

Bay Area Infrastructure Financing Authority (BAIFA)

June 24, 2020

Agenda Item 3a - 20-0861

BAIFA Resolution No. 21 – FY 2020-21 Bay Area Infrastructure Financing Authority Operating and Capital Budgets

Background: Staff requests Authority approval of BAIFA Resolution No. 21, the BAIFA Operating and Capital Budgets for FY 2020-21.

FY 2020-21 Operating Budget

The posposed FY 2020-21 BAIFA Operating budget is showing an operating deficit of \$2.8 million before depreciation and transfer. The deficit will be covered by the available fund balance accumulated from prior years operations.

The I-680 Contra Costa Express Lanes are entering their third full year of operations. Similar to the bridge toll operation, Express Lane revenue is expected to be dramatically lower in FY 2020-21 due to COVID-19 pandemic.

In response to reduced traffic levels following the shelter-in-place orders, express lane operations were temporarily suspended effective March 20, 2020. With shelter-in-place restrictions being eased around the region, traffic is on the rise allowing the I-680 Express Lanes to resume toll collection starting June 1. Nevertheless, we expect it will take some time for toll revenue to reach the pre-pandemic level.

In addition to the current I-680 Contra Costa Express Lanes, The I-880 Express Lanes between San Leandro and Milpitas are expected to open in the Fall of 2020. As the I-880 Express Lanes will be in their startup phase, the Operating Budget does not reflect operating revenue or expense at this time. Startup costs will be capitalized for the first few months, as is customary with new operations. Staff expects to return to BAIFA later this year, after the I-880 Express Lanes have established a track record, for approval of a budget amendment to include I-880 operating costs and revenue.

The FY 2020-21 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 decrease 43% or \$6.1 million in FY 2020-21.

General Toll Revenue - \$6.9 million

Staff is estimating total express lane toll revenue of \$6.9 million, about 58% of the FY 2019-20 budget. As the Bay Area slowly reopens from the pandemic, staff does not expect traffic to fully return to pre-pandemic levels in the coming fiscal year. However, staff will be monitoring traffic trends throughout the year and will propose potential adjustments to the budget as necessary.

Violation Revenue - \$0.9 million

Staff is estimating violation revenue to be \$0.9 million. Similar to the estimate for general toll revenue, violation revenue will decrease because traffic will reduce.

Operating Expense

Total operating costs for the I-680 Express Lanes are estimated to be \$10.9 million for FY 2020-21, about 17% lower than the budget for FY 2019-20. The cost reduction is directly related to reduced traffic levels.

Express Lane and Backhaul Operations and Maintenance - \$7.4 million

FasTrak® Operations and Maintenance - \$2.6 million, down 9.4%

- \$1.8 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. Because certain monthly costs are fixed, the RCSC budget is about the same level of the FY 2019-20.
- \$315,000 for Banking/Credit Card Fees. Down 25% from FY 2019-20 with fewer transactions to process.
- \$360,000 for Collections and DMV Expenses. The FY 2020-21 budget is at 70% of the FY 2019-20 level, due to reduced traffic.

Express Lanes Operations and Maintenance - \$4.8 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

decrease by 21.9% or \$1.4 million in the FY 2020-21 budget primarily in response to lower traffic.

Express Lanes Administration - \$3.5 million

- Administration costs include staff support, insurance and the financial audit costs. These costs will increase by 38% or \$1 million in the FY 2020-21 budget primarily for increased staff support and overhead percentage calculation. As new projects come on-line staff resources are shifting from capital project delivery to operations..

FY 2020-21 Capital Budget

Additional Funding to the Existing Program

CC-680 Southern Segment – Southbound Conversion Project:
Staff proposes to increase the project budget by \$550,000 to a total of \$54,173,000. The additional budget will be used on preventive maintenance work with funding from the Operating Reserve.

The life-to-date Express Lanes Capital Budget Schedule is included in Attachment B.

Recommendation: Staff recommends approval of BAIFA Resolution No. 21, the BAIFA Operating and Capital Budgets for FY 2020-21.

Attachments: BAIFA Resolution No. 21, the BAIFA Operating and Capital Budgets for FY 2020-21


Therese W. McMillan

Date: June 24, 2020
W.I.: 6840/6861
Referred by: BAIFA

BAIFA Resolution No. 21

This resolution approves the BAIFA Operating and Capital Budgets for FY 2020-21 for the Bay Area Infrastructure Financing Authority (BAIFA).

Further discussion of the FY 2020-21 Express Lanes Program Operating and Capital Budgets is contained in the BAIFA Summary Sheet dated June 24, 2020.

Date: June 24, 2020
W.I.: 6840/6841
Referred By: BAIFA

Re: Bay Area Infrastructure Financing Authority's Operating and Capital Budgets for FY 2020-21

BAY AREA INFRASTRUCTURE FINANCING AUTHORITY
RESOLUTION NO. 21

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 2020-21; now, therefore, be it

RESOLVED, that BAIFA approves the FY 2020-21 Operating and Capital Budgets 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, 2020, 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 and capital budgets for FY 2020-21, 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 2020-21; 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 and at other remote locations, on June 24, 2020.

Date: June 24, 2020
W.I.: 6840/6861
Referred by: BAIFA

Attachment A and B
BAIFA Resolution No. 21

FY 2020-21 Bay Area Infrastructure Financing Authority (BAIFA) Operating and Capital
Budget

**ATTACHMENT A
BAY AREA INFRASTRUCTURE FINANCING AUTHORITY
OPERATING BUDGET FY 2020-21**

BAIFA Resolution No. 21
Date: 6/24/2020
W.L.: 6861

EXPRESS LANES REVENUE-EXPENSE SUMMARY

	Actual and Enc as of 12/31/2019	Amended FY 2019-20	Proposed FY 2020-21	Change % Inc./Dec.	Change \$ Inc./Dec.
Total Operating Revenue	\$ 7,553,021	\$ 14,260,000	\$ 8,123,484	-43.0%	(6,136,516)
Total Operating Expense	\$ 9,439,906	\$ 13,089,127	\$ 10,911,818	-16.6%	(2,177,309)
Operating Surplus (Shortfall) before Depreciation & Transfer	\$ (1,886,885)	\$ 1,170,873	\$ (2,788,334)	-338.1%	(3,959,207)
Depreciation	\$ 1,813,216	\$ 3,750,000	\$ 2,000,000	-46.7%	(1,750,000)
Transfer In/(Out)	\$ -	\$ -	\$ (550,000)	N/A	(550,000)
Total Operating Surplus (Shortfall)	\$ (3,700,101)	\$ (2,579,127)	\$ (5,338,334)	107.0%	(2,759,207)
Beginning Balance	\$ 11,634,782	\$ 11,634,782	\$ 9,055,655		
Ending Balance	\$ 7,934,681	\$ 9,055,655	\$ 3,717,321		

**REVENUE DETAIL
BUDGET FY 2020-21**

	Actual and Enc as of 12/31/2019	Amended FY 2019-20	Proposed FY 2020-21	Change % Inc./Dec.	Change \$ Inc./Dec.
General Toll Revenue (subtotal)	\$ 6,944,327	\$ 12,000,000	\$ 6,944,327	-42.1%	(5,055,673)
CC-680 Toll Revenue	\$ 6,944,327	\$ 12,000,000	\$ 6,944,327	-42.1%	(5,055,673)
Violation Revenue (subtotal)	\$ 291,187	\$ 1,900,000	\$ 850,407	-55.2%	(1,049,593)
Violations Revenue	\$ 291,187	\$ 1,900,000	\$ 850,407	-55.2%	(1,049,593)
Interest and Other Revenue	\$ 317,507	\$ 360,000	\$ 328,750	-8.7%	(31,250)
Total Operating Revenue	\$ 7,553,021	\$ 14,260,000	\$ 8,123,484	-43.0%	(6,136,516)

EXPENSE DETAIL

BUDGET FY 2020-21

	Actual and Enc as of 12/31/2019	Amended FY 2019-20	Proposed FY 2020-21	Change % Inc./Dec.)	Change \$ Inc./Dec.)
Operating Expense					
FasTrak Operations and Maintenance (Subtotal)	\$ 2,310,000	\$ 2,830,000	\$ 2,564,779	-9.4%	(265,221)
RCSC Operations	\$ 1,620,000	\$ 1,620,000	\$ 1,754,779	8.3%	134,779
Banking/Credit Card Fees	420,000	420,000	315,000	-25.0%	(105,000)
BATA Financial Services	270,000	270,000	135,000	-50.0%	(135,000)
Collections/DMV Expenses	-	520,000	360,000	-30.8%	(160,000)
Express Lanes Operations and Maintenance (Subtotal)	\$ 6,138,172	\$ 7,674,129	\$ 4,850,810	-36.8%	(2,823,319)
Express Lane Operations Center	\$ 130,871	\$ 650,000	\$ 415,885	-36.0%	(234,115)
California Highway Patrol Enforcement	132,817	818,915 *	495,000	-39.6%	(323,915)
Roadway Maintenance	2,754,885	3,016,214 *	1,642,000	-45.6%	(1,374,214)
Toll System Operations & Maintenance	2,850,596	2,852,000	2,082,200	-27.0%	(769,800)
Utility Service	44,000	44,000	100,000	127.3%	56,000
Backhaul Operations and Maintenance	225,003	293,000	115,725	-60.5%	(177,275)
Express Lanes Operations and Maintenance Total	\$ 8,448,172	\$ 10,504,129	\$ 7,415,589	-29.4%	(3,088,540)
Express Lanes Administration (Subtotal)	\$ 991,734	\$ 2,584,998	\$ 3,496,229	35.3%	911,231
Salaries and Benefits	\$ 394,269	\$ 1,271,568	\$ 1,652,619	30.0%	381,051
Professional/Consultant Service	301,661	330,000	602,920	82.7%	272,920
Overhead	223,392	684,982	875,890	27.9%	190,908
Audit/Accounting	53,500	174,448 *	112,000	-35.8%	(62,448)
Insurance	12,107	74,000	182,000	145.9%	108,000
Other	6,805	50,000	70,800	41.6%	20,800
Depreciation	\$ 1,813,216	\$ 3,750,000	\$ 2,000,000	-46.7%	(1,750,000)
Total Operating Expense	\$ 11,253,122	\$ 16,839,127	\$ 12,911,818	-23.3%	(3,927,309)

TRANSFER DETAIL

BUDGET FY 2020-21

	Actual and Enc as of 12/31/2019	Amended FY 2019-20	Proposed FY 2020-21	Change % Inc./Dec.)	Change \$ Inc./Dec.)
Transfer From/(To)					
Transfer (To) Capital Program	\$ -	\$ -	\$ (550,000)	N/A	(550,000)
Total Operating Expense and Transfer	\$ 11,253,122	\$ 16,839,127	\$ 13,461,818	-20.1%	(3,377,309)

* Contractual Services - Prior Year

California Highway Patrol Enforcement
Roadway Maintenance
Audit/Accounting

158,915
1,306,215
53,447
1,518,577

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

	Project Title	Total EL Budget Thru FY2019-20	FY 2020-21 Budget	Life to Date Project Budget	LTD BATA EL Budget ⁽ⁱⁱⁱ⁾	LTD BAIFA EL Budget
BAIFA Express Lanes						
6844	ALA-880 Conversion ⁽ⁱⁱ⁾	\$ 139,098,000	\$ -	\$ 139,098,000	\$ 104,122,301	\$ 34,975,699
6842	CC-680 Southern Segment Conversion	54,043,000	-	54,043,000	52,420,459	1,622,541
6845	CC-680 Northern Segment - Southbound Conversion	53,623,000	550,000	54,173,000	16,955,242	37,217,758
6849	SOL-80 Express Lane Conversion	18,078,000	-	18,078,000	11,634,064	6,443,936
6841	Centralized Toll System	32,367,000	-	32,367,000	20,980,474	11,386,526
6840	Program Costs: Planning, Coordination & Management	28,437,000	-	28,437,000	20,254,980	8,182,020
6847	Program Contingency	2,847,677	-	2,847,677	-	2,847,677
6843	Capitalized Start-up O&M	16,000,000	-	16,000,000	4,852,589	11,147,411
6851	84/Dumbarton Bridge	323,140	-	323,140	323,140	-
6852	92/San Mateo Bridge	369,303	-	369,303	369,303	-
	BAIFA Express Lanes Total	345,186,120	550,000	345,736,120	231,912,552	113,823,568
Other Express Lanes						
6853	San Mateo 101	95,000,000	-	95,000,000	-	95,000,000
	Total Express Lanes Capital Budget	\$ 440,186,120	\$ 550,000	\$ 440,736,120	\$ 231,912,552	\$ 208,823,568

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