

**Bay Area Infrastructure Financing Authority**  
**Network and Operations Committee**

**June 14, 2024**

**Agenda Item 4b**

**Fiscal Year (FY) 2023-24 Bay Area Infrastructure Financing Authority (BAIFA) Statement  
of Revenues and Expenses for the Period Ended March 31, 2024 (Unaudited)**

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**Subject:**

Statement of Revenues and Expenses for the Period Ended March 31, 2024 (unaudited).

**Background:**

BAIFA manages the operations of Metropolitan Transportation Commission's express lanes on Interstate 680 (I-680) and Interstate 880 (I-880), and uses FasTrak<sup>®</sup>, 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<sup>®</sup> from BAIFA's express lanes. Year-to-date toll revenues collected were \$48.8 million, which was \$6.0 million more than the prior year-to-date actual. Out of the \$6.0 million increase, \$4.4 million was from I-880 express lanes.

The increase in toll revenues is primarily due to an increase in traffic on express lanes.

Violation revenues collected were \$3.6 million, which was \$1.8 million lower than the prior year-to-date actual. BAIFA reduced the violation penalty and fee charges from \$70 to \$30 effective on October 3, 2022.

Year-to-date interest and other revenues were \$4.2 million, an increase of \$2.1 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 reimbursement revenue from SM 101 EL reached \$2.5 million as of March 31, 2024, an increase of \$1.4 million compared to the prior year-to-date actual.

**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 March 31, 2024, total operating expenses were \$13.6 million, which was \$2.0 million higher than the prior year-to-date actual. This increase is primarily due to higher express lane transaction volume in the current fiscal year.

**Transfers:**

BAIFA transferred a budgeted \$41.1 million to the capital program and reserve funds as of the third quarter of FY 2024, a \$29.6 million increase compared to prior year-to-date actual.

**Budget Status Update:**

As of March 31, 2024, BAIFA's financial statements resulted in operating surplus before transfers of approximately \$45.4 million versus the approved budget of \$41.6 million. After the transfer of \$26.1 million to fund capital costs in the BAIFA capital and rehabilitation programs, \$94 thousand of transfers to MTC to fund project staff costs, and the transfer to the capital reserve of \$15.0 million per budget were all completed, the resulting net operating surplus was \$4.2 million.

Total revenue generated was \$59.0 million or 75% of the adopted budget. The combined toll revenues generated from I-680 and I-880 of \$48.8 million were favorable at 83% of the budget. Both I-680 and I-880 continued to see increased traffic flow contributing to revenue that stays in line with the budget. Violation revenues collected were 47% of the budget due to the continuing backlog of violation invoices. We resumed sending holds to DMV only in October 2023 for violations ready for DMV hold from May 2023. Interest rates and other revenues surpassed the budget by 112% largely due to interest rates performing significantly better than the budget assumptions. The SM 101 EL received \$2.5 million of reimbursement revenue, which was 30% of the estimated full year budget.

By the end of the third quarter, \$13.6 million of total operating expenses (before transfers) were incurred or 37% of the annual budget. The invoices covering the expenses for the FasTrak® toll collection system operations and maintenance, express lanes and backhaul operations and maintenance, and administration costs remained behind by up to a quarter period. Payments of

invoices are anticipated to progress and catch up to the budget towards the end of the fiscal year. Operating expenses for the SM 101 EL of \$2.3 million was at 27% of the budget. Billing and subsequent reimbursements for this tolling system segment have been lagging behind. It is anticipated that the SM 101 EL operating expenses will be favorably under budget until year-end.

**Recommendations:**

Information

**Attachments:**

- Attachment A: BAIFA Statement of Revenues and Expenses for the Period Ended March 31, 2024 (unaudited)

  
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