

Bay Area Toll Authority Oversight Committee

April 9, 2025

Agenda Item 5c-25-0403

Bay Area Toll Authority (BATA) Resolution No. 177, Revised - Fiscal Year (FY) 2024-25 Operating and Capital Budgets Amendment No. 1

Subject:

Bay Area Toll Authority (BATA) Fiscal Year (FY) 2024-25 Operating and Capital Budgets Amendment No. 1.

Background:

BATA Resolution No. 177, Revised, amends the FY 2024-25 Operating and Capital Budgets to reflect an increase of \$22 million in total operating expenses and transfers which will be funded by current revenue. The anticipated increase includes \$2 million of additional operating expenses and \$20 million of carryover encumbrances. Total operating expenses, debt service, transfers out, and one-time expenses now total \$920 million.

Total operating revenue is estimated to increase by \$66 million from \$1,058 million to \$1,124 million. This includes an increase of \$12 million in general toll revenue, \$18 million increase in violation revenue, and \$36 million increase in interest revenue. The net result is a higher projected operating surplus of \$204 million.

The FY 2024-25 BATA Rehabilitation Program budget remains at \$132 million.

Operating Budget Amendments:

Operating Revenue

The proposed FY 2024-25 year-end revenue estimate reflects an increase in operating revenue resulting from higher toll revenue, collection of past due tolls, higher than anticipated violation revenue, and higher investment income. Toll revenue is projected to rise by \$12 million, a 1.3% increase over the approved budget, due to a slight increase in paid traffic and collection of prior year tolls. Violation revenue is anticipated to grow by \$18 million, an 89% increase, as a result of the resumption of DMV holds and the collection of unpaid violations. Additionally, total interest revenue is expected to increase by \$36 million, driven by higher investment income.

Operating Expenses

The proposed amendment to the FY 2024-25 operating budget expenses of \$22 million includes adjustments for additional operating expenses and carryover expenses from prior-year unpaid encumbrances. The net impact of increased operating expenses is offset by a reduction in unused budgeted funds.

Additional operating expenses

The following adjustments reflect necessary increases in operating costs by \$1.7 million:

- \$2.7 million increase in merchant services fees, driven by a higher volume of credit card transactions for toll collections.
- \$2.6 million increase for collection services related to more collection activities of unpaid violation notices.
- \$1.3 million increase for DMV fees due to a higher volume of DMV holds processed than initially anticipated.
- \$140,000 increase in staff costs due to changes in position allocations across the Metropolitan Transportation Commission (MTC) entities, impacting BATA's share of expenses.
- \$238,000 increase in the Beale assessment fee to align with anticipated costs.

The budget amendment includes a \$5.3 million reduction of Title 21 FasTrak tag swap, to reflect anticipated costs for FY 2024-25.

Carryover expenses from contracts encumbered in the prior year

The proposed budget amendment also reflects \$20.4 million of carryover contract encumbrances for obligations that were not invoiced or completed in the prior fiscal year. Key carryover items include:

- \$16.98 million for delayed invoices related to Conduent's core services and \$200,000 for Cubic's means-based fare payment program eligibility verification in the FasTrak[®] operations, which is the electronic toll payment system for the bridges and express lanes.
- BATA commitment of \$1.15 million for BATA's share of Bay Area Rapid Transit (BART) Inspector General expenses incurred in the prior year but invoiced and paid in the current year.
- \$896,000 administrative costs for legal fees, audit costs, and financial system expenses are also expected to be incurred in the current year.

Additionally, the amendment includes carryover funds for ongoing contracts supporting tolling technology, collection services, Regional Measure (RM) 3 project monitoring, and other operations. These services will be received in the current year.

All these adjustments ensure the budget reflects current expenditure needs while maintaining fiscal balance.

The operating budget schedule is attached (Attachment A) and is summarized below (in thousands).

	FY 2024-25 Approved	Change	FY 2024-25 Amendment No. 1
Operating Revenue			
Toll Revenue			
RM1	\$ 500,150	\$ 5,866	\$ 506,016
RM2	106,846	844	107,690
RM3	277,294	4,909	282,203
Violation	20,375	18,180	38,555
Other	2,043	(188)	1,855
Interest	63,470	36,368	99,838
Reimbursement	19,602	-	19,602
Rebate for BABS*	68,471	-	68,471
Total Revenue	\$1,058,250	\$ 65,980	\$1,124,230
Operating Expenses			
Caltrans	\$ 13,990	\$ -	\$ 13,990
FasTrak	116,180	24,482	140,662
Admin/Other	47,628	1,307	48,935
Debt Service	581,217	-	581,217
RM2	53,694	1,149	54,844
RM3	45,057	450	45,507
Transfers	26,831	36	26,867
One-Time Expense	13,340	(5,300)	8,040
Total Expenses	\$ 897,937	\$ 22,125	\$ 920,062
Operating Surplus	\$ 160,313	\$ 43,855	\$ 204,168

*Build for America Bonds

Capital and Rehabilitation Programs:

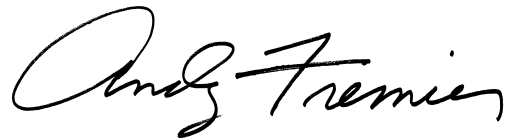
There are no amendments to the Capital and Rehabilitation Programs budgets.

Recommendations:

Staff recommends Resolution No. 177, Revised, the BATA FY 2024-25 Operating and Capital Budgets Amendment No. 1, be referred to the Authority for approval.

Attachments:

- BATA Resolution No. 177, Revised, FY 2024-25 Operating and Capital Budgets Amendment No. 1 (Attachments A to G)
 - Attachment A - Operating Budget FY 2024-25 Amendment 1
 - Attachment B - Capital Projects
 - Attachment C-1 - Rehabilitation Program Budget Summary
 - Attachment C-2 - Rehabilitation Program Budget by Program
 - Attachment D - Regional Measure 2 Regional Traffic Relief Program Capital Budget Summary
 - Attachment E - AB 1171 Program Capital Budget Summary
 - Attachment F - Regional Measure 3 Bay Area Traffic Relief Plan Capital Budget Summary
 - Attachment G - Fund Reserve Designations (effective June 30, 2024)



Andrew B. Fremier