



Bay Area Infrastructure Financing Authority
Bay Area Metro Center
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Memorandum

TO: BAIFA

DATE: June 13, 2018

FR: Executive Director

W.I. 6861

RE: BAIFA Resolution No. 17 - FY 2018-19 Express Lanes Program Operating Budget

The I-680 Contra Costa Express Lanes between Walnut Creek and San Ramon opened in October 2017 so the FY 2018-19 budget reflects the first full year of express lane operations. Staff anticipates that express lane operations will generate sufficient toll revenue to cover all of its operating expenses in FY 2018-19 (Attachment A).

Revenue

General Toll Revenue - \$9.3 million

Staff is estimating total express lane toll revenue of \$9.3 million for FY 2018-19, about 79% higher than the FY 2017-18 budget. This estimate is based on trends since opening the I-680 express lane. The FY 2017-18 estimate was based on \$520,000 per month over 10 operating months. Actual experience would dictate an estimate closer to \$800,000 per month, which over 12 months should exceed the \$9.3 million in the proposed budget.

Violation Revenue - \$1.7 million

Staff is estimating violation revenue to be \$1.7 million in FY 2018-19. With limited history available the violation revenue estimate for FY 2018-19 is based on an extrapolation of violation data collected on I-580.

Operating Expense

Total cost for the I-680 express lane operations is proposed to be \$11 million for FY 2018-19. Most of the increases from the FY 2017-18 budget are because the FY 2018-19 budget reflects a full operational year. Highlights of the FY 2018-19 budget include:

Express Lane and Backhaul Operations and Maintenance - \$9.1 million

FasTrak® Operations and Maintenance - \$3.3 million

- \$2.6 million for the FasTrak® Regional Customer Service Center (RCSC) operations. The RCSC provides customer service, distributes toll tags, processes violations, and collects tolls for the express lanes. The \$1.2 million increase includes an estimate for a full operating year.

Other fees based on a full operating year

- \$445,000 for Banking/Credit Card Fees – up \$205,000
- \$225,000 for BATA financial services – No Change
- \$87,000 for Collections and DMV Expenses – New for FY 2018-19 since there were no Collections or DMV Expenses during FY 2017-18

Express Lanes Operations and Maintenance - \$5.2 million

- Operations and maintenance expense includes toll operations in the Regional Operations Center, California Highway Patrol enforcement, roadway maintenance services, as well as PG&E utility services.

These costs increased by 25% to \$5.2 million in the FY 2018-19 budget as the result of increases in CHP enforcement, to be sustained at the levels from the opening of the lane rather than tapering off as originally planned, and Caltrans maintenance service levels.

Express Lanes Administration - \$1.9 million

- Express Lane administration costs are projected to decrease by 5%. Administration costs include staff support, insurance and the financial audit costs. As the program changes from development to operational some staff were reassigned to other projects.

Recommendation

Staff recommends approval of BAIFA Resolution No. 17, the BAIFA Operating Budget for FY 2018-19.



Steve Heminger

SH:bm
Attachment

Date: June 27, 2018
W.I.: 6860
Referred By: BAIFA

ABSTRACT

BAIFA Resolution No. 17

This resolution approves the Express Lanes Program Operating Budget for FY 2018-19 for the Bay Area Infrastructure Financing Authority (BAIFA).

Further discussion of the FY 2018-19 Express Lanes Program Operating Budget is contained in the Executive Director's Memorandum to BAIFA dated June 13, 2018.

Date: June 27, 2018
W.I.: 6860
Referred By: BAIFA

Re: Bay Area Infrastructure Financing Authority's Operating Budget for FY 2018-19

BAY AREA INFRASTRUCTURE FINANCING AUTHORITY
RESOLUTION NO. 17

WHEREAS, the Metropolitan Transportation Commission ("MTC") and the Bay Area Toll Authority ("BATA") have executed a joint exercise of powers agreement dated as of August 1, 2006, as amended, which created and established the Bay Area Infrastructure Financing Authority ("BAIFA"); and

WHEREAS, BAIFA staff has prepared a budget setting forth the anticipated revenues and expenditures of BAIFA for FY 2018-19; now, therefore, be it

RESOLVED, that BAIFA approves the FY 2018-19 Operating Budget prepared in accordance to generally accepted accounting principles attached hereto as Attachment A and incorporated herein as though set forth in full to be effective July 1, 2018, in the amounts and for the purposes listed therein; and be it further

RESOLVED, that the Executive Director or designee may approve adjustments among line items in the BAIFA operating budget for FY 2018-19, provided that there shall be no increase in the overall operating budget without prior approval of BAIFA; and, be it further

RESOLVED, that the Executive Director or designee shall submit written requests to BAIFA for approval of funds to contract for applicable consultant and professional services; and, be it further

RESOLVED, that BAIFA's Executive Director and the Chief Financial Officer are authorized to carry over all contracts and funds properly budgeted in the prior year for which expenditures were budgeted and encumbered which will take place in FY 2018-19; and be it further

RESOLVED, that the Executive Director and Chief Financial Officer are authorized to utilize generally available cash as an advance for project cash flow purposes provided the advanced is repaid from project funds by the close of the fiscal year; and be it further

RESOLVED, that the BAIFA staff shall furnish BAIFA with at a minimum, a quarterly financial report to reflect budgeted and actual income, expenditures, obligations for professional and consultant services and such other information and data as may be requested by BAIFA.

BAY AREA INFRASTRUCTURE FINANCING
AUTHORITY

Jake Mackenzie, Chair

The above resolution was entered into by
the Bay Area Infrastructure Financing Authority
at a regular meeting of the Board held in San Francisco,
California on June 27, 2018.

Date: June 27, 2018
W.I.: 6860
Referred By: BAIFA

Attachment A
BAIFA Resolution No. 17

FY 2018-19 BAIFA Express Lanes Program Operating Budget



ATTACHMENT A BAY AREA INFRASTRUCTURE FINANCING AUTHORITY OPERATING BUDGET FY 2018-19

BAIFA Resolution No. 17
Date: 6/27/2018
W.I.: 6861

OPERATING REVENUE-EXPENSE SUMMARY

	APPROVED BUDGET FY 2017-18	DRAFT BUDGET FY 2018-19	Change % Inc./.(Dec.)	Change \$ Inc./.(Dec.)
General Toll Revenue	\$5,200,000	\$ 9,300,000	78.8%	4,100,000
Violation Revenue	\$500,000	\$ 1,700,000	240.0%	1,200,000
Total Operating Revenue	\$ 5,700,000	\$ 11,000,000	93.0%	5,300,000
Total Operating Expense	\$ 8,615,000	\$ 10,998,500	27.7%	2,383,500
Total Transfers In/Out	\$ 2,915,000	\$ -		(2,915,000)
Total Operating Surplus (Shortfall)	\$0	\$ 1,500		1,500

REVENUE DETAIL BUDGET FY 2018-19

	APPROVED BUDGET FY 2017-18	DRAFT BUDGET FY 2018-19	Change % Inc./.(Dec.)	Change \$ Inc./.(Dec.)
General Toll Revenue (subtotal)	\$5,200,000	\$ 9,300,000	78.8%	4,100,000
CC-680 Toll Revenue	\$5,200,000	\$ 9,300,000	78.8%	4,100,000
Violation Revenue (subtotal)	\$500,000	\$ 1,700,000	240.0%	1,200,000
Violation Revenue	\$500,000	\$ 1,700,000	240.0%	1,200,000
Transfers In	\$2,915,000	\$ -		(2,915,000)
BATA Express Lanes Capital Funds	\$2,915,000	\$ -		(2,915,000)
Total Current Year Revenue and Transfers In	\$ 8,615,000	\$ 11,000,000	27.7%	2,385,000

EXPENSE DETAIL
BUDGET FY 2018-19

	APPROVED BUDGET FY 2017-18	DRAFT BUDGET FY 2018-19	Change % Inc./(Dec.)	Change \$ Inc./(Dec.)
Operating Expense				
FasTrak Operations and Maintenance (Subtotal)	\$ 1,800,000	\$ 3,312,000	84.0%	\$ 1,512,000
RCSC Operations	\$ 1,335,000	\$ 2,555,000	91.4%	\$ 1,220,000
Banking/Credit Card Fees	240,000	445,000	85.4%	205,000
BATA Financial Services	225,000	225,000	0.0%	0
Collections/DMV Expenses	0	87,000	100.0%	87,000
Express Lane Operations and Maintenance (Subtotal)	\$ 4,130,000	\$ 5,158,000	24.9%	\$ 1,028,000
Express Lane Toll Operators	\$ 799,000	\$ 725,000	-9.3%	\$ (74,000)
California Highway Patrol Enforcement	320,000	500,000	56.3%	180,000
Roadway Maintenance	700,000	700,000	0.0%	0
Toll System Operations & Maintenance	1,916,000	2,885,000	50.6%	969,000
Caltrans Express Lanes Operations & Maintenance	155,000	300,000	93.5%	145,000
Utility Service	240,000	48,000	-80.0%	(192,000)
Backhaul Operations and Maintenance (Subtotal)	\$ 715,000	\$ 649,000	-9.2%	\$ (66,000)
Roadway Maintenance	\$ 692,000	\$ 649,000	-6.2%	\$ (43,000)
Utility Service	23,000	-	-100.0%	(23,000)
Express Lane Operations and Maintenance Total	\$ 6,645,000	\$ 9,119,000	37.2%	\$ 2,474,000
Express Lane Administration (Subtotal)	\$ 1,970,000	\$ 1,879,500	-4.6%	\$ (90,500)
Salaries and Benefits	\$ 1,001,000	\$ 888,500	-11.2%	\$ (112,500)
Professional/Consultant Service	322,000	322,000	0.0%	0
Overhead	459,000	445,000	-3.1%	(14,000)
Audit/Accounting	30,000	121,000	303.3%	91,000
Insurance	59,000	53,000	-10.2%	(6,000)
Other	99,000	50,000	-49.5%	(49,000)
Total Operating Expense	\$ 8,615,000	\$ 10,998,500	27.7%	\$ 2,383,500