

Bay Area Toll Authority Operating and Capital Budget – FY 2019-20 Resolution 130

June 12, 2019

BATA

- The BATA budget is balanced
 - Revenue & Transfers - \$896 million
 - Expense & Transfers - \$816 million
 - Capital Rehab - \$175 million
- Traffic YTD is flat to FY 2019 levels
 - Total traffic + 39,118
 - Paid traffic + 81,619 (0.01%)
- No traffic growth is projected for FY 2019-20
- No provision for RM3 revenue is included at this time
- Resolution authorizes additional MTC support (Section 30958 & 30959)

BATA Operating Budget

	Actual	Budget		Var	% Var
	As of 12/31/18	FY 18-19	FY 19-20		
Op Revenue					
RM1 & Seismic Toll Revenue	301,757,954	603,709,547	603,709,547	-	0.0%
RM2 Toll Revenue	65,456,130	130,989,803	130,989,803	-	0.0%
Violation	11,777,104	25,000,000	25,000,000	-	0.0%
Interest	26,648,764	25,000,000	50,000,000	25,000,000	100.0%
Reimbursement	24,354,643	34,678,000	14,764,459	(19,913,541)	-57.4%
Rebate for BABs	18,361,913	71,508,476	71,713,641	205,165	0.3%
Total Op Revenue	448,356,508	890,885,826	896,177,450	5,291,624	0.6%
Op Expenses					
Caltrans Toll Op	14,386,880	29,300,000	29,700,000	400,000	1.4%
Transbay Transit Terminal	5,003,708	5,026,046	5,201,958	175,912	3.5%
Fastrak Operations	16,263,238	50,975,000	53,750,000	2,775,000	5.4%
Other Operating Expenses	10,881,584	28,976,521	23,811,709	(5,164,812)	-17.8%
Total Op Expenses	46,535,410	114,277,567	112,463,667	(1,813,900)	-1.6%
Non Op Expenses					
Debt Service	122,579,380	557,086,153	611,981,980	54,895,827	9.9%
Bond issuance costs	7,590,596	10,000,000	10,000,000	-	0.0%
Financing Fees	-	4,020,400	4,073,400	53,000	1.3%
Total Non Op Expenses	130,169,976	571,106,553	626,055,380	54,948,827	9.6%
Transfer Out/(In)	10,016,462	11,839,335	15,862,969	4,023,634	34.0%
RM2 Expenses	17,846,776	56,276,125	56,716,125	440,000	0.8%
Depreciation & Amortization	4,261,761	6,110,000	5,050,000	(1,060,000)	-17.3%
Total Exp & Trans	208,830,385	759,609,580	816,148,141	56,538,561	7.4%
Total Surplus (Deficit)	239,526,123	131,276,246	80,029,309	(51,246,937)	

Revenue

- Operating revenue will increase by only \$5.3 million (0.6%)
- Most of the operating revenue sources will remain at the FY 2019 budget level
 - Toll revenue
 - Violation revenue
 - Federal interest subsidy (BABS)
- Revenue changes for FY 2020
 - Interest earnings up \$25 million
 - Reimbursement revenue down \$20 million (57%)
 - Caltrans – seismic reimbursement
 - BAHA – building repayment

BATA Operating Budget

	Actual	Budget		Var	% Var
	As of 12/31/18	FY 18-19	FY 19-20		
Op Revenue					
RM1 & Seismic Toll Revenue	301,757,954	603,709,547	603,709,547	-	0.0%
RM2 Toll Revenue	65,456,130	130,989,803	130,989,803	-	0.0%
Violation	11,777,104	25,000,000	25,000,000	-	0.0%
Interest	26,648,764	25,000,000	50,000,000	25,000,000	100.0%
Reimbursement	24,354,643	34,678,000	14,764,459	(19,913,541)	-57.4%
Rebate for BABs	18,361,913	71,508,476	71,713,641	205,165	0.3%
Total Op Revenue	448,356,508	890,885,826	896,177,450	5,291,624	0.6%
Op Expenses					
Caltrans Toll Op	14,386,880	29,300,000	29,700,000	400,000	1.4%
Transbay Transit Terminal	5,003,708	5,026,046	5,201,958	175,912	3.5%
Fastrak Operations	16,263,238	50,975,000	53,750,000	2,775,000	5.4%
Other Operating Expenses	10,881,584	28,976,521	23,811,709	(5,164,812)	-17.8%
Total Op Expenses	46,535,410	114,277,567	112,463,667	(1,813,900)	-1.6%
Non Op Expenses					
Debt Service	122,579,380	557,086,153	611,981,980	54,895,827	9.9%
Bond issuance costs	7,590,596	10,000,000	10,000,000	-	0.0%
Financing Fees	-	4,020,400	4,073,400	53,000	1.3%
Total Non Op Expenses	130,169,976	571,106,553	626,055,380	54,948,827	9.6%
Transfer Out/(In)	10,016,462	11,839,335	15,862,969	4,023,634	34.0%
RM2 Expenses	17,846,776	56,276,125	56,716,125	440,000	0.8%
Depreciation & Amortization	4,261,761	6,110,000	5,050,000	(1,060,000)	-17.3%
Total Exp & Trans	208,830,385	759,609,580	816,148,141	56,538,561	7.4%
Total Surplus (Deficit)	239,526,123	131,276,246	80,029,309	(51,246,937)	

Expense

➤ Operating expenses are projected to drop by \$1.8 million (1.6%)

- Caltrans - \$29.7 million + \$400,000 (1.4%)
- Transbay maintenance required by statute + \$176,000 (3.5%)
- Fastrak operations + \$2.8 million (5.4%)
 - CSC growth + \$1.5 million (6%)
 - Bank processing + \$1.0 million (6.3%)
- Other operating - \$5.1 million (18%)
 - Salary & Benefits + \$1.3 million (12%)
MOU costs and slight change in staff assignments
 - Contract and Misc - \$1.6 million
Audit, Beal St. assessment and misc. expense estimates reduced
 - RM3 costs - \$3.3 million
Paid in FY 2019

BATA Operating Budget

	Actual	Budget		Var	% Var
	As of 12/31/18	FY 18-19	FY 19-20		
Op Revenue					
RM1 & Seismic Toll Revenue	301,757,954	603,709,547	603,709,547	-	0.0%
RM2 Toll Revenue	65,456,130	130,989,803	130,989,803	-	0.0%
Violation	11,777,104	25,000,000	25,000,000	-	0.0%
Interest	26,648,764	25,000,000	50,000,000	25,000,000	100.0%
Reimbursement	24,354,643	34,678,000	14,764,459	(19,913,541)	-57.4%
Rebate for BABs	18,361,913	71,508,476	71,713,641	205,165	0.3%
Total Op Revenue	448,356,508	890,885,826	896,177,450	5,291,624	0.6%
Op Expenses					
Caltrans Toll Op	14,386,880	29,300,000	29,700,000	400,000	1.4%
Transbay Transit Terminal	5,003,708	5,026,046	5,201,958	175,912	3.5%
Fastrak Operations	16,263,238	50,975,000	53,750,000	2,775,000	5.4%
Other Operating Expenses	10,881,584	28,976,521	23,811,709	(5,164,812)	-17.8%
Total Op Expenses	46,535,410	114,277,567	112,463,667	(1,813,900)	-1.6%
Non Op Expenses					
Debt Service	122,579,380	557,086,153	611,981,980	54,895,827	9.9%
Bond issuance costs	7,590,596	10,000,000	10,000,000	-	0.0%
Financing Fees	-	4,020,400	4,073,400	53,000	1.3%
Total Non Op Expenses	130,169,976	571,106,553	626,055,380	54,948,827	9.6%
Transfer Out/(In)	10,016,462	11,839,335	15,862,969	4,023,634	34.0%
RM2 Expenses	17,846,776	56,276,125	56,716,125	440,000	0.8%
Depreciation & Amortization	4,261,761	6,110,000	5,050,000	(1,060,000)	-17.3%
Total Exp & Trans	208,830,385	759,609,580	816,148,141	56,538,561	7.4%
Total Surplus (Deficit)	239,526,123	131,276,246	80,029,309	(51,246,937)	

Expense

- **Non-Operating Expense expected to increase \$60 million (8%)**
 - Debt service + \$55 million (10%) principal payment of \$50 million and increasing variable rate costs
 - Transfers + \$4 million (34%) BATA share of retirement costs and overhead support to ABAG Estuary Partnership

BATA Operating Budget

	Actual	Budget		Var	% Var
	As of 12/31/18	FY 18-19	FY 19-20		
Op Revenue					
RM1 & Seismic Toll Revenue	301,757,954	603,709,547	603,709,547	-	0.0%
RM2 Toll Revenue	65,456,130	130,989,803	130,989,803	-	0.0%
Violation	11,777,104	25,000,000	25,000,000	-	0.0%
Interest	26,648,764	25,000,000	50,000,000	25,000,000	100.0%
Reimbursement	24,354,643	34,678,000	14,764,459	(19,913,541)	-57.4%
Rebate for BABs	18,361,913	71,508,476	71,713,641	205,165	0.3%
Total Op Revenue	448,356,508	890,885,826	896,177,450	5,291,624	0.6%
Op Expenses					
Caltrans Toll Op	14,386,880	29,300,000	29,700,000	400,000	1.4%
Transbay Transit Terminal	5,003,708	5,026,046	5,201,958	175,912	3.5%
Fastrak Operations	16,263,238	50,975,000	53,750,000	2,775,000	5.4%
Other Operating Expenses	10,881,584	28,976,521	23,811,709	(5,164,812)	-17.8%
Total Op Expenses	46,535,410	114,277,567	112,463,667	(1,813,900)	-1.6%
Non Op Expenses					
Debt Service	122,579,380	557,086,153	611,981,980	54,895,827	9.9%
Bond issuance costs	7,590,596	10,000,000	10,000,000	-	0.0%
Financing Fees	-	4,020,400	4,073,400	53,000	1.3%
Total Non Op Expenses	130,169,976	571,106,553	626,055,380	54,948,827	9.6%
Transfer Out/(In)	10,016,462	11,839,335	15,862,969	4,023,634	34.0%
RM2 Expenses	17,846,776	56,276,125	56,716,125	440,000	0.8%
Depreciation & Amortization	4,261,761	6,110,000	5,050,000	(1,060,000)	-17.3%
Total Exp & Trans	208,830,385	759,609,580	816,148,141	56,538,561	7.4%
Total Surplus (Deficit)	239,526,123	131,276,246	80,029,309	(51,246,937)	

Capital Program

- **The Toll Bridge Rehabilitation and Repair Program is requesting \$175 million for FY 2019-20.**
- The FY 2020 request will bring the lifetime program budget to nearly \$1.5 billion
 - Some of the major projects (\$ in millions)

➤ Substation upgrade (4 locations)	\$13.6
➤ Structural painting (various)	\$22.1
➤ RSR work (TBD)	\$11.2
➤ SMH concrete repairs	\$13.1
➤ AET	\$ 4.7
➤ HOV enforcement	\$ 5.3
➤ Dumbarton operational impvts	\$14.0
➤ I80/SR12 interchange	\$ 7.2
➤ SR37 evaluation	\$ 8.0
- Express Lane Network
 - BAIFA will now build and own the express lane assets
 - Remaining \$132.5 million budget will be transferred to BAIFA (Attachment B)
 - Change puts revenue and expense (including depreciation) into the same fund

BATA Designated Reserve

- BATA has slightly over \$1.5 billion in designated reserves
 - \$520 million debt service reserves
 - \$1 billion designated to various BATA operating reserves
- Designed to keep BATA operational for at least 18 months after a major event – without a toll increase

Purpose	Amount (Millions)	Requirement
Operations & Maintenance	\$175	2X operating budget
Extraordinary Loss	50	Cooperative agreement
Rehab Project	210	2X annual rehab budget
Self Insurance	280	Half year debt service
Variable Rate Risk	285	18 months max rate
Debt Service Reserves	520	Bond covenant
Total	\$1,520	