

# Bay Area Infrastructure Financing Authority (BAIFA)

December 21, 2022

Agenda Item 3d - 22-0247

## Fiscal Year 2022-23 BAIFA First Quarter Financial Statements (Unaudited)

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### **Subject:**

FY 2022-23 Bay Area Infrastructure Financing Authority (BAIFA) first quarter financial statements (unaudited).

### **Background:**

The operations of Metropolitan Transportation Commission's express lanes, Interstate 680 (I-680) and the Interstate 880 (I-880), are managed by BAIFA. Tolls on these express lanes are collected through FasTrak®. BAIFA also manages the collection of tolls for the San Mateo 101 Express Lanes (SM 101 EL) under a cooperative agreement with the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA).

The FY 2022-23 BAIFA first quarter unaudited financial statements for the period ended September 30, 2022 reflects total revenue of \$17.6 million or 25% of the adopted budget and total expenses before transfers of \$2.5 million or 8% of the adopted budget. Toll revenues were \$14.9 million, violation revenues were \$2.4 million, and \$ 300 thousand of other revenues. The I-680 and I-880 toll revenues for the first quarter are at 27% and 26% of their budgets, respectively. The SM 101 EL received \$255 thousand of reimbursement revenue which was 5% of the estimated full year budget.

Total expenses incurred for this period was \$2.5 million or 8% of the budget. Considering this is the first quarter of the fiscal year, expenses are generally and historically lower during this period. Spending is anticipated to increase as the operating year progresses.

There were transfers made from the operating reserve of \$1.1 million to fund the staff costs in the BAIFA Capital Program and Rehabilitation Program.

The actual operating surplus for the first quarter of FY 2022-23 was \$14 million resulting from the express lane revenue.

**I-680 Operating:**

The I-680 Express Lanes revenues were \$3 million from tolls and \$1 million from violation fees and penalties. These are at 27% and 31% of the approved budget, respectively. Total expenses were \$1 million, at 10% of the budget. The operating surplus, before transfers and reserves, was \$3 million. A transfer from the operating surplus was made to the capital development program for \$250k to fund staffing costs. The resulting operating surplus was \$2.8 million versus the budgeted surplus of \$ 500 thousand.

**I-880 Operating:**

The I-880 total revenue was \$13 million or 26% of the budget, which consisted of \$12 million of toll revenue and \$1 million of violation revenue. Total expenses were \$1.3 million or 8% of the budget. The operating surplus was \$11 million after an \$830 thousand transfer to the capital and rehabilitation programs to cover budgeted staff costs.

First quarter spending was nominal on operating expenses for the express lanes. These include expenses for the FasTrak<sup>®</sup> operations and tolling systems operations and maintenance as bills from vendors and the respective payments for most operating expenses lag during the first quarter of the fiscal year. Similarly, express lanes administration expenses are anticipated to increase in succeeding months including expenses for communications, audit, insurance and other administrative expenses.

**San Mateo (SM) 101 Operating:**

The SM 101 express lanes recently opened in February 2022. BAIFA has a cooperative agreement with the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA) for BAIFA to manage the tolling system on SM 101 and SMCELJPA to reimburse the associated operating expenses. BAIFA only billed and received reimbursement from the SMCELJPA for BAIFA staff costs related to managing the tolling system on the express lanes. There was \$232 thousand of reimbursement revenue or 5% of the budget and \$232 thousand or 4% of associated operating expenses in managing the express lanes.

**Capital Programs:**

Express Lanes Development Program

A transfer of \$530 thousand for staffing costs per the approved budget was received by the Means-Based Toll Discount project in the Capital Program from the operating surplus of the I-880. The approximately \$447 million BAIFA capital program includes fourteen projects which are all within budget. The remaining budget balance was \$61 million. (Attachment A).

Rehab Program

During the first quarter of FY 2022-23, there was a transfer of \$550 thousand for the BAIFA rehabilitation program for existing express lanes, \$250 thousand from the I-680 operating surplus and \$300 thousand from the I-880 operating surplus as budgeted. Total BAIFA Rehab Program has a budget of \$3.1 million with no actual spending as of the first quarter of FY 2022-23. (Attachment A).

**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 contract and purchase order actions taken for the quarter within the Executive Director's authority.

**Recommendations:**

None. This item provided as information only.

**Attachments:**

- Attachment A – FY 2022- 23 First Quarter BAIFA Financial Statements (unaudited)



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Therese W. McMillan

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

	<b>FY 2022-23 Budget</b>	<b>Actual YTD</b>	<b>Current Budget Balance Over/(Under)</b>	<b>% of Budget (YTD/Bud)</b>	<b>Year Expired</b>
<b>Revenue:</b>					
General Toll Revenue	56,000,000	14,876,055	(41,123,945)	26.6%	25.0%
Violation Revenue	9,400,000	2,442,791	(6,957,209)	26.0%	25.0%
Interest and Other Revenue	5,839,395	304,757	(5,534,638)	5.2%	25.0%
<b>Total Revenue</b>	<b>71,239,395</b>	<b>17,623,603</b>	<b>(53,615,792)</b>	<b>24.7%</b>	<b>25.0%</b>
<b>Expense:</b>					
FasTrak Operations and Maintenance	8,856,984	950,165	(7,906,819)	10.7%	25.0%
Express Lanes & Backhaul Operations and Maintenance	13,444,154	859,206	(12,584,948)	6.4%	25.0%
Express Lanes Administration	3,614,364	494,679	(3,119,685)	13.7%	25.0%
San Mateo 101 Tolling Operations Services	5,416,695	231,771	(5,184,924)	4.3%	25.0%
<b>Total Expense</b>	<b>31,332,197</b>	<b>2,535,821</b>	<b>(28,796,376)</b>	<b>8.1%</b>	<b>25.0%</b>
<b>Operating Surplus (Shortfall) before Transfers &amp; Reserves</b>	<b>39,907,198</b>	<b>15,087,782</b>	<b>(24,819,416)</b>	<b>37.8%</b>	<b>25.0%</b>
<b>Transfers &amp; Reserves</b>					
Transfer (from)/to MTC	224,594	0	(224,594)	0.0%	25.0%
Transfer (from)/to Capital Program	1,080,000	1,080,000	-	100.0%	25.0%
Transfer (from)/to Capital Reserve	15,000,000	0	(15,000,000)	0.0%	25.0%
<b>Total Transfer In (out) &amp; Reserves</b>	<b>16,304,594</b>	<b>1,080,000</b>	<b>(15,224,594)</b>	<b>6.6%</b>	<b>25.0%</b>
<b>Net Operating Surplus (Shortfall)</b>	<b>23,602,605</b>	<b>14,007,782</b>			

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

	<b>FY 2022-23 Budget</b>	<b>Actual YTD</b>	<b>Current Budget Balance Over/(Under)</b>	<b>% of Budget (YTD/Bud)</b>	<b>Year Expired</b>
<b>Revenue:</b>					
General Toll Revenue	11,000,000	3,012,291	(7,987,709)	27.4%	25.0%
Violation Revenue	3,200,000	1,004,757	(2,195,243)	31.4%	25.0%
Interest Revenue and Other Revenue	251,780	49,957	(201,823)	19.8%	25.0%
<b>Total Revenue</b>	<b>14,451,780</b>	<b>4,067,005</b>	<b>(10,384,775)</b>	<b>28.1%</b>	<b>25.0%</b>
<b>Expense:</b>					
<b>FasTrak Operations and Maintenance</b>					
RCSC Operations	1,694,476	259,639	(1,434,837)	15.3%	25.0%
Banking/Credit Card Fees	576,000	30,261	(545,739)	5.3%	25.0%
BATA Financial Services	124,615	10,385	(114,231)	8.3%	25.0%
Collections/DMV Expenses	245,000	0	(245,000)	0.0%	25.0%
FasTrak O&M Subtotal	2,640,091	300,284	(2,339,807)	11.4%	25.0%
<b>Express Lanes &amp; Backhaul Operations and Maintenance</b>					
Operating Center	642,614	56,711	(585,903)	8.8%	25.0%
California Highway Patrol Enforcement	700,000	0	(700,000)	0.0%	25.0%
Roadway Maintenance	1,330,000	45,535	(1,284,465)	3.4%	25.0%
Caltrans Expenditure	100,000	0	(100,000)	0.0%	25.0%
Toll System Operations & Maintenance	2,734,778	330,559	(2,404,219)	12.1%	25.0%
Utility Service	80,000	8,789	(71,211)	11.0%	25.0%
Backhaul Operations and Maintenance	121,868	0	(121,868)	0.0%	25.0%
Express Lanes and Backhaul O&M Subtotal	5,709,260	441,594	(5,145,798)	7.7%	25.0%
<b>Express Lanes Administration</b>					
Salaries, Benefits & Overhead	1,221,884	227,876	(994,008)	18.6%	25.0%
Professional/Consultant Service	382,546	619	(381,927)	0.2%	25.0%
Audit/Accounting	49,000	10,712	(38,288)	21.9%	25.0%
Insurance	6,760	267	(6,493)	4.0%	25.0%
Other	78,861	4,500	(74,361)	5.7%	25.0%
Express Lanes Admin Subtotal	1,739,051	243,973	(1,495,078)	14.0%	25.0%
<b>Total Expense</b>	<b>10,088,402</b>	<b>985,851</b>	<b>(9,102,551)</b>	<b>9.8%</b>	<b>25.0%</b>
<b>Operating Surplus (Shortfall) before Transfers &amp; Depreciation</b>	<b>4,363,378</b>	<b>3,081,154</b>	<b>(1,282,224)</b>	<b>70.6%</b>	<b>25.0%</b>
<b>Transfers &amp; Reserves</b>					
Transfer (from)/to MTC	112,297	0	(112,297)	0.0%	25.0%
Transfer( from)/to Capital Program	250,000	250,000	0	100.0%	25.0%
Transfer (from)/to Capital Reserve	3,500,000	0	(3,500,000)	0.0%	25.0%
Total Transfer In (out) & Reserves	3,862,297	250,000	(3,612,297)	6.5%	25.0%
<b>Net Operating Surplus (Shortfall)</b>	<b>501,084</b>	<b>2,831,154</b>			

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

	<b>FY 2022-23 Budget</b>	<b>Actual YTD</b>	<b>Current Budget Balance Over/(Under)</b>	<b>% of Budget (YTD/Bud)</b>	<b>Year Expired</b>
<b>Revenue:</b>					
General Toll Revenue	45,000,000	11,863,764	(33,136,236)	26.4%	25.0%
Violation Revenue	6,200,000	1,438,034	(4,761,966)	23.2%	25.0%
Interest Revenue and Other Revenue	170,920	0	(170,920)	0.0%	25.0%
<b>Total Revenue</b>	<b>51,370,920</b>	<b>13,301,798</b>	<b>(38,069,122)</b>	<b>25.9%</b>	<b>25.0%</b>
<b>Expense:</b>					
<b>FasTrak Operations and Maintenance</b>					
RCSC Operations	3,860,508	563,001	(3,297,507)	14.6%	25.0%
Banking/Credit Card Fees	1,296,000	74,765	(1,221,235)	5.8%	25.0%
BATA Financial Services	145,385	12,116	(133,270)	8.3%	25.0%
Collections/DMV Expenses	915,000	0	(915,000)	0.0%	25.0%
FasTrak O&M Subtotal	6,216,893	649,881	(5,567,012)	10.5%	25.0%
<b>Express Lanes &amp; Backhaul Operations and Maintenance</b>					
Operating Center	539,210	50,482	(488,728)	9.4%	25.0%
California Highway Patrol Enforcement	1,400,000	0	(1,400,000)	0.0%	25.0%
Roadway Maintenance	1,890,000	49,017	(1,840,983)	2.6%	25.0%
Caltrans Expenditure	300,000	0	(300,000)	0.0%	25.0%
Toll System Operations & Maintenance	3,306,904	295,076	(3,011,828)	8.9%	25.0%
Utility Service	150,000	23,038	(126,962)	15.4%	25.0%
Backhaul Operations and Maintenance	148,780	0	(148,780)	0.0%	25.0%
Express Lanes and Backhaul O&M Subtotal	7,734,894	417,613	(7,168,501)	5.4%	25.0%
<b>Express Lanes Administration</b>					
Salaries, Benefits & Overhead	1,277,908	234,038	(1,043,870)	18.3%	25.0%
Professional/Consultant Service	429,211	742	(428,469)	0.2%	25.0%
Audit/Accounting	57,500	12,425	(45,075)	21.6%	25.0%
Insurance	8,690	0	(8,690)	0.0%	25.0%
Other	102,004	3,500	(98,504)	3.4%	25.0%
Express Lanes Admin Subtotal	1,875,313	250,705	(1,624,608)	13.4%	25.0%
<b>Total Expense</b>	<b>15,827,100</b>	<b>1,318,199</b>	<b>(14,360,121)</b>	<b>8.3%</b>	<b>25.0%</b>
<b>Operating Surplus (Shortfall) before Transfers &amp; Reserves</b>	<b>35,543,820</b>	<b>11,983,599</b>	<b>(23,560,221)</b>	<b>33.7%</b>	<b>25.0%</b>
<b>Transfers &amp; Reserves</b>					
Transfer (from)/to MTC	112,297	0	(112,297)	0.0%	25.0%
Transfer( from)/to Capital Program	830,000	830,000	0	100.0%	25.0%
Transfer (from)/to Capital Reserve	11,500,000	0	(11,500,000)	0.0%	25.0%
Total Transfer In (out) & Reserves	12,442,297	830,000	(11,612,297)	6.7%	25.0%
<b>Net Operating Surplus (Shortfall)</b>	<b>23,101,522</b>	<b>11,153,599</b>			

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

	<b>FY 2022-23 Budget</b>	<b>Actual YTD</b>	<b>Current Budget Balance Over/(Under)</b>	<b>% of Budget (YTD/Bud)</b>	<b>Year Expired</b>
<b>Revenue:</b>					
Interest Revenue and Other Revenue	5,416,695	254,800	(5,161,895)	4.7%	25.0%
<b>Total Revenue</b>	<b>5,416,695</b>	<b>254,800</b>	<b>(5,161,895)</b>	<b>4.7%</b>	<b>25.0%</b>
<b>Expense:</b>					
<b>Express Lanes &amp; Backhaul Operations and Maintenance</b>					
Operating Center	325,187	17,559	(307,628)	5.4%	25.0%
Roadway Maintenance	1,930,000	0	(1,930,000)	0.0%	25.0%
Toll System Operations & Maintenance	2,060,641	111,120	(1,949,521)	5.4%	25.0%
Backhaul Operations and Maintenance	163,057	0	(163,057)	0.0%	25.0%
Express Lanes and Backhaul O&M Subtotal	4,478,885	128,679	(4,350,206)	2.9%	25.0%
<b>Express Lanes Administration</b>					
Salaries, Benefits & Overhead	443,067	103,092	(339,975)	23.3%	25.0%
Professional/Consultant Service	323,209	0	(323,209)	0.0%	25.0%
Other	171,534	0	(171,534)	0.0%	25.0%
Express Lanes Admin Subtotal	937,810	103,092	(834,718)	11.0%	25.0%
<b>Total Expense</b>	<b>5,416,695</b>	<b>231,771</b>	<b>(5,184,924)</b>	<b>4.3%</b>	<b>25.0%</b>
<b>Net Operating Surplus (Shortfall)</b>	<b>0</b>	<b>23,029</b>			

**BAIFA Express Lanes Capital Program <sup>(i)</sup>**  
**As of September 2022 - Life to Date (Unaudited)**

<b>Project Title</b>	<b>Total Express Lane Budget <sup>(iv)</sup></b>	<b>Exp Recorded in BATA 849 <sup>(iii)</sup></b>	<b>LTD BAIFA Capital Budget</b>	<b>Actual</b>	<b>Balance Remaining Over/(Under)</b>
Program Costs: Planning, Coordination & Management	28,437,000	20,254,980	8,182,020	5,439,199	(2,742,821)
Centralized Toll System	31,659,778	20,980,474	10,679,304	4,037,849	(6,641,455)
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 <sup>(ii)</sup>	136,798,000	104,122,301	32,675,699	28,899,521	(3,776,178)
CC-680 Northern Segment - Southbound Conversion	53,623,000	16,955,242	36,667,758	35,650,502	(1,017,256)
Program Contingency	2,249,954	-	2,249,954	-	(2,249,954)
SOL-80 Express Lane Conversion	20,378,000	11,634,064	8,743,936	3,668,471	(5,075,465)
84/Dumbarton Bridge	323,140	323,140	-	-	-
92/San Mateo Bridge	369,303	369,303	-	-	-
San Mateo 101	95,000,000	-	95,000,000	74,040,870	(20,959,130)
EL Means-Based Toll Discount	3,530,000	-	3,530,000	1,428,891	(2,101,109)
CC 680 Southbound Gap to I 580	2,325,034	-	2,325,034	16,085	(2,308,949)
SOL-80 Toll System Conversion	2,822,000	-	2,822,000	-	(2,822,000)
<b>Express Lanes Total</b>	<b>446,453,120</b>	<b>231,912,552</b>	<b>214,540,568</b>	<b>154,265,071</b>	<b>(60,275,496)</b>

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 FY 2019-20

iv - FY 2022-23 funding from reserve per Resolution 0031.

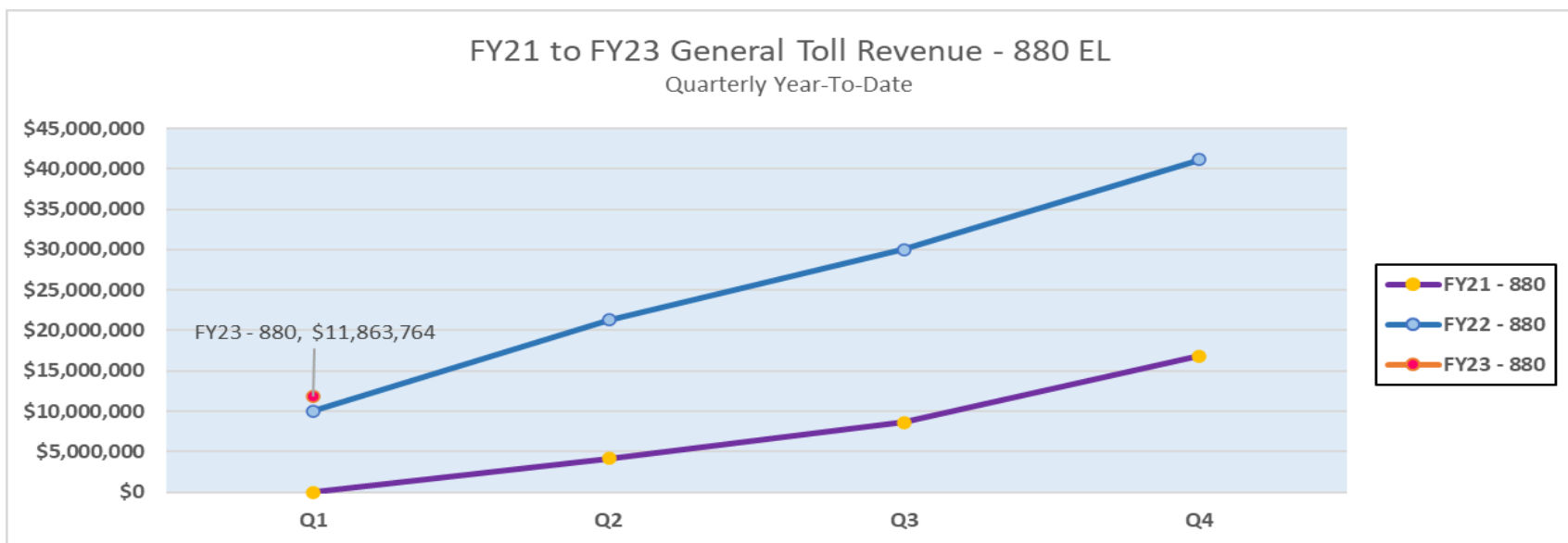
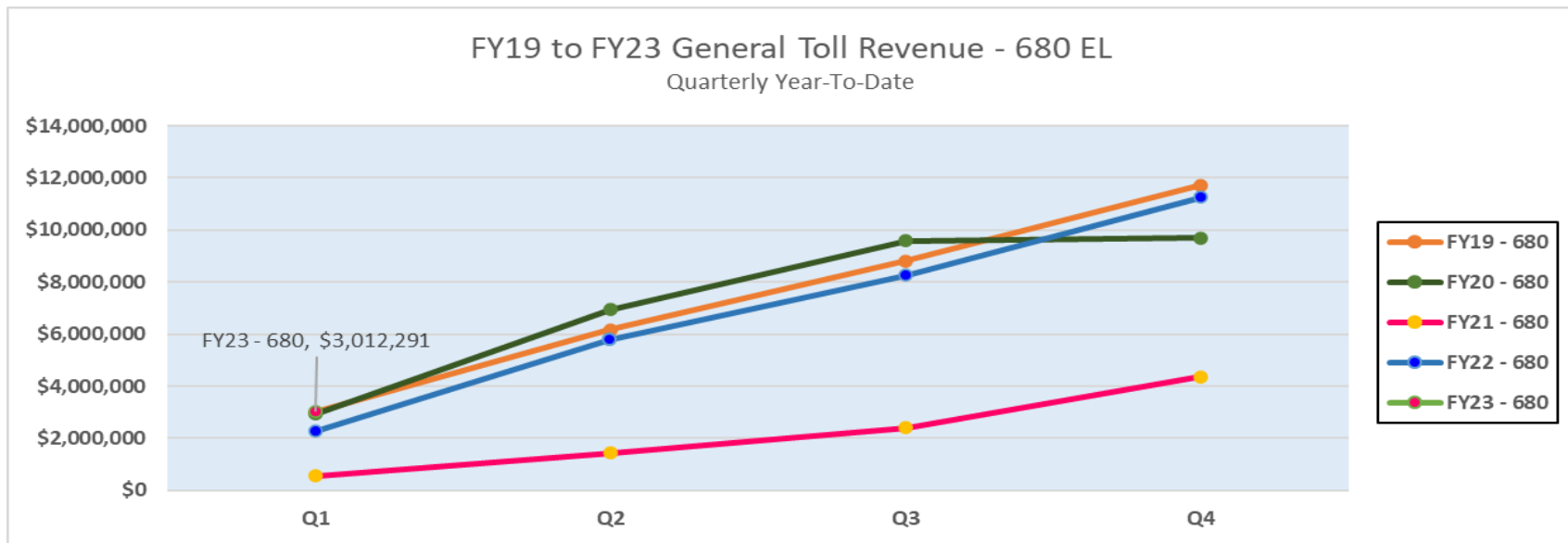
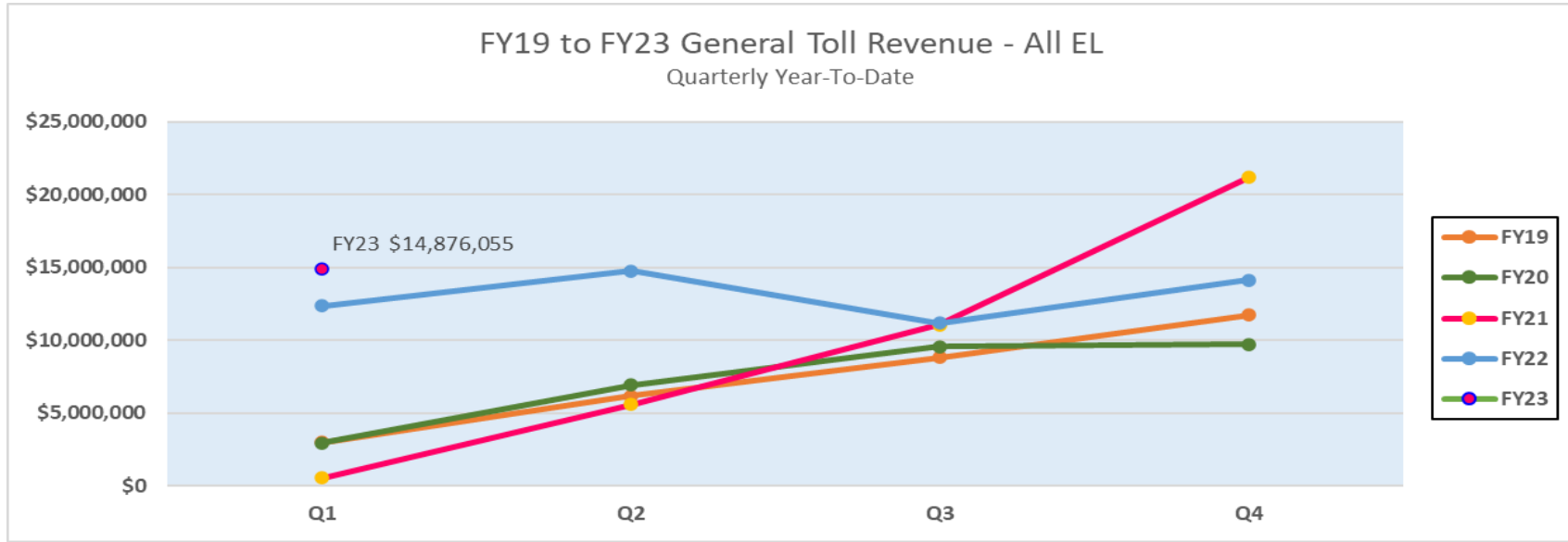


**BAIFA Express Lanes Rehabilitation Program**  
**As of September 2022 - Life to Date (Unaudited)**

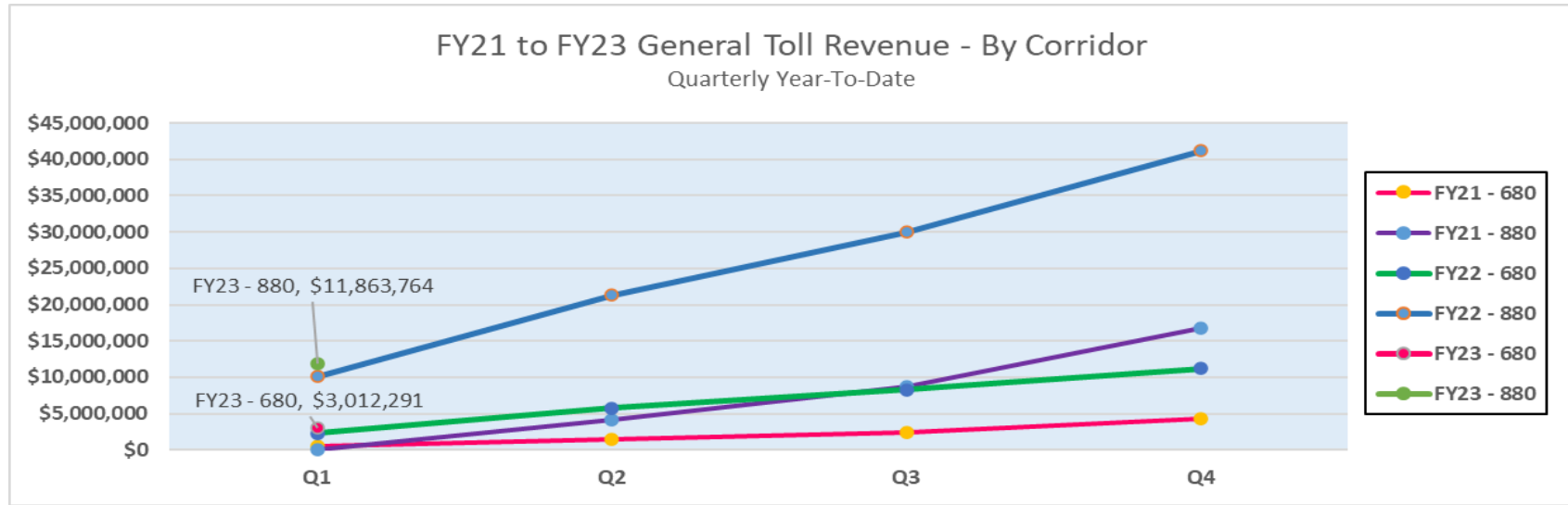
<b>Project Title</b>	<b>LTD Budget Thru FY 2022-23 <sup>(i)</sup></b>	<b>Actual</b>	<b>Balance Remaining Over/(Under)</b>
680 - Toll System	500,000	-	(500,000)
880 - Toll System	520,000	-	(520,000)
680 - Backhaul	1,960,000	-	(1,960,000)
Centralized - Contingency	100,000	-	(100,000)
<b>Express Lanes Total</b>	<b>3,080,000</b>	<b>-</b>	<b>(3,080,000)</b>

iv - FY 2022-23 funding from reserve per Resolution 0031.

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



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



**CONTRACTS EXECUTED BY EXECUTIVE DIRECTOR****\$2,500-200,000****July - Sep '22**

Digital 365 Main LLC

\$20,077

*Fiber optic communications*

Zoon Engineering Inc

\$100,000

*On-call construction management services***PURCHASE ORDERS EXECUTED BY EXECUTIVE DIRECTOR****\$2,500-\$200,000****July - Sep '22**

PARAGON INTERNATIONAL

\$8,700

*Capital assets system annual hosting and subscription fees*