

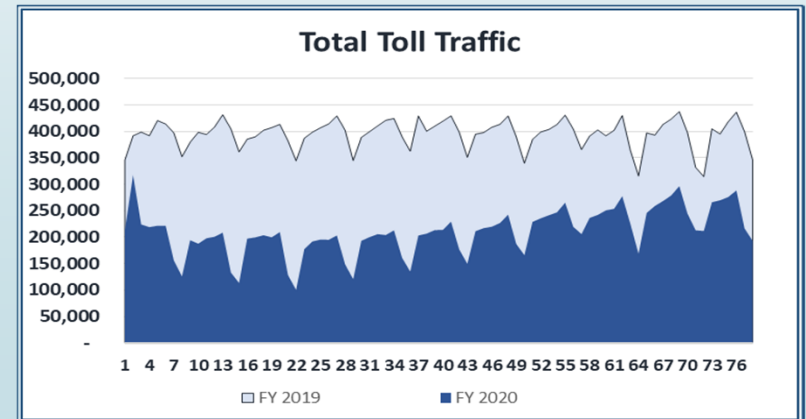
Bay Area Toll Authority FY 2020-21, Resolution No. 134 Operating and Capital Budgets

June 10, 2020

Change In Traffic

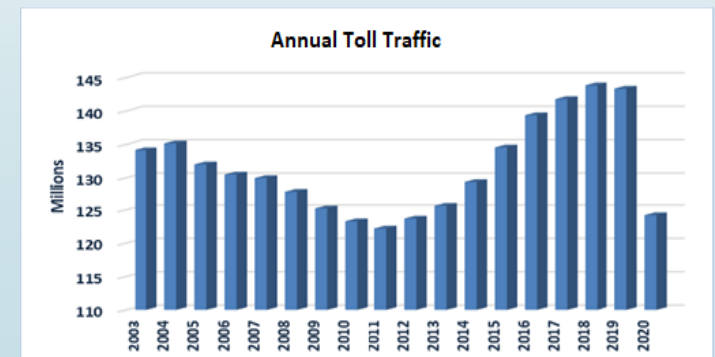
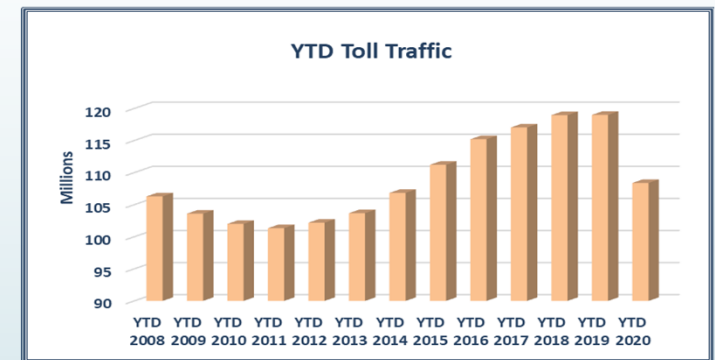
- Total traffic is down over 16 million vehicles YTD through May
 - 15 million (41%) in three months alone
- Traffic pattern has improved in May
 - March -29%
 - April -54%
 - May -41%

	FY 2019	FY 2020	Change
March	11.7 m	8.3 m	-3.4 m
April	12.3 m	5.6 m	-6.7 m
May	12.2 m	7.4 m	-4.8 m
Total	36.2 m	21.3 m	-14.9 m



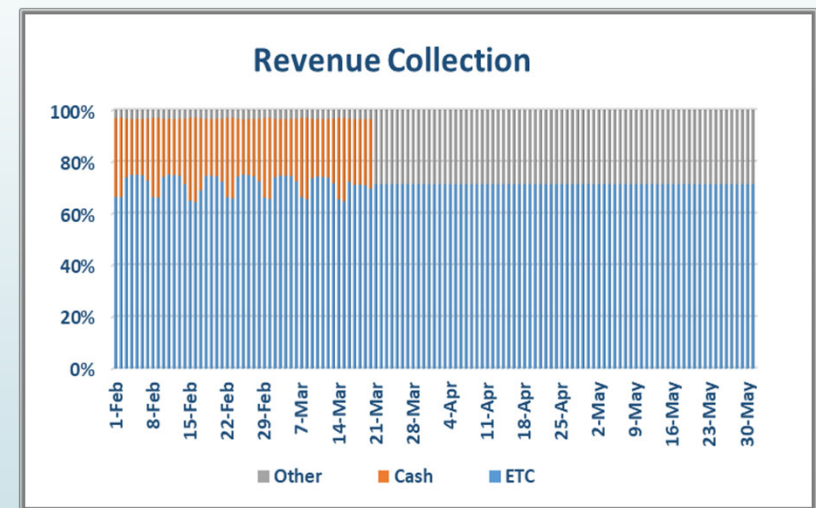
Traffic Change – Revenue loss

- Drop in toll traffic has already cost \$96 million in toll revenue
- Year end estimate will exceed \$120 million
- The original FY 2019-20 budget estimated a revenue surplus of \$75 million
- Year end totals will be closer to FY 2014 totals



Revenue Collection

- The suspension of cash collections has impacted cash flow
 - Over 90% settled the toll payment at the bridge in cash or electronically
 - After suspension immediate collection dropped to 75%
 - Nearly 30% is now invoiced for the toll
 - Average billing is 40,000
 - Collection is averaging less than 50%
 - At year end the unpaid balance could be nearly \$15 million
- The funds are not lost but will be a receivable at year end
- Serious collection efforts cannot begin until cash collection and violation processing is restored



BATA FY 2020-21 Operating Budget

- The drop in traffic will require a larger draw on the BATA reserves for FY 2020
 - Original budget estimate was a surplus of \$75 million
 - Revised budget estimate has a deficit of \$26 million
 - Accounting for the Rehab Program the reserve draw will be an additional \$101 million for FY 2020.

	FY 2020	FY 2020 A	FY 2021
YE Balance	\$75 m	-\$ 26 m	\$ 0.5 m
Rehab Transfer	\$185 m	\$ 185 m	\$ 51.3 m
Net Draw	\$110 m	\$ 211 m	\$ 51 m

BATA FY 2020-21 Operating Budget

- The operating budget is balanced as proposed
- \$51 million will have to be transferred to cover the Rehabilitation Program funding of \$51 million
- The budget was balanced through \$170 million of prepayment of principal and interest due during FY 2021

	Amendment 2 FY 2019-20	Draft Budget FY 2020-21	Change % Inc./(Dec)
General Toll Revenue	\$637,500,000	\$514,289,545	-19.3%
Violation Revenue	20,000,000	15,000,000	-25.0%
Interest Revenue	42,500,000	24,000,000	-43.5%
Reimbursement Revenue	14,764,459	7,973,335	-46.0%
Rebate for Build America Bonds	71,713,641	71,638,789	-0.1%
Total Operating Revenue	\$786,478,100	\$632,901,669	-19.5%
Total Operating Expense	\$812,208,972	\$632,378,606	-22.1%
Operating Surplus/(Deficit)	(\$25,730,872)	\$523,063	-102.0%
Transfer to Toll Bridge Rehabilitation Program	\$0	\$51,343,384	
Transfer to BAIFA Express Lane	\$95,000,000	\$0	
Transfer to (from) Reserves	(\$120,730,872)	(\$50,820,321)	

Operating Revenue

- Total FY 2020-21 revenue \$633 million
- Revenue is expected to down \$154 million
 - Toll revenue down \$123 million, 19% - traffic down 25% through midyear
 - Violation revenue down \$5.0 million - continued suspension of violation billing
 - Interest earnings down \$18.5 million – continuation of very low interest rates
 - Reimbursement down \$6.8 - less traffic for operators to reimburse BATA

	Amendment 2 FY 2019-20	Draft Budget FY 2020-21	Change % Inc./(Dec)	Change \$ Inc./(Dec)
General Toll Revenue (subtotal)	\$637,500,000	\$514,289,545	-19.3%	(\$123,210,455)
RM 1 & Seismic Toll Revenues	\$523,695,444	\$422,596,683	-19.3%	(\$101,098,761)
RM 2 Toll Revenues	113,804,556	91,692,862	-19.4%	(\$22,111,694)
Violation and Other Revenue (subtotal)	\$20,000,000	\$15,000,000	-25.0%	(\$5,000,000)
Violations & Other	\$20,000,000	\$15,000,000	-25.0%	(\$5,000,000)
Interest Revenue (subtotal)	\$42,500,000	\$24,000,000	-43.5%	(\$18,500,000)
RM1 Interest Earnings	\$34,000,000	\$19,200,000	-43.5%	(\$14,800,000)
RM2 Interest Earnings	8,500,000	4,800,000	-43.5%	(\$3,700,000)
Reimbursement Revenue (subtotal)	\$14,764,459	\$7,973,335	-46.0%	(\$6,791,124)
BAIFA Reimbursement	\$780,000	\$1,687,500	116.3%	\$907,500
GGBHTD Fastrak Reimbursement	7,200,000	3,768,120	-47.7%	(\$3,431,880)
ACTC Reimbursement	1,700,000	889,695	-47.7%	(\$810,305)
VTA 237 Express Lane Reimbursement	660,000	366,345	-44.5%	(\$293,655)
SFO Airport Reimbursement	463,000	261,675	-43.5%	(\$201,325)
EBRPD Reimbursement	1,361,459	0	-100.0%	(\$1,361,459)
TJPA Reimbursement	600,000	0	-100.0%	(\$600,000)
BAHA Reimbursement	2,000,000	1,000,000	-50.0%	(\$1,000,000)
Rebate for Build America Bonds (subtotal)	\$71,713,641	\$71,638,789	-0.1%	(\$74,852)
Rebate for Build America Bonds	\$71,713,641	\$71,638,789	-0.1%	(\$74,852)
Total Current Year Revenue	\$786,478,100	\$632,901,669	-19.5%	(\$153,576,431)

Operating Expense

- Total operating expense \$632 million
- Total expense down \$180 million, 22%
 - Caltrans up \$1.1 million, 4%
 - Fastrak Op up \$3.2 million – adjustment for increased invoicing
 - Toll bridge O&M up \$4.3 million, 5.2% - increases to ETC marketing and RM2 monitoring
 - Transfers \$25.1 million, down \$8.3 million – transfers reflecting lower traffic volume
 - Debt service \$440 million down \$168 million – result of prepayment of principal and interest due in FY 2021
 - Rm2 transit transfers \$34.8 million, down \$8.4 million – result of reduced traffic

	Amendment 2 FY 2019-20	Draft Budget FY 2020-21	Change % Inc./Dec)	Change \$ Inc./Dec)
Operating Expense				
Caltrans Operations and Maintenance (Subtotal)	\$29,700,000	\$30,825,000	3.8%	\$1,125,000
Fastrak Operations and Maintenance (Subtotal)	\$53,750,000	\$56,940,000	5.9%	\$3,190,000
Toll Bridge Operations and Maintenance Total	\$83,450,000	\$87,765,000	5.2%	\$4,315,000
Toll Bridge Administration (Subtotal)	\$34,904,922	\$35,302,898	1.1%	\$397,976
Consultant Contract/Other (Subtotal)	\$4,450,000	\$5,670,000	27.4%	\$1,220,000
Transfers to MTC (Subtotal)	\$33,567,857	\$25,178,690	-25.0%	(\$8,389,167)
Debt Service	\$607,490,461	\$439,968,730	-27.6%	(\$167,521,731)
RM2 Transit Operating	\$43,245,732	\$34,843,288	-19.4%	(\$8,402,444)
Furniture/Equipment	\$50,000	\$50,000	0.0%	\$0
Provision for Depreciation/Amortization	\$5,050,000	\$3,600,000	-28.7%	(\$1,450,000)
Total Operating Expense	\$812,208,972	\$632,378,606	-22.1%	(\$179,830,366)

Rehabilitation Projects

- With Seismic and RM1 projects completed and closed toll bridge rehabilitation program is the last major BATA capital program
- The rehabilitation program is a financially constrained group of projects funded exclusively from annual excess toll revenue
- Funding goals were established through an analysis prepared by KPMG.
 - Annual funding target \$100 million
 - Funding for FY 2019-20 \$185 million
 - Funding for FY 2020-21 \$ 51 million
- Funding for FY 2020-21 program will have to come from BATA reserves

BATA Operating Reserve

- BATA established a series of operating reserves to protect the enterprise against regional emergencies that would threaten toll collection. The designated reserve is an important part of the credit strength and investor response to BATA debt offerings
- The goal of the reserve is to protect toll operations for up to two years in the event of a regional emergency without the need to raise tolls
- The reserve was established at \$1 billion and has not been utilized since its creation,
 - Depending on final expenses the reserve will be necessary to cover for the FY 2020 shortfall and the FY 2021 Rehabilitation Program transfer

BATA Operating Reserves	
Contingency	
Insurance (SIR)	\$280
Two years Rehabilitation	\$210
Two years Operating	\$180
Emergency (Co-op)	\$ 50
Variable Rate Change	\$280
Total Contingency Reserve	\$1,000