

Bay Area Infrastructure Financing Authority (BAIFA)

September 28, 2022

Agenda Item 3c - 22-0240

FY 2021-22 BAIFA Fourth Quarter Financial Statements (Unaudited)

Subject:

FY 2021-22 Bay Area Infrastructure Financing Authority (BAIFA) fourth quarter financial statements (unaudited).

Background:

BAIFA manages the operations of the Metropolitan Transportation Commission (MTC) Express Lanes on Interstate 680 (I-680) and Interstate 880 (I-880). BAIFA collects tolls through FasTrak[®], which is the cash-free system for payments. BAIFA also manages the tolling system for the San Mateo 101 Express Lanes.

The unaudited financial statements of BAIFA for the period ended June 30, 2022 resulted in total revenue of \$61.3 million or 134% of the budget and total expenses before transfers of \$18.4 million or 69% of the budget. The revenues generated were \$52.4 million from tolls, \$7.8 million from violations, and \$1.0 million from other revenues. Both the I-680 and I-880 toll revenues exceeded the full FY 2021-22 budget at 145% and 141% of the budget, respectively. The FY 2021-22 budget was conservatively estimated during the onset of the pandemic. Revenue projections for express lanes toll revenues were amended in December based on average of actual tolls before the first half of the year. The year-end results still exceeded the revised projections as average actual tolls increased during the rest of the fiscal year.

There was a transfer from the operating reserve of \$4.9 million to fund the new BAIFA Rehabilitation Capital program for \$2.5 million and the BAIFA Capital program for \$2.4 million.

The estimated actual operating surplus was \$38 million resulting from the favorably high toll revenue collection. The surplus has yet to be transferred to the reserve for future operations, maintenance, toll system replacement and repairs. This operating result is preliminary and subject to adjustment per the year-end close.

I-680 Operating:

Total revenue generated for the I-680 Express Lanes was \$14.5 million, or 145% of the budget. The budgeted revenue was amended from \$8.5 million to \$11 million in March 2022. Total expenses were \$7.5 million, at 83% of the budget. The operating surplus, before transfers and depreciation, was \$7 million. A transfer from the operating reserve was made to the rehabilitation capital and capital development programs to fund the budgeted expenses of \$4.9 million. The resulting operating surplus was \$2 million versus the estimated operating shortfall of \$9 million per the budget.

I-880 Operating:

The I-880 total revenue was \$46.2 million, at 141% of the budget. The I-880 express lanes were opened in October 2020 and the conservative budget was submitted in June 2021. Total revenue was amended from \$19 million to \$30 million after the first half of the year as a result of highly favorable actual toll collections. Total expenses were \$10.3 million or 69% of the budget. The operating surplus was \$35.9 million with no transfers and depreciation versus budgeted operating surplus of \$12.9 million which was planned to be transferred to the reserve for use in operations, maintenance, toll system replacement and repairs.

Both the I-680 and I-880 express lanes expenses incurred lower actual expenses than budgeted because of significant savings from unused contingency expenses for roadway maintenance, backhaul operations and maintenance and other operating expenses that did not occur. There were also cost efficiencies realized by the tolling system after deployment of improved Optical Character Recognition (OCR) software, which improved the image read accuracy and therefore resulted in lower number of images requiring manual image review.

San Mateo (SM) 101 Operating:

The SM 101 express lanes opened in February 2022 versus the initial plan to open in October 2021. BAIFA has a cooperative agreement with the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA) for BAIFA to manage the tolling system and SMCELJPA to reimburse the associated operating expenses. Due to the delay in opening of the express lanes, the actual reimbursement and expenses were only \$642 thousand or 22% of the estimate.

Capital Programs:

The approved life-to-date (LTD) budget is \$446 million for the Capital Program and \$2.5 million for the Capital Rehabilitation Program. The remaining budget balance for the Capital Program at year-end was \$65.2 million with no spending yet for the Capital Rehabilitation program. No projects are over budget on a life-to-date basis.

Actions under Executive Director Contract signature authority:

Per Executive Director's Management Memorandum (EDMM) 352 the Executive Director is authorized to approve and execute contracts or amendments up to \$200,000 cumulatively (or as amended by Agency resolution). Please refer to page 9 for relevant action in the fourth quarter of FY 2021-22.

Recommendations:

None. This item provided as information only.

Attachments:

- Attachment A – FY 2021- 22 Fourth Quarter BAIFA Financial Statements (unaudited)



Therese W. McMillan

**BAIFA Operating Budget
As of June 2022 (Unaudited)**

	FY 2021-22 Budget	Actual YTD	Current Budget Balance Over/(Under)	% of Budget (YTD/Bud)	Year Expired
Revenue:					
General Toll Revenue	38,500,000	52,398,523	13,898,522	136.1%	100.0%
Violation Revenue	4,056,864	7,854,956	3,798,091	193.6%	100.0%
Interest and Other Revenue	3,196,682	1,035,761	(2,160,921)	32.4%	100.0%
Total Revenue	45,753,547	61,289,239	15,535,692	134.0%	100.0%
Expense:					
FasTrak Operations and Maintenance	7,719,040	6,230,457	(1,488,583)	80.7%	100.0%
Express Lanes & Backhaul Operations and Maintenance	12,647,138	8,442,914	(4,204,223)	66.8%	100.0%
Express Lanes Administration	3,617,221	3,120,825	(496,396)	86.3%	100.0%
San Mateo 101 Tolling Operations Services	2,891,682	641,764	(2,249,918)	22.2%	100.0%
Total Expense	26,875,081	18,435,960	(8,439,121)	68.6%	100.0%
Operating Surplus (Shortfall) before Transfers & Depreciation	18,878,467	42,853,280	23,974,813	227.0%	100.0%
Transfer & Depreciation					
Transfer (from)/to Reserve	3,883,468	0	(3,883,468)	0.0%	100.0%
* Transfer(from)/to Capital	4,895,000	4,895,000	-	100.0%	100.0%
Depreciation	10,100,000	0	(10,100,000)	0.0%	100.0%
Total Transfer In (out) & Depreciation	18,878,468	4,895,000	(13,983,468)	25.9%	100.0%
Operating Surplus (Shortfall)	0	37,958,280			

* FY 2021-22 actual transfer from reserve to Capital per Resolution 0022.

**BAIFA Operating Budget - 680 Express Lanes
As of June 2022 (Unaudited)**

	FY 2021-22 Budget	Actual YTD	Current Budget Balance Over/(Under)	% of Budget (YTD/Bud)	Year Expired
Revenue:					
General Toll Revenue	8,500,000	11,247,382	2,747,382	132.3%	100.0%
Violation Revenue	1,183,820	2,811,177	1,627,357	237.5%	100.0%
Interest Revenue and Other Revenue	305,000	393,997	88,997	129.2%	100.0%
Total Revenue	9,988,820	14,452,557	4,463,737	144.7%	100.0%
Expense:					
FasTrak Operations and Maintenance					
RCSC Operations	1,576,332	1,426,768	(149,564)	90.5%	100.0%
Banking/Credit Card Fees	500,000	342,508	(157,492)	68.5%	100.0%
BATA Financial Services	124,615	103,845	(20,770)	83.3%	100.0%
Collections/DMV Expenses	100,000	51,651	(48,349)	51.7%	100.0%
FasTrak O&M Subtotal	2,300,947	1,924,772	(376,175)	83.7%	100.0%
Express Lanes & Backhaul Operations and Maintenance					
Operating Center	649,316	602,008	(47,308)	92.7%	100.0%
California Highway Patrol Enforcement	26,085	362,669	336,584	1390.3%	100.0%
Roadway Maintenance	1,225,000	337,309	(887,691)	27.5%	100.0%
Toll System Operations & Maintenance	2,976,781	2,372,642	(604,139)	79.7%	100.0%
Utility Service	80,000	67,557	(12,443)	84.4%	100.0%
Backhaul Operations and Maintenance	104,502	80,370	(24,132)	76.9%	100.0%
Express Lanes and Backhaul O&M Subtotal	5,061,684	3,822,556	(1,214,996)	75.5%	100.0%
Express Lanes Administration					
Salaries, Benefits & Overhead	1,424,856	1,507,172	82,316	105.8%	100.0%
Professional/Consultant Service	139,531	116,387	(23,144)	83.4%	100.0%
Audit/Accounting	51,000	91,515	40,515	179.4%	100.0%
Insurance	7,000	11,210	4,210	160.1%	100.0%
Other	51,500	16,789	(34,711)	32.6%	100.0%
Express Lanes Admin Subtotal	1,673,887	1,743,073	69,186	104.1%	100.0%
Total Expense	9,036,518	7,490,400	(1,546,117)	82.9%	100.0%
Operating Surplus (Shortfall) before Transfers & Depreciation	952,302	6,962,156	6,009,854	731.1%	100.0%
Transfer & Depreciation					
Transfer (from)/to Reserve	(9,042,695)	0	9,042,695	0.0%	100.0%
Transfer(from)/to Capital	4,895,000	4,895,000	0	100.0%	100.0%
Depreciation	5,100,000	0	(5,100,000)	0.0%	100.0%
Total Transfer In (out) & Depreciation	952,305	4,895,000	3,942,695	514.0%	100.0%
Operating Surplus (Shortfall)	0	2,067,156			

* FY 2021-22 actual transfer from reserve to Capital per Resolution 0022.

BAIFA Operating Budget - 880 Express Lanes
As of June 2022 (Unaudited)

	FY 2021-22 Budget	Actual YTD	Current Budget Balance Over/(Under)	% of Budget (YTD/Bud)	Year Expired
Revenue:					
General Toll Revenue	30,000,000	41,151,141	11,151,140	137.2%	100.0%
Violation Revenue	2,873,044	5,043,778	2,170,734	175.6%	100.0%
Total Revenue	32,873,045	46,194,919	13,321,874	140.5%	100.0%
Expense:					
FasTrak Operations and Maintenance					
RCSC Operations	3,757,708	3,237,450	(520,258)	86.2%	100.0%
Banking/Credit Card Fees	1,155,000	784,046	(370,954)	67.9%	100.0%
BATA Financial Services	145,385	121,155	(24,230)	83.3%	100.0%
Collections/DMV Expenses	360,000	163,034	(196,966)	45.3%	100.0%
FasTrak O&M Subtotal	5,418,093	4,305,685	(1,112,408)	79.5%	100.0%
Express Lanes & Backhaul Operations and Maintenance					
Operating Center	532,047	488,998	(43,049)	91.9%	100.0%
California Highway Patrol Enforcement	320,000	258,827	(61,173)	80.9%	100.0%
Roadway Maintenance	2,400,000	426,522	(1,973,478)	17.8%	100.0%
Toll System Operations & Maintenance	4,027,642	3,220,291	(807,351)	80.0%	100.0%
Utility Service	150,000	131,567	(18,433)	87.7%	100.0%
Backhaul Operations and Maintenance	155,765	94,153	(61,612)	60.4%	100.0%
Express Lanes and Backhaul O&M Subtotal	7,585,454	4,620,358	(2,903,484)	60.9%	100.0%
Express Lanes Administration					
Salaries, Benefits & Overhead	1,536,483	1,202,628	(333,855)	78.3%	100.0%
Professional/Consultant Service	162,786	136,330	(26,456)	83.7%	100.0%
Audit/Accounting	59,000	17,449	(41,551)	29.6%	100.0%
Insurance	9,000	0	(9,000)	0.0%	100.0%
Other	176,065	21,346	(154,719)	12.1%	100.0%
Express Lanes Admin Subtotal	1,943,334	1,377,752	(565,582)	70.9%	100.0%
Total Expense	14,946,881	10,303,796	(4,581,474)	68.9%	100.0%
Operating Surplus (Shortfall) before Transfers & Depreciation	17,926,164	35,891,123	17,964,960	200.2%	100.0%
Transfer & Depreciation					
Transfer (from)/to Reserve	12,926,163	0	(12,926,163)	0.0%	100.0%
Depreciation	5,000,000	0	(5,000,000)	0.0%	100.0%
Total Transfer In (out) & Depreciation	17,926,163	0	(17,926,163)	0.0%	100.0%
Operating Surplus (Shortfall)	0	35,891,123			

BAIFA Operating Budget - San Mateo 101 Express Lanes
As of June 2022 (Unaudited)

	FY 2021-22 Budget	Actual YTD	Current Budget Balance Over/(Under)	% of Budget (YTD/Bud)	Year Expired
Revenue:					
Interest Revenue and Other Revenue	2,891,682	641,764	(2,249,919)	22.2%	100.0%
Total Revenue	2,891,682	641,764	(2,249,919)	22.2%	100.0%
Expense:					
Express Lanes & Backhaul Operations and Maintenance					
Operating Center	235,339	158,443	(76,896)	67.3%	100.0%
Roadway Maintenance	940,000	0	(940,000)	0.0%	100.0%
Toll System Operations & Maintenance	1,301,108	340,075	(961,033)	26.1%	100.0%
Backhaul Operations and Maintenance	0	11,945	11,945	0.0%	100.0%
Express Lanes and Backhaul O&M Subtotal	2,476,447	510,463	(1,965,984)	20.6%	100.0%
Express Lanes Administration					
Salaries, Benefits & Overhead	318,725	113,234	(205,491)	35.5%	100.0%
Professional/Consultant Service	46,510	18,066	(28,444)	38.8%	100.0%
Other	50,000	0	(50,000)	0.0%	100.0%
Express Lanes Admin Subtotal	415,235	131,301	(283,934)	31.6%	100.0%
Total Expense	2,891,682	641,764	(2,249,918)	22.2%	100.0%
Operating Surplus (Shortfall)	0	0			

BAIFA Express Lanes Capital Program ⁽ⁱ⁾
As of June 2022 - Life to Date (Unaudited)

Project Title	Total Express Lane Budget	Exp Recorded in BATA 849 ⁽ⁱⁱⁱ⁾	LTD BAIFA Capital Budget	Actual	Balance Remaining Over/(Under)
Program Costs: Planning, Coordination & Management	28,437,000	20,254,980	8,182,020	5,424,562	(2,757,458)
Centralized Toll System	31,659,778	20,980,474	10,679,304	3,989,652	(6,689,652)
CC-680 Southern Segment Conversion	53,398,590	52,420,459	978,131	231,193	(746,938)
Capitalized Start-up O&M	15,539,321	4,852,589	10,686,732	852,490	(9,834,242)
ALA-880 Conversion ⁽ⁱⁱ⁾	139,098,000	104,122,301	34,975,699	28,895,028	(6,080,671)
CC-680 Northern Segment - Southbound Conversion	53,623,000	16,955,242	36,667,758	32,929,160	(3,738,599)
Program Contingency	2,249,954	-	2,249,954	-	(2,249,954)
SOL-80 Express Lane Conversion	18,078,000	11,634,064	6,443,936	3,523,838	(2,920,098)
84/Dumbarton Bridge	323,140	323,140	-	-	-
92/San Mateo Bridge	369,303	369,303	-	-	-
San Mateo 101	95,000,000	-	95,000,000	71,797,476	(23,202,523)
EL Means-Based Toll Discount	3,000,000	-	3,000,000	1,174,902	(1,825,098)
CC 680 Southbound Gap to I 580 ^(iv)	2,325,034	-	2,325,034	-	(2,325,034)
SOL-80 Toll System Conversion	2,822,000	-	2,822,000	-	(2,822,000)
Express Lanes Total	445,923,120	231,912,552	214,010,568	148,818,301	(65,192,267)

i - BAIFA Express Lanes Capital Budget is funded by BATA unless it is noted separately

ii - FY 2018-19, SAFE transfer in \$3,000,000

iii - BATA transferred the remaining budget balance and fixed asset to BAIFA in FY2019-20

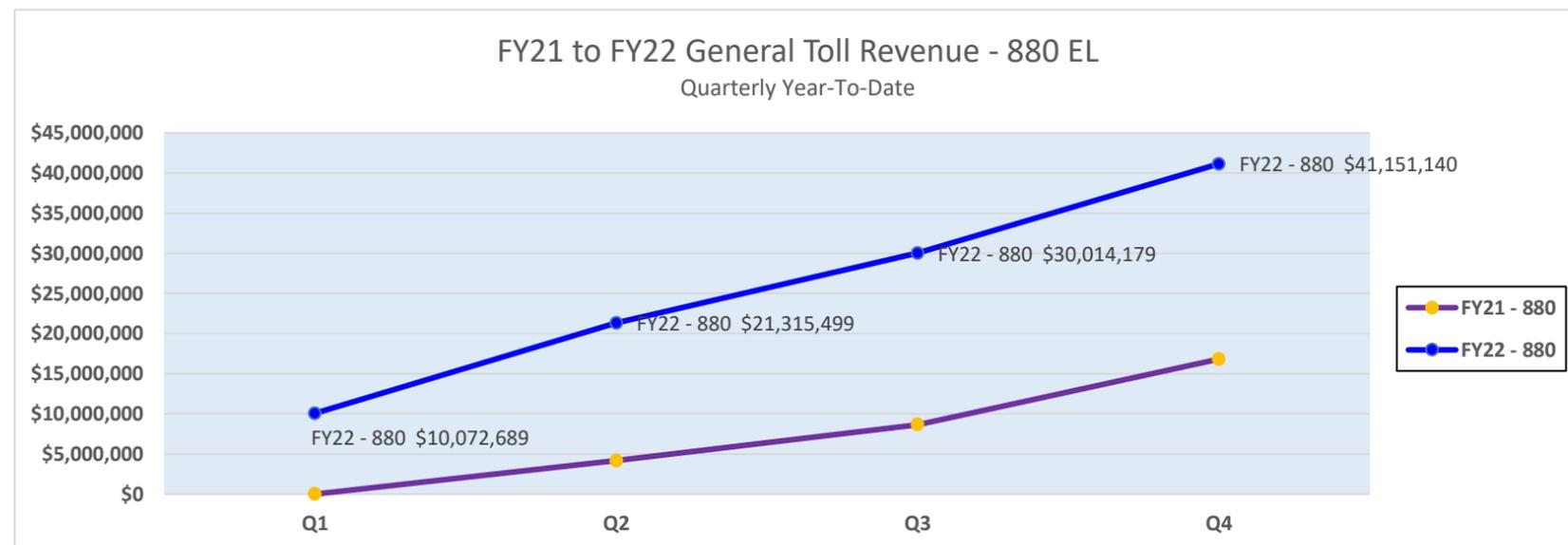
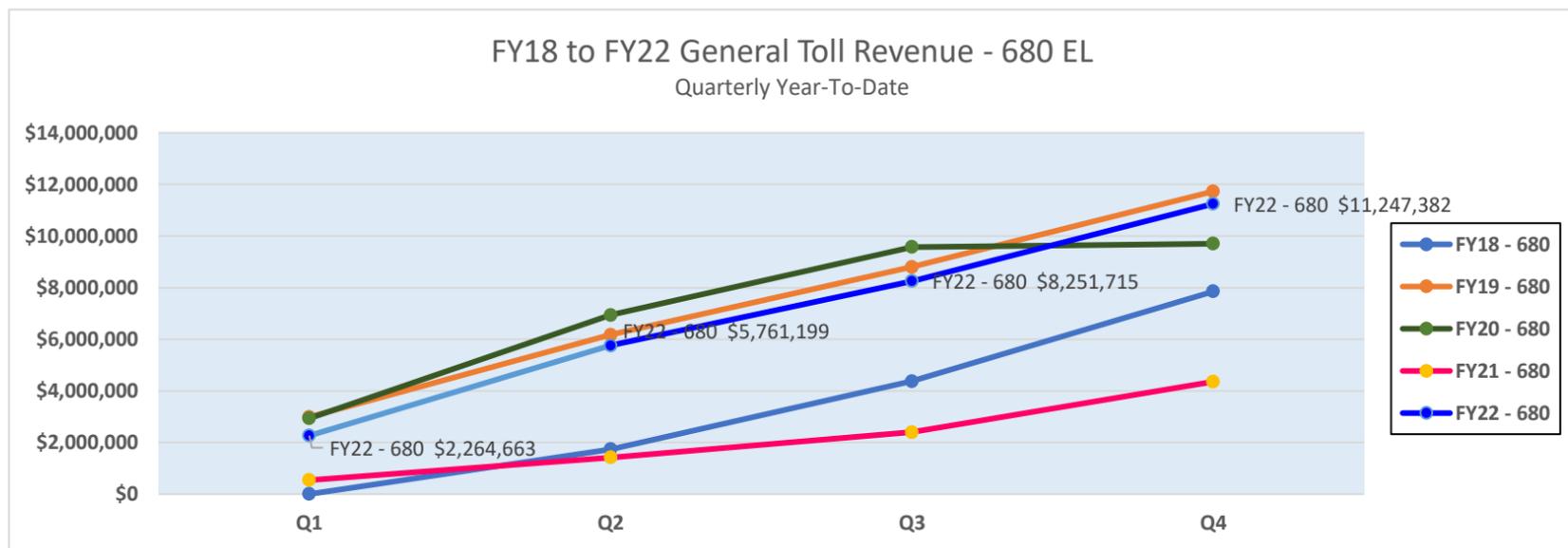
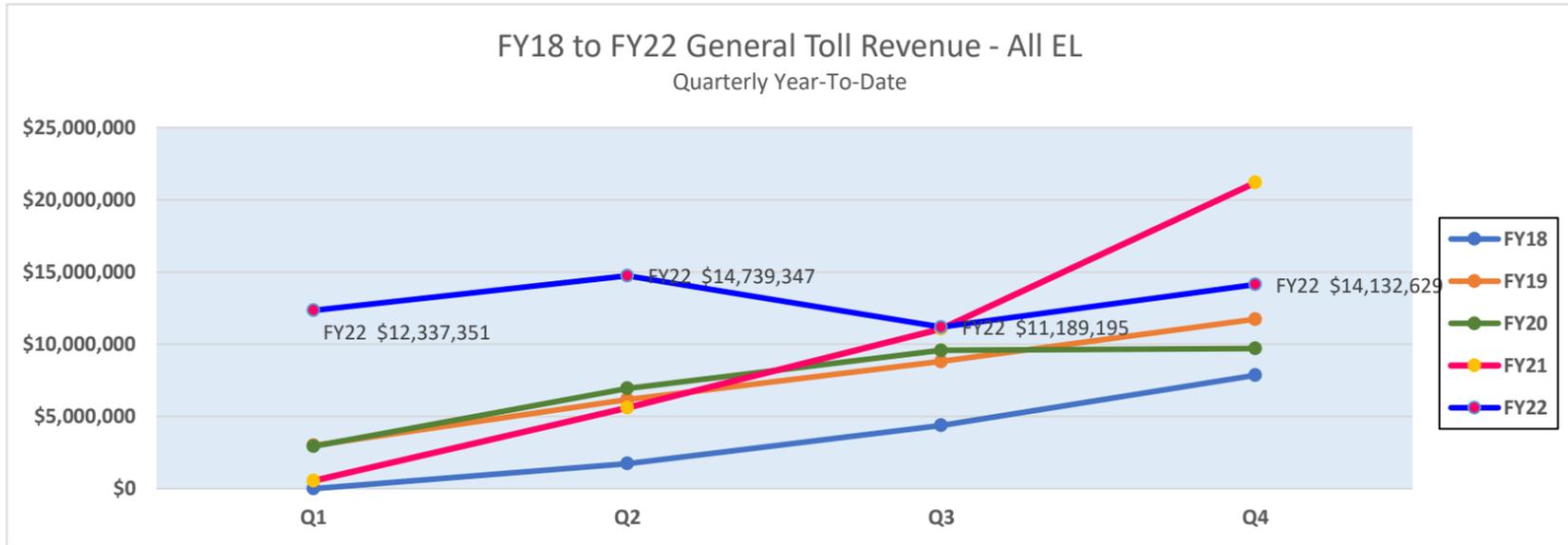
iv - FY 2021-22, funding from reserve per Resolution 0022.

BAIFA Express Lanes Rehabilitation Program
As of June 2022 - Life to Date (Unaudited)

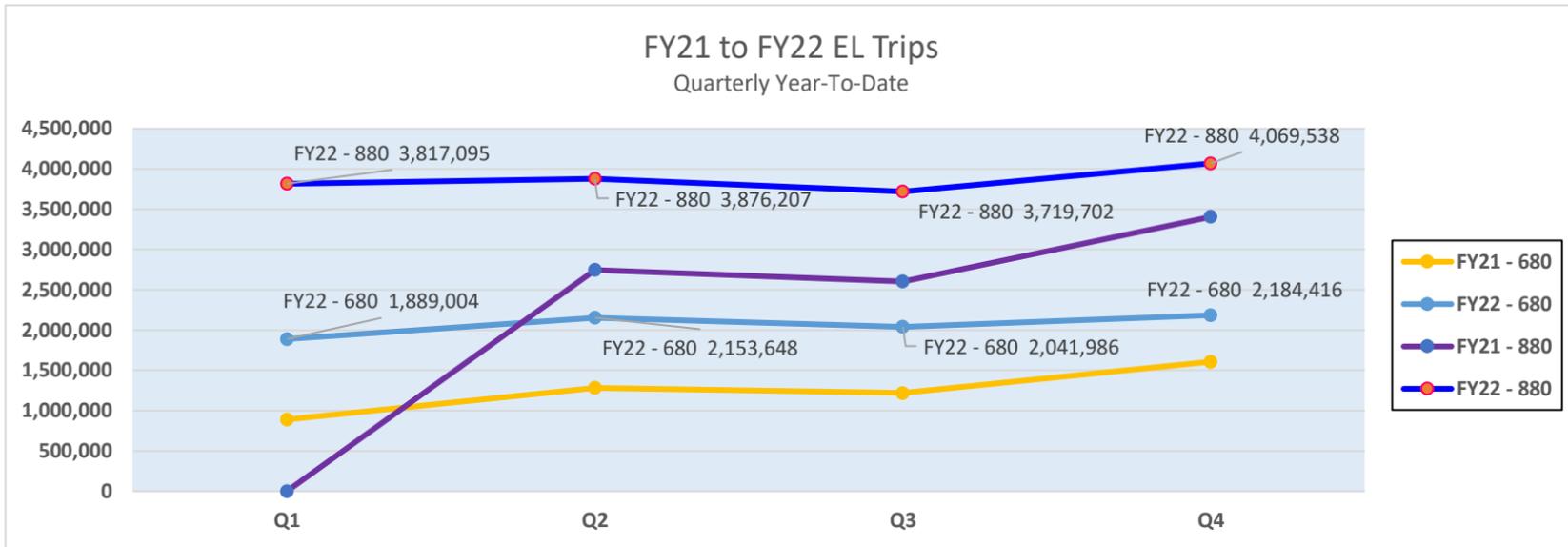
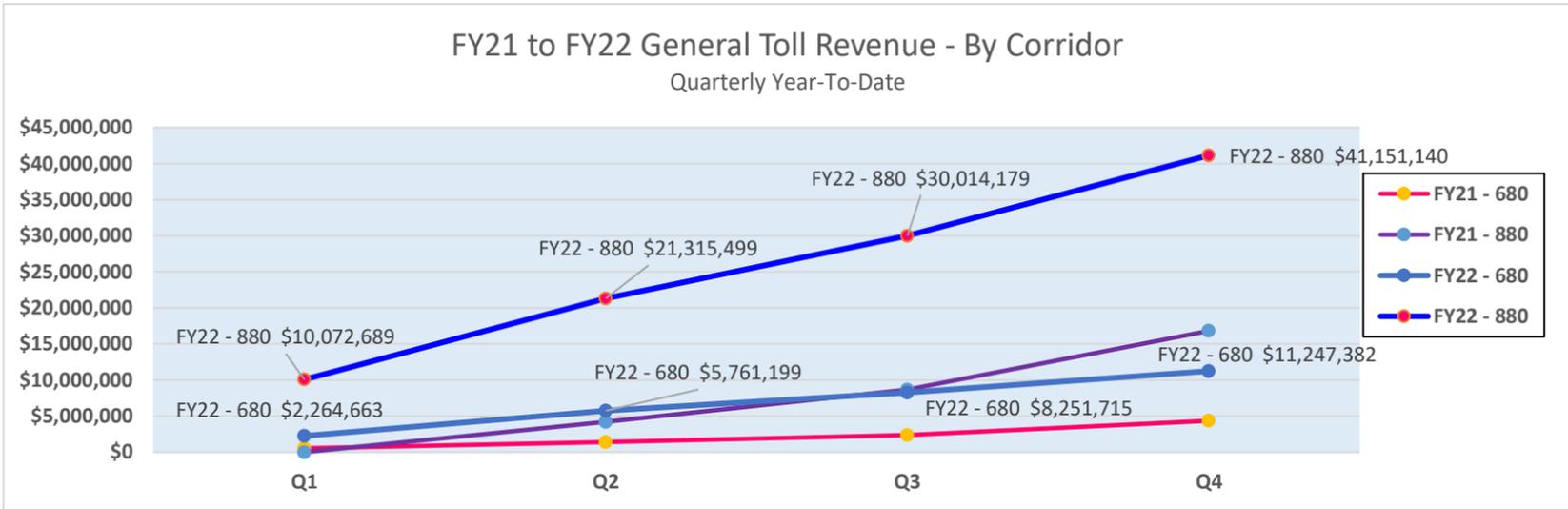
Project Title	LTD Budget Thru FY2021-22 ⁽ⁱ⁾	Actual	Balance Remaining Over/(Under)
680 - Toll System	250,000	-	(250,000)
880 - Toll System	220,000	-	(220,000)
680 - Backhaul	1,960,000	-	(1,960,000)
Centralized - Contingency	100,000	-	(100,000)
Express Lanes Total	2,530,000	-	(2,530,000)

i - FY 2021-22, funding from reserve per Resolution 0022

**BAIFA Operating
Toll Revenue - Graphs
As of June 2022 (Unaudited)**



**BAIFA Operating
Toll Revenue - Graphs
As of June 2022 (Unaudited)**



CONTRACTS EXECUTED BY EXECUTIVE DIRECTOR
\$2,500-200,000

May - Jun '22

Craft & Commerce

Digital engagement and promotion services

\$25,000