

Bay Area Infrastructure Financing Authority (BAIFA)

June 26, 2019

Agenda Item 3a

BAIFA Resolution No.18 – FY 2019-20 Bay Area Infrastructure Financing Authority Operating and Capital Budgets

Background: Staff requests Authority approval of BAIFA Resolution No.18, the BAIFA Operating and Capital Budgets for FY 2019-20.

FY 2019-20 Operating Budget

The I-680 Contra Costa Express Lanes between Walnut Creek and San Ramon opened in October 2017. The FY 2019-20 budget reflects the second full year of express lane operations. The proposed operating budget has a \$3.3 million surplus before depreciation.

The FY 2019-20 Express Lanes Program Operating Budget is included in Attachment A. The following are the highlights of the operating revenue and expenses.

Operating Revenue

Overall operating revenue is expected to increase 30% or \$3.3 million in FY 2019-20.

General Toll Revenue - \$12.0 million

Staff is estimating total express lane toll revenue of \$12.0 million, about 29% higher than the FY 2018-19 budget. This estimate is based on an average monthly trend of \$1.0 million per month generated in FY 2018-19.

Violation Revenue - \$1.9 million

Staff is estimating violation revenue to be \$1.9 million. Similar to the estimate for general toll revenue, this estimate is based on the average monthly trend in violation revenue generated in FY 2018-19.

Operating Expense

Total operating costs for the I-680 express lanes are estimated to be \$10.9 million for FY 2019-20, about 8% lower than the budget for FY 2018-19.

Express Lane and Backhaul Operations and Maintenance - \$8.8 million

FasTrak® Operations and Maintenance - \$2.8 million

- \$1.6 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. With more historical record of the operations, the RCSC budget for FY 2019-20 is nearly \$1 million less than the prior fiscal year budget.
- \$420,000 for Banking/Credit Card Fees is based on actual costs incurred in FY 2018-19.
- \$520,000 for Collections and DMV Expenses. The FY 2019-20 recommended budget is \$433,000 over FY 2018-19. The increase is for the beginning of the collection process on toll evaders.

Express Lanes Operations and Maintenance - \$6.0 million

- Operations and maintenance expenses include toll operations in the Regional Operations Center, California Highway Patrol enforcement, Roadway maintenance services, PG&E utility services, and communication services for the backhaul network. These costs will increase by 3.5% in the FY 2019-20 budget primarily for increased roadway maintenance and backhaul fiber repair.

Express Lanes Administration - \$2 million

- Administration costs include staff support, insurance and the financial audit costs. These costs will increase by 11% in the FY 2019-20 budget due to salary increase per the employee MOU.

FY 2019-20 Capital Budget

The Bay Area Toll Authority (BATA) has been housing the Express Lanes Capital Program since the establishment of this project in FY 2012-13. In October of 2017, the first BAIFA Express Lanes entered into operation in Contra Costa on Interstate 680. As additional express lanes go into the operating phase, it is more appropriate to transfer the capital project to BAIFA. BATA Staff will transfer the budget and fixed asset balance of the Express Lanes Program to BAIFA in FY 2019-20. This change will allow us to properly account for the true cost of operating the express lane network, including depreciation expense.

101 Express Lane Project - \$95 million

In addition, staff is including the new San Mateo 101 Express Lanes Project in the FY 2019-20 capital budget. BAIFA is entering into agreements with the new joint powers authority composed of San Mateo County

Transportation Authority (SMCTA) and the San Mateo City/County Association of Governments (C/CAG) to deliver the toll system and ultimately operate the San Mateo 101 Express Lanes corridor between I-380 and the Santa Clara County line. BAIFA is receiving \$95 million from BATA's regional toll revenue to cover the project cost.

Recommendation: Staff recommends approval of BAIFA Resolution No.18, the BAIFA Operating and Capital Budgets for FY 2019-20.

Attachments: BAIFA Resolution No.18, the BAIFA Operating and Capital Budgets for FY 2019-20

A handwritten signature in black ink, appearing to read 'Therese W. McMillan', is written over a horizontal line.

Therese W. McMillan

Date: June 26, 2019
W.I.: 6840/6861
Referred By: BAIFA

BAIFA Resolution No. 18

This resolution approves the BAIFA Operating and Capital Budgets for FY 2019-20 for the Bay Area Infrastructure Financing Authority (BAIFA).

Further discussion of the FY 2019-20 Express Lanes Program Operating and Capital Budget is contained in the BAIFA Summary Sheet dated June 26, 2019.

Date: June 26, 2019
W.I.: 6840/6841
Referred By: BAIFA

Re: Bay Area Infrastructure Financing Authority's Operating and Capital Budgets for FY 2019-20

BAY AREA INFRASTRUCTURE FINANCING AUTHORITY
RESOLUTION NO. 18

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 2019-20; now, therefore, be it

RESOLVED, that BAIFA approves the FY 2019-20 Operating and Capital Budget prepared in accordance to generally accepted accounting principles attached hereto as Attachment A and B and incorporated herein as though set forth in full to be effective July 1, 2019, in the amounts and for the purposes listed therein; and be it further

RESOLVED, that BAIFA receives transfer of the remaining budget and fix asset balance of the Express Lanes Capital Program from the Bay Area Toll Authority in FY 2019-20; and be it further

RESOLVED, that the Executive Director or designee may approve adjustments among line items in the BAIFA operating and capital budget for FY 2019-20, provided that there shall be no increase in the overall 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, projects and funds properly budgeted in the prior year for

which expenditures were budgeted and encumbered which will take place in FY 2019-20; 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

Scott Haggerty, 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 26, 2019.

Date: June 26, 2019
W.I.: 6840/6861
Referred By: BAIFA

Attachment A
BAIFA Resolution No. 18

FY 2019-20 Bay Area Infrastructure Financing Authority (BAIFA) Operating and Capital
Budget



ATTACHMENT A BAY AREA INFRASTRUCTURE FINANCING AUTHORITY OPERATING BUDGET FY 2019-20

BAIFA Resolution No.18
Date: 6/26/2019
W.L.: 6861

680 OPERATING REVENUE-EXPENSE SUMMARY

	APPROVED FY 2018-19	DRAFT FY 2019-20	Change % Inc./Dec.)	Change \$ Inc./Dec.)
Total Operating Revenue	\$ 11,000,000	\$ 14,260,000	29.6%	3,260,000
Total Operating Expense	\$ 11,847,080	\$ 10,929,000	-7.7%	(918,080)
Operating Surplus (Shortfall) before Depreciation & Transfer	\$ (847,080)	\$ 3,331,000	-493.2%	4,178,080
Depreciation	\$ -	\$ 3,750,000	N/A	3,750,000
Transfer In/(Out)	\$ 848,580	\$ 419,000	-50.6%	(429,580)
Total Operating Surplus (Shortfall)	\$ 1,500	\$ -	-100.0%	(1,500)

680 REVENUE DETAIL BUDGET FY 2019-20

	APPROVED FY 2018-19	DRAFT FY 2019-20	Change % Inc./Dec.)	Change \$ Inc./Dec.)
General Toll Revenue (subtotal)	\$ 9,300,000	\$ 12,000,000	29.0%	2,700,000
CC-680 Toll Revenue	\$ 9,300,000	\$ 12,000,000	29.0%	2,700,000
Violation Revenue (subtotal)	\$ 1,700,000	\$ 1,900,000	11.8%	200,000
Violations Revenue	\$ 1,700,000	\$ 1,900,000	11.8%	200,000
Interest Revenue	\$ -	\$ 360,000	N/A	360,000
Total Operating Revenue	\$ 11,000,000	\$ 14,260,000	29.6%	3,260,000

680 EXPENSE DETAIL

BUDGET FY 2019-20

	APPROVED FY 2018-19	DRAFT FY 2019-20	Change % Inc./(Dec.)	Change \$ Inc./(Dec.)	
Operating Expense					
FasTrak Operations and Maintenance (Subtotal)	\$ 3,312,000	\$ 2,830,000	-14.6%	(482,000)	
RCSC Operations	\$ 2,555,000	\$ 1,620,000	-36.6%	(935,000)	L1
Banking/Credit Card Fees	445,000	420,000	-5.6%	(25,000)	L2
BATA Financial Services	225,000	270,000	20.0%	45,000	L3
Collections/DMV Expenses	87,000	520,000	497.7%	433,000	L4
Express Lanes Operations and Maintenance (Subtotal)	\$ 5,807,000	\$ 6,009,000	3.5%	202,000	
Express Lane Operations Center	\$ 725,000	\$ 650,000	-10.3%	(75,000)	L5
California Highway Patrol Enforcement	500,000	660,000	32.0%	160,000	L6
Roadway Maintenance	1,000,000	1,510,000	51.0%	510,000	L7
Toll System Operations & Maintenance	2,885,000	2,852,000	-1.1%	(33,000)	L8
Utility Service	48,000	44,000	-8.3%	(4,000)	L10
Backhaul Operations and Maintenance	649,000	293,000	-54.9%	(356,000)	L11
Express Lanes Operations and Maintenance Total	\$ 9,119,000	\$ 8,839,000	-3.1%	(280,000)	
Express Lanes Administration (Subtotal)	\$ 1,879,500	\$ 2,090,000	11.2%	210,500	
Salaries and Benefits	\$ 888,500	\$ 984,000	10.7%	95,500	L12
Professional/Consultant Service	322,000	330,000	2.5%	8,000	L13
Overhead	445,000	531,000	19.3%	86,000	L14
Audit/Accounting	121,000	121,000	0.0%	0	L15
Insurance	53,000	74,000	39.6%	21,000	L16
Travel & Training	23,000	23,000	N/A	0	L17
Other	27,000	27,000	0.0%	0	L18
Depreciation	\$ -	\$ 3,750,000	N/A	3,750,000	
Contractual Services - Prior Year	\$ 848,580	\$ -	-100.0%	(848,580)	
Total Operating Expense	\$ 11,847,080	\$ 14,679,000	23.9%	2,831,920	

TRANSFER DETAIL

BUDGET FY 2019-20

	APPROVED FY 2018-19	DRAFT FY 2019-20	Change % Inc./(Dec.)	Change \$ Inc./(Dec.)
Transfer From/(To)				
Transfer (To) Capital Program	\$ (2,915,000)	\$ -	N/A	2,915,000
Transfer From Reserve	\$ 3,763,580	\$ 419,000	N/A	(3,344,580)
Total Operating Expense and Transfer	\$ 10,998,500	\$ 14,260,000	N/A	3,261,500

Attachment B
Bay Area Infrastructure Financing Authority
Express Lanes LTD Capital Budget ⁽ⁱ⁾

Project Title	LTD Thru FY2018-19	LTD Exp Recorded in BATA ⁽ⁱⁱⁱ⁾	LTD Thru FY2019-20 in BAIFA	LTD Thru FY2019-20
BAIFA Express Lanes				
ALA-880 Conversion ⁽ⁱⁱ⁾	\$ 139,098,000	\$ 96,276,829	\$ 42,821,171	\$ 139,098,000
CC-680 Southern Segment Conversion	54,043,000	52,348,284	1,694,716	54,043,000
CC-680 Northern Segment - Southbound Conversion	53,623,000	7,145,075	46,477,925	53,623,000
SOL-80 Express Lane Conversion	18,078,000	11,174,340	6,903,660	18,078,000
Centralized Toll System	32,367,000	20,413,372	11,953,628	32,367,000
Program Costs: Planning, Coordination & Management	28,437,000	19,809,551	8,627,449	28,437,000
Program Contingency	2,847,677	-	2,847,677	2,847,677
Capitalized Start-up O&M	16,000,000	4,790,219	11,209,781	16,000,000
84/Dumbarton Bridge	323,140	323,140	-	323,140
92/San Mateo Bridge	369,303	369,303	-	369,303
BAIFA Express Lanes Total	\$ 345,186,120	\$ 212,650,113	\$ 132,536,007	\$ 345,186,120
Other Express Lanes				
San Mateo 101	\$ -	\$ -	\$ 95,000,000	\$ 95,000,000
Total Express Lanes Capital Budget	\$ 345,186,120	\$ 212,650,113	\$ 227,536,007	\$ 440,186,120

i - BAIFA Express Lanes Capital Budget is funded by BATA unless it is noted separately

ii - FY2018-19, SAFE transfer in \$3,000,000

iii - BATA transferred the remaining budget balance and fixed asset to BAIFA in FY2019-20