

Bay Area Infrastructure Financing Authority
Network and Operations Committee

March 8, 2024

Agenda Item 4b

**Fiscal Year (FY) 2023-24 Bay Area Infrastructure Financing Authority (BAIFA) Statement
of Revenues and Expenses for the Period Ended December 31, 2023 (Unaudited)**

Subject:

Statement of Revenues and Expenses for the Period Ended December 31, 2023 (unaudited).

Background:

BAIFA manages the operations of Metropolitan Transportation Commission's express lanes on 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. Year-to-date toll revenues collected were \$34.5 million, which was \$4.7 million more than the prior year-to-date actual. Out of the \$4.7 million increase, \$3.4 million was from I- 880 express lanes. The increase in toll revenues is primarily due to an increase in traffic on express lanes.

Violation revenues collected were \$2.1 million, which was \$2.0 million lower than the prior year-to-date actual. BAIFA reduced the violation penalty and fee charges from \$70 to \$30 effective on October 3, 2022.

Year-to-date interest and other revenues and reimbursement revenue from SM 101 EL were \$3.7 million, an increase of \$2.1 million compared to the prior year-to-date actual. The increase was mainly a result of higher interest income from current high interest rate.

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, 2023, total operating expenses were \$8.1 million, which was \$0.6 million higher than the prior year-to-date actual. The increase is primarily due to higher express lane transaction volume in current fiscal year.

Transfers:

BAIFA transferred budgeted \$41.1 million to the capital program and reserve funds as of the second quarter of FY 2024, a \$40.0 million increase compared to prior year-to-date actual.

Budget Status Update:

As of the second quarter ended December 31, 2023 of FY 2023-24, BAIFA's financial statements resulted in combined express lanes operating surplus of approximately \$32 million or 78% of the budget. Total revenue generated was \$40 million or 51% of the adopted budget. Included in the total revenue were toll revenues from the express lanes of \$34.5 million that were favorable at 58% of the budget. Both I-680 and I-880 ELs have experienced better traffic flow which has allowed revenue to stay on track versus the budget. Violation revenues collected were 28% of the budget, and interest and other revenues were at 79% of the budget. Violation revenues were lower than 50% of the budget because we still have a backlog of the DMV holds. We resumed sending holds to DMV only in October 2023 for violations ready for DMV hold from January 2020 to May 2023. Interest revenues were high because of more favorable interest rates than the budget assumptions. The SM 101 EL received \$766 thousand of reimbursement revenue which was 9% of the estimated full year budget. Billing and subsequent reimbursements for this tolling system segment has been lagging behind but will continue as the year progresses. As of this period ending in the second quarter, \$8.1 million of total operating expenses (before transfers) have been incurred or 22% of the annual budget. The related vendor invoices and processing for payment thereof continue to be behind by up to a quarter period. Payments of invoices are anticipated to progress and catch up to the budget towards the end of the fiscal year. Transfers to the capital programs of \$26.1 million to fund the budgeted staff and consultant costs in the BAIFA Capital and Rehabilitation Programs were already made. Transfer to the capital reserve of \$15 million per budget was also completed.

Recommendations:

Information

Attachments:

- Attachment A: BAIFA Statement of Revenues and Expenses for the Period Ended December 31, 2023 (unaudited)



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