSIONERS AND MEMBERS OF THE PUBLIC PARTICIPATING BY ZOOM WISHING TO SPEAK SHOULD USE THE RAISED HAND FEATURE, OR DIAL STAR NINE, AND THE CHAIR WILL CALL UPON THEM AT THE APPROPRIATE TIME. TELECONFERENCE ATTENDEES WILL BE CALLED UPON BY THE LAST FOUR DIGITS OF THEIR

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PHONE NUMBER. IT IS REQUESTED THAT PUBLIC SPEAKERS STATE THEIR NAMES AND ORGANIZATION, BUT PROVIDING SUCH INFORMATION IS VOLUNTARY. WRITTEN PUBLIC COMMENTS RECEIVED AT INFO@BAYAREAMETRO.GOV BY 5:00 P.M. YESTERDAY WILL BE POSTED TO THE ONLINE AGENDA AND ENTERED INTO THE RECORD BUT WILL NOT BE READ OUT LOUD. IF AUTHORS OF THE WRITTEN CORRESPONDENCE WOULD LIKE TO SPEAK, THEY ARE FREE TO DO SO. A ROLL CALL VOTE WILL BE TAKEN FOR ALL ACTION ITEMS. PANELISTS AND ATTENDEES SHOULD NOTE THAT THE CHAT FEATURE IS NOT ACTIVE.

ALFREDO PEDROZA, CHAIR: ALL RIGHT. THANK YOU. KIMBERLY WE WERE GETTING QUITE A BIT OF FEEDBACK. ROLL CALL?

CLERK OF THE BOARD: PEDROZA?

ALFREDO PEDROZA, CHAIR: HERE.

CLERK OF THE BOARD: JOSEFOWITZ? JOSEFOWITZ IS ABSENT. ABE-KOGA?

DIR. MARGARET ABE-KOGA: HERE.

CLERK OF THE BOARD: COMMISSIONER AHN? ABSENT. CANEPA IS ABSENT. CHAVEZ?

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CINDY CHAVEZ: HERE.

CLERK OF THE BOARD: CONNOLY?

DAMON CONNOLLY: HERE.

CLERK OF THE BOARD: DUTRA-VERNACI?

CAROL DUTRA-VERNACI: HERE.

CLERK OF THE BOARD: EL-TAWANSY?

DINA EL-TAWANSY: HERE.

CLERK OF THE BOARD: FLEMING? ABSENT.

EDDIE AHN: KIMBERLY, THIS IS COMMISSIONER AHN.

CLERK OF THE BOARD: THANK YOU. GIOCAPINI?

DORENE M. GIACOPINI: HERE.

CLERK OF THE BOARD: GLOVER IS ABSENT. PAPAN?

GINA PAPAN: HERE. MILEY IS ABSENT. RABBIT IS ABSENT. RONEN?

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DIR. HILLARY RONEN: HERE.

CLERK OF THE BOARD: SCHAFF COMMISSIONER SCHAFF IS ABSENT. SPERING?

JAMES P. SPERING: HERE.

CLERK OF THE BOARD: WORTH? COMMISSIONER WORTH IS ABSENT. QUORUM IS PRESENT.

ALFREDO PEDROZA, CHAIR: THANK YOU KIMBERLY. ITEM TWO, PLEDGE OF ALLEGIANCE, IF COMMISSIONER CHAVEZ COULD LEAD US IN THE PLEDGE, PLEASE?

CINDY CHAVEZ: HAPPY TO. PLEASE STAND IF YOU'RE ABLE. [PLEDGE OF ALLEGIANCE] "I PLEDGE ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA, AND TO THE REPUBLIC FOR WHICH IT STANDS, ONE NATION UNDER GOD, INDIVISIBLE, WITH LIBERTY AND JUSTICE FOR ALL."

ALFREDO PEDROZA, CHAIR: COMMISSIONER CHAVEZ. LET'S MOVE TO ITEM THREE COMPENSATION ANNOUNCEMENT. KIMBERLY, IF WE COULD PLEASE READ THE COMPENSATION ANNOUNCEMENT?

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CLERK OF THE BOARD: YES. AS AUTHORIZED BY STATE LAW I AM MAKING THE FOLLOWING ANNOUNCEMENT. EACH MEMBER OF THE BOARD HERE TODAY WILL BE ENTITLED TO RECEIVE $100 PER MEETING ATTENDED UP TO A MAXIMUM OF $500 PER MONTH PER AGENCY. THIS AMOUNT IS A PROVIDED AS A RESULT OF CONVENING A MEETING FOR WHICH EACH MEMBER IS ENTITLED TO COLLECT SUCH AMOUNT.

ALFREDO PEDROZA, CHAIR: THANK YOU VERY MUCH, KIMBERLY DO WE NEED A MOTION?

CLERK OF THE BOARD: NO WE DO NOT.

ALFREDO PEDROZA, CHAIR: ITEM THREE. I DID NOTICE SOME COMMISSIONERS JOINED WE'RE ABOUT TO GET TO THE EVENT WHICH IS FISCAL YEAR 2021 PLENTY OF AGENCY BUDGET SESSION. I WILL INTRODUCE BRIAN MAYHEW TO TALK ALL ABOUT THE NUMBERS. BRIAN TAKE IT AWAY.

BRIAN MAYHEW: FIRST CHALLENGE IS TO GET UNMUTED. GOOD MORNING EVERYONE VERY INTERESTING START A VERY PLEASANT MORNING TO YOU WHEREVER YOU MAY BE. WE'RE GOING TO GO THROUGH, AS HAS BEEN OUR TRADITION NOW GOING ON SEVEN YEARS THIS, MEETING IS TALK ABOUT THE BACKGROUND OF THE BUDGET, OUR STRATEGY GOING INTO THE BUDGET, AND OF COURSE THEN BUDGET SCHEDULES THEMSELVES. THIS IS YOUR FIRST LOOK AT IT. WE PUT IT ALL TOGETHER BECAUSE

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MTC IS ONE BIG ENTITY. WE ALWAYS FORGET, WE ALWAYS SAY WORDS LIKE I'M WARING THIS HAT OR THAT HAT. MTC IS THE PARENT COMPANY OF THE WHOLE SHOOTING MATCH. WITH MTC WE HAVE PUT IT ALL TOGETHER YOU SEE IT ALL IN ONE PLACE STARTING IN JUNE YOU WILL SEE EACH INDIVIDUAL FUNDS EACH INDIVIDUAL BUDGET. MORE DETAIL ON THE INDIVIDUAL BUDGETS YOU'RE GOING TO SEE TODAY ALSO GOING SEE TODAY BASIC OPERATING PHILOSOPHIES AND SOME OTHER THINGS AS WE GO INTO THOSE LATER. IF I COULD STOP MY HAND FROM SHAKING, I WOULD FEEL GOOD. THIS TIME LAST YEAR, I LITERALLY STAT HERE TERRIFIED. I HAD NEVER SEEN AN ECONOMY THAT WE WERE IN, I HAD NEVER SEEN A SET OF CIRCUMSTANCES WE WERE MAKING PREDICTIONS ON. WE WERE LOOKING AT DROPS IN REVENUE OF ANYWHERE FROM 25 TO 50%, WOULD THE RECOVERY BE LIKE AN ORDINARY SESSION, OR AN ORDINARY V SHAPED RECOVERY WITH EVERYTHING SNAPS BACK BEFORE WE EVEN KNEW WHAT WAS HAPPENING. LOOKING AT 158 MILLION FULL-TIME JOBS THE HIGHEST LEVEL IN DECEMBER. DECEMBER OF 2019, TODAY WE HAVE 50 MILLION JOBS BACK WE LOST NEARLY 10 MILLION JOBS OVERNIGHT WEAVE RECOVERED ABOUT 85% OF THEM THERE IS SOME INTERESTING DATA AND SOME CONTRADICTORY BUT IN UNPRECEDENTED IN THE ECONOMIC HISTORY THE FACTS THE DATA ARE INCONSISTENT AND CONFUSING MAKES PERFECT SENSE TO AN ECONOMIST. WITHOUT FURTHER ADIEU I'M GOING TO TALK ABOUT THE BACKGROUND OF THE ECONOMY BECAUSE WE CAN'T DO A BUDGET WITHOUT THE ECONOMY WE'RE TALK ABOUT EXPECTATIONS THEN GO TO INDIVIDUAL BUDGETS FROM MTC'S JUST POWERS AUTHORITY

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BAIFA AND BAHA. NEXT PAGE. NO QUESTION IS WHAT WE SAW. IT'S STILL HARD TO FATHOM THAT IN SIX MONTHS, THE QUESTION DROPPED MORE THAN THE COMBINED ECONOMIC DROP OF THE GREAT RECESSION. FROM A TOTAL UNEMPLOYMENT STANDPOINT, IT WAS GREATER, FROM A PERCENTAGE STANDPOINT, THE GREAT RECESSION PUT 25% OF THE COUNTRY OUT OF WORK, THE 2019 FLASH RECESSION PUT 15% OF THE PUBLIC OUT OF WORK. BUT AS YOU CAN SEE, IF YOU GO TO THE RIGHT, THOSE TWO BARS THAT LOOK LIKE A WINDMILL, ONE IS THE DROP WHERE WE LOST 36% OVER TWO QUARTERS WHICH TECHNICALLY MADE IT THE FIRST SERVICE SECTOR INDUCED RECESSION EVER AND THEN FOLLOWED UP WITH SIX MONTHS LATER WHERE WE RECOVER 34 AND 43%, VERY TECHNICALLY RECOVERING ALL OF THE ECONOMIC LOSSES. AND THEN OF COURSE, THAT FOLLOWS UP WITH THE FIRST QUARTER OF THIS YEAR WITH A 6.4% GROWTH. SO TECHNICALLY EVERYTHING FROM A GDP STANDPOINT IS DONE. IF YOU LOOK AT JUST THE PURE FINANCIALS IN DECEMBER OF 2019, OR GOING INTO 2020, THE ENTIRE ECONOMY, WHAT WE CALL GDP IS WORTH ABOUT $22 TRILLION, IF YOU TOOK A LOOK AT THE NUMBERS AT THE END OF MARCH YOU WILL FIND THAT THE ECONOMY IS WORTH ABOUT $19 TRILLION. IF YOU ADD INTO THAT, SO THAT WOULD BE ABOUT 90 -- 85, 86% FULL RECOVERY FROM A DOLLAR STANDPOINT AND THEN YOU ADD IN THE COMPONENT THAT THE FEDERAL GOVERNMENT PUTS SUPPORT PAYMENTS OF A ROUGHLY $6 TRILLION INTO THE ECONOMY, YOU CAN PRETTY MUCH SEE THAT THE ECONOMY IN AND OF ITSELF, GOING FORWARD, IS NOT GOING TO BE AHOLD UP. SO GO TO THE NEXT PAGE. JUST VERY QUICKLY, WHEN YOU

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LOOK AT SOMETHING, CERTAINLY THE S&P 500, THE DO YOU, THE NASDAQ ARE NOT MEASURES OF THE ECONOMY THEY'RE MEASURES OF WHAT THE PUBLIC FEELS IS THE WORTH OF THE COMPANIES AND HOW THEY'LL DO IN THE ECONOMY CERTAINLY NOT AN ECONOMIC MEASURE BUT IN ANY EVENT TO THOSE WHO BELIEVE IN THE EQUITY MARKETS AS A BEHAVIOR IT IS CERTAINLY RECOVERY AND THEN SOME, IT WAS HIGH THEN FELL THEN YOU SEE THE DROP AND WHAT WE CALL CORRECTION TERRITORY WHICH IS WHAT HAPPENS TO ANY EQUITY BUBBLE OR ANY ECONOMIC BUBBLE FOR THAT MATTER AND FELL DOWN TO 25 HORIZON AT CLOSE PUTTING IN ROUGHLY BEAR TERRITORY WHICH SHOULD LEAD TO NEGATIVE ECONOMIC GROWTH YOU SEE IT RECOVERED TO THE POINT WHERE IT RECOVERED WITHIN A FEW SHORT MONTHS IT HAS INCREASED 31% SINCE DECEMBER WE WERE UP 62% SINCE MARCH SO FROM THE VIEW OF THE EQUITY INVESTOR, THE RECESSION IS NOW FAR BEHIND US AND THEN THERE ARE MANY DIFFERENT TRAITS THAT GO WITH THAT. NOW TO THE CONTRARIAN SIDE OF IT. NEXT PAGE. THIS IS WHERE WE ARE STILL HAVING PROBLEMS. UNEMPLOYMENT, LOOK AT THE CHART AT THE TOP, REMAINS AT STAGGERING HIGH LEVELS. IT REMAINS AT DEEP RECESSION LEVELS. NOT SILLY, NOT SMALL RECESSION LEVELS. YOU CAN SEE THE REMAINING UNEMPLOYMENT LEVEL IS ROUGHLY 10 MILLION, 9.8 MILLION RIGHT NOW, EXCEEDS THE 2001 RECESSION, COMPLETELY. IF YOU LOOK AT THAT, WE SHOULD BE LOOKING AT AN ECONOMY THAT -- AND WE'RE GOING SEE SOMETHING IN SOME SALES TAX NUMBERS IN A MINUTE -- IT SHOULD BE GROWING VERY SLOWLY AND OVER SEVERAL YEARS. THE CHART BELOW IT, YOU CAN SEE THAT

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IS THE UNEMPLOYMENT RATE IN THE UNITED STATES. THE UNEMPLOYMENT RATE GOING INTO THE RECESSION WAS ABOUT THREE AND A HALF% SO WE WERE ACTUALLY UNDEREMPLOYED, AT THIS POINT IN TIME GOING INTO 2020 HAD MORE OPENINGS THAN WE HAD PEOPLE UNEMPLOYED. THEN OF COURSE IT SNAPS UP AGAIN GETS TO 15% AS YOU CAN SEE RUN DOWN THE INTERESTING THING IS 6.1 AT THE FIGURE LAST WEEK AND STILL DOUBLED PREPANDEMIC SO WE'RE HAVING -- IT'S SORT OF STICKY. IT'S REACHED A POINT, AND IT'S REACHED A POINT WHERE IT IS STAGGERING HIGH FOR THE LEVEL OF GDP GROWTH. NEXT SLIDE. NOW, THIS -- THESE BASICALLY, THE MOUNTAIN YOU'RE LOOKING AT, AT THE TOP AND THE ONE YOU'RE LOOKING@THE BUDGET, THE W SHAPE THERE FIRST INITIALLY THE UNEMPLOYMENT CLAIMS THAT'S WHAT YOU HEAR EVERY THURSDAY ON CNBC THROUGH THE EVERY BUSINESS CHANNEL AND ALMOST EVERY NEWS CHANNEL THAT'S WHAT EVERY WEEK FIRST TIME INITIAL CLAIMS FOR STATE UNEMPLOYMENT THE MILLION WAS GOING INTO RECESSION THE MAGIC NUMBER THE DEAL IS WHEN YOU GET BELOW A MILLION YOU GET REAL NEW JOB GROWTH, SO WE GOT BELOW A MILLION RELATIVELY QUICKLY BY THESE STANDARDS AND STILL ROUGHLY JUST UNDER 500,000 NOW AND IF YOU LOOK AT THE NORM PREPANDEMIC, YOU SEE THE NUMBER WOULD BE ABOUT 3, 350 -- LOOKING AT A ROLLING AVERAGE OF ABOUT 300,000 CLAIMS PER WEEK. WE'RE ABOUT JUST ABOUT DOUBLE THAT RIGHT AT THE MOMENT. SO, AGAIN, THE UNEMPLOYMENT NUMBERS ARE KIND OF HANGING ON. NOW THE GOOD PART OF THIS, THE US FULL-TIME POSITIONS PREPANDEMIC WERE 159

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MILLION. WE ARE NOW AS OF THIS MONTH AT 151 FULL-TIME POSITIONS SO YOU CAN SEE WE HAVE LOST ROUGHLY -- YOU CAN SEE BY THE BAR ON THE BOTTOM -- YOU CAN SEE WE HAVE LOST ROUGHLY 10 MILLION POSITIONS NOW. IF YOU LOOK AT THE GROWTH THAT RUNS UP GOING 2020 ON THE BOTTOM LINE GOING THROUGH THERE DOWN HERE YOU WILL SEE THAT IT GOES UP, RUNS INTO THE 160,000, 160 MILLION NUMBER, AND THEN DROPS VERY QUICKLY AND STUBBORNLY IS STAYING THERE. NOW THERE IS, AS ALL ECONOMISTS WILL SAY THERE IS A GOOD AND BAD SIDE TO THIS. THE GOOD SIDE IS, OF COURSE THAT, WE HAVE RECOVERED 151 MILLION POSITIONS THAT'S BETTER YOU WILL FIND THAT'S 4.4 MILLION ABOVE THE HEIGHT OF THE ECONOMY BEFORE THE 2008 RECESSION. WE ADDED NEARLY A MILLION POSITION IN 2021 ALTHOUGH THE LAST NUMBER WE SAW COME OUT WAS A TERRIBLE MESS AND ECONOMISTS ARE LOOKING AT WHY THAT HAPPENED. AND WE'RE STILL 8 MILLION BELOW THE 2020 HEIGHT. SO WHAT THAT CREATES IS A SORT OF MIXTURE OF SIGNALS. AND I THINK THERE IS -- MOST PEOPLE NOW BEGIN TO GUESS WHAT THE ANSWER TO THIS IS. NATIONAL UNEMPLOYMENT REMAINS STUBBORNLY AT 6% IT WENT UP TO 6.1. STATE UNEMPLOYMENT REMAINS STUBBORN LOCAL UNEMPLOYMENT REMAINS ABOVE 6% PROBABLY THAT WILL FALL OFF FASTER. SO THIS IS KIND OF A MIXED SIGN. WE HAVE A MIXTURE OF A SMASH RECOVERY ECONOMY, AND A SLOW GROWTH IN JOBS. AND SO THIS SHOULD BE THE SIGN OF AN EXTENDED RECOVERY GOING INTO NEXT YEAR, WE WOULD CONSIDER NEXT YEAR TO BE PROBABLY THE BEGINNING OF A MULTI-YEAR RECOVERY PERIOD. I THINK WE'RE GOING

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TO FIND THIS A LITTLE BIT MORE THAN THAT AS WE GO THROUGH. BUT THESE MIXED SIGNALS IF YOU LOOK AT A STATE WITH AN UNEMPLOYMENT RATE OF 8.3%, THE STATE OF CALIFORNIA HAS THE SINGLE GREATEST INCOME LEVEL THAN IT'S EVER HAD NOT COUNTING WHAT THE FEDERAL GOVERNMENT IS PUTTING IN FOR SUPPORT. THE STATE OF CALIFORNIA HIS BUSTED ALL OF ITS BUDGET GOALS AND STILL HAS 8.3% UNEMPLOYMENT. AGAIN. THOSE ARE MIXED SIGNALS. ONE MORE BIT OF BACKGROUND DATA WE'LL LOOK AT, GO TO THE NEXT PAGE. THIS IS ANOTHER ONE THAT MOVES INVERSE TO THE ECONOMY. THIS IS PERSONAL SAVINGS. THIS WORKS, AGAIN, INVERSE TO THE ECONOMY AND THIS CHART GOES ALL THE WAY BACK TO '60, THE GRAY BARS ARE THE RECESSIONS PROBABLY STARTING IN 2,000 THROUGH 2001 GOING TO THE '80S YOU SEE A NUMBER OF RECESSIONS IN THE HIGH INFLATION YEARS, NOT UNEXPECTED. AS YOU CAN SEE DURING THE GRAY BAR AREA, THE PERSONAL SAVINGS, RIGHT, THOSE LINES GO UP. AS YOU'RE RECOVERING, AND ESPECIALLY ONCE YOU GOT INTO THE '70S, AS YOU'RE RECOVERING PERSONAL SAVINGS RATES GO DOWN PEOPLE GET CONFIDENCE IN THE ECONOMY THEY WANT TO BUY REFRIGERATOR RARITY, A WEDDING A COUPLE CARS. IN ANY EVENT WHENEVER YOU SEE LONG EXTENDED PERIODS OF GROWTH RATES YOU SEE PERSONAL SAVINGS GOING DOWN. IF YOU LOOK TO THE FAR RIGHT, THE LAST RECESSION, WHAT'S HAPPENING, IF YOU GO DOWN THE LIST WHICH WAS PREVIOUS HIGH 1975 THAT WAS 17.3% AND MARKING THE NEXT SET OF DATA BEGINNING AND ENDING OF EVERY RECESSION SINCE THEN AND 20 WAS 4.2 GOING IN AT SEVEN% 2008 START OF THE

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RECESSION 3.4 JANUARY 2020 SAVINGS RATE OF 7.5 WHICH IS CONSIDERED VERY HIGH BY NORMAL ECONOMIC STANDARDS PEOPLE SAVING MORE AND BY APRIL 2020 ALMOST 34% LIKE FIVE TIMES HIGHER BY MAY IT DROPS AND BY NOVEMBER IT DROPS EVEN FURTHER AND THEN THE SECOND WAVE OF THE PANDEMIC AND WORRY HEADING INTO CONTINUING RECESSION AND 27% STILL SUBSTANTIALLY HIGHER THAN PREVIOUS HIGH IN 1975 THIS INDICATES THAT PEOPLE ARE SAVING MORE AND IN THEORY THE ECONOMY IS GOING SUFFER LONGER AND THAT INDEED MAY NOT BE THE CASE IN THIS CASE. AND WE'RE GOING TO LOOK AT THAT AS WE LOOK AT THE LOCAL ECONOMY ON THE NEXT PAGE. NOW, I KNOW I HAVE JUMPED A LOT OF DATA AND THROWN A LOT OF THINGS IN, LONG AND SHORT OF IT IS, GDP IS THE MEASURE OF EVERYTHING PRODUCED IN THE UNITED STATES BOUGHT AND SOLD THAT HAS A MEASURE OF RECOVERY. THE STOCK MARKET WHICH CRASHED HAS INDEED RECOVERED AND MIGHT BE WHAT THEY CALL IN BUBBLE TERRITORY NOW. UNEMPLOYMENT SEEMS TO BE STUBBORNLY HIGH AND -- HIGH. AND WE LOOK AT THE INVERSE ECONOMIC GROWTH SAW SNAP GROWTH END OF 2020 PERSONAL SAVINGS RATE STILL REMAINS HIGH. WE GO TO REGIONAL RETAIL SALES AS A MEASURE OF THE ECONOMY IF YOU LOOK AT THIS CHART, AND YOU WILL SEE IF YOU GO ACROSS ALL THE YEARS YOU SEE THE RECESSIONS MARKED OUT, IT IS PRETTY CLASSIC IN THE MIDDLE PART OF THE CHART, A W SET OF RECESSIONS. WHAT HAPPENED IS A 2001 RECESSION WAS VERY FAST, VERY DEEP, EXTENDED, NEVER REALLY -- IF YOU LOOK AT THAT LINE ON THE TOP, WHERE RETAIL SALES PEAK AFTER THE 2001 -- START OF

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THE 2001 RECESSION, YOU LOOK AT WE NEVER ACTUALLY RECOVER THAT NUMBER WHEN WE GET TO 2008. WE ACTUALLY FALL JUST SHORT OF IT AND BEFORE THE 2008 RECESSION SO NONE OF THAT REALLY RECOVERS UNTIL ABOUT 2013. LONG CLASSIC EXTENDED W SHAPED ECONOMIC GROWTH AND EXPANSION AND OF COURSE IT HAS ALL TAKEN OFF SINCE THERE. BUT IF YOU LOOK AT IT, THE FIRST RECESSION, 2001, WE LOST $50 MILLION IN VALUE OVER FIVE YEARS. THE TOTAL DROP WAS $50 MILLION. IN THE SECOND ONE, THE TOTAL DROP IN RETAIL SALES WAS $56 MILLION, AND IT TOOK FIVE YEARS TO RECOVER. IF YOU LOOK TO THE RIGHT, THE FAR RIGHT, YOU SEE THAT THE DROP IS NOT NEARLY AS SEVERE. BUT WE'RE NOT YET COMPLETELY SEEING THAT SORT OF MASSIVE TURN AROUND YOU WILL SEE IN THE V SHAPED RECOVERY. SO AGAIN ONE MORE SORT OF CONTRADICTORY SIGN THAT THE RETAIL SALES THAT THE LOCAL ECONOMIES ARE NOT QUITE TAKING OFF THE WAY WE WOULD EXPECT WITH THE KIND OF ECONOMIC GDP GROWTH WE SAW, WHICH MAY BE A REFLECTION THAT UNEMPLOYMENT IS STUBBORNLY HIGH AND PEOPLE ARE SAVING MORE MONEY AND WORRYING ABOUT THE ECONOMY. ALL THIS BEGINS TO ADD UP. YOU'RE LOOKING AT THE BLOOD PRESSURE CHART ON THE TOP RIGHT BASICALLY SHOWS YOU THE AVERAGE DAILY TRAFFIC STARTING WITH THE FEBRUARY 2020 AND RUNNING TO DATE. AS YOU CAN SEE, IF YOU GO TO THE TOP BAR, THE FAR LEFT OF THAT BLOOD PRESSURE LINE, YOU WILL SEE THAT IT AVERAGED ABOUT 410, 415,000 PER DAY. IF YOU FOLLOW IT THROUGH THE RECESSION, YOU SEE WE DROPPED 50% A LITTLE MORE THAN THAT, THEN CAME BACK UP. WE HAVE COME BACK UP, AND WE ARE AVERAGING

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ROUGHLY -- NOW WE HAVE GOTTEN BACK TO ROUGHLY 300 -- A LITTLE MORE THAN 300,000 A DAY, AND SO WE'RE NOW AT -- AND IF YOU LOOK AT THE BARS ON THE BOTTOM, YOU WILL SEE THAT -- YOU SEE THE SAME THING. NOW THIS IS MONTHLY TRAFFIC NUMBERS GOING THROUGH THOSE BOTTOM BARS. YOU SEE THE LAST TWO ON THE RIGHT, THE LAST TWO BARS MARCH AND APRIL 2021, YOU NOW SEE THE LAST FEW MONTHS ARE ALL RECOVERY MONTHS TRAFFIC IS GROWING AND YOU WILL SEE WE HAVE SORT OF STABILIZED AT 86% OF PRIOR TRAFFIC. SO WE'RE FEELING LIKE, AGAIN, THIS IS -- WE HAVE GOT A RECOVERY, WE ARE OVER 80% OF THE PRIOR TRAFFIC LEVELS, WE'RE NOW AVERAGE 337. WE THINK THE YEAR OVER YEARS HAVE TO BE BETTER THAN APRIL AND MAY BECAUSE LAST APRIL THEY WERE SO WEAK AND MARCH APRIL WILL GO UP. SINCE JANUARY WEAVE INCREASED ROUGHLY 22% ALL SIGNS POINT FROM LOCAL TRAFFIC LEVEL PEOPLE ARE OUT AND ABOUT SOMEWHERE BETWEEN 85 AND 90% OF PRIOR LEVELS THAT'S ACTUALLY A GOOD INDICATOR LOCALLY AS WE'RE GOING. EVERYTHING SEEMS TO BE INDICATING THAT WE'RE ABOUT 90% OF THE 2020 ECONOMY. ALMOST EVERY MEASURE SAYS THAT'S WHERE WE ARE. MAYBE A LITTLE STUCK THERE BECAUSE OF THE HIGH UNEMPLOYMENT LEVELS. NOW LET'S GET TO THE LAST PIECE OF THIS. THE LAST PIECE OF THE LOCAL ECONOMY AND THAT GETS US TO, AGAIN, BREAKING DOWN THE SALES TAXES BY TALLY. AGAIN THIS IS RETAIL SALES. THEY ARE NOT ADJUSTED FOR ANY ECONOMIC CHANGES THAT MIGHT OCCUR BETWEEN STORES OR AGENCY OR THINGS LIKE THAT. AGAIN, 2020 SHOULD HAVE BEEN A CRASH FALL, AND 2021 SHOULD

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HAVE FOLLOWED UP AND BEEN SLIGHTLY WORSE. IF YOU LOOK AT THE REVENUE LEVELS IN 2020, YOU SEE WE'RE OFF ABOUT -- WE WOUND UP ONLY OFF ABOUT 6 MILLION, OR ABOUT 6% FROM THE FY '19 NUMBERS. BEING OFF -- THAT WHAT DIDN'T SEEM LIKE SUCH A BIG DROP GOING IN. IF YOU LOOK AT THE COMPARISON OF 2020 AND 2021, WE'RE OFF 4.2% FROM FY2020. BY THE END OF '21, ACTUALLY FOR VARIOUS REASONS, BUT BY THE END OF FY '21 I ACTUALLY THINK THE FY '21 NUMBERS WILL BE BETTER THAN 2020 THE RESEARCH MARCH AND APRIL THEY WERE WEAK LAST YEAR AND IF WE LOOK AT THE PROJECTIONS THOSE ARE YEAR TO DATE ACTUALLY '21 HAS A GOOD CHANCE OF PASSING 20. ONE OTHER THING TO LOOK AT, IF YOU LOOK AT FIVE COUNTIES, HAVE ALREADY SURPASSED THEIR 2020 LEVEL SO THEY DON'T REALLY HAVE A CONTINUING RECESSION GOING INTO THIS YEAR FROM A LOCAL ECONOMIC STANDPOINT. AND AS YOU LOOK AT THOSE, YOU HAVE GOT CONTRA COSTA, MARIN, SANTA CLARA, SOLANO, AND SONOMA, ALL OF THEM UP AND ALL OF THEM UP FAIRLY WELL. IF YOU LOOK, THERE ARE THREE OTHER COUNTIES THAT HAVE ALREADY RECOVERED TO THEIR 2019 LEVELS AND 2019 BEING THE -- PRETTY MUCH WHAT WE -- THE PERFECT ECONOMY, YOU HAVE CONTRA COSTA UP 1.6 MILLION OR FOUR%, SANTA CLARA UP, ALMOST 4 MILLION AND ALMOST 4% AND YOU HAVE SOLANO UP 1.1 MILLION, OR ABOUT 6%. AGAIN, A KIND OF A MIXED SIGNAL. BUT THERE IS ONE THING FURTHER I LOOKED AT IN THIS DATA. I THINK THERE ARE A COUPLE OF THINGS TO LOOK AT IN THE DATA, THIS DATA IS NOT NEGATIVE, AND IT'S NOT AS NEGATIVE AS IT LOOKS EVEN WITH THE NUMBERS ON

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IT. IF I ADJUST ALL THREE YEARS, AND TAKE SAN FRANCISCO OUT OF THE MIX, BECAUSE SAN FRANCISCO HAS BEEN IN A SORT OF DIFFERENT WORLD, YOU LOOK AT THE 2019 REVENUE, IT WOULD BE 314 MILLION. 2020 REVENUE IS 310, AND 2021 IS ALREADY 311 MILLION, AND JUST BEHIND 2019. NOW THERE IS A COUPLE OF REASONS FOR THAT. ONE, SAN FRANCISCO SORT OF DILUTES THINGS BECAUSE IT IS SO HEAVILY NEGATIVE, AND IT SHOULD SEE A BIG RECOVERY NEXT YEAR. BUT THERE ARE TWO BASIC REASONS WE SEE THIS STRENGTH. ONE OF THIS IS CALLED THE WAYFAIR DECISION AND I TALKED ABOUT IT MID-YEAR THAT IS A DECISION THAT A JUDGE SAID THE INTERSTATE COMMERCE COMMISSION BAN ON INTERSTATE SALES WAS IN ITSELF A RESTRAINT ON INTERSTATE TRADE AND THAT'S OPENING THE GATE TO ALL LOCAL -- STATE SALES TAXES I DON'T THINK LOCAL TAXES ARE IN THERE IT OPENS UPSTATE AUTHORIZED SALES TAXES ON ANY COMPANY WITH MORE THAN $100,000 SALES IN THAT STATE. THAT IS WHAT WE'RE SEEING, I THINK, WHAT WE'RE SEEING HERE. WHAT WE'RE SEEING IS THE VALUE OF INTERSTATE SALES TAKING OVER FOR LOCAL RETAIL SALES, AND A BENCHMARK ON THAT IS THAT INTERSTATE SALES, IN ONLY TWO YEARS, ARE NOW 30% OF ALL RETAIL SALES IN THE COUNTIES, IN ALL NINE COUNTIES. RETAIL SALES HAVE GONE FROM 27% DOWN TO 14. RETAIL SALES WILL PROBABLY RECOVER. AS WE GO THROUGH NEXT YEAR AND PEOPLE DO MORE RETAIL, WE'RE GOING FIND OUT WHAT THE TRUE VALUE, RIGHT NOW WAYFAIR HAS BEEN KEEPING US AFLOAT IN A TOUGH ECONOMY. NEXT YEAR I THINK WE WILL TRULY FIND OUT THE VALUE OF THOSE INTERNET SALES IN ADDITION WHAT WE CALL BRICK AND MORTAR

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SALES. SIGNIFICANT DATA IS ALREADY BEGINNING TO SHOW AT INCREASE IN RETAIL SALES, VERY LARGE INCREASE IN EMPLOYMENT IN RETAIL SALES. SO WE'RE BEGINNING TO SEE THAT SIDE OF THE LEDGER BEGIN TO COME UP. SO I REALLY, TRULY, THINK THAT THESE NUMBERS ARE GOOD. THEY'RE GRAD FOR A RECESSION, BUT WE'RE NOT TRULY SEEING THE VALUE OF THE EXPANSION OF RETAIL SALES TO INTERSTATE SALES. SO I THINK THAT THAT'S WHAT CREATES A WORLD THAT IS ACTUALLY GOING TO BE BETTER WHICH GIVES ME GUARDED OR CAUTIOUS OPTIMISM GOING INTO NEXT YEAR BECAUSE I THINK YOU'RE REALLY GOING TO SEE THE VALUE OF THE WAYFAIR DECISION. THAT'S IT FOR THE BACKGROUND AND ECONOMIC COMPONENT OF THE PRESENTATION. WE'RE GOING TO NOW SWITCH OVER TO HOW THIS IMPACTS OUR BUDGET, HOW WE'RE BASING THE BUDGET FOR NEXT YEAR. A COUPLE OF FINANCIAL MEASURES INTERNALLY THEN WE'LL TURN TO THE BUDGETS THEMSELVES. SO IF WE GO TO THE NEXT PAGE. AGAIN, GOING BACK, PUTTING EVERYTHING TOGETHER, YOU HAVE GDP THAT'S RECOVERED. YOU HAVE A STOCK MARKETS THAT'S RECOVERED. WE HAVE A STUBBORN UNEMPLOYMENT LEVEL OF ROUGHLY 10 MILLION AND HANGING IN THERE AT A LOSS OF ROUGHLY 10 MILLION JOBS. THE INTERESTING COMPONENT TO OFFSET THAT LEDGER IS WHAT'S CALLED THE JOBS REPORT OPENINGS AND TRANSFERS TOTAL TRANSFERS, THE TOTAL SHOWS 8 MILLION OPENINGS. IN FACT, THERE ARE 8 MILLION OPENINGS AND THERE ARE ONLY 600,000 JOBS FILLED LAST MONTH. SO THERE IS 8 MILLION OPENINGS AND 10 MILLION ROUGHLY UNEMPLOYMENT WHICH IS GETTING US BACK TO WHERE WE WERE

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PREPANDEMIC I'M NOT GOING TO BEGIN TO GUESS HOW MUCH OF THAT HAS TO DO WITH FEDERAL SUPPORT OR INTERVENTION. ALL I KNOW IS WE'RE BACK. THE ECONOMY IS AT AN 85% LEVEL -- ACTUALLY ALMOST 90. JOBS ARE AT 90% OF THE PAST AND THE OPENINGS ARE NOW GETTING TO THE POINT WHERE WE'RE NOW 90% OF THE UNEMPLOYMENT, THERE ARE JOBS OPEN FOR 90% OF THOSE UNEMPLOYED SO NOW WE'RE BEGINNING TO SEE WHERE THE ECONOMY CAN TRULY, TRULY GO, AND WHEN THE HOSPITALITY SECTOR REALLY FIRES UP, I THINK YOU'RE GOING TO BEGIN TO SEE WHAT THE EXPANSION IS GOING TO LOOK LIKE. WHAT DOES THAT MEAN FOR US? GENERAL BUDGET ASSUMPTIONS RIGHT NOW THERE ARE 303 FULL-TIME EMPLOYEES. THE NORMAL CONTRACTED SALARIES INCREASE IN THERE, THAT'S FOR THE MOU AND TWO AND A HALF PERCENT PERS NORMAL COST ALSO 2.6 INFLATION UNFUNDED PENSION LIABILITY $2.6 MILLION DOWN FROM A COUPLE OF MONTHS AGO, OPEB DOWN 3.6 MILLION LOWER THAN IT WAS A FEW YEARS AGO AND GRANT REVENUE THERE WILL BE NO SIGNIFICANT PROGRAMMATIC. WE SEE CTA REVENUE UP FROM BUDGET LAST YEAR ROUGHLY 29% AS I LOOK AT THE NUMBERS WE WILL PROBABLY PASS THE 14.1 MILLION EASILY PASS THE NUMBERS OF 11 MILLION THIS YEAR TOLL REVENUE UP APPROXIMATELY 22% TOLL TRAFFIC UP 25%, RM3 REVENUE AND TRANSFERS ESCROW BOTH PUTTING THROUGH REVENUE PART OF THE BUDGET EXPRESS LANES GOING TO TALK ABOUT THEM A LITTLE BIT IN THE END 880 RECOVERY BEING A BIG SUCCESS STORY. WE DON'T PREDICT ANY OPERATING DRAW FROM RESERVES WITH THE POTENTIAL FOR SAFE WHICH IS BEING A LITTLE BIT STUBBORN RIGHT

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NOW NO SPECIAL HIGHER OR EXPENDITURE CONDITIONS GOING INTO NEXT YEAR'S BUDGET NOW START LAST YEAR EXPENDITURE CONTROLS REALLY DID START IN MARCH OF 2020 THEN LED RIGHT INTO THE BUDGET HERE BASICALLY CONTROLLING CONTRACTS AND HIRING CONTROLLING OUR CASH FLOW YOU WILL SEE RESULTS OF THAT? NOW WE'RE WORKING ON IN THE JUNE FINALS, WE HAVE NOT ADDED ANY POSITIONS YET THERE ARE PROBABLY ABOUT 40 REQUESTS THAT THE BOSS IS GOING TO HAVE TO GO THROUGH SO WE EXPECT TO SEE SOME NEW POSITIONS GOING INTO THE FINAL BUDGET ALTHOUGH I'M NOT GOING TO GUESS ON THAT. WE DO KNOW OF CERTAIN GRANTS THAT HAVE COME IN WHILE PREPARING THE BUDGET THAT ARE NOT IN YET THOSE ARE STILL GOING THEY'RE ALL REVENUE EXPENSE NEUTRAL BUT THOSE WILL STILL GO IN AND OF COURSE WHATEVER COMES IN WE WANT ALL OF THE FINAL BUDGETS TO BE BALANCED AND WE THINK WE HAVE THE RESOURCES NEXT YEAR. WE JUST DON'T SEE ANY SIGNIFICANT NEGATIVE IMPACT ON ANY OF OUR REVENUE STREAMS WITH THE POSSIBLE EXCEPTIONS OF 680 JUST A BIT TOO MUCH IN THE UNKNOWN ON THE EXPRESS LANE AND BATA HAS SOME CASH FLOW ISSUES. NEXT PAGE. A COUPLE OF COMPONENTS AS WE WENT TO THE BUDGET MID-YEAR LAST YEAR A COUPLE OF THINGS WE'RE GOING TO LOOK AT JUST TO MAKE SURE THAT WE KEPT OUR WORD WHAT WE PROMISED LAST YEAR THREE YEAR LOOKS AT FINANCIAL MANAGEMENT WE HAVE NOW MANAGED THROUGH A VERY SHARP AND VERY FAST RECESSION. WE ARE CAUTIOUSLY -- OR AT LEAST I'M CAUTIOUSLY OPTIMISTIC ABOUT NEXT YEAR FOR 2022. WE STILL HAVE THINGS TO LOOK OUT FOR THAT WE

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WILL NOT ADDRESS HERE, AND THEY'RE NOT GOING TO HIT US IN THE '22 BUDGET. BUT MTC STILL DOES HAVE A LONG-TERM STRUCTURAL DEFICIT AND IF WE DON'T DO SOMETHING TO CONTINUE TO ATTACK THE PENSIONS AND POST RETIREMENT LIABILITIES THAT WILL BITE IN '23 OR '25 FOR A LONG-TERM MODELS AND WE HAVE ISSUES WITH BATA CASH FLOW THAT WE HAVE TO WATCH OUT FOR AS WELL. LAST YEAR WE KNEW WE WERE BUDGETING A SIGNIFICANT DEFICIT WE WANTED TO CONTROL FOR THAT DEFICIT. WE WANTED TO CONTROL. AND SO WE DID IT BY CONTROLLING CASH AS A COMPANY DOES THROUGH TOUGH TIMES YOU MANAGE CASH, YOU MANAGE YOUR P AND L, AS YOU CAN SEE THE JUNE 2020 NUMBER WAS ROUGHLY 38.6 MILLION WE WERE ACTUALLY MANAGING ABOUT $40 MILLION GOING INTO THE YEAR. IN SEPTEMBER '20 YOU SEE THAT NUMBER INCREASED TO 47 MILLION THAT'S A LOT OF GRANTS BEING PAID BACK WE TEND TO GET BETTER CASH FLOW AT THE END OF THE YEAR THAN THE BEGINNING DECEMBER EXPENSES BEGIN TO GO UP BY MARCH STILL $40 MILLION AS YOU CAN SEE ROUGHLY A MILLION DOLLARS AHEAD OF WHERE WE STARTED IN JULY OF 2020 WE MANAGED THROUGH THE RECESSION AND BASICALLY NOT HIT RESERVE ON ANY OPERATING BASIS YET THOSE NUMBERS ARE STILL THROUGH MARCH AND SALES TAX NUMBERS AND OTHER TAX NUMBERS REVENUE NUMBERS GETTING STRONGER. WE COULD STIP DIP IN BEFORE THE END OF THE YEAR I DON'T WANT TO OVER PROMISE BUT WE'RE IN GOOD SHAPE GOING INTO THE END OF THE YEAR. ON THE NEXT SLIDE, WE TALK ABOUT RESERVES. OBVIOUSLY MTC HAS RESERVE IN ALL OF ITS FUNDS AND WILL CREATE NEW RESERVES FOR OUR NEW FUNDS IN BAHA AND

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BAIFA GOING INTO NEXT YEAR'S BUDGET. AS YOU LOOK DOWN HERE, YOU CAN SEE MTC IS BASICALLY WHAT WE DESIGNATE, WHAT WE RESERVE, THE TOP NUMBERS, THE FUND BALANCE GOING INTO JULY IS WHAT YOU SEE IS JUST, THAT'S IT, THAT'S THE GROSS FUND BALANCE, FUND BALANCE IS BASICALLY FUND NET AVAILABLE ASSETS. CASH YOU HAVE GOING INTO THE YEAR. AND AS YOU GO DOWN THE YEAR, YOU HAVE TO SUBTRACT FOR THINGS THAT YOU OWE. YOU START WITH, DO YOU HAVE A SURPLUS OR DEFICIT IN THE BUDGET. THEN YOU GO THROUGH AND THERE ARE ENCUMBRANCES EVERY YEAR, BECAUSE YOU OWE SOMETHING TO LAST YEAR. BENEFIT RESERVES ARE RESERVES WE HAVE SETUP TO PROTECT AGAINST PENSION, MEDICAL, ANY SPIKES OR MOU SPIKES THAT WE COULD HAND NELL A SINGLE YEAR WITHOUT HAVING TO IMPACT THE BUDGET, GIVING US TIME TO ADJUST THE FUTURE BUDGETS. THEN WE GO INTO COMPENSATED ABSENCES. THAT'S THE AMOUNT OF MONEY YOU OWE IN COMPENSATED ABSENCES AT THE END OF THE YEAR. IF EVERYBODY WERE TO -- IF YOU WERE TO TERMINATE THE ORGANIZATION ON JUNE 30TH, YOU WILL HAVE TO PAY THAT MONEY OUT. STA RESERVE AS STATE TRANSIT AUTHORITY, THAT WE DON'T USE MUCH ANYMORE, CAPITAL ASSETS ARE FOR SETTING ASIDE CAPITAL PROJECTS. CONTINGENCY AT A REASONABLE LEVEL BASICALLY YOU COME DOWN TO SUBTRACT EVERYTHING THAT'S RESTRICTED GOING INTO FISCAL 2020 YOU WOULD SEE THAT THE NUMBER IS 50 MILLION SUBTRACT OUT $23 MILLION AND WHAT REMAINS IS $27 MILLION IN UNENCUMBERED CASH YOU DON'T OWE IT TO ANYBODY IT'S NOT A CONTINGENCY OR ANYTHING WE HAVE BACK OUT THE PENSION

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LIABILITIES GOING THROUGH FISCAL YEAR AT THE HEIGHT $44 MILLION BETWEEN PERS PENSION AND OPEB STRAIGHT DOWN THAT'S AT THE HEIGHT THE BIGGEST 44.6 MILLION WAS THE LAW ENFORCEMENT UNFUNDED AND THE YEAR BEFORE 34.1, GIVE OR TAKE. IF YOU GO TO THE BOTTOM NUMBERS, 16, 17, DOWN HERE -- YOU LOOK AT '16 AND '17 ON THE BOTTOM -- OH WHAT DID I DO -- AND YOU LOOK AT '18, AND '19, YOU WILL SEE THE VERY LARGE NEGATIVE MULTI-MILLION DOLLARS NUMBERS. THAT IS ALL OF OUR -- THE FUNDS BALANCE, LESS RESTRICTIONS LESS WHAT YOU OWE FOR LONG-TERM PENSION AND IT'S A CORPORATE CALCULATION AS TO WHAT YOU'RE NET WORTH IS GETTING TO YEAR END EQUITY. IN '17 IT WAS NEGATIVE NET WORTH OF 5 MILLION IN '17 AND '18 IT WAS POSITIVE, 19 WITH 10 MILLION YOU CAN SEE WE CAME OUT OF IT IN 20 AND 21 WE EXPECT TO BE ABOUT DOUBLE AND THE OPEB AND PENSION LIABILITIES WE MAINTAIN WHERE WE ATTACK THOSE REDUCE THOSE AND TAKE THE PRESSURE OFF THE OPERATING BUDGET. THAT'S THE SECOND LOOK AT FINANCIAL MANAGEMENT. THE NEXT ONE DRILLS DOWN A LITTLE BIT. NEXT PAGE, PLEASE. THIS IS JUST THE UNFUNDED OPEB LIABILITY. YOU CAN SEE IT STARTS IN 2006. IT DOESN'T REALLY START IN 2006. THE UNFUNDED LIABILITY WAS BUILT UP OVER YEARS. IT'S JUST GASB OR ACCOUNTING STANDARDS REQUIRE US TO RECORD IT AND PUT IT ON THE BOOKS IN 2006. YOU CAN SEE WE MADE A MASSIVE PAYMENT TO TRY TO ERADICATE IT AND GET RID OF IT IN 2008. THAT DIDN'T QUITE WORK. BATA ADDED A LOT OF EMPLOYEES BETWEEN '08, AND '17, THERE WERE 2005 WHERE CALTRANS EMPLOYEES CAME IN AND ABAG

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EMPLOYEES CAME IN YOU CAN SEE IT'S FINALLY PEAKING OUT IN '16. WE HAVE ATTACKED IT AND TAKEN CARE OF IT. IT IS NOW FULLY FUNDED IN WHAT'S CALLED AN IRS 115 TRUST. THE FUNDS ARE THERE. THE GOOD NEWS IS THE MONEY IN THAT TRUST, THE INTEREST ON THAT TRUST ALONE IS ABOUT DOUBLE OUR ANNUAL MEDICAL COST SO THAT HAS TURNED FROM A NET LIABILITY, THE LAST TWO BARS ON THE FAR RIGHT ARE A NET ASSET. SO, OPEB SIDE OF IT IS NOW ONE OF THOSE POSITIVE COMPONENTS OF OUR BALANCE SHEET. THE NEXT ONE IS PENSION. NEXT PAGE, PLEASE. THANK YOU. I'M GOING TO START WITH THE NUMBERS ACROSS THE TOP. THOSE UALS UNFUNDED PENSION, UNFUNDED ACTUARIAL LIABILITY. I CAN NEVER REMEMBER ALL OF THE ACRONYMS UAL ACTUARIAL LIABILITY COMES OUT FIRST REPORTED 2018 WAS 31 MILLION CLOSED 31 MILLION AND BY 2019 GROWN TO 37 MILLION BY 2020 DOWN TO 21. YOU CAN SEE THE INTEREST ON THOSE ADVERTISED COMPONENT, $30 MILLION IN '18 WAS GOING TO COST 53 MILLION AND THE $38 MILLION IN '19 WAS GOING TO COST 66 MILLION AND THE 21 MILLION NOW BECAUSE IT'S AMORTIZED OVER 12 YEARS WILL COST 9.6 MILLION. I CANNOT PREDICT WHAT PERS WILL DO SO I'M NOT GOING TO MAKE ANY PREDICTIONS ON IT. IF YOU LOOK AT THE '19 NUMBERS THAT 3.6 MILLION WAS ACTUALLY HEADED NORTH OF THAT, BUT WE WERE SETTING IT UP, WE'RE BASICALLY MODELING ON $4 MILLION. YOU CAN SEE THAT'S OFF BY A MILLION 4 NOW. THAT'S A DIRECT IMPACT ON THE OPERATING BUDGET AND REDUCES OUR OPERATING BUDGET ACROSS THE ENTITY BY THAT AMOUNT OF MONEY. AND THAT IS EXACTLY -- THERE IS NOTHING BETTER FOR RAISING

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REVENUE THAN CUTTING PERMANENT EXPENSES THAT'S THE BEST WAY TO ATTACK A DEFICIT, ESPECIALLY A STRUCTURED ONE AND THIS IS THE MAIN COMPONENT OF IT. YOU CAN SEE THE ONES BEFORE, I ALWAYS GO BACK TO 2,000 BECAUSE I REMIND MYSELF IT WASN'T THAT LONG AGO THAT WE WERE NOT ONLY FUNDED WE WERE SUPERFUNDED NOBODY WHO WAS SUPERFUNDED WAS EVER GOING TO SEE A PENSION PAYMENT AGAIN. OF COURSE THAT DIDN'T LAST VERY LONG. THE RECESSION TOOK CARE OF THAT. YOU CAN SEE THE PENSION LIABILITY HAS GROWN. IT PEAKED AT 38 MILLION IN '19 WE STRUCTURED IT DOWN IN '20. WE HAVE KNOCKED OFF GOSH HOW MUCH $20 MILLION IN INTEREST LOWERED PAYMENTS BY 1.3 MILLION INTEND TO MAKE ADDITIONAL PAYMENTS IN '21 DEPENDING ON HOW MUCH WE STRUCTURE INTO THE LONG-TERM AMORTIZATION IT DOESN'T REFLECT SOMETHING WE DID LAST YEAR AND THIS GETS AGAIN TO FINANCIAL STABILITY FOR THE LONG-TERM WE SHOWED ON THE CHART BEFORE SUR SURPLUS IN OUR OLD BANK ACCOUNT AND MOVED THAT INTO A PENSION, 115 ACCOUNT IT WILL ACT THE SAME WAY EMPLOYEE BENEFITS RESERVE IN OUR RESTRICTIONS RESERVE ACT IT WILL ACT IN ADDITION. REMAINING 21 MILLION DOESN'T REFLECT THAT EITHER. AND I WILL CAUTION THERE IS NO WAY TO PRICK WHAT PERS IS GOING TO DO FROM A YEAR TO YEAR BASIS ON ACTUARIAL OR LIABILITY. I READ THE ACTUARIAL REPORT I HAVE THE SAME MODEL AND IT NEVER CEASES TO AMAZE ME HOW MUCH THEY NEVER CEASE TO AMAZE ME. THAT GETS THROUGH THE BASIC MEASURES OF OUR FINANCIAL MANAGEMENT. WE GET INTO THE NEXT PAGE, THE SORT OF REFLECTION OF THAT IS THAT MTC HAS HAD, FOR YEARS, A POLICY OF

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GETTING UP TO SIX MONTHS OF OPERATING REVENUE IN ALL OF OUR FUNDS. IN THE LAST COUPLE OF YEARS, AFTER 2008, WE WORKED ON THAT VERY HARD. BECAUSE THE 2008 RECESSION HIT US VERY HARD. AND SO AS YOU CAN SEE IT'S MTC, WE HAVE BUILT UP THE RESERVE FROM 49 -- IT'S ROUGHLY 49 MILLION NOW THAT'S 210 DAYS OF OPERATING CASH. BATA HAS A $1 BILLION DESIGNATED RESERVE 570 DAYS OF OPERATING CASH BATA BALANCE ACTUALLY 18 MONTHS AND SAFE $12 MILLION ROUGHLY EQUIVALENT 200 MILLION AGAIN COMING OUT OF THE RECESSION RESERVES HAVE REMAINED INTACT AND MAINTAIN THEIR DESIGNATIONS OF SIX MONTHS OPERATING REVENUE WHICH GIVES US A GOOD FEEL GOING INTO NEXT YEAR'S BUDGET. NOW TO THE MAIN EVENT. NOW THAT I HAVE TALKED THIS LONG AND EVERYBODY IS TRYING TO FIGURE OUT WHAT THE HECK I'M TALKING ABOUT, WE NOW GO TO THE MAIN EVENT WHICH IS THE '22 BUDGET. AND AGAIN, DON'T SEE ANY REAL THREATS FROM A REVENUE STANDPOINT TO ANY OF NEXT YEAR'S BUDGETS. BATA WE HAVE TO WATCH OUT FOR. BAIFA, 680 NEEDS TO RECOVER. BATA HAS SOME ISSUES WITH THE CAPITAL SIDE. MTC WILL NOT HAVE PROBLEMS NEXT YEAR, BECAUSE THEY HAVE ONE TIME IN GRANT REVENUES REMAINING THAT WILL PRETTY MUCH TAKE CARE OF THIS ISSUE PLUS THE REVENUE GROWTH I THINK WE'RE GOING TO GET, SHOULD KEEP MTC IN VERY GOOD SHAPE FOR 2022. SO SHALL WE GO TO THE BUDGET? STARTING WITH MTC, YOU CAN SEE THE FIRST THING YOU SHOULD SEE IS THE BOTTOM NUMBERS, THE BUDGETED DEFICIT FOR LAST YEAR. AND THE SMALL DEFICIT WE HAVE FOR THIS YEAR. IT'S ABOUT AN 80%

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REDUCTION IN THE ENDING DEFICIT. DON'T PAY ATTENTION TO THAT LAST NUMBER ON THE RIGHT, BECAUSE WE WILL -- I THINK, WE WILL HAVE THAT ALL BALANCED BY THE TIME WE COME BACK IT'S HARD TO DEAL WITH AT THIS STAGE WHEN WE HAVE GRANTS AND THINGS COMING IN FINAL DECISIONS ON CONTRACTS AND PERSONNEL HAVEN'T BEEN MADE YET WE HAVE WORK TO DO BUT THAT DEFICIT WILL BE GONE WHEN WE COME BACK IN JUNE. WE HAVE $3 MILLION INCREASE IN SALES TAX REVENUE FOR THIS YEAR. WE'RE GOING SEE A DROP IN TRANSFERS FOR PROJECTS, THAT'S NOT UNUSUAL FOR US. YOU GET MONEY IN FOR A PROJECT, YOU DO THE PROJECT UNTIL IT'S DONE, THE PROJECT IS DONE, THE REVENUE IS GONE, THE EXPENSE IS GONE AND THAT TENDS TO HAPPEN TRADES BETWEEN CONTRACT SIDES GOING DOWN AND TRANSFERS GOING DOWN. ON OUR OPERATING EXPENSES, ROUGHLY $85 MILLION SALARY AND BENEFITS AS YOU CAN SEE ROUGHLY ABOUT ON THE BEAM. WE THINK WE'RE SAILING INTO PRETTY GOOD WATERS ON THOSE THAT'S WHAT THE CONTRACT INCREASES WOULD BE BETWEEN THE MOU AND PERS. IN FACT A LITTLE BELOW THEM. WE'RE IN GOOD SHAPE THERE. GENERAL OPERATIONS PRETTY MUCH GOING ALONG, A FULL YEAR, GOING FROM THIS YEAR'S BUDGET TO A FULL OPERATING YEAR OF -- AGAIN, ANTICIPATING OCCUPYING THE BUILDING AND ALL THE OTHER COSTS THAT GO WITH IT. CONTRACT SERVICES DO TEND TO SWING YOU'LL GET ALL THE DETAIL AS WE GO INTO THE JUNE NUMBERS CONTRACT SERVICES SWING, OF COURSE, YOU SEE DROP IN OTHER REVENUE AND TRANSFER REVENUE WHICH ARE TRANSFER PROJECTS THOSE ARE IMPACTED BY CONTRACTS. AS YOU SEE TOTAL EXPENSES FOR THE

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YEAR WILL BE DOWN SEVEN%. THAT'S PROBABLY GOING TO CHANGE IN THE FINAL BECAUSE WE HAVE SOME GRANTS AND CONTRACTS THAT ARE GOING TO COME BACK IN. AGAIN, WORK STILL IN PROGRESS. STAFFING IS STILL UNDER REVIEW. WE DO HAVE ADDITIONAL GRANT REVENUE AND EXPENSES THAT WILL COME IN, AND OF COURSE, WE THINK THAT THE FINAL BUDGET WILL BE BALANCED. BUT BASICALLY, THIS IS MTC GOING INTO NEXT YEAR WITHOUT A RECESSION HANGING OVER US, WITH WHAT IS PROBABLY GOING TO BE A SMASH ECONOMY AT LEAST FROM A GENERAL ECONOMIC GROWTH STANDPOINT IN THE SENSE OF RETAIL SALES, LOCAL SALES AND LOCAL ECONOMY. THERE IS NOT MUCH TO HOLD IT BACK WHEN YOU HAVE 10 MILLION PEOPLE STILL WAITING TO GET BACK INTO THE EMPLOYMENT LINES, AND 8 MILLION OPEN JOBS. GOING TO THE NEXT ONE THAT'S MTC. THE NEXT PIECE IS JUST GRANTS. WE HAVE 291 MILLION ACTIVE NOW, WE'RE GOING TO ADD 20 MILLION NEXT YEAR, THE BREAK DOWN, BLUE RIBBON COMMITTEE, I-880, DUMBARTON FORWARD CLIMATE INITIATIVES AND THE FEDERAL DATA EXCHANGE. WHEN WE GET DONE WITH THE 290 CONTROL FOR COST FOR THIS YEAR, WE WILL HAVE A FISCAL YEAR '22 BALANCE OF A HUNDRED 9 MILLION INACTIVE OPEN GRANT GOING INTO 2023. WE WERE HARD PRESSED TO HAVE THIS AS PART OF OUR PRACTICE THIS HAS REALLY, REALLY GROWN. SWITCH OVER TO CLIPPER. ON THE OPERATING SIDE, NOT TOO MUCH TO PUT IN HERE. 30.9 MILLION GOING IN, YOU CAN SEE THE REVENUE SOURCES COMING IN CARES ACT BEING ABLE TO RELIEVE SOME STRESS ON US AND OTHER REVENUE SOURCES INTEREST RATES WILL BE SMALL INTEREST RATES

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ARE LOW OPERATORS WILL PAY 13 MILLION OF IT AND STAFF IS SMALL GOING TO OPERATIONS ROUGHLY ABOUT WHERE WE WOULD EXPECT TO BE GOING INTO NEXT YEAR. COSTS ARE DOWN A LITTLE BIT. OPERATING COSTS WILL BE DOWN A LITTLE AS YOU GO THROUGH THE SCHEDULES AND THAT IS BECAUSE TRANSPORTATION IN AND OF ITSELF IS DOWN A BIT. AND I DON'T -- IN OUR -- FROM WHERE WE SIT, IN OUR BUDGET, IT IS INCREDIBLY IMPOSSIBLE FOR US TO PREDICT WHAT THE TRANSIT CHANGES WILL BE FOR NEXT YEAR. SO, BASICALLY, THIS COMES IN AS OUR BEST GUESS. GO TO CLIPPER CAPITAL. CLIPPER ONE IS JUST ABOUT DONE WE'RE ADD 2 MILLION FOR ADDITIONAL CARTS. GO TO THE RIGHT SIDE CLIPPER TWO. 226 MILLION BUDGETED SO FAR. I'M SORRY -- 226 WILL BE THE BUDGET NEXT YEAR 206 RIGHT NOW ADDING 20 MILLION GOING INTO THE YEAR YOU SEE THE BREAK DOWN, CONSULTANTS 29 OF THAT 12 MILLION WILL COME OUT OF CON -- CONTINGENCIES REDUCED TO 7.5 MILLION STILL PRETTY SOLID CONTINGENCIES GOING INTO THE NEXT YEAR. PROJECTS ALL OVER THE A LOT OF FUNDING ALL OVER MTC WE'LL GO INTO DETAIL IN THE SCHEDULES AT THE MOMENT PROJECTS BEING 1.1 MILLION RICHMOND SAN RAFAEL BAY BRIDGE 5 MILLION DUMBARTON $7.2 MILLION, AND TOTAL $70 MILLION SUBSTANTIAL PROJECT MULTIPLE FUNDING SOURCES NOW GETTING INTO A REAL LIFE OF ITS OWN. THE MTC EXCHANGE FUND, THE SUBJECT OF SOME DISCUSSIONS BEFORE. THIS IS WHERE WE PUT MONEY THAT'S EXCHANGED WITH OPERATORS, THE BALANCE GOING INTO '21, WAS $26 MILLION, WE HAVE AGREEMENTS GOING OUT WITH TAM AND STA WITH MARIN AND SOLANO TO PAY US ROUGHLY $135

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MILLION. THAT WILL BRING THE BALANCE, PROJECTED BALANCE FOR '22 TO 166 MILLION. THOSE FUNDS ARE THEN, THEY SIT IN THIS ACCOUNT UNTIL THE BOARD REPROGRAMS THEM INTO OTHER REGIONAL PROJECTS. NEXT. BATA. I WOULD NOT SAY BATA IS OUR PROBLEM CHILD BUT I WOULD SAY BECAUSE THERE ARE NO PROBLEM CHILDREN WE ALL KNOW THERE IS NO SUCH THING AS A BAD CHILD -- UNTIL THEY'RE TEENAGERS. WE ARE LOOKING AT THIS AGAIN. BATA IS COMING OFF ITS WORST YEAR BEFORE 2008 TO 2012 WAS A GRADUAL DECLINE, THIS WAS VERY, VERY SHARP. AS YOU LOOK AT THOSE BOTTOM LINES, THE TOTAL BRIDGE TRAFFIC BY MONTH, YOU CAN SEE THE BIG DROP. AS WE WERE SITTING HERE LAST YEAR, WE HAD NO IDEA HOW THAT WAS GOING TO COME OUT. AS YOU LOOK AT IT GOING FORWARD, WE GOT TO A POINT GOING INTO SEPTEMBER, IS IT? OCTOBER, WHERE WE THOUGHT NOW, OKAY, WE'RE GOING TO HEAD BACK. OF COURSE THEN THE SECOND OR THIRD WAVE HIT WHICHEVER ONE IT WAS, AS YOU CAN SEE NOW, THE LAST TWO POINTS ON THE BAR DESPITE THE FACT THAT YEAR TO DATE TRAFFIC IS STILL IN THE 80 TO 85% RANGE THOSE LAST TWO BARS GET CLOSE TO OR CRACKING 90% ON A MONTHLY BASIS COMPARED TO THE FY '19 NUMBERS. NOW MOODY'S SUGGESTS THAT TRAFFIC WILL RECOVER IN 2022. WHERE OUR MODELS AREN'T QUITE THERE YET, WE ARE PREDICTING THAT WE WILL GET TO 95% 96 -- NEXT YEAR, AND WE FEEL THE DIRECTIONS OF TRAFFIC PARTICULARLY MARCH AND APRIL PARTICULARLY WHERE THE ECONOMIES ARE NOW I DON'T KNOW WHICH ZONE YELLOW OR WHATEVER IT IS THE ECONOMY IS REALLY OPENING UP AND THERE SHOULDN'T BE ANYTHING

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TO REALLY STOP THEM OVER THE NEXT YEAR THEREFORE, WE THINK THE TRAFFIC ON THE BRIDGE MIGHT STABILIZE AT 95%. OUR MODELING SHOWING RECOVERING BY 2025. ANYWAY. SO, WE HAVE A BUDGET SURPLUS GOING IN OF $90 MILLION BUT THAT DOES INCLUDE THE PREPAYMENT ON DEBT SERVICE FOR 2022 THAT WE'RE GOING MAKE THIS YEAR. OUR ESTIMATE IS WE'RE GOING TO GET TO 95% OF TRAFFIC AND GROW ABOUT 2% A YEAR UNTIL WE REACH FULL 100% BY 2019 BASICALLY STILL LOOKING AT 28% INCREASE IN TOLL TRAFFIC NEXT YEAR. IT'S AGGRESSIVE BUT WE THINK THAT ALL OF THE INFORMATION INDICATES THAT THAT'S THE RIGHT DIRECTION. WE THINK THAT IT IS A GOOD PLACE FOR US TO BE. IT'S NOT OVERLY AGGRESSIVE NOT UNDERLY AGGRESSIVE WE THINK IT'S THE RIGHT CALL RIGHT NOW. WELL AHEAD OF THE '19 TRAFFIC, THE LAST TWO MONTHS OF THE YEAR ARE GOING TO BE MUCH STRONGER THE LAST TWO MONTHS OF LAST YEAR AND THEREFORE WE THINK WE'RE GOING TO FINISH UP PRETTY WELL GOING INTO THE ENDS OF THIS YEAR. WE DO HAVE ISSUES GOING INTO NEXT YEAR, FIRST OF ALL CASH AND LIQUIDITY LEVELS, THEY'RE NOT JUST PROJECT DATES, WE HAVE -- WE'RE NOW IN -- AS YOU CAN SEE THE GRAY BARS, ARE WHAT WE INVOICE, OR AT LEAST THERE -- WE HAVE TO LOOK AT THEM AS IF WE'RE INVOICING THEM. SOME OF THIS WILL BE -- [INDISCERNIBLE] BUT BASICALLY MORE THAN HALF OF TRAFFIC INVOLVE SOME SORT OF AUTOMATED PROCESS INVOICES COLLECTIONS WE'RE STILL WORKING OUT SIGNIFICANT MODELING ON THAT BUT THE CASH INVOICE BACKLOG WHICH IS GOING TO HAPPEN IN JUNE TAKES A LOT OF HEAT OFF OF THE REVENUE STREAM THE BACKLOG

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REVENUE STREAMS SHOULD BE FINISHED BY JUNE THAT GIVES US A CLEAN SAILING LANE GOING INTO NEXT YEAR AND WE DON'T KNOW WHAT THE IMPACT OF THE INVOICING SYSTEM IN THE LONG-TERM IS GOING TO BE ON REVENUE COLLECTION. 30% OF ALL TRAFFIC IN 2019 CAME THROUGH THE GATE THEY LEFT ONLY THING YOU HAD TO DO IS COUNT IT AND SEND IT TO THE BANK NOW EVERYTHING HAS TO BE LOOKED AT INVOICED TAKEN OUT OF THE ACCOUNT, THERE IS A LOT THAT GOES INTO THAT. WE DON'T UPON WHAT THAT'S GOING TO DO ON OUR CASH FLOW MODEL. COULD BE NO DELAY COULD BE DELAYS AS MUCH AS 90 DAYS. IT'S CURRENTLY NOT 100% OF OUR CASH OF THAT COMPONENT OF OUR CASH BUT IT MIGHT BE 40 OR 50. AGAIN WE DON'T WANT HAVE A MODELLING FOR IT YET WE HAVEN'T COMPLETED THE OLD SYSTEM YET BUT GOING INTO NEXT YEAR WE THINK WE'LL BE AT LEAST IN GOOD SHAPE TO EVALUATE. GOING ON THE BUDGET SIDE COMING IN ON THE NEXT PAGE, AS YOU GO THROUGH YOU SEE TOLL REVENUE, TOTAL TOLL REVENUE WILL BE $932 MILLION INCLUDING ONE HALF OF REGIONAL MEASURE 31 YEAR OF REVENUE BUT THE NEW TOLL GOES INTO EFFECT ON JANUARY 2022 SO WE HAVE TO ACCOUNT FOR THAT. NEXT OFFSETTING TRANSFER WHERE THAT MONEY WILL BE SENT TO ITS ESCROW WHERE IT WILL BE HELD UNTIL IT'S EITHER RELEASED OR THE CASE IS ENDED. AS FAR AS THE REVENUE IS CONCERNED, YOU LOOK AT -- YOU WILL SEE THE JUMP OF 22% OF TOLL REVENUE THAT'S WHERE WE EXPECT GROWTH OF INTEREST EARNINGS, INTEREST RATES HAVE BEEN GOING UP BEYOND ZERO. WE SAW BEFORE. WITH ANY LUCK THEY'RE GOING TO BE STABILIZE AT A HIGHER RATE THAN ZERO. ON

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THE EXPENSE SIDE YOU CAN SEE CALTRANS OPERATIONS DROPPING THAT'S BECAUSE THAT'S THE END OF THE CASH COLLECTION ERA. THEN FASTRAK OPERATIONS GOING UP ALMOST DOLLAR FOR DOLLAR AGAIN AT THE BEGINNING OF AN ALL ELECTRONIC ERA, BATA, DEBT SERVICE JUST ABOUT THE SAME AS LAST YEAR BOTH YEARS REFLECTING PREPAYMENTS. IT'S A DEFENSIVE MOVE ON OUR PART IN SOME CASE WHERE I HAVE GUESSED REALLY WRONG. WE HAVE TO MAKE CERTAIN COVENANTS AND COVERAGES STARTING ON JUNE 30TH AND WE ONLY HAVE 30 DAYS TO MAKE THEM. THAT'S NOT A LOT OF TIME TO EVALUATE A MISTAKE GOING INTO THE BUDGET. AND THE BUDGET IS AN ESTIMATE GOING FORWARD. SO WE HAVE DECIDED THAT WE WILL ONCE AGAIN PREPAY THE DEBT SERVICE SO THE SERVICE CALCULATIONS GOING INTO THE NEXT YEAR -- WE WOULD MAKE IT WITHOUT IT BUT THIS WAY THERE WILL BE NO ISSUES ABOUT THE COVERAGE CALCULATIONS THEY WILL BE FAIRLY POSITIVE. RM2 TRANSIT ABOUT AT ITS CAP. TRANSFERS ROUGHLY THE SAME A LITTLE MORE GOING INTO RM2 THEN YOU HAVE TO REMEMBER TRANSFERS ARE A PERCENTAGE THE TRAFFIC AS TRAFFIC GOES UP 25% THOSE TRANSFERS WILL GO UP WITH THEM THAT'S THE GOOD SIDE OF IT AND OTHER EXPENSES ROUGHLY ABOUT THE SAME, ISSUANCE COST AND THINGS. BASICALLY GOING IN TOTAL EXPENSE UP 6% AS YOU CAN SEE THE BIG SUCCESS STORY GOING INTO NEXT YEAR WILL BE INSTEAD OF ALMOST NO BALANCE LAST YEAR AND HITTING OUR RESERVE FOR THE CAPITAL PROJECT SIDE, WE PROJECT A $90 MILLION BALANCE GOING INTO NEXT YEAR AND WE THINK OUR LONG RANGE PLAN SHOW THAT IMPROVING AS TRAFFIC IMPROVES. THAT TAKES

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US THROUGH BATA. ON THE CAPITAL SIDE WE'RE NOT GOING TO DISCUSS THE CAPITAL PROJECT. BATA YOU CAN SEE RELATIVELY THE BARS GOING ACROSS ARE THE TOTAL EXPENDITURES ON BATA NON-RM1, I MEAN, NON-SEISMIC, OTHER PROJECTS. THIS IS NOT SEISMIC. IT DOES INCLUDE RM2. IT DOES INCLUDE BRIDGE REHAB IT DOES INCLUDE THE 1171 IN THE CORE CAPACITY BUT YOU SEE WE HAVE A RELATIVELY LARGE CAPITAL PROGRAM AND THE EXPENDITURES THOSE ARE ALL PAY GO CAPITAL SO AS WE GOT DONE FINANCING THE BRIDGES WE HAD TO HAVE ENOUGH CAPITAL IN THE BAY OR AT LEAST EARN ENOUGH CAPITAL GOING FORWARD TO BE ABLE TO MEET ALL OF THOSE EXPENDITURES AND THE LINE GOING CROSS THE BOTTOM PORTION IS THE BRIDGE REHAB PROGRAM AND AS PROJECTS BEGIN TO FADE AWAY WILL BECOME MORE AND MORE IMPORTANT. IF YOU LOOK AT CAPITAL FUNDING FOR THE LAST FIVE YEARS JUST NORTH OF A BILLION DOLLARS. REHAB HAS BEEN 650,000 -- 650 MILLION OF THAT. SO, AND WE ARE EXCLUDING ALL THESE NUMBERS TO TRANSFER IN 300 FORGIVE MILLION FOR EXPRESS LANES. GOING FORWARD, WE STILL HAVE $650 MILLION IN CAPITAL PROJECTS TO FUND. WE'RE FUNDING THEM ON A PAY GO BASIS SO CASH AND CASH FLOW GOING FORWARD FOR ALL OF OUR PROJECT MANAGEMENT IS GOING TO BE RELATIVELY IMPORTANT AND SO WILL BE THE RECOVERY OF TRAFFIC. NEXT. A SNEAK-PEEK AT THE LONG RANGE PLAN FOR JUNE, '21 BUDGET FOR CAPITAL WAS $51 MILLION THAT WAS A SORT OF HOLD THE LINE BECAUSE WE HAD NO IDEA WHERE REVENUE WAS GOING TO COME OUT ESPECIALLY WHEN WE HAD A MONTH DROP OF 50%. ROSALYNN HAS OFFSETTING REVENUES THAT GO WITH

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THAT I BELIEVE THE NET DOWN TO 115 OR SOMETHING LIKE THAT WE'LL SEE THAT IN JUNE. THE TEN YEAR AVERAGE TOTAL $1.2 BILLION AVERAGE 121 MILLION THE BREAK DOWN ON THE RIGHT AND AGAIN THIS IS AS OF NOW I'M FAIRLY CERTAIN PETER, ROSALYNN AND ANDY ARE GOING TO BE MASSAGING THIS A BIT AS WE GO FORWARD IT MIGHT GO UP OR DOWN A LITTLE BIT IN MY EXPERIENCE I HAVE NEVER SEEN IT GO DOWN. THIS IS THE NEXT TEN YEARS BREAK DOWN CAPITAL OPS BRIDGE INTEGRITY, PAINT, PAINT, PAINT. I THINK PETER'S MIDDLE NAME SHOULD BE PAINT ELECTRONIC TOLLING CONVERSION LANES PROJECTS GOING ON. YOU WILL SEE MORE DETAIL. THE SUCCESS STORY, WE CAN RESTORE OUR MODELING ESTIMATE OF PLUS $100 MILLION IN ANNUAL CAPITAL EXPENDITURES OUR MODELS CAN HANDLE IT WE THINK WE HAVE THE CASH FLOW THAT CAN HANDLE IT AND WE'RE GLAD TO SEE THAT WAS JUST A ONE YEAR HIATUS. NEXT. ALMOST IN 20 YEARS, THERE IS ALMOST NOTHING TO TAKE ABOUT IN SAFE. IT'S ABOUT THE SAME YEAR IN AND YEAR OUT. REVENUE STREAM IS $21 MILLION, ALMOST A YEAR, PICKED UP SOME STATE FUNDS ON SB1. LAT, LOCAL ASSISTANCE PROGRAM, AND DMV, ALL OF THEM RELATIVELY STABLE. ON THE EXPENSE SIDE, WE SEE SALARIES GOING UP A BIT. WE HAVE REPOSITIONED A PERSON FROM ANOTHER FUND INTO THIS PUNT AND RECLASSIFIED IT A LITTLE BIT SO THAT'S ACCOUNTING FOR THAT CHANGE THERE. THE GENERAL AID FOR OPERATIONS COST ARE MAINLY IN COMMUNICATIONS CONSULTING COSTS ARE AGAIN IT RELATED AND COMMUNICATION RELATED. AND THEN THE OPERATIONS CONTRACT. SO THOSE ARE THE TOW CONTRACTS ARE DOWN JUST A LITTLE, ON THE

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EXPENSE SIDE OF IT THERE IS A SLIGHT DEFICIT BUDGETED INTO THIS FUND, THE BUDGET HAS $15 MILLION, I MEAN, $12 MILLION GIVE OR TAKE A BUCK OR TWO TO DEAL WITH IT IF WE DON'T GET THIS RESOLVED BY JUNE IT WILL BE THE ONLY FUND THAT HAS A DEFICIT BUT AGAIN WE'RE GOING TO WORK HARD TO TRY TO RESOLVE THIS BY JUNE. THE 34 MILLION IS AFTER DEPRECIATION SO THE OPERATING BUDGET IS SUBSTANTIALLY LOWER THAN THAT HOWEVER IT'S SOMETHING WE'LL LOOK AT BEFORE WE COME INTO THE FINAL. YOU WILL SEE TRANSFER OF SAFE CAPITAL. GO TO THE NEXT PAGE. PROJECTS GOING ON NOW, THERE WILL BE TWO NEW ONES ADDED, INCIDENT MANAGEMENT PROJECT. OUT IN THE LANES, AND I GUESS IT'S MEGA CAMERAS, AND CONNECTED BAY AREA -- OH THAT'S THE CAMERAS, ANYWAY INCIDENT MANAGEMENT EXPECTED BEHAVIOR AND INCIDENT MANAGEMENT GOING INTO THE NEXT YEAR BRINGING THE PROGRAM UP TO $9 MILLION IN CAPITAL PROGRAMMING. NEXT, THE BAY AREA INFRASTRUCTURE FINANCING AUTHORITY. THIS, AGAIN, COULD BE OUR SECOND PROBLEM CHILD. THE ENTERPRISE ITSELF, THE EXPRESS LANE ENTERPRISE ITSELF IS ACTUALLY IN FAIRLY DECENT SHAPE WHICH YOU WILL SEE IN A MOMENT. HOWEVER, 680 IS A BIT OF A PROBLEM. YOU CAN SEE THE TOP LINES, YOU CAN SEE TRAFFIC, THEN YOU CAN SEE IN THE MIDDLE OR SORT OF FAR RIGHT, WE STOPPED THEN WE STARTED RECOLLECTING TRAFFIC. WHEN WE STARTED -- WHEN WE WENT IN, THE TRAFFIC WAS SORT OF DROPPING GOING INTO THE PANDEMIC. AS YOU CAN SEE, THE EARLY YEAR WAS SLIGHTLY AVERAGE ABOVE WILL 400,000 TRIPS A MONTH IT DROPS

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PRECIPITOUSLY THE NEXT YEAR AND FALLS OFF AFTER THAT YOU CAN SEE IN THE POST PANDEMIC OPENING WE'RE NOT REALLY GETTING TO THAT RECOVERY LEVEL TALKING ABOUT NOT EVEN REALLY AVERAGING 200,000 TRIPS A MONTH, AND THAT IS HALF OF WHERE WE OPENED. A LOT OF REASONS FOR THIS. TRAFFIC, IN THAT CORRIDOR, HAS -- WAS REALLY AFFECTED. IT'S GROWTH MAY BE SLOWER THAN NORMAL TRAFFIC ON THE BRIDGES AND OTHER PLACES. WE DO THINK THAT WE WILL GET A REALLY TRUE TEST GOING IN, AND AS YOU CAN SEE, WHAT WE HAVE BEEN TALKING ABOUT THE BARS ON THE BOTTOM SHOW YOU WHAT HAS BEEN HAPPENING BY FISCAL YEAR, THE AVERAGE PER MONTH BY FISCAL YEAR AND YOU CAN SEE WE WERE ABOUT HALF WHERE WE WERE BEFORE AND HAVE BEEN DROPPING CONTINUOUSLY. HOWEVER WITH THE SCHOOLS CHANGING HOURS OTHER AND THINGS, 680 WAS A GOOD ENTERPRISE, WE OPENED IT CASH FLOW WAS POSITIVE IT DOES DESERVE TO GET A CHANCE TO GO BACK IN THE FALL WITH PEOPLE BACK TO SCHOOL AND SEE WHAT TRAFFIC WILL LOOK LIKE AND AGAIN IT'S NOT EASY TO BUDGET. WE HAD BUDGETED $2.8 MILLION DEFICIT IN '21 LOOKING AT $2.4 MILLION DEFICIT IN '22. 680 HAS BUILT UP A PRETTY DECENT RESERVE OF 15 MILLION. SO WE THINK THAT BUYS US ANOTHER YEAR OF MAKING -- YOU KNOW, SEEING HOW THE OPERATION GOES, IF THINGS DO NOT TURN AROUND, PROBABLY OVER THE NEXT EIGHT OR NINE MONTHS, WE PROBABLY HAVE TO MAKE DECISIONS, OR START LOOKING AT THE PROJECT ITSELF AND SEE IF IT'S WORTH KEEPING OPEN OR SEEING IF THERE IS SOMETHING ELSE WE SHOULD BE DOING OUT THERE TO GET THE TRAFFIC GOING AGAIN. NOT MUCH TO SAY

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ABOUT 880. WE DON'T HAVE MUCH DATA ON IT. IT'S RELATIVELY NEW EXCEPT IT OPENED UP TO AN AVERAGE OF 550 CARS OR TRIPS A MONTH. THAT'S SIX AND A HALF MILLION A YEAR. THAT'S GOING TO BE A VERY, VERY STRONG LANE UNLESS SOMETHING GOES WRONG WITH THAT IN THE FUTURE. BUT WE DO THINK THAT 880 IS GOING TO BE A VERY, VERY STRONG ENTERPRISE LANE. GOING INTO THE OPERATING BUDGET. AND ONE THING I DIDN'T MENTION, OF COURSE, IS 680 HAS A NEW EXTENSION OPENING UP GOING TO THE NORTH SIDE TOWARDS THE BENICIA BRIDGE. AND SO WE DON'T KNOW WHAT THE IMPACT OF ALL OF THAT IS GOING TO BE. SO NEXT YEAR COULD BE AN EXTREMELY POSITIVE YEAR FOR THAT BRIDGE AND ITS OPERATIONS. SO AS WE GO THROUGH, YOU CAN SEE THE REVENUE FROM '21. 680 WITH 6.4 MILLION LOOKING AT 4.7 MILLION GOING INTO NEXT YEAR HARD TO ESTIMATE REVENUE HERE BECAUSE IT'S NOT LINEAR IT'S NOT ONE CAR ONE THERE IT'S CONGESTION PRICING TIME OF DAY OTHER AND PRICING FACTORS GOING ON HARD TO PREDICT HERE. I-880 LOOKING AT AN ESTIMATE OF 19 MILLION. VIOLATION REVENUE UP, BECAUSE WE HAVE NOT ONLY 880 OPERATING NOW BUT WE ALSO ANTICIPATE THE NORTH BOUND SIDE OF 680 OPENING UP SOMETIME NEXT YEAR, OTHER REVENUE IN THE SAME AREA. ON THE EXPENSE SIDE, AGAIN, NOT MUCH TO SAY HERE, EXCEPT WE EXPECT THESE EXPENSES TO BE UP. BECAUSE WE EXPECT THE INCREASED OPERATING COST FOR BOTH 880 AND THE NORTH SIDE -- OR THE NORTH BOUND LANES OF 680. SO YOU SEE THE TOTAL EXPENSE WILL GO UP, AGAIN, 130% EXACTLY WHAT WE EXPECT. WE'LL HAVE A BETTER HANDLE PROBABLY -- A GOOD HANDLE

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GOING INTO NEXT YEAR BUT NOT MUCH BETWEEN NOW AND THEN BECAUSE WE'LL HAVE TO SEE HOW THINGS OPERATE BUT THE GOOD NEWS IS WE'LL GO FROM ENDING BALANCE DEFICIT OF 2.8 MILLION TO 2.1 AND ENDING BALANCE OF 5.6 MILLION GOING INTO '22 AND WHAT HAPPENS TO SURPLUSES ARE VERY SIMPLE WHEN THERE IS A SURPLUS LANES ARE RELATIVELY HIGHLY REGULATED SO THE SURPLUS GOES INTO AN OPERATING RESERVE WHICH IS BASICALLY ONE YEAR OF OPERATING REVENUE THEN IT GOES INTO -- THE REST -- ANOTHER PART GOES INTO A CAPITAL REPLACEMENT RESERVE ACCUMULATED DEPRECIATION EXPENSES SO WE CAN REPAIR AND REPLACE INFRASTRUCTURE AS WE GO ALONG IN WHAT IS A FULL ENTERPRISE NOT JUST ONE LANE BUT A FULL ENTERPRISE AS THEY EACH OPEN UP. WHAT REMAINS AFTER THOSE COMPONENTS IS THEN REDISTRIBUTED BACK TO THE ORIGINATING LANE WHERE IT IS USED IN THAT CORRIDOR ON PROJECTS, I THINK THEY'RE TRANSIT PROJECTS IN THOSE CORRIDORS. WE HAVEN'T GOTTEN THAT FAR YET BUT WE ARE SETTING UP THE RESERVE STRUCTURES THAT DESIGNATE SURPLUSES AFTER WE DO THAT. EXCUSE ME. LAST AND CERTAINLY NOT LEAST, BAHA. AGAIN, NOT MUCH TO TALK ABOUT HERE. THE ASSESSMENTS ARE PAID FOR BY THE OPERATORS. THEY WILL GO UP A LITTLE BIT. MOSTLY BECAUSE OF A FULL OPERATING YEAR, AS OPPOSED TO THIS YEAR, WE HAD SOME PRETTY DECENT PREDICTABLE SAVINGS IN SECURITY AND CLEANING AND OTHER THINGS. LEASE PAYMENTS ARE -- WE HAVEN'T HAD ANY -- WE HAVEN'T HAD ANY ABATEMENTS THIS YEAR, NONE REALLY LATE. WE DON'T SEE ANYTHING -- IF WE HAVE GOTTEN THROUGH THIS YEAR WE DON'T SEE ANY REAL

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PROBLEMS GOING INTO NEXT YEAR AND THE INCREASE IN LEASES IS ALREADY BUILT INTO THE CONTRACTS SO THAT'S EASILY PREDICTABLE AND OTHER REVENUES MAINLY PARKING RECOVERY AND UTILITY PAYMENTS AND THAT WILL GO DOWN A LITTLE BIT BUT THEY'RE BASED ON OPERATIONS. ON THE EXPENSE SIDE SALARIES AND BENEFITS ROUGHLY FLAT. IT LICENSES, THERE ARE COMPONENTS OF NEW AND REPLACED EQUIPMENT, DOWNSTAIRS, PLUS THE EXTENSION THAT'S GOING TO BE MOSTLY ONE SHOT REPAIRS AND REPLACEMENTS GOING INTO NEXT YEAR PROPERTY MANAGEMENT IS CONTRACTED AND ALSO A LITTLE BIT OF EXPANDED SERVICES LIKE WE TALKED ABOUT BEFORE THE PANDEMIC WHERE THERE WOULD BE SOME ADDITIONAL SECURITY IN THE FRONT AND SOME OTHER CONTROLS BUILT IN. BASICALLY, WE'LL COME UP WITH A BALANCE, 3.9 MILLION THIS YEAR, 3.4 MILLION NEXT YEAR. THE BALANCES GO, THEY'RE, YOU CAN SEE THE DESIGNATIONS FOR THOSE BALANCES. ON THE LEFT, ONE PART IS OPERATING RESERVE, AGAIN, THAT'S ONE YEAR OF REVENUE, A CAPITAL RESERVE FOR REPAIR AND REPLACEMENT WHICH WE INTEND TO FUND UP, BUT BASICALLY 1 MILLION A YEAR. AND THEN THE REST, WHATEVER REMAINS GOES BACK TO BATA AS REPAYMENT OF ITS ADVANCE. AND WITH THAT, THAT IS THE BUDGET SCHEDULE. LAST, AND YOU PRETTY MUCH KNOW THIS, TODAY IS TODAY, JUNE 9TH, YOU WILL GET THE COMMITTEES, WE WILL SEE THE DRAFT DETAIL BUDGETS JUNE 23RD FULL COMMISSION ACTION ON ALL OF THE BUDGETS INCLUDING BAIFA AND BAHA, AND WITH THAT, I KNOW I HAVE GONE THROUGH A LOT. IT'S ALMOST -- IT'S ALMOST A RELIEF TO PUT THIS BUDGET

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FORWARD AND SAY, NEXT YEAR, I HAVE A RELATIVE DEGREE OF CONFIDENCE THAT NEXT YEAR IS A BIT PREDICTABLE, AS OPPOSED TO WHEN I SAT HERE LAST YEAR AND JUST HAD NO IDEA. NO IDEA HOW THINGS WERE GOING TO GO. MR. PRESIDENT, I WOULD BE HAPPY TO ANSWER ANY QUESTIONS IF ANYONE WANTS TO OR I WOULD BE HAPPY TO JUST SHUT UP.

ALFREDO PEDROZA, CHAIR: ALL RIGHT. BRIAN THANK YOU FOR THE PRESENTATION. IS EVERYONE READY FOR THE POP QUIZ? [LAUGHTER] YOU COVERED A LOT OF INFORMATION, BRIAN, AND I'LL HAVE SOME QUESTIONS BUT I'LL GO TO OUR COMMISSIONERS FIRST AND THEN WE'LL ALSO HAVE TIME FOR MEMBERS OF THE PUBLIC. VICE CHAIR JOSEFOWITZ?

COM. NICK JOSEFOWITZ: THANK YOU. AND I CAN'T REMEMBER HOW WE NORMALLY DO THIS. BUT, DO WE NORMALLY GET A DRAFT BUDGET? WITH THIS PRESENTATION? BECAUSE I -- YOU KNOW, IT'S OBVIOUSLY GOOD GETTING A DECK, BUT.

BRIAN MAYHEW: WE HAVE -- NO. A FEW YEARS AGO WE DID SEND OUT THE DRAFT SCHEDULES AND THAT CREATED A LOT OF CONFUSION BETWEEN THE DRAFT SCHEDULE AND THE FINAL SCHEDULE THIS YEAR WE'RE GOING TO SUMMARIZE THE SCHEDULES AND YOU WILL SEE IT IN JUNE AND GET THE DRAFT SCHEDULES BEFORE THE JUNE MEETING.

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COM. NICK JOSEFOWITZ: MY MAIN QUESTIONS ARE ABOUT VIOLATIONS AND I APPRECIATE YOU, YOU KNOW, FINES AND FEES -- I APPRECIATE YOU KIND OF CALLING THAT OUT ON BAIFA, HOW MUCH REVENUE IS ACKNOWLEDGE FROM FINES AND FEES, I WOULD LIKE TO SEE THAT FOR BATA AS WELL. FROM MY PERSPECTIVE, WE WANT TO BE RAISING MONEY, YOU KNOW, AS MUCH AS POSSIBLE FOR PEOPLE PAYING THEIR TOLLS, NOT FOR PEOPLE PAYING FINES AND FEES AND THAT ANY MONEY WE'RE RAISING FROM FINES AND FEES IS A PROBLEM. AND THAT IT'S GOT TO BE FINES AND FEES TO SOME DEGREE BUT THAT'S NOT -- WE DON'T WANT TO BE BAKING THAT IN AS A CORE PART OF OUR FINANCIAL EXPECTATIONS. IS THAT SOMETHING THAT YOU COULD FOLLOW UP WITH BRIAN?

BRIAN MAYHEW: OH YOU WILL HAVE COMPLETE DETAIL IN THE FINAL. THE REVENUE IS BASICALLY THE FINES BUT THERE IS A COUPLE OF OTHER THINGS IN T BUT YES YOU WILL SEE IT IN THE FINAL AND YOU'RE EXACTLY RIGHT OUR FRIEND DENNIS MULLIGAN AND MY FRIEND ANDY WOULD SAY WE'RE NOT IN THE FINE COLLECTION BUSINESS WE'RE IN THE TOLL COLLECTION BUSINESS HOWEVER TO RUN AN ENTERPRISE, IT IS NECESSARY TO PROTECT THE GOOD GUYS FROM THE BAD GUYS. AND, BUT, WE DO NOT ADVERTISE OUR FINES. YEARS AGO, WE DID NOT EVEN INCLUDE THE FINES IN OUR COVERAGE TEST BECAUSE WE DIDN'T WANT THE IMAGE TO BE -- AND THIS HAD A LOT TO DO WITH PEOPLE BEING DOWNGRADED FOR BORROWING ON JUST THE FINES AND THEN NOT PRODUCING THEM. WE DIDN'T WANT ANYWHERE TO -- WE DIDN'T WANT

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IT TO SEEM LIKE OUR GOAL WAS TO REACH A CERTAIN LEVEL THAT WE HAD TO REACH. SO WE DIDN'T -- UP TO A FEW YEARS AGO, WE DIDN'T ACTUALLY BUDGET THE TOTAL NUMBER OF FINES THAT WE ACTUALLY THOUGHT WE WOULD GET, WE KEPT IT AT 10 MILLION FOR YEARS. BECAUSE WE DIDN'T WANT THAT TO BE EMPHASIS OF THE ENTERPRISE. WE WANTED THE TOLLS AND THE TOLL REVENUE TO BE THE EMPHASIS OF THE ENTERPRISE. BUT YES YOU WILL SEE COMPLETELY DELINEATED LINE ITEM ON THE SCHEDULES AND YOU WILL GET THEM AND NOT LONG FROM NOW.

COM. NICK JOSEFOWITZ: OKAY. YOU KNOW, I APPRECIATE THAT WE'RE A TOLL COLLECTION AGENCY AND NOT A FINE FEE COLLECTION AGENCY. BUT I DON'T THINK EVERYBODY WHO PAYS FINES AND FEES IS A BAD GUY. LIKE, PEOPLE MAKE MISTAKES, PEOPLE ARE STRUGGLING TO, YOU KNOW, TO, LIKE, PAY THE RENT, AND THEY STILL NEED TO GET TO WORK. AND SO I JUST DON'T THINK THAT WE SHOULD HAVE AN ATTITUDE THAT EVERYBODY THAT DOESN'T PAY THEIR TOLL IS A BAD GUY. I AM SURE THERE ARE PEOPLE WHO ARE TRYING TO SCREW US, AND -- BUT -- AND THAT LEADS ME TO MY NEXT QUESTION THAT ON BAIFA, IT SEEMS IF I HAVE UNDERSTOOD THIS CORRECTLY AND MY MATH IS NOT GREAT BUT MAYBE WE COULD GO TO THAT SLIDE THAT 16% OF THE BAIFA REVENUES ARE LIKE GENERATED BY VIOLATIONS?

BRIAN MAYHEW: THIS'S THE WAY IT PROJECTS RIGHT NOW.

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COM. NICK JOSEFOWITZ: THAT, TO ME, IS A PROBLEM. THAT 16% OF THE REVENUES COMES FROM VIOLATIONS. THAT FEELS LIKE WE'RE EITHER NOT EDUCATING PEOPLE WELL ENOUGH TO PAY THE TOLLS OR THAT WE ARE CHARGING VIOLATIONS THAT ARE WAY TOO HIGH. AND I THINK THAT IT'S UNSUSTAINABLE TO RUN SOMETHING WHERE SO MANY OF THE USERS ARE, LIKE, SORT OF DOING IT IN A WAY WHERE THEY'RE HAVING TO PAY A VIOLATION, FROM MY PERSPECTIVE. SO I WOULD REALLY LIKE US TO GO DEEPER INTO THAT, AND SORT OF CUT -- YOU KNOW, FIGURE OUT WHAT THE PROBLEM IS, WITH US GENERATING SO MANY VIOLATIONS ON THESE EXPRESS LANES.

BRIAN MAYHEW: AND I THINK ANDY HAS A PROGRAM FOR ALL OF THAT.

ALFREDO PEDROZA, CHAIR: OKAY. ALL RIGHT. THANK YOU VICE CHAIR JOSEFOWITZ. COMMISSIONER SPERING THEN COMMISSIONER PAPAN.

JAMES P. SPERING: THANK YOU, CHAIRMAN. BRIAN, THANK YOU FOR THE PRESENTATION. GOOD INFORMATION. A LOT OF INFORMATION. BUT I THINK MAYBE MY QUESTIONS ARE FOR THERESE. THERESE N THERE, YOU SHOW 5 MILLION FOR THE BLUE RIBBON, AND I THINK SIGNIFICANT RECOMMENDATIONS COMING OUT OF THE BLUE RIBBON ARE GOING TO BE INITIATIVES THAT ARE GOING TO TAKE A HECK OF A LOT MORE THAN $5 MILLION. HOW DO YOU SEE US FILLING THAT VOID TO WHERE WE CAN REALLY MOVE SOME OF THESE INITIATIVES? WE HAVE AN OPPORTUNITY. THE NEXT QUESTION IS, ON ANY OF THE FEDERAL

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ALLOCATIONS, CAN ANY OF THAT MONEY BE USED BY MTC TO HELP US REDUCE ANY OF OUR LIABILITY? SO THAT WOULD BE THE OTHER QUESTION. AND THEN THE LAST IS, YOU KNOW, WE HAVE AN OPPORTUNITY WITH THE WORK THAT SONOMA IS DOING AND SOLANO AND SOME OF THESE OTHER CONSOLIDATIONS AND WITH A MODEST INVESTMENT, WE REALLY CAN SEE SOME MOVEMENT IN REDUCING THE NUMBER OF TRANSIT OPERATORS AND REALLY MAKING IT A MUCH MORE EFFICIENT FEEDING INTO THE LARGER OPERATORS. IS THERE GOING TO BE CAPACITY TO DO THAT? SONOMA IS LOOKING FOR 750,000 AND SOLANO LESS THAN 500,000 BUT THESE ARE OPPORTUNITIES THAT WE'RE NOT GOING TO HAVE AGAIN FOR A LONG TIME. DO YOU SEE CAPACITY FOR THIS BUDGET AND SOME OF THOSE OTHER PROJECTS THAT FALL INTO THOSE CATEGORIES WITH SOME OF THE FEDERAL MONEY ARE WE GOING TO BE ABLE TO -- DO YOU THINK, ADVANCE SOME OF THESE PROGRAMS AND INITIATIVES?

THERESE MCMILLAN: BRIAN CAN CORRECT ME, BUT WE DO NOT HAVE, IN THIS BUDGET, AARP MONEY. BECAUSE THAT IS A DECISION THAT THE COMMISSION HAS YET TO MAKE.

JAMES P. SPERING: OKAY.

THERESE MCMILLAN: SO THAT IS -- YOU KNOW, AND TO YOUR POINT, COMMISSIONER, WITH THE BLUE RIBBON, AND WE HAVE BEEN RAISING THIS AS PART OF THE TASK FORCE, WE HAVE TO HAVE NEW REVENUE

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STREAMS IN ORDER TO SUPPORT A LOT OF THE NEW WORK. AND THAT'S A HUGE PART OF WHAT THE BUSINESS CASE IS GOING TO LOOK AT. YOU KNOW, ASSEMBLYMENBER CHU'S BILL NEEDS TO ADDRESS THAT FRONT AND CENTER. THERE ARE SOME THINGS THAT WE CAN DO WITH THE FEDERAL MONEY, AND AGAIN, THAT IS A SIGNIFICANT, WE'LL BE TALKING ABOUT IT TODAY, YOU KNOW, A SIGNIFICANT DECISION POINT GOING FORWARD, AND OF COURSE, OUR BUDGETS CAN BE AMENDED AS NEW REVENUE STREAMS ARE BROUGHT TO BEAR, THAT'S WHAT WE DID WITH THE REAP FUNDS AS YOU RECALL LAST YEAR.

JAMES P. SPERING: RIGHT.

THERESE MCMILLAN: SO THAT'S BASICALLY WHERE WE ARE. I'M NOT SURE WHEN YOU ASKED THE QUESTION, COMMISSIONER SPERING, ABOUT FEDERAL ALLOCATIONS, REDUCING OUR LIABILITIES? WHAT SPECIFICALLY.

JAMES P. SPERING: CAN WE DO ANYTHING TO TAKE MONEY OFF THE TOP TO HELP REDUCE A FEW THINGS LIABLE SIGNIFICANT MONEY FLEXIBLE FOR ANY INTERNAL OPERATIONS.

BRIAN MAYHEW: NOT THAT FLEXIBLE I DON'T KNOW ANY FEDERAL FUNDING SOURCE THAT WILL LET US TAKE IT AND GET REIMBURSED PAY DOWN THE PENSION LIABILITY FOR EXAMPLE, HOWEVER I WILL SAY A GOOD PORTION OF TRANSFERS ARE OVERHEAD TRANSFERS FROM GENERAL

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FUNDS AND ARE SIGNIFICANT CONTRIBUTOR TO MTC'S OPERATING REVENUE AND SIGNIFICANT CONTRIBUTOR TO OUR ABILITY TO MANAGE THIS LONG-TERM LIABILITY.

THERESE MCMILLAN: IT DEPENDS ON THE TYPE OF GRANT. THERE IS FEDERAL FHWA AND FTA GRANTS THAT ARE PLANNING FUNDS TO MTAS THAT'S AS SIGNIFICANT AS WHAT BRIAN WAS SAID, TO OUR BASIC WORK. WHAT WE CAN USE WITH OTHER FEDERAL FUNDS DEPENDS. BASICALLY, ON HOW, YOU KNOW, TRANSIT FORMULA FUNDS AND THE LIKE, CONGRESS HAS THE SAY. THERE COULD BE A LOT TO BEAR. IT DEPENDS.

JAMES P. SPERING: THE BASIC QUESTION WAS IF FEDERAL MONEY WE ALREADY HAVE SCHEDULED FREES UP WE COULD REDUCE THE LIABILITY. THAT'S WHAT I WAS REFERRING TO, THE COLOR OF THE MONEY AND CAN WE USE IT TO OUR ADVANTAGE. THAT'S WHAT HOPING STAFF WOULD BE LOOKING AT.

BRIAN MAYHEW: REMEMBER THE FEDERAL FUNDS ARE FOR STAFFING SALARIES BENEFITS AND BENEFITS INCLUDE BOTH FUNDED AND UNFUNDED LIABILITIES YOU HAVE ANNUAL PENSION LIABILITIES AND THAT SHARE OF UNFUNDED PENSION LIABILITIES AS WELL IN ADDITION THERE IS OVERHEAD. AFTER SALARIES AND BENEFITS ARE DONE THEN THERE'S 50% OVERHEAD ON THAT WHICH AGAIN IS A BIG CONTRIBUTOR TO MANAGING THE WHOLE OPERATION. IT DOES HELP BUT YOU CAN'T

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SPECIFICALLY TAKE A PLANNING GRANT AND RETIRE THIS LIABLE WITH IT.

JAMES P. SPERING: I THINK IN TERMS OF OPPORTUNITY FOR STAFF. THERESE IN REDUCING THE NUMBER OF OPERATORS AND THE WORK THAT SONOMA AND SOLANO COUNTY ARE DOING HOW DO YOU SEE THAT PLAYING OUT?

THERESE MCMILLAN: ONE THING, IF I REMEMBER THE SLIDE CORRECTLY, WHEN BRIAN HAD LISTED A SPECIFIC NUMBER OF NEW INITIATIVES, THAT WAS ON THE CAPITAL SIDE. WE HAVE NOT, AS HE WAS EXPLAINING, WE HAVE NOT SHOWN YOU THE FULL SCHEDULE WITH ALL OF THE DETAILS, PARTICULARLY FOR OPERATING RELATED CONSULT ANS AND WHAT NOT. SO WE ARE LOOKING AT, AGAIN, THAT'S PART OF THE REASON WHY THIS IS NOT THE FINAL -- WE ARE LOOKING AT ALL THE RANGES OF NEW EXPECTATIONS AND IN ADDITION CONTINUING CONSULTANT CONTRACTS GOING FORWARD. SO, YES, WHAT YOU HIGHLIGHTED IS PART OF THAT EVALUATION AND CAPACITY. AND QUESTIONS WOULD BE ATTACHED, LIKE, HOW MUCH OF THAT MIGHT BE TIED TO AARP, AND THAT TYPE OF THING. SO. THOSE ARE QUESTIONS BETWEEN NOW AND THE FINAL THAT WE WILL BE BRINGING FORWARD, AND WE'RE VERY MINDFUL OF WHAT SONOMA AND SOLANO ARE ASKING.

JAMES P. SPERING: THANK YOU THERESE. AND MR. CHAIRMAN, ONE LAST ISSUE WITH WHAT COMMISSIONER JOSEFOWITZ BROUGHT UP, I

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THINK WE HAVE TO AGENDAIZE THE ISSUE ON THE FINES THAT ISSUE SEEMS TO BE FLOATING AROUND HE KEEPS BRINGING IT UP AND I DON'T KNOW IF I FULLY AGREE WITH HIM WE'RE TRYING TO REDUCE THE FINE FOR PEOPLE OF LOW INCOME MAKE IT AFFORDABLE, THEN WE SHOULDN'T SAY WE'RE GOING TO MAKE IT AFFORDABLE AND YOU CAN BE LAWLESS. THERE HAS TO BE DISCUSSION ABOUT THAT AND IF YOU WANT TO TAKE NO FARE AT ALL, MAYBE THAT'S WHAT WE SHOULD BE CONSIDERING. BUT I REALLY THINK WE SHOULD HAVE A DISCUSSION ABOUT THIS AND DEVELOP A POLICY BECAUSE IT'S AN ISSUE THAT'S BEEN OUT THERE FOR A LONG TIME. THANK YOU MR. CHAIRMAN.

ALFREDO PEDROZA, CHAIR: THANK YOU JIM. I WAS GOING TO ECHO MY COMMENTS WHEN I ASKED MY QUESTION. I THINK IT'S A CONVERSATION WE NEED TO HAVE. I KNOW THERESE AND ANDY ARE HERE. AND AGAIN, WE NEED CONTEXT TO UNDERSTAND. IT'S NOT JUST A NUMBER WE CAN EXTRACT, HOW DOES IT RELATE TO THE OVERALL STRUCTURE AND HOW DO WE COMPARE TO OTHER TOLLING AUTHORITIES AS WELL. IT'S PERSPECTIVE. AGAIN, THAT'S SOMETHING WE'RE GOING TO BE TAKING A DEEPER DIVE ON AT A LATER TIME BUT I APPRECIATE YOU BRINGING IT UP AND ALSO VICE CHAIR JOSEFOWITZ. COMMISSIONER PAPAN?

GINA PAPAN: THANK YOU MR. CHAIR. ALONG THOSE SAME LINES BEFORE I GET INTO THAT, DO WE COLLECT DATA AS TO WHY SOMEBODY HAS A FINE OR VIOLATION? LIKE, THEY DIDN'T UNDERSTAND? ARE WE LEARNING FROM THIS TO EDUCATE THE PUBLIC MOVING FORWARD? SO I

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HOPE THAT THAT IS PART OF THE DISCUSSION WHEN WE DO GET THERE. AND I AGREE, THAT WE SHOULD HAVE THIS AS AN AGENDAIZED ITEM. IT'S SO NICE TO SEE BRIAN NOT COMPLETELY DEVASTATED AND DEPRESSED. SO THE NEW ONE, GREATLY APPRECIATED THANK YOU VERY MUCH FOR YOUR HARD WORK AND EFFORTS ON THIS. I WANT TO REITERATE WHAT COMMISSIONER SPERING SAID AS FAR AS THE BLUE RIBBON COMMISSION. I THINK IT'S VITAL TO OVERALL EFFICIENCIES, LONG-TERM SAVINGS, AND WE REALLY NEED TO KEEP THIS MOVING AHEAD. FUNDING WISE, I THINK WE ARE GOING TO HAVE SAVINGS IN THE END. SO I REALLY HOPE THAT WE CAN KEEP THIS MOVING ALONG. THANK YOU FOR ALL YOUR HARD WORK AND EFFORT. THIS WAS VERY EDUCATIONAL, AND WE HAVE, I THINK, ONCE IN A LIFETIME OPPORTUNITY TO MAKE THINGS RIGHT. AS A FINAL NOTE, I THINK WE NEED TO COMMUNICATE MORE WITH OUR CONGRESSIONAL REPRESENTATIVES HEADING IN THIS NEW DIRECTION AND HOPEFULLY A MORE PRODUCTIVE DIRECTION. SOME OF THE FUNDING THAT MAY COME IN THE FUTURE MAYBE THEY CAN ASSIST US IN THIS IN KEEPING THE BALL MOVING IN THE RIGHT DIRECTION AND ALSO OUR STATE REPRESENTATIVES ASSEMBLYMEMBER CHU.

ALFREDO PEDROZA, CHAIR: THANK YOU. BEFORE WE GO PUBLIC COMMENT, I SEE NO FURRING QUESTIONS FROM COMMISSIONERS. FIRST, THE MARKET CREATED THESE REVENUE STREAMS BUT THERE IS ALSO POTENTIAL THINGS WE DID IN TERMS OF INSTITUTING A HIRING FREEZE. THERESE I WANT TO THANK YOU FOR ACKNOWLEDGING THAT WE

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NEED TO TAKE SOME BOLD ACTION WHEN ALL OF THIS STARTED TO TRY TO LIMIT OUR EXPENDITURES WE DID THAT AND ARE REAPING THE BENEFITS OF IT NOW. ON THE QUESTIONS OF PERSONAL SAVINGS THAT'S SOMETHING THAT RESONATES WITH ME. YOU HAVE THIS RATE OF PERSONAL SPENDING SO PEOPLE AREN'T SPENDING AS MUCH DURING THE PANDEMIC BUT THE PERSONAL SAVINGS RATE IS PRETTY HIGH THIS'S GOOD NEWS BECAUSE IT'S A PENT UP DEMAND THAT'S GOING TO MATERIALIZE IN MORE CONSUMPTION YOU CAN TELL ME MORE ABOUT THAT? IF WE'RE IN A GOOD POSITION NOW I THINK THIS IS A GOOD PRECURSOR OF WHAT'S COMING UP.

BRIAN MAYHEW: WELL NOT TO GO TO DEEP DIVING INTO ECONOMIC THEORY ON SAVINGS, AND IT'S NOT AN INCREDIBLY GREAT MEASURE BECAUSE THERE ARE CERTAIN THINGS IT DOES NOT MEASURE LIKE SAVINGS ACCOUNTS 40 ONES DEFERRED ACCOUNTS THINGS LIKE THAT IT'S TRULY PASS BOOK SAVINGS AND THOSE KIND OF ACCOUNTS. YEAH IT DOES SEEM, IF YOU LOOK AT IT, YEAH, IT DOES SEEM TO INDICATE AN ENORMOUS LEVEL OF, I THINK, 375, SOME $400 BILLION IN PENT UP DEMAND. AND IF YOU LOOK AT RETAIL SALES, ALREADY, IN PRETTY GOOD SHAPE, AND DURABLE GOODS AND AUTO SALES HAVING GOOD QUARTERS, IT'S GOING TO BE INTERESTING TO SEE WHERE THAT PENT UP DEMAND GOES. THAT'S WHY I SAID EARLIER, I DON'T THINK WE HAVE SEEN THE TRUE VALUE OF INTERNET SALES YET. BECAUSE, RIGHT NOW, IT'S JUST COVERING A GOOD COMPONENT OF IT IS COVERING WHAT PEOPLE COULDN'T GO OUT TO MACY'S AND BUY, SO

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THEY WENT ONLINE TO WAYFAIR AND BOUGHT. HOWEVER, WHEN THEY CAN HAVE A CHOICE OF DOING BOTH, IT WILL BE VERY INTERESTING TO SEE -- AND YOU KNOW, I GO BACK TO MY LOCAL GOVERNMENT DAYS WHERE WE DESPERATELY FOUGHT WITH THE LEGISLATURE AND THE COURTS TO TRY TO DOCUMENT HOW MUCH MONEY WE WERE ACTUALLY LOSING. THROUGH INTERNET SALES, EVEN THOUGH I WAS IN A CITY THAT HAD PROBABLY 24, $25 MILLION IN LOCAL RETAIL SALES. WE WERE STILL DOCUMENTING HOW MUCH WAS GOING, YOU KNOW. AND THE CLASSIC EXAMPLE OF COURSE PEOPLE ACROSS THE STATE LINE TO GO TO ARIZONA AND BUY A CAR WITH ONE% SALES TAX ON IT AND OF COURSE OURS IN ORANGE COUNTY WAS LIKE EIGHT AND A HALF OR SOMETHING YEAH IT'S SOMETHING THAT I THINK WE HAVEN'T BEGUN TO SEE THE VALUE OF THAT MONEY ROLL OFF YET AND JUST AS I DON'T THINK YOU'RE GOING TO SEE, THE 10 MILLION NUMBER SITTING OUT THERE OF TOTAL UNEMPLOYED RIGHT NOW I THINK YOU WILL FIND 6 TO 7 MILLION ON SOME FORM OF PANDEMIC SUPPORT THAT'S COMING OUT OF A SUPPLEMENTAL PAYMENT FROM THE FEDERAL GOVERNMENT. THAT WILL RUN OUT IN SEPTEMBER. AS WE SAW THE ECONOMIC SORT OF BLIP IN JULY WHEN THE FIRST WAVE RAN OUT. I THINK IN SEPTEMBER YOU'RE GOING TO SEE THAT'S WHEN, THEN, YOU KNOW, THE ISSUES OF EMPLOYERS SAYING, YOU KNOW, I HAD 300 PEOPLE APPLY AND THREE SHOW UP FOR THE INTERVIEW. SO I THINK, YEAH, WE HAVE NOT ONLY AN INCREDIBLE BUILD-UP OF DEMAND, BUT I ALSO THINK WE HAVE AN ENTIRE WAVE OF EMPLOYEES WHO ARE SAVING MONEY RIGHT NOW, BUT THEY'RE GOING TO BE BACK IN THE MARKET VERY SOON. NOW THAT

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STILL PHASES THINGS AS WE GO THROUGH, 3 MILLION PEOPLE RETIRING EVERY YEAR AND THE ECONOMY ISN'T CAPABLE OF REPLACING THAT NUMBER. THERE IS A LOT OF TALK ABOUT A SCARCITY OF LABOR STARTING SEPTEMBER/OCTOBER BECAUSE AS I SAID THERE IS 8 MILLION JOBS OPEN RIGHT NOW AND THEY ONLY FILLED 600,000 LAST MONTH. A LOT OF PENT-UP DEMAND, A LOT OF PENT-UP ISSUES. I JUST DON'T KNOW WHERE IT IS BECAUSE MOST OF THE INDUSTRIES OF DURABLE ARE DOING WELL RIGHT NOW.

ALFREDO PEDROZA, CHAIR: YOU ANSWERED MY QUESTION ABOUT THE UNEMPLOYMENT AND RELATIONSHIP TO THE AID I THINK THAT'S DIRECTING IMPACTING SO AGAIN I APPRECIATE THAT. I SEE NO COMMISSIONERS HAVE ANY QUESTIONS. KIMBERLY DID WE RECEIVE ANY PUBLIC COMMENT ASSOCIATED WITH THIS ITEM?

CLERK OF THE BOARD: I HAVE RECEIVED NOTHING IN WRITING AND I DO HAVE A COUPLE OF MEMBERS WITH THEIR HANDS RAISED.

ALFREDO PEDROZA, CHAIR: LET'S GO AHEAD AND CALL.

CLERK OF THE BOARD: FIRST IS ROLAND LEBRUN PLEASE UNMUTE YOURSELF. YOU HAVE TWO MINUTES.

SPEAKER: THANK YOU COMMISSIONERS. LET ME START BY SAYING, IN CASE YOU DIDN'T KNOW THIS IS YOU HAVE THE VERY BEST CFO IN THE

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ENTIRE BAY AREA AND THAT'S A FACT, AND MAYBE YOU WANT TO TAKE IT AS A COMPLIMENT THAT'S FINE TOO. BUT WHAT I WANT TO FOCUS ON IS SOMETHING THAT BRIAN SAID AT THE 9:00, 55 MINUTES AND 46 SECONDS MARK. WHICH IS THAT THERE IS NOTHING BETTER FOR RAISING REVENUE THAN CUTTING PERMANENT EXPENSES. THAT IS THE BEST WAY TO ATTACK A DEFICIT, ESPECIALLY A STRUCTURAL ONE. AND WHERE AM I GOING WITH THIS? THIS IS PRETTY MUCH WHAT I HAVE BEEN TELLING CALTRAIN FOR MANY YEARS. BUT ME SAYING THIS, IT'S OBVIOUSLY OF NO CONSEQUENCE TO ANYBODY. I'M GOING TO PREFACE MY REMARKS ON THE CALTRAIN BUDGET BY QUOTING WHAT BRIAN SAID, AND HOPEFULLY THIS YEAR IT'S GOING TO MAKE A DIFFERENCE. THANK YOU BRIAN. I'M DONE. THANK YOU.

CLERK OF THE BOARD: THANK YOU. THE NEXT SPEAKER IS VEDA FLOREZ. PLEASE UNMUTE YOURSELF. YOU HAVE TWO MINUTES.

VEDA FLOREZ: GOOD MORNING. AND THANK YOU BRIAN FOR THAT REPORT IT WAS GREAT TO FOLLOW ALONG. I WANT TO GO BACK TO THE UNEMPLOYMENT RATE, THE SOLAR INDUSTRY IS ONE OF THE BEST INDUSTRIES, IN NINE MAJOR CATEGORIES MANY OF THE JOBS AVAILABLE ARE FOR THE LOW PAID PART-TIME PERSON. SO AS WE PROJECT THE UNEMPLOYMENT RATE INTO THE FUTURE, WE HAVE TO FACTOR THAT IN AND MANY OF OUR OLDER AMERICANS CANNOT FIND FULL-TIME JOBS WITHIN THEIR FORMER EMPLOYMENT AREA. SO I THINK IT'S IMPORTANT TO FACTOR IN THESE DETAILS AS WELL, AS OLDER

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AMERICANS ARE BEING FORCED INTO RETIREMENT BECAUSE OF THE CHANGING JOB MARKET, ESPECIALLY FROM COVID-19. THANK YOU VERY MUCH.

CLERK OF THE BOARD: THANK YOU. THE NEXT SPEAKER IS ALETA DUPREE. PLEASE UNMUTE YOURSELF. YOU HAVE TWO MINUTES.

SPEAKER: THANK YOU CHAIR AND MEMBERS OF THE COMMITTEE GOOD REPORT IT'S IMPORTANT TO START WITH A GOOD DAY. THESE ECONOMIC METRICS ARE MACRO IN NATURE. SAVINGS IS GOOD I HOPE PEOPLE WOULD USE THEIR SAVINGS TO PAY OFF THEIR CREDIT CARDS AND GET OUT OF DEBT. BUT UNFORTUNATELY THERE IS A SUBSET OF PEOPLE IN THIS PANDEMIC WHERE THEY'RE NOT ABLE TO SAVE, AND THEIR RESOURCES ARE BEING CONSUMED. AND THEY RUN OUT OF SAVINGS. AND THEY RISK GOING INTO DEBT. AND EVEN MORE SO, THE RISK OF EVICTION AND FORECLOSURE. SO WE HAVE TO REMEMBER THAT SUBSET OF PEOPLE, AS WELL, THAT IS PROFOUNDLY AFFECTED. CERTAINLY IN BUDGETING, AND I WOULD LIKE TO SEE US NOT BE USING FINES AND FEES AS A SUBSTANTIAL NUMBER. BECAUSE I WOULD LIKE PEOPLE TO BE BETTER, FAMILIARIZED AND ENGAGED WITH PROGRAMS LIKE FASTRAK AND CLIPPER, AND IT'S IMPORTANT TO HAVE A LITERACY ABOUT CASH FLOW AND TIMING. MANY WILL GET THE MONEY BUT IT'S A MATTER OF DISCONNECTION BETWEEN PAYCHECK RECEIVED AND BILLS GOING OUT IT'S A MUCH BIGGER CONVERSATION TO V SO WE REALLY JUST WANT TO GET THE MONEY THAT'S DUE US, AND NOT A PENNY MORE, NOT A PENNY

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LESS. SO THAT'S MY BASIC PHILOSOPHY HERE. SO I LOOK FORWARD TO THE BUDGETS AND THE DETAILS. THANK YOU.

CLERK OF THE BOARD: THANK YOU. THE NEXT SPEAKER IS JOTY DHALIWAL. PLEASE UNMUTE YOURSELF YOU HAVE TWO MINUTES.

SPEAKER: MY NAME IS JOTY D. I WORK WITH EAST BAY DSA IN APRIL THE FEDERAL JOBS REPORT STATED THAT 226,000 JOBS WERE ADDED EVEN THOUGH IT WAS FEDERALLY EXPECTED A MILLION BECAUSE THE FUNDS HAVE BEEN IN CIRCULATION FOR A FEW MONTHS NOW. THIS HAS BEEN RESULTING IN SLOWER ECONOMIC GROWTH, AND TO HAVE THIS ROSY PICTURE THAT I THINK YOU KIND OF ENDED THIS MEETING WITH, THAT ACTUALLY THERE IS MONEY OUT THERE, THAT THERE ARE JOBS IN THERE, THIS ACTUALLY ISN'T MAPPING OUT, LIKE, FEDERALLY. AND I THINK IT'S CONCERNING TO NOT FEEL LIKE WE ACTUALLY ARE POTENTIALLY ABOUT TO FACE AN ECONOMIC RECESSION AND WE SHOULD BE DOING EVERYTHING THAT WE CAN TO CREATE JOBS, TO USE THESE AARP FUNDS, TO CREATE JOBS, TO HAVE SERVICE RUNNING, AND TO SUPPORT THOSE WHO HAVE BEEN IMPACTED BY THE PANDEMIC. A LOT OF TRANSIT RELIANT PEOPLE -- I'M IN THE AC TRANSIT REGION, ARE LOW INCOME, AND WE HAVE BEEN SEEING CASH PAYMENTS HAVE ACTUALLY GONE UP WHICH IS ANOTHER INDICATOR OF PEOPLE HAVING LESS ACCESS TO FUNDS. AND ALSO TO SAY LIKE FOR EXAMPLE, THOSE WHO MIGHT BE EMPLOYED OR THOSE WHO HAVE HAD PAYMENT TO SUPPORT THEIR UNEMPLOYMENT THAT THIS IS MONEY BEING SAVED. IT'S

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EXPENSIVE LIVING IN THE BAY AREA, MAYBE PEOPLE ARE SAVING FUNDS BUT I ALSO THINK AS THE PREVIOUS CALLER POINTED OUT IT'S A CERTAIN SUBSET OF PEOPLE, AND A LOT OF OTHER FOLKS HAVE NOT BEEN HAVING THAT PRIVILEGE TO SAVE FUND OR HAVE ACCESS TO JOBS. SO, I WOULD ENCOURAGE MTC TO DO EVERYTHING THAT THEY CAN TO SUPPORT THE REGION IN RECOVERING. THIS IS BRINGING BACK SERVICE, THIS IS BRINGING BACK JOBS, AND NOT JUST BE LOOKING AT THESE FUNDS AS JUST SIFTING IN A SAVINGS ACCOUNT. BECAUSE THAT REALLY DOESN'T BENEFIT ANYONE. THANK YOU.

CLERK OF THE BOARD: THANK YOU. AND THE NEXT SPEAKER IS RANDI KINMAN. PLEASE UNMUTE YOURSELF.

RANDI KINMAN: THANK YOU. RANDI KINMAN FROM THE POLICY ADVISORY COUNCIL. I WANT TO BUNDLE UP A COUPLE OF COMMENTS HERE. WHEN WE CLASSIFY RECESSIONS AS MILD OR PROCESS RECOVERY RATE LOOKING AT THEM WITH A ROSY PICTURE IS NOT A TRUE READING BECAUSE ALL THE DATA SUPPORTS THE IDEA THAT PEOPLE IN LOW INCOME JOBS PEOPLE IN SERVICE SECTOR JOBS AND WOMEN ACROSS THE BOARD ARE NOT PARTAKING IN THE RECOVERY. THEY'RE STILL DOWN AT THOSE LOWER LEVELS AND OUR DISPARITIES ARE ACTUALLY GROWING WHICH MEANS WHEN WE LOOK AT THE SAVINGS NUMBER FOR INSTANCE THAT'S NOT REPRESENTED IN LOW INCOME. WHEN WE LOOK AT OUR EQUITY PROGRAMS, WE'RE GOING TO NEED TO KEEP THIS IN MIND WITH MTC'S EQUITY PROGRAMS SO THAT WE CAN CONTINUE TO ADJUST FOR

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THAT. I ALSO THINK THAT THAT HAS A BEARING ON THE TOLLS, THE PILOT PROGRAM FOR THE TOLL ROADS IS MAYBE A WAY OF GATHERING THE DATA THAT WE NEED AS TO WHO IS ACTUALLY VIOLATING AND WHO IS BEING FINED. BECAUSE MY EXPERIENCE IS, IT'S LANE JUMPERS. MY SECOND ISSUE IS THE INFRASTRUCTURE BUDGET FOR IT. CONSIDERING WE WERE MOST LIKELY GOING TO BE GOING AHEAD IN THE FUTURE WITH HYBRID MEETINGS, AND MULTIPLE MEETINGS BEING HELD AT THE SAME TIME, I AM HOPING TO SEE THAT THE IT BUDGET REFLECTS OUR ABILITY TO EXPAND AND HOLD SIMULTANEOUS MEETINGS WITH DIFFERENT AGENCIES THAT ARE PUBLIC. BECAUSE THERE HAS BEEN SOME JOCKEYING AND BUMPING AND THAT'S JUST GOING TO GET WORSE AS WE GO ALONG. THANK YOU.

CLERK OF THE BOARD: THANK YOU. NEXT SPEAKER IS ROBERT ALAN. PLEASE UNMUTE YOURSELF. YOU HAVE TWO MINUTES.

SPEAKER: THANK YOU. BOB ALAN WITH URBAN HABITAT. I WANT TO WEIGH IN ON A COUPLE OF THINGS, FIRST THAT WE BE VERY DELIBERATE AND THOUGHTFUL AND NOT TRYING TO HAVE THESE SYSTEMS OF FINES, ONE BEING A SIGNIFICANT REVENUE SOURCE, AND TWO, BE ANOTHER PUBLIC POLICY THAT HAS DISPROPORTIONATE IMPACTS ON PEOPLE. CITIES AROUND THE COUNTRY HAVE PRETTY AWFUL HISTORY IN CURRENT PRACTICE OF BALANCING BUDGETS AND BRINGING IN REVENUE THROUGH THESE KINDS OF MECHANISMS AND I THINK WE REALLY OUGHT TO BE CAUTIOUS AND THOUGHTFUL ABOUT THAT. AROUND ECONOMICS, I

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FIND IT AMAZING THAT AS A SIDE NOTE THAT WE DON'T KNOW -- OR I WOULD ARGUE THAT WE DON'T LOOK AT THE INDICATOR OF WHAT WE HAVE PEOPLE IN TERMS OF SAVINGS FROM THE PANDEMIC AND THE INDICATOR OF THE ECONOMY AND THERE HAS BEEN INCREDIBLY WEALTH RECORDED DURING THIS PANDEMIC OF THE TOP ONE% OF THE ECONOMY AND I DON'T THINK THAT'S ANY INDICATOR OF THE HEALTH. I FIND IT OBJECTIONABLE AND ODIOUS THAT PEOPLE ARE SITTING AROUND ON THE FEDERAL LEVEL ON EMPLOYMENT BENEFITS IF PEOPLE HAVE REEL DATA ON THAT, THE INFORMATION IS PRETTY ODIOUS. AND IF PEOPLE DON'T WANT TO TAKE A JOB TO RISK THEIR LIFE FOR COVID. WITH THE PRODUCTIVITY GROWTH IN THIS COUNTRY, THE WAGES WOULD BE SOMETHING LIKE $2,020 AN HOUR SO WE'RE GOING TO GO OUT ON A PAN AND TALK ABOUT HOW GREAT THE NEO CLASSICAL ECONOMICS HAVE BEEN PEOPLE DON'T WANT TO GO BACK TO THE WAGES THAT HAVE BEEN STAGNANT IN THE BAY AREA WHERE WE HAVE AN HOURGLASS ECONOMY AND PEOPLE DON'T WANT TO TOSS SALADS AND SERVE PEOPLE LIKE US FOR, YOU KNOW, MINIMUM WAGE. THANKS.

CLERK OF THE BOARD: THANK YOU. THE NEXT SPEAKER IS RICH HEDGES. YOU HAVE TWO MINUTES.

RICHARD HEDGES: THANK YOU FOR THE PRESENTATION. IT WAS VERY UNDERSTANDABLE. BUT I ALSO AGREED WITH MOST -- ALMOST ALL OF THE PUBLIC COMMENT, ESPECIALLY RANDY'S. AS A POOR GOOD I WAS VERY CAREFUL NOT TO GET MOVING VIOLATIONS OR PARKING TICKETS

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AND I HAVE CARRIED THAT INTO MY ADULTHOOD EVEN WHEN I HAVE A DECENT ITEM IT'S SUCH A WASTE AND RANDI IS RIGHT IT'S LANE JUMPERS NOT PEOPLE WITH LIMITED INCOMES I THINK MORE THAN ANYTHING WE NEED TO KNOW WHO IS COMMITTING THESE VIOLATIONS. THANKS FOR THE PRESENTATION THIS MORNING IT'S A BIT UPLIFTING BASED ON THE BUDGET AND ALSO VERY INFORMATIVE. THANK YOU.

CLERK OF THE BOARD: THANK YOU. LAST SPEAKER IS ADINA LEVIN. PLEASE UNMUTE YOURSELF. YOU HAVE TWO MINUTES.

ADINA LEVIN: GOOD MORNING COMMISSIONERS. ADINA LEVIN WITH FRIENDS OF CALTRAIN AND SEAMLESS BAY AREA. I WANTED TO AMPLIFY SOMETHING THAT A PREVIOUS SPEAKER HAD MENTIONED IN TERMS OF HAVING BUDGET AVAILABLE TO BE ABLE TO CONTINUE TO PROVIDE FOR ONLINE PUBLIC COMMENT VIA SYSTEMS SUCH AS ZOOM AND A TELEDIAL IN AFTER THE PANDEMIC IS OVER, AND WOULD ENCOURAGE THE MTC TO VERIFY THAT IT IS LEGAL TO DO SO, AND IF THERE IS ANY LEGAL QUESTION ABOUT WHETHER IT IS LEGAL TO DO SO, TO WORK IN THE CURRENT LEGISLATIVE TO DO THIS. THE ABILITY FOR PEOPLE TO BE ABLE TO CALL IN FROM ALL OVER THE REGION AND TO BE ABLE TO SEE THINGS LIKE A BUDGET UPDATE, COMMENT ON BUDGETS, COMMENT ON THE MANY VERY IMPORTANT POLICY DECISIONS THAT THE MTC MAKES, IS VERY IMPORTANT FOR RESIDENTS OF THE REGION AND MAINTAINING THIS WILL BE REALLY HELPFUL WHEN COVID IS OVER. THANK YOU VERY MUCH.

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CLERK OF THE BOARD: THANK YOU. NO ADDITIONAL SPEAKERS, MR. CHAIR, WITH THEIR HAND RAISED.

ALFREDO PEDROZA, CHAIR: THANK YOU KIMBERLY. AND THANK YOU TO THE PUBLIC FOR PARTICIPATING. SEEING NO OTHER COMMISSIONERS. AGAIN, I WANT TO THANK THE COMMISSIONERS FOR ASKING SOME VERY THOUGHTFUL QUESTIONS. AND WE'RE GOING ON TO TAKE A DEEPER DIVE TO UNDERSTAND THE PERSPECTIVE AND CONTEXT AND I WANT NO ONE TO LEAVE WITH THE IMPRESSION THAT WE HAVE POLICIES THAT DRIVE -- [INDISCERNIBLE] UP BUT WE HAVE POLICY IN PLACE THAT DRIVE AROUND VIOLATIONS. COMMISSIONER WORTH DO YOU HAVE ANY FINAL WORDS?

AMY R. WORTH: NO JUST GETTING READY FOR THE NEXT MEETING.

ALFREDO PEDROZA, CHAIR: THIS WAS AN INFORMATIONAL ITEM BRIAN AND THERESE THANK YOU. NEXT ITEM PUBLIC COMMENT I'LL ASK FOR NAMES AND ORGANIZATIONS OF ANY GENERAL PUBLIC COMMENT RECEIVED AT INFO@BAYAREAMETRO.GOV BY 5:00 P.M.

CLERK OF THE BOARD: THERE ARE NO MEMBERS OF THE PUBLIC WITH THEIR HAND RAISED, AND THERE WAS NO PUBLIC COMMENT SUBMITTED ON THIS ITEM.

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ALFREDO PEDROZA, CHAIR: NEXT ITEM ADJOURNMENT TO OUR NEXT BUDGET STUDY SESSION TO A TILE THAT WILL BE DULY NOTED. THANK YOU EVERYONE. WE ADJOURN. [ADJOURNED]

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