

**Bay Area Toll Authority
Oversight Committee**

December 14, 2022

Agenda Item 4e

**Fiscal Year (FY) 2022-23 Bay Area Toll Authority (BATA) First Quarter Financial
Statements (Unaudited)**

Subject:

FY 2022-23 BATA fourth quarter financial statements (unaudited).

Background:

The Bay Area has seven state bridges owned by the California Department of Transportation (Caltrans). BATA and Caltrans operate the toll bridges and are responsible for constructing the voter-approved projects. BATA manages the toll revenues collected from these bridges and FasTrak[®], which is the electronic toll payment system at Bay Area express lanes and bridges.

BATA's unaudited financial statements for the first quarter of the FY 2022-23 present a total revenue of \$205 million or 23% of the full-year budget of \$894 million. Total expenses and transfers as of this period were \$92 million or 9% of the budget, including debt service expenses of \$12 million. Operating surplus was approximately \$130 million. Bridge traffic in the southern bay area was lower than most bridges because of the Silicon Valley technology companies' remote work mode. Higher gas prices also generally affected the first quarter bridge traffic versus the same period in the prior year.

Operating Revenue:

Bay Area voters approved Regional Measures (RM) 1, 2, and 3, raising tolls on the state-owned bridges and pledging the proceeds to specific bridge corridor improvements and transportation projects. RM1 and RM2 toll revenues for FY 2022-23 were \$124 million and \$27 million, respectively, reflecting 23% of the approved budget. Paid traffic is down approximately 4%. Therefore, projected revenues are less than anticipated. RM3 toll revenue generated was \$54 million, also at 23% of the budget. RM3 revenue remains in escrow until the current litigation is resolved.

Violation revenue collected was \$4.5 million versus 25% of the overall budget or \$6.5 million. In December 2021, BATA approved the implementation of lower violation penalties for bridge tolls retroactively to January 1, 2021, as part of the Bay Area tolling equity action plan. The refund obligation to the patrons was reserved in June 2022, but actual refunds will be processed starting next quarter.

Inter-agency reimbursement revenues for the use of the FasTrak[®] system were \$2.6 million. The revenues were 18% of the combined budget of \$14.3 million from all inter-agencies. First quarter reimbursements include July and August, but September reimbursements will eventually catch up in the next quarter. There was an increase in credit card transactions due to the cashless toll collections. Much higher usage was experienced at the newly opened Valley Transportation Authority (VTA) 237 and the San Mateo express lanes. Therefore, revenues were more than the projected.

Operating Expense and Transfer:

FY 2022-23 total operating expenses were \$92 million or 9% of the budget. Bridge maintenance expenses were slightly higher than the budget at 27% out of 25%. This is mainly due to a maintenance equipment purchase from the prior year but received and paid in the current period. Banking costs for the Electronic Toll Collections (ETC) were less than anticipated as the billing reflected was for July and August. September 2022 bank costs for the ETC will be included in next quarter's financial report. Actual expenses paid are anticipated to align with budget projections in the next quarter or toward the end of the year. These expenses include financing costs, transfers to the Metropolitan Transportation Commission (MTC), and other agencies for BATA funded consultant services which are programmed for the later part of the year.

Additionally, general operations expenses continue to be lower due to remote work.

Included in the FY 2022-23 budget was the payment to Caltrans for prior years' toll collections expenses settlement of \$6 million, which was accrued in the prior fiscal year but paid in September of this fiscal year.

During the first quarter of FY 2022-23, debt service payments of approximately \$12 million in expenses were paid. Debt service payments will continue throughout the fiscal year.

Capital and Rehab Programs:

FY 2022-23 total operating expenses for all capital and rehab programs were within budget.

Actions under Executive Director Contract signature authority:

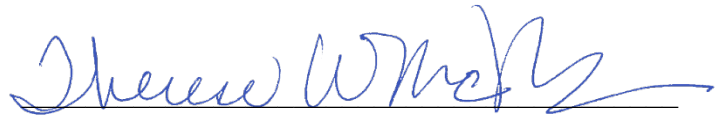
Per Executive Director's Management Memorandum (EDMM) 352, the Executive Director is authorized to approve and execute contracts or amendments up to \$200,000 cumulatively (or as amended by Agency resolution). See Attachment A, pages 11 and 12, for relevant contract and purchase order actions taken for the quarter within the Executive Director's authority.

Recommendations:

Information.

Attachments:

- Attachment A: FY 2022-23 First Quarter BATA Financial Statements (unaudited)



Therese W. McMillan