

Bay Area Infrastructure Financing Authority
Network and Operations Committee

December 13, 2024

Agenda Item 4b

**Fiscal Year (FY) 2024-25 Bay Area Infrastructure Financing Authority (BAIFA) Statement
of Revenues and Expenses for the Period Ended September 30, 2024 (Unaudited)**

Subject:

Statement of Revenues and Expenses for the Period Ended September 30, 2024 (unaudited).

Background:

BAIFA manages the operations of Metropolitan Transportation Commission's express lanes on the Interstate 680 (I-680) and the Interstate 880 (I-880), and uses FasTrak[®], the electronic toll payment system, which is managed by the Bay Area Toll Authority (BATA), to collect cash-free tolls on the express lanes. BAIFA also operates the express lane tolling on the Highway 101 in San Mateo County (SM 101 EL) under a cooperative agreement between BAIFA and the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA).

Operating Revenues:

BAIFA's main operating revenues are toll revenues collected through FasTrak[®] from BAIFA's express lanes. Year-to-date toll revenues collected were \$19.5 million, which was \$1.8 million more than the prior year-to-date actual. Out of the \$1.8 million increase, \$1.4 million was from I-880 express lanes. The increase of toll revenues in the first quarter of FY 2025 was primarily due to increases in maximum toll charged and longer maximum toll duration on both I-680 and I-880 express lanes beginning in May 2024.

Violation revenues collected were \$2.3 million, which was \$1.2 million higher than the prior year-to-date actual. Higher violation revenues in FY 2025 were a result of increases in both DMV hold revenues from the resumed DMV hold process in November 2023 and violation collections from the collection agency started in January 2024.

Year-to-date interest and other revenues were \$1.7 million, an increase of \$0.4 million compared to the prior year-to-date actual. This increase was mainly a result of higher interest income from current high interest rate. The \$0.4 million SM 101 EL reimbursement revenue was billed for July 2024 operations, whereas revenue for July 2023 operations was booked at a later date.

Operating Expenses:

BAIFA's operating expenses are the expenses incurred from the express lane operations, such as FasTrak® operations and maintenance and roadway and backhaul operations and maintenance. As of September 30, 2024, total operating expenses were \$2.7 million, which was \$1.4 million higher than the prior year-to-date actual. This increase is primarily driven by timing differences in express lane operation expenses and professional fees booked.

Transfers:

BAIFA transferred a budgeted \$1.2 million to MTC as of September 30, 2024, which was mainly a one-time transfer for an ERP system implementation.,

Budget Status Update:

BAIFA generated \$19.5 million of toll revenue equivalent to 30% of the approved budget for the period ended September 30, 2024. Toll revenues were higher than estimated due to the increase in the maximum toll charged on both the I-680 and the I-880 express lanes which took effect in May 2024. Violation revenues collected were favorable at 53% of the approved budget. BAIFA started collecting the violation notices that were suspended during the COVID-19 pandemic starting November 2023 which resulted in this increase in violation revenue for the first quarter of the fiscal year. Interest revenue of \$1.3 million, at 26% of the budget, was only slightly higher than the budget for this period. The San Mateo (SM) 101 Express Lanes reimbursement revenue in the first quarter is only 6% of the budget because only one month of tolling operations expenses were billed and received.

Total expenses incurred for this period were \$2.6 million or 7% of the budget. This low rate of expenses to budget is typical during this period as operating invoices normally lag by a month or two. Spending is anticipated to increase as the operating year progresses. Operating transfers made at this time include contribution to operating projects of the Metropolitan Transportation Commission (MTC) which are minimal, and the full transfer for the new Enterprise Resource Planning (ERP) program implementation costs of \$1.14 million. There were no transfers made yet to the capital programs and the capital reserve.

The net operating surplus for the first quarter of FY 2024-25 was \$20 million resulting from the excess of favorable express lanes revenue over lower operating expenses.

Recommendations:

Information

Attachments:

- Attachment A: BAIFA Statement of Revenues and Expenses for the Period Ended September 30, 2024 (unaudited)



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