

Bay Area Infrastructure Financing Authority (BAIFA)

April 26, 2023

Agenda Item 3b 23-0398

Fiscal Year 2022-23 Bay Area Infrastructure Financing Authority (BAIFA) Second Quarter Financial Statements (Unaudited)

Subject:

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

Background:

BAIFA manages the operations of Metropolitan Transportation Commission's express lanes, Interstate 680 (I-680) and the Interstate 880 (I-880), and uses FasTrak[®] to collect cash-free tolls on the express lanes. BAIFA also operates tolling on the San Mateo 101 Express Lanes (SM 101 EL) under a cooperative agreement between BAIFA and the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA).

As of the second quarter ended December 31, 2022 of the Fiscal Year (FY) 2022-23, BAIFA's unaudited financial statements resulted in combined express lanes operating surplus of approximately \$27 million. Total revenue generated was \$35.6 million or 52% of the adopted budget. Out of total revenue, toll revenues were \$29.8 million, violation revenues were \$4.1 million, and other revenues were \$1.6 million. The I-680 and I-880 toll revenues as of the second quarter were \$6.1 million or 56% of its budget, and \$23.7 million or 53% of its budget, respectively. Both ELs have experienced higher than budgeted traffic which has allowed revenue to stay on track versus the budget. The SM 101 EL received \$721 thousand of reimbursement revenue which was 13% of the estimated full year budget. The opening for the second segment of the SM 101 EL was delayed from December 2022 to March 2023.

As of this period, \$7.5 million of total expenses (before transfers) have been incurred, 24% of the annual budget. Transfers from the operating reserve of \$1.1 million to fund the staff costs in the BAIFA Capital and Rehabilitation Programs were already made. An additional transfer of \$630 thousand for staffing costs for Express Lanes START^(SM), in the BAIFA Capital program will be

made based on the BAIFA budget amendment approved in November 2022. As of the first half of the fiscal year, expenses were expected to be lower because of billing delays, but payments of invoices are anticipated to progress and catch up to the budget towards the end of the fiscal year.

I-680 Operating:

I-680 revenues were \$6.1 million from tolls, \$1.7 million from violation fees and penalties, and \$900 thousand from interest and other revenue. Total revenue was 65% of the approved budget. One reason for this was the higher actual interest income due to more favorable treasury rates than the budget assumption. Toll revenues align just slightly higher than projections at 56% and violation revenues were trending higher at 80% of the budget. The latter rate was due to the amended revenue reduction of \$2.25 million that was equally distributed between the two ELs. The average budget to actual rate for violation revenues between both ELs were only a little higher than the budget at 58%.

Total expenses were \$2.7 million or 27% of the budget. The operating surplus, before transfers and reserves was \$6 million. A transfer from the operating surplus was made to the capital development program for \$250k to fund staffing costs. A transfer of \$7 thousand was also made to Metropolitan Transportation Commission for project staffing costs. The resulting net operating surplus was \$5.7 million versus the budgeted shortfall of \$ 600 thousand. We have not yet transferred the budgeted \$3.5 million of money to set aside as capital reserve.

I-880 Operating:

I-880 total revenue was \$26 million or 52% of the budget. This consists of \$23.7 million of toll revenue and \$2.5 million of violation revenues, or 53% and 49% of the annual budget, respectively. As noted above, the amended reduction to violation revenues was equally reduced from the two ELs. Total expenses were \$4.1 million or 31% of the budget. The operating surplus before transfers and reserves was \$22 million with subsequent transfers of staffing costs funding of \$830 thousand to the capital and rehabilitation programs and \$7 thousand for Metropolitan Transportation Commission project staffing costs in support of the Next Generation Freeway Study.

The expenses incurred in both ELs continued to be lower than half of the year's annual budget. These operating expenses are meant to cover FasTrak[®] operations, tolling systems operations and maintenance, and roadway and backhaul operations maintenance as vendor invoices and processing for payment thereof continue to be behind by a month or two. EL administration expenses were also trending low versus the budget mainly because of a billing lag for communications and other general operations expenses. Staff costs were just slightly lower than budget due to vacancies.

San Mateo (SM) 101 Operating:

BAIFA has a cooperative agreement with SMCELJPA for BAIFA to manage the tolling system on SM 101 EL and SMCELJPA to reimburse the associated operating expenses to BAIFA. The first segment of the SM 101 express lanes opened in February 2022. The budget included anticipated opening of the second segment of this EL to achieve full corridor operations in December 2022, but opening of the extension was delayed until March 2023. As of the second quarter, BAIFA billed and received reimbursement from the SMCELJPA only for BAIFA staff costs related to managing the tolling system on the express lanes and for EL operations and maintenance bills except for backhaul expenses. There was \$722 thousand of reimbursement revenue or 13% of the budget and expenses of \$680 thousand, also 13% of associated operating expenses in managing the express lanes. Similar to the other ELs, there were billing delays that have affected accrual of operating expenses.

Capital Programs:**Express Lanes Development Program**

Total transfer of \$1.16 million 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 BAIFA capital program includes fourteen projects with approved budget of \$447 million and all projects are within budget. The remaining budget balance was \$58 million as of the second quarter. (Attachment A).

Rehab Program

As of the second 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 in accordance with the budget. Total BAIFA Rehab Program has a budget of \$12.8 million with no actual spending as of this period.

(Attachment A).

Actions under Executive Director Contract signature authority:

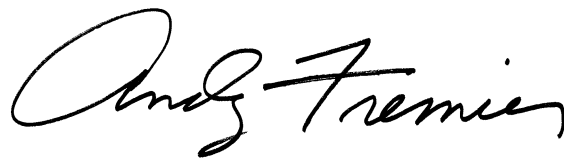
Per Executive Director's Management Memorandum (EDMM) 352 the Executive Director is authorized to approve and execute contracts or amendments up to \$200,000 cumulatively (or as amended by Agency resolution). There were no relevant contract and purchase order actions taken for the second quarter that were within the Executive Director's authority.

Recommendations:

None. This item provided as information only.

Attachments:

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



Andrew B. Fremier

BAIFA Operating Budget
As of December 2022 (Unaudited)

	FY 2022-23 Budget	Actual YTD	Current Budget Balance Over/(Under)	% of Budget (YTD/Bud)	Year Expired
Revenue:					
General Toll Revenue	56,000,000	29,846,544	(26,153,456)	53.3%	50.0%
Violation Revenue	7,150,000	4,134,667	(3,015,333)	57.8%	50.0%
Interest and Other Revenue	5,839,395	1,626,040	(4,213,355)	27.8%	50.0%
Total Revenue	68,989,395	35,607,252	(33,382,143)	51.6%	50.0%
Expense:					
FasTrak Operations and Maintenance	8,856,984	2,611,668	(6,245,316)	29.5%	50.0%
Express Lanes & Backhaul Operations and Maintenance	13,444,154	3,032,789	(10,411,365)	22.6%	50.0%
Express Lanes Administration	3,614,365	1,178,887	(2,435,478)	32.6%	50.0%
San Mateo 101 Tolling Operations Services	5,416,695	680,471	(4,736,224)	12.6%	50.0%
Total Expense	31,332,198	7,503,815	(23,828,383)	23.9%	50.0%
Operating Surplus (Shortfall) before Transfers & Reserves	37,657,197	28,103,437	(9,553,760)	74.6%	50.0%
Transfers & Reserves					
Transfer (from)/to MTC	224,594	13,170	(211,424)	5.9%	50.0%
Transfer(from)/to Capital Program	11,410,000	1,080,000	(10,330,000)	9.5%	50.0%
Transfer (from)/to Capital Reserve	15,000,000	0	(15,000,000)	0.0%	50.0%
Total Transfer (In)/Out & Depreciation	26,634,594	1,093,170	(25,541,424)	4.1%	50.0%
Net Operating Surplus (Shortfall)	11,022,606	27,010,267			

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

	FY 2022-23 Budget	Actual YTD	Current Budget Balance Over/(Under)	% of Budget (YTD/Bud)	Year Expired
Revenue:					
General Toll Revenue	11,000,000	6,128,932	(4,871,068)	55.7%	50.0%
Violation Revenue	2,075,000	1,654,843	(420,157)	79.8%	50.0%
Interest Revenue and Other Revenue	251,780	904,448	652,668	359.2%	50.0%
Total Revenue	13,326,780	8,688,223	(4,638,557)	65.2%	50.0%
Expense:					
FasTrak Operations and Maintenance					
RCSC Operations	1,694,476	650,871	(1,043,605)	38.4%	50.0%
Banking/Credit Card Fees	576,000	139,805	(436,195)	24.3%	50.0%
BATA Financial Services	124,615	41,538	(83,077)	33.3%	50.0%
Collections/DMV Expenses	245,000	0	(245,000)	0.0%	50.0%
FasTrak O&M Subtotal	2,640,091	832,214	(1,807,877)	31.5%	50.0%
Express Lanes & Backhaul Operations and Maintenance					
Operating Center	642,614	151,604	(491,010)	23.6%	50.0%
California Highway Patrol Enforcement	700,000	0	(700,000)	0.0%	50.0%
Roadway Maintenance	1,330,000	55,772	(1,274,228)	4.2%	50.0%
Caltrans Expenditure	100,000	1,649	(98,351)	1.6%	50.0%
Toll System Operations & Maintenance	2,734,778	1,061,654	(1,673,124)	38.8%	50.0%
Utility Service	80,000	26,155	(53,845)	32.7%	50.0%
Backhaul Operations and Maintenance	121,868	2,475	(119,393)	2.0%	50.0%
Express Lanes and Backhaul O&M Subtotal	5,709,260	1,299,309	(4,290,558)	22.8%	50.0%
Express Lanes Administration					
Salaries, Benefits & Overhead	1,221,885	527,195	(694,690)	43.1%	50.0%
Professional/Consultant Service	382,546	10,000	(372,546)	2.6%	50.0%
Audit/Accounting	49,000	36,092	(12,908)	73.7%	50.0%
Insurance	6,760	11,789	5,029	174.4%	50.0%
Other	78,861	7,200	(71,661)	9.1%	50.0%
Express Lanes Admin Subtotal	1,739,052	592,275	(1,146,777)	34.1%	50.0%
Total Expense	10,088,403	2,723,798	(7,364,605)	27.0%	50.0%
Operating Surplus (Shortfall) before Transfers & Depreciation	3,238,377	5,964,424	2,726,047	184.2%	50.0%
Transfers & Reserves					
Transfer (from)/to MTC	112,297	6,585	(105,712)	5.9%	50.0%
Transfer(from)/to Capital Program	250,000	250,000	0	100.0%	50.0%
Transfer (from)/to Capital Reserve	3,500,000	0	(3,500,000)	0.0%	50.0%
Total Transfer (In)/Out & Depreciation	3,862,297	256,585	(3,605,712)	6.6%	50.0%
Net Operating Surplus (Shortfall)	(623,919)	5,707,839			

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

	FY 2022-23 Budget	Actual YTD	Current Budget Balance Over/(Under)	% of Budget (YTD/Bud)	Year Expired
Revenue:					
General Toll Revenue	45,000,000	23,717,613	(21,282,387)	52.7%	50.0%
Violation Revenue	5,075,000	2,479,824	(2,595,176)	48.9%	50.0%
Interest Revenue and Other Revenue	170,920	0	(170,920)	0.0%	50.0%
Total Revenue	50,245,920	26,197,437	(24,048,483)	52.1%	50.0%
Expense:					
FasTrak Operations and Maintenance					
RCSC Operations	3,860,508	1,392,324	(2,468,184)	36.1%	50.0%
Banking/Credit Card Fees	1,296,000	338,668	(957,332)	26.1%	50.0%
BATA Financial Services	145,385	48,462	(96,923)	33.3%	50.0%
Collections/DMV Expenses	915,000	0	(915,000)	0.0%	50.0%
FasTrak O&M Subtotal	6,216,893	1,779,453	(4,437,440)	28.6%	50.0%
Express Lanes & Backhaul Operations and Maintenance					
Operating Center	539,210	128,409	(410,801)	23.8%	50.0%
California Highway Patrol Enforcement	1,400,000	333,944	(1,066,056)	23.9%	50.0%
Roadway Maintenance	1,890,000	57,114	(1,832,886)	3.0%	50.0%
Caltrans Expenditure	300,000	1,649	(298,351)	0.5%	50.0%
Toll System Operations & Maintenance	3,306,904	1,152,996	(2,153,908)	34.9%	50.0%
Utility Service	150,000	59,368	(90,632)	39.6%	50.0%
Backhaul Operations and Maintenance	148,780	0	(148,780)	0.0%	50.0%
Express Lanes and Backhaul O&M Subtotal	7,734,894	1,733,480	(5,852,634)	22.4%	50.0%
Express Lanes Administration					
Salaries, Benefits & Overhead	1,277,908	530,062	(747,846)	41.5%	50.0%
Professional/Consultant Service	429,211	10,000	(419,211)	2.3%	50.0%
Audit/Accounting	57,500	42,208	(15,292)	73.4%	50.0%
Insurance	8,690	0	(8,690)	0.0%	50.0%
Other	102,004	4,343	(97,661)	4.3%	50.0%
Express Lanes Admin Subtotal	1,875,313	586,612	(1,288,701)	31.3%	50.0%
Total Expense	15,827,100	4,099,545	(11,578,775)	25.9%	50.0%
Operating Surplus (Shortfall) before Transfers & Depreciation	34,418,820	22,097,892	(12,320,928)	64.2%	50.0%
Transfers & Reserves					
Transfer (from)/to MTC	112,297	6,585	105,712	5.9%	50.0%
Transfer(from)/to Capital Program	11,160,000	830,000	(10,330,000)	7.4%	50.0%
Transfer (from)/to Capital Reserve	11,500,000	0	(11,500,000)	0.0%	50.0%
Total Transfer (In)/Out & Depreciation	22,772,297	836,585	(21,724,289)	3.7%	50.0%
Net Operating Surplus (Shortfall)	11,646,524	21,261,307			

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

	FY 2022-23 Budget	Actual YTD	Current Budget Balance Over/(Under)	% of Budget (YTD/Bud)	Year Expired
Revenue:					
Interest Revenue and Other Revenue	5,416,695	721,592	(4,695,103)	13.3%	50.0%
Total Revenue	5,416,695	721,592	(4,695,103)	13.3%	50.0%
Expense:					
Express Lanes & Backhaul Operations and Maintenance					
Operating Center	325,187	44,664	(280,523)	13.7%	50.0%
Roadway Maintenance	1,930,000	14,161	(1,915,839)	0.7%	50.0%
Toll System Operations & Maintenance	2,060,641	408,076	(1,652,565)	19.8%	50.0%
Backhaul Operations and Maintenance	163,057	0	(163,057)	0.0%	50.0%
Express Lanes and Backhaul O&M Subtotal	4,478,885	466,901	(4,011,985)	10.4%	50.0%
Express Lanes Administration					
Salaries, Benefits & Overhead	514,602	213,571	(301,031)	41.5%	50.0%
Professional/Consultant Service	323,209	0	(323,209)	0.0%	50.0%
Other	100,000	0	(100,000)	0.0%	50.0%
Express Lanes Admin Subtotal	937,811	213,571	(724,240)	22.8%	50.0%
Total Expense	5,416,695	680,471	(4,736,225)	12.6%	50.0%
Net Operating Surplus (Shortfall)	0	41,121			

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

Project Title	Total Express Lane Budget ^(iv)	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	5,494,029	(2,687,991)
Centralized Toll System	31,659,778	20,980,474	10,679,304	4,225,963	(6,453,341)
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⁾	136,798,000	104,122,301	32,675,699	28,908,581	(3,767,118)
CC-680 Northern Segment - Southbound Conversion	53,623,000	16,955,242	36,667,758	36,342,064	(325,694)
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	3,881,101	(4,862,835)
84/Dumbarton Bridge	323,140	323,140	-	-	-
92/San Mateo Bridge	369,303	369,303	-	-	-
San Mateo 101	95,000,000	-	95,000,000	75,045,904	(19,954,096)
EL Means-Based Toll Discount	4,160,000	-	4,160,000	1,690,591	(2,469,409)
CC 680 Southbound Gap to I 580	2,325,034	-	2,325,034	19,964	(2,305,070)
SOL-80 Toll System Conversion	2,822,000	-	2,822,000	-	(2,822,000)
Express Lanes Total	447,083,120	231,912,552	215,170,568	156,691,881	(58,478,687)
			215,170,568		

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

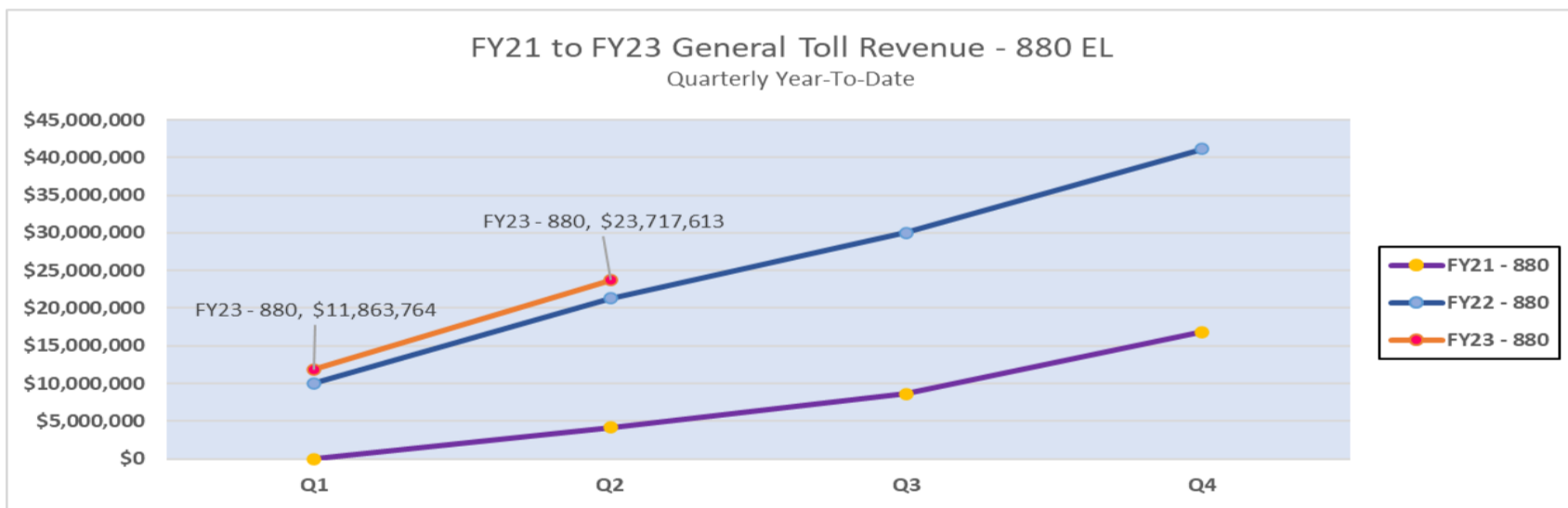
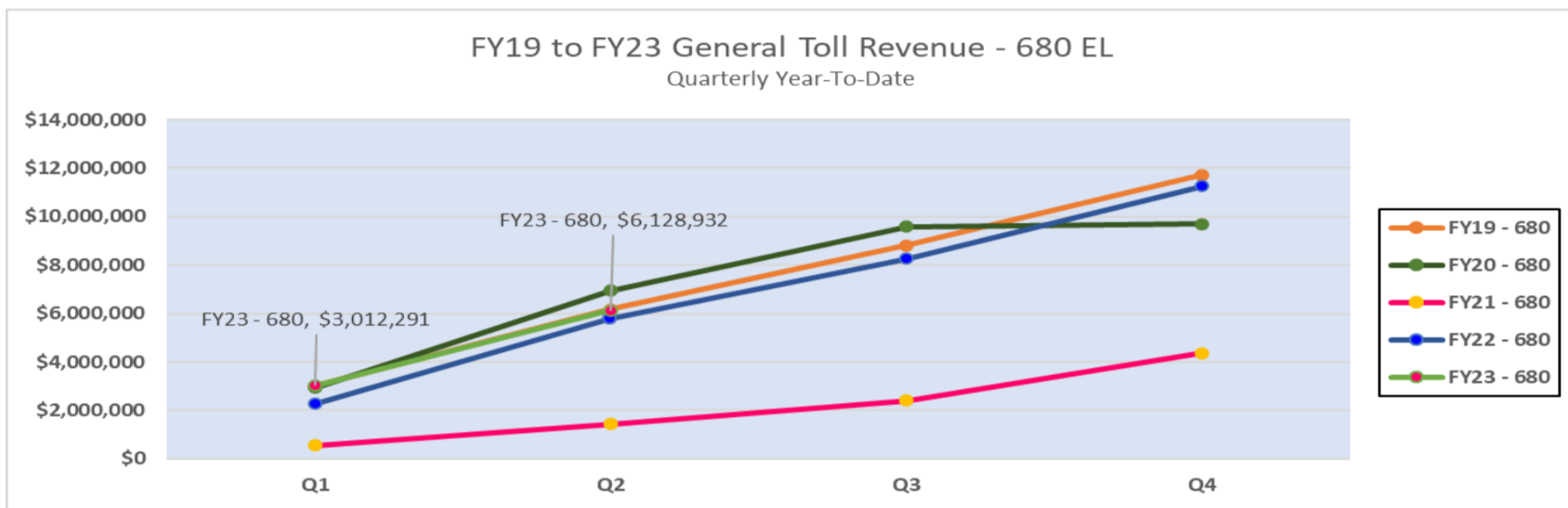
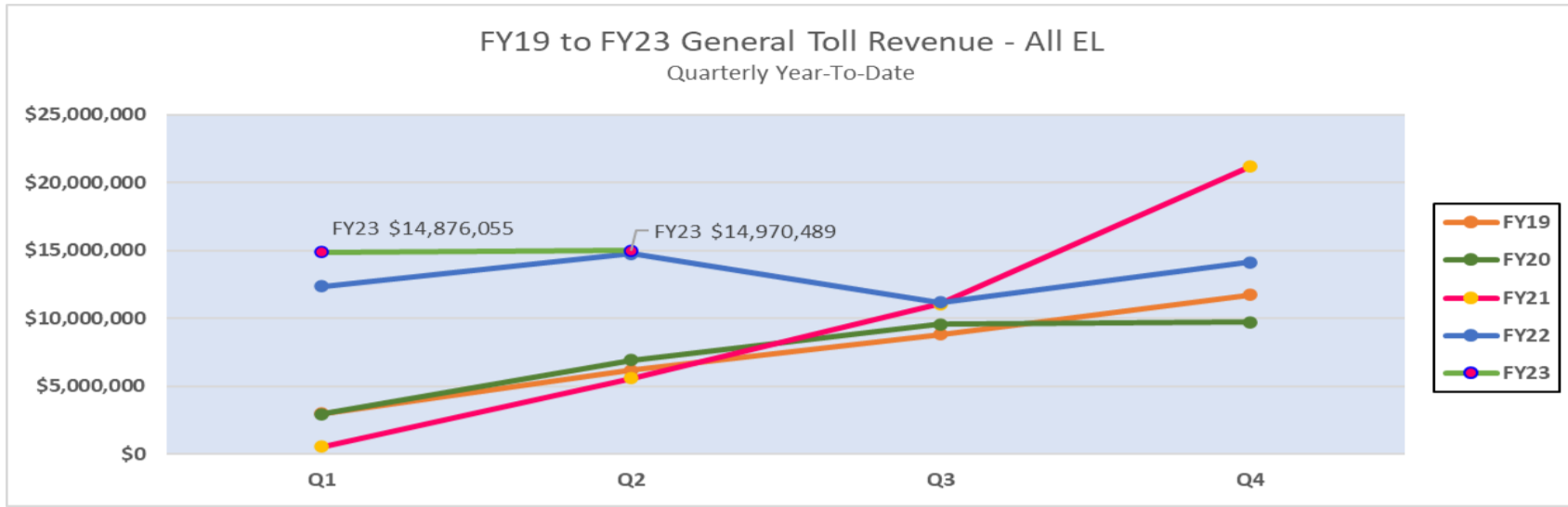
iv - FY 2022-23 funding from reserve per Resolution 0031.

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

Project Title	LTD Budget Thru FY2021-23 ⁽ⁱ⁾	Actual	Balance Remaining Over/(Under)
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)
880 - Civil II	9,700,000	-	(9,700,000)
Express Lanes Total	12,780,000	-	(12,780,000)

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

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



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

