

June 8, 2022

**Bay Area Toll Authority (BATA)
FY 2022-23
Operating and Capital Budget**

BATA Resolution no. 154

BATA is still recovering from the drop in paid toll traffic caused by the COVID pandemic

The events surrounding the pandemic are still not completely settled

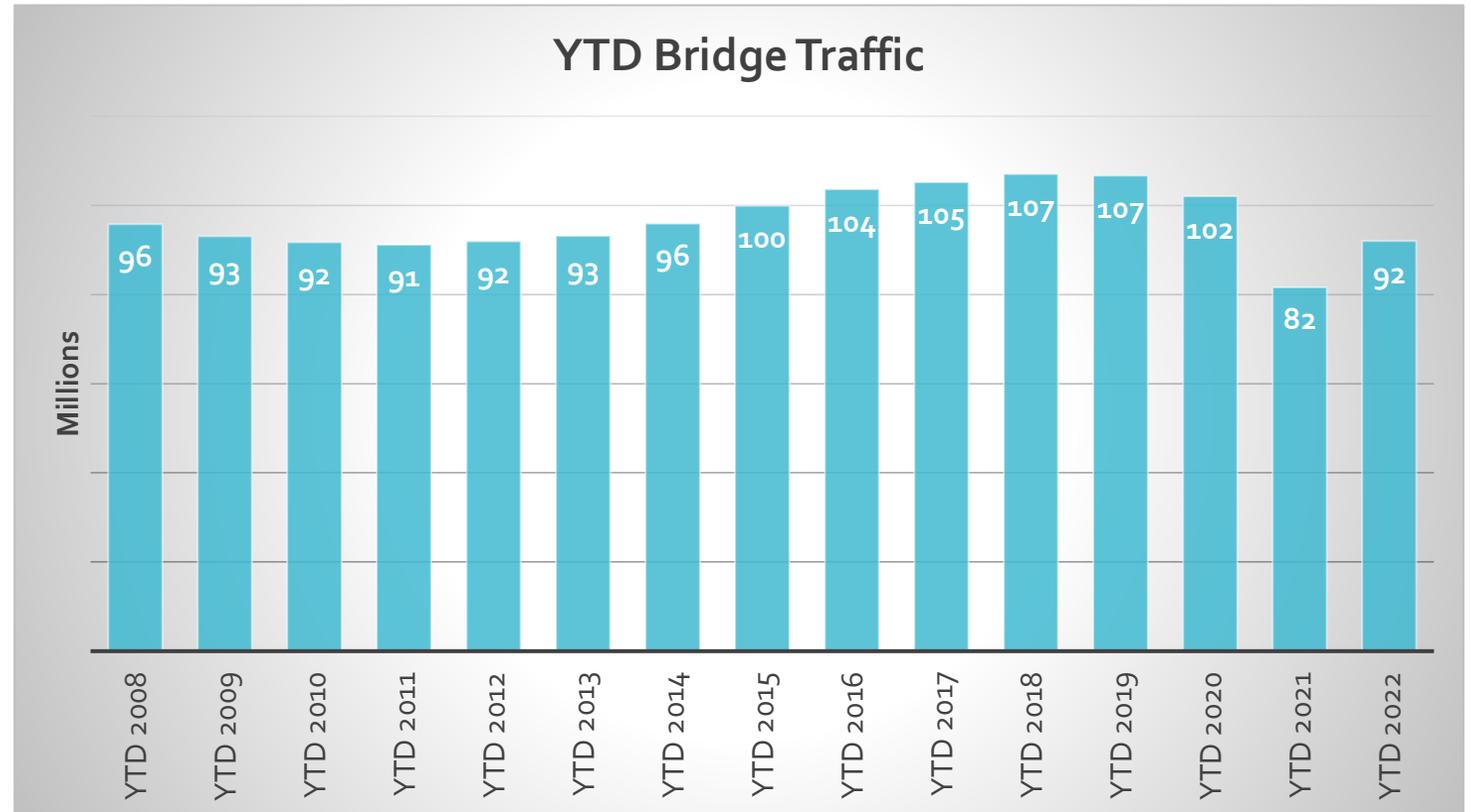
- Termination of all cash collection
- Suspension of toll violations
- Initiated cash invoice process
 - Mailed out over 19 million invoices
 - Mailed out over 7 million reminders
 - Millions of transactions not yet paid
- Cash collection savings are less than revenue “leakage” including uncollected tolls

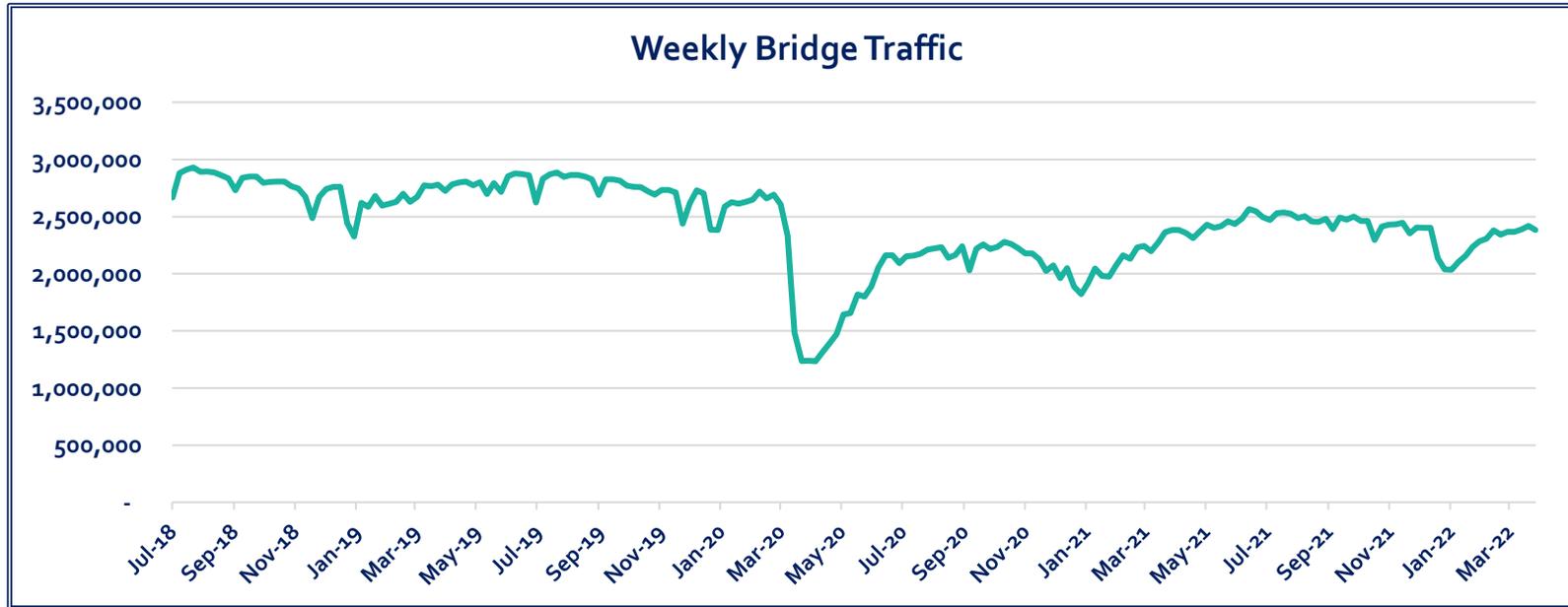
Traffic impacted operations and cashflow

Reduced traffic and added operating expense have combined to cost BATA over \$600 million since the start of the pandemic

BATA FY 2023 Operating Budget

- FY 2023 Budgeted surplus is approximately \$13.7 million
- FY 2023 Budget estimate of 90% of FY 2019 paid traffic
 - Estimated at 124 million
 - 13% increase in toll revenue from recent trends
- Bridge traffic still well below FY 2019 levels
 - January and February were weak, potentially tied to Omicron surge
 - March and April compare with first six-month average
- Operating questions:
 - Cash/liquidity levels
 - Completion of "cash" invoicing backlog
 - Continued impact of AET invoicing system on revenue collection





Bridge Traffic is increasing

FY22 numbers are better than equivalent periods in FY21

Return-to-Office is a major driver, as are more general economic trends

Budget built on 90% recovery for FY 2023

FY 2023 Budget Assumptions

General Budget assumptions

- 83.75 full time BATA staff
 - Increased for FasTrak and increased operational support
- 4.2% contracted salary increase
- Other increases in SFOBB maintenance, FasTrak, and liability reserve

Revenue

- Traffic up 9.3% from projected FY2021-22
- Projected RM1/RM2 toll revenue of \$660 million
- RM3 revenue recorded and deposited to escrow

Capital funding

- Funded solely by bond proceeds in FY2023
- FY 2023 proposal \$157M

Reserve

- Maintain \$1.06B liquidity reserve

Continuing concerns

- Stability of back office and billing system
- Cash flow related to billing system
- Cash flow needs of current and future pay-go capital
- Economic considerations
- Return to Office

BATA FY 2022-23 Operating Budget

- Total proposed operating revenue is \$780* million –
 - Total budgeted revenue \$1,014 million including \$234 million RM3 revenue and BABs subsidy
 - Debt service includes \$70 million prepayment of FY 2022 principal and \$38 million prepayment of FY 2023 debt service
 - Other expense includes certain one-time expenses including the costs associated with DMV holds in FY 2023 related to past due invoices and Caltrans reimbursement for certain 2020 toll collection operations
 - FY 2023 Operating Balance is shown net of one-time expenses

* Excluding RM3 revenue and deposit to escrow

	FY 2022 (millions)	FY 2023 (millions)	Change
Revenue			
Toll*	\$625	\$660	6%
Interest	25	8	-69%
Other	101	112	11%
Total Revenue	751	780	4%
Expense			
Caltrans Op	7	9	33%
Fastrak Ops	79	85	7%
BATA Direct Costs	40	35	-11%
Debt Service *	458	527	15%
RM2 Transit	44	45	1%
Transfers	28	32	14%
Other*	65	33	-50%
Total Operating Expense *	\$721	\$766	6%
Op Balance (deficit)	\$30	\$14	

BATA FY 2023 Rehab Program Budget

Proposed capital budget for FY 2023

FY 2021 budget	\$ 51 million
FY 2022 budget	\$137 million
FY 2023 budget	\$157 million
10-year total	\$1,211 million

(FY22-FY31)

Increased FY 2023 effort for acceleration of \$52 million SFOBB West Span structural steel painting to manage project cost escalation

Anticipate returning to Commission for update of ten-year rehabilitation needs as more information is available from asset management efforts

	FY22-31 (Thousands)	FY23 (Thousands)
Capital Operations	\$347,547	\$33,428
Bridge Integrity	270,400	27,250
Paint	300,576	53,500
ETC	261,454	28,121
Other	31,892	15,175
Total	\$1,211,212	\$157,474

BATA has a current capital program balance of \$604M*

RM2	\$ 55 million
Bridge Rehab	\$365 million
1171 (RM1)	\$ 72 million
Core Capacity Challenge Program	\$112 million
excluding \$345 million ELN	

* as of February 2022

**FY 2023 BATA
Capital Programs**

BATA expects to maintain the \$1 Billion operating / liquidity reserve structure for FY 2023

Fund	Reserve (2022)	Budget (2023)	Days Cash
BATA	\$1.0 billion	\$1.0 billion	382

Resolution 154

BATA Resolution no. 154 sets parameters for administration of the BATA FY 2023 Budget, including

- No increase to overall budget without board approval
- Approval of contracts and services delegated to Oversight Committee
- Authority to close projects to contingency account and reallocate funding to other projects, within the adopted budget
- Authority to carry over and re-budget all remaining contract, grant and encumbrance balances
- Authorizes the \$1B reserve within authorized purpose designations (Attachment G)
- Authority to utilize available reserves to retire any unfunded pension and OBEP liability within the authority of S&H Code Section 30959
- Designates all RM3 revenue received to be deposited into the restricted RM3 escrow trust account with no release of any RM3 funds without prior approval of the Authority
- Authorizes transfer of \$4 million to restricted liability reserve with a \$3 million contract limit without further approval of the Authority