

Bay Area Infrastructure Financing Authority
Network and Operations Committee

March 14, 2025

Agenda Item 4c

**Fiscal Year (FY) 2024-25 Bay Area Infrastructure Financing Authority (BAIFA) Statement
of Revenues and Expenses for the Period Ended December 31, 2024 (Unaudited)**

Subject:

Statement of Revenues and Expenses for the Period Ended December 31, 2024 (unaudited).

Background:

BAIFA manages the operations of Metropolitan Transportation Commission (MTC)'s express lanes on the Interstate 680 (I-680) and the Interstate 880 (I-880), and uses FasTrak®, the electronic toll payment system, which is managed by the Bay Area Toll Authority (BATA), to collect cash-free tolls on the express lanes. BAIFA also operates the express lane tolling on the Highway 101 in San Mateo County (SM 101 EL) under a cooperative agreement between BAIFA and the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA).

Operating Revenues:

BAIFA's main operating revenues are toll revenues collected through FasTrak from BAIFA's express lanes. Current year-to-date toll revenues collected were \$39.0 million, which was \$4.5 million more than the prior year-to-date actual. Out of the \$4.5 million increase, \$2.9 million was from I-880 express lanes. The increase of toll revenues was primarily due to increases in maximum toll charged and longer maximum toll duration, due to increased congestion, on both I-680 and I-880 express lanes beginning in May 2024.

Violation revenues collected were \$5.1 million, which was \$3.0 million higher than the prior year-to-date actual. Higher violation revenues in FY 2025 were a result of increases in both the California Department of Motor Vehicles (DMV) hold revenues from the resumed DMV hold process in November 2023 and violation collections from the collection agency started in January 2024.

Current year-to-date interest and other revenues were \$3.0 million, a slight increase of \$78 thousand compared to the prior year-to-date actual.

The \$1.1 million increase in SM Highway 101 reimbursement revenue was mainly due to the timing difference in billing.

Operating Expenses:

BAIFA's operating expenses are the expenses incurred from the express lane operations, such as FasTrak operations and maintenance and roadway and backhaul operations and maintenance. As of December 31, 2024, total operating expenses were \$8.6 million, which was \$465 thousand higher than the prior year-to-date actual. This increase was primarily driven by increases in DMV hold fees, collection agency fees, and timing difference in expenses booked.

Transfers:

By the end of the second quarter, BAIFA transferred \$1.1 million budgeted to MTC for the Enterprise Resource Planning (ERP) system implementation, \$38.0 million to BAIFA capital program, and \$77.6 million to BAIFA capital reserve.

Budget Status Update:

As of the end of the second quarter of FY 2024-25, BAIFA generated \$49.0 million in toll revenue, reaching 59% of the approved budget. The increase in maximum tolls charged starting in May 2024 due to increased congestion on the I-680 and I-880 express lanes contributed to higher-than-expected toll revenue. Violation revenues were particularly strong at 116% of the budget, driven by the resumption of collections on suspended COVID-19 violation notices beginning in November 2023. Interest revenue reached 47% of the budget, aligning with expectations. However, the SM 101 EL reimbursement revenue lagged at 27% due to a two-month delay in billing and payment processing for tolling operations expenses.

Total expenses for the second quarter were \$8.6 million, or 23% of the budget, primarily due to delayed vendor invoicing, the absence of indirect cost allocations for staffing, and savings in transaction fees from Manual Imaging Review. Operating transfers included contributions to MTC projects and the full transfer of \$1.14 million for the new ERP program. Budgeted transfers to capital programs of \$38.0 million and the capital reserve of \$77.6 million were also recorded. The net operating shortfall for the quarter was \$76.4 million, consistent with budget projections. This was driven by the full transfer of budgeted capital allocations, offset in part by lower-than-expected operating expenses.

Issues:

None identified.

Recommendations:

Information

Attachments:

- Attachment A: BAIFA Statement of Revenues and Expenses for the Period Ended December 31, 2024 (unaudited)



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