

## San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: May 12, 2023

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Kate Jordan Steiner, Chief Financial Officer

Subject: Addendum 4.1: Staff Report and Fiscal Year 2024 Preliminary Budget

(For further information please contact Kate Jordan Steiner at [steinerkj@samtrans.com](mailto:steinerkj@samtrans.com))

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### **RECOMMENDATION**

This report is submitted for informational purposes only. Staff will present a final Fiscal Year (FY) 2024 budget proposal for Board adoption at the June 9, 2023, Board meeting. At the June 9, 2023, meeting, the San Mateo County Express Lanes Joint Powers Authority (SMCE-JPA) Board of Directors (Board) will hold a public hearing to consider adoption of the final FY2024 Budget, in accordance with Section 131266 of the California Public Utilities Code.

### **BACKGROUND**

The management and operation of the Express Lanes is governed by the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA), a six-member joint powers authority consisting of three San Mateo County Transportation Authority (SMCTA) Board members and three City/County Association of Governments of San Mateo County (C/CAG) Board members.

The FY2024 Budget provides funding for the continued operational support of the southern and northern segments of the US 101 Express Lanes. The northern segment is currently open and fully operational as of March 3, 2023.

The FY2024 Budget projects a full twelve (12) months of operation of the lanes for both the northern and southern segments, whereas the FY2023 budget amount was for 8 months of the southern segment and 4 months of the full corridor. As better estimates become available for the full corridor, staff will return to the Board with a budget amendment for FY2024 as necessary.

### **FY2024 Preliminary Budget**

Please refer to Attachment A for a comparative schedule of the FY2023 Revised, FY2023 Forecast, and the FY2024 Preliminary budgets. Please note that FY2023 Forecast is an estimate of the projected actuals for each line item through June 30, 2023. The line numbers for each revenue and expense item are detailed below and referring to the corresponding line numbers on Attachment A.

### **Total Sources of Funds (Line 10)**

Total revenues for FY2024 are projected at \$25.4 million, an increase of \$12.3 million over the FY2023 Forecast.

**Toll Revenues (Line 2) \$20.2 million – increase of \$8.9 million over FY2023 Forecast**

FY2024 toll revenues are projected at \$20.2 million. This projection is based on the average year-to-date toll revenue collection of the southern segment from July 2022 to February 2023 and escalated by lane mile for the full corridor. The average per lane mile used for FY2024 Preliminary budget is \$16,052 or \$1.68 million per month. The FY2023 Forecast of \$11.3 million is based on the year-to-date actuals through February 2023, and escalated by lane mile for the full corridor for the remaining months from March through June 2023

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
<b>Toll Revenues</b>	<b>\$ 8,000,000</b>	<b>\$ 11,270,537</b>	<b>\$ 20,200,000</b>	<b>\$ 8,929,463</b>	<b>79.2%</b>

**Toll Violation, Fees and Penalties (Line 3) \$4.2 million – increase of \$2.6 million over FY2023 Forecast**

FY2024 Preliminary Budget is projected at \$4.2 million. This line item is related to any violations and fees associated with the use of the express lanes. The \$4.2 million is based on a per lane mile of \$16,052 or \$353,138 per month. This is based on the average year-to-date actuals of the southern segment from December 2022 to February 2023 and escalated by lane miles for the full corridor. The FY2023 Forecast is projected at \$1.6 million and is based on actual fees collected through February 2023 and escalated by lane mile for the remaining months from March through June 2023.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
<b>Toll Violations, Fees and Penalties</b>	<b>\$ -</b>	<b>\$ 1,614,124</b>	<b>\$ 4,200,000</b>	<b>\$ 2,585,876</b>	<b>160.2%</b>

**Allocated Bond Funds – Equity Program (Line 4) \$577,550 – increase of \$370,050 over FY2023 Forecast**

Included in the \$100 million loan agreement the TA made to the SMCEL-JPA in 2020, \$1.0 million was set aside for equity program expenses. Of the \$1.0 million, \$214,950 was used in FY2022 and \$207,500 is forecasted for FY2023 leaving a projected balance of \$577,550 to rollover to FY2024 to fund and support the Equity Program Administration and Costs in the upcoming year (Line 29). In FY2023, the overall equity program was ramping up its implementation. It is expected that participation in the program will increase in FY2024 due to additional outreach and expansion.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
<b>Allocated Bond Funds - Equity Program</b>	<b>\$ 635,000</b>	<b>\$ 207,500</b>	<b>\$ 577,550</b>	<b>\$ 370,050</b>	<b>178.3%</b>

**SMCTA Measure A (ACR TDM) – Equity Program (Line 5) \$400,000**

On January 6, 2022, the San Mateo County Transportation Authority (SMCTA) programmed and allocated a one-time \$400,000 of Measure A Alternative Congestion Relief/Transportation Demand Management (ACR/TDM) program funds to the US 101 Express Lanes Equity Program. Based on the forecast of the Equity program spending, this entire amount will rollover to FY2024 to fund for the program since none of the \$400,000 is planned to be used in FY2023.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
SMCTA Measure A (ACR TDM)	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	100.0%

**Carryforward Balance from SMCTA and C/CAG (Line 6) \$0**

This carryforward from prior years is a true-up between the advances provided by each agency against expenses (split determined per the Operating Funding agreement). The reconciliation is based on the audited actuals. This carryforward balance is no longer needed as there will be sufficient toll revenue in FY2024 to offset the operation and administration costs for the express lanes.

**Advances from SMCTA and C/CAG (Lines 7 & 8) \$0**

FY2024 toll revenues are sufficient to offset the operation and administration costs of the express lanes. Therefore, advances from SMCTA and C/CAG will not be required to balance the budget.

**Additional advance from SMCTA (Line 9) \$0**

This line item was a one-time budgeted advance from SMCTA on behalf of CCAG from FY2023. This advance will not be required for FY2023.

Uses of Funds

**Staff Support: (Line 13) \$1,055,611, an increase of \$294,705 from the FY2023 Forecast**

- This includes staff wages and benefits needed to support the operation of the SMCEL-JPA. A total of 4.54 full time equivalents (FTEs) in CCAG and San Mateo County Transit District (District) staff time is budgeted in FY2024. The additional costs are driven by increases in CCAG and District labor costs.
- The FY2023 Forecast is based on actual expenditures through March 2023. There is a decrease of \$78,722 in the FY2023 Forecast from the FY2023 Revised budget; actual expenses to date are less than budgeted..

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Staff Support	\$ 839,628	\$ 760,906	\$ 1,055,611	\$ 294,705	38.7%

**Administrative Overhead: (Line 14) \$117,139, an increase of \$11,084 from the FY2023 Forecast**

- The Indirect Cost Allocation Plan (ICAP) calculates the indirect cost rate used to recover overhead costs related to agency indirect administrative overhead and capital projects. The District procured the assistance of an outside consulting firm to develop a methodology that equitably allocates the costs incurred by the District for services and functions shared by the different agencies administered by District staff. The consultant team is selected for its experience and knowledge in developing allocation methodologies for governmental and public entities.
- The ICAP is prepared in accordance with the principles and guidelines set forth in the Office of Management and Budget (OMB) Circular A-87 “Cost Principles for State, Local and Indian Tribal Governments” and ASMB C-10 “Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government.”
- The FY2024 Administrative Overhead is based on the FY2024 ICAP calculation that applies the ICAP rate to all labor and non-labor costs.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Administrative Overhead	\$ 106,055	\$ 106,055	\$ 117,139	\$ 11,084	10.5%

**Seminar/Training & Business Travel: (Line 15) \$40,500, an increase of \$34,500 over the FY2023 Forecast**

- Includes cost of seminars, training and conferences related to express lanes administration and technology, business travel for meeting attendance in and around the region regarding express lanes business, as well as meetings with the State, such as California Department of Transportation (Caltrans), California Transportation Commission (CTC) and the International Bridge, Tunnel and Turnpike Association (IBTTA) meetings & Events.
- The increase from the FY2023 Forecast is for the tolling seminars in FY2024. The FY2023 Forecast is projected to be \$6,000. This a decrease of \$14,000 from the FY2023 Revised due to less training and business travel than expected.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Seminar/Training & Business Travel	\$ 20,000	\$ 6,000	\$ 40,500	\$ 34,500	575.0%

**Audit and Bank Fees: (Line 16) \$22,636, an increase of \$2,393 from the FY2023 Forecast**

- Includes annual audit fees and GFOA subscription and applications, bank fees and fiscal agent fees. The increase is due to increases in fiscal agent fees and audit fees of \$1,000 and \$1,160 respectively.
- The FY2023 Forecast is projected at \$20,243, a decrease of \$5,917 from the FY2023 Revised budget. This decrease is due to less than anticipated bank fees. As daily fund balance accumulates, less fees are incurred.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Audit & Bank Fees	\$ 26,160	\$ 20,243	\$ 22,636	\$ 2,393	11.8%

**Promotional Advertising: (Line 17) \$50,000, a decrease of \$35,130 from the FY2023 Forecast**

- This budget request is for marketing promotional advertising services. The FY2023 Forecast is based on actual expenditures through March 2023 which included advertising costs to promote the opening of the northern segment of the Express Lanes.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Promotional Advertising	\$ 50,000	\$ 85,130	\$ 50,000	\$ (35,130)	-41.3%

**Utilities: (Line 18) \$50,000, an increase of \$14,333 from the FY2023 Forecast**

- Includes utilities costs from PG&E. The FY2023 Forecast is based on actual expenditures through February 2023.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Utilities	\$ 50,000	\$ 35,667	\$ 50,000	\$ 14,333	40.2%

**Software Maintenance & License: (Line 19) \$33,600, an increase of \$7,395 from the FY2023 Forecast**

- The line item includes Software Box Service Document Management and Granicus software.
- The increase of \$7,395 from the FY2023 Forecast is due to Consumer Price Index (CPI) adjustment and lower costs in FY2023.
- The FY2023 Forecast is projected at \$26,205, a decrease of \$5,795 from the FY2023 Revised budget. The decrease is due to actual expenditures coming in less than projected.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Software Maintenance & License	\$ 32,000	\$ 26,205	\$ 33,600	\$ 7,395	28.2%

**Legal Services: (Line 20) - \$60,000, an increase of \$44,817 from the FY2023 Forecast**

- Includes cost for contracted legal services provided by the San Mateo County Attorney's Office. The FY2023 Forecast is based on actual expenditures through March 2023, resulting in the decrease of \$44,817 from the FY2023 Revised and FY2024 Preliminary budgets.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Legal Services	\$ 60,000	\$ 15,183	\$ 60,000	\$ 44,817	295.2%

**Insurance: (Line 21) \$500,000, no change from the FY2023 Forecast.**

- Annual premium for property and liability coverage.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Insurance	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	0.0%

**SMCEL-JPA Bond Related Debt Fees: (Line 22) \$520,000 – new line item**

- This line item includes \$520,000 for Bank of America Letter of Credit (LOC) fees, JPMorgan remarketing fees and S&P Global ratings.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
SMCEL-JPA Bond Related Debt Fees	\$ -	\$ -	\$ 520,000	\$ 520,000	100.0%

**Miscellaneous: (Line 23) \$29,350, an increase of \$651 from the FY2023 Forecast**

- Includes provision for dues and subscriptions, board compensation, ADP fees, office supplies and printing and information services. The increase is due to additional cost of \$9,900 for the video streaming and \$2,000 in meeting costs for Board meetings offset by a one-time ribbon cutting ceremony for the opening of the Northern segment of the Express Lanes from the FY2023 Revised budget.

- The reduction in the FY2023 Forecast of \$3,701 compared to the FY2023 Revised budget is due to less office supplies and printing and information service costs than expected for FY2023.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Miscellaneous	\$ 32,400	\$ 28,699	\$ 29,350	\$ 651	2.3%

**Consultant: (Line 24) \$2,206,700, an increase of \$891,942 from the FY2023 Forecast**

- This line item includes consultant services, such as those provided by the HNTB Policy Program Management (PPM), a one-time organizational study and analysis, as well as technical studies, advocacy and lobbying. The increase is primarily due to the addition of \$400,000 in organizational and study analysis, \$250,000 in allowance for technical studies, \$170,000 for HNTB PPM and \$75,000 in advocacy and lobbying services.
- The FY2023 Forecast is projected at \$1.3 million, a decrease of \$485,242 from the FY2023 Revised budget. This decrease is a result of no actual expenditures through March 2023 in allowance for technical studies, TA on-site consultant and District communication services.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Consultant	\$ 1,800,000	\$ 1,314,758	\$ 2,206,700	\$ 891,942	67.8%

**Express Lane Maintenance: (Line 25) \$847,000, an increase of \$628,000 from the FY2023 Forecast.**

- This line is for the maintenance costs for the Express Lanes. The FY2024 Preliminary budget represents a full year of operations for the entire 22-mile extent compared to partial operations in FY2023. This projection assumes \$10,000 per lane mile in each direction, plus incident management and supplemental subcontractor support to address Caltrans' limited resource availability.
- The FY2023 Forecast is projected at \$219,000 to account for anticipated maintenance and incident management needs for the newly launched northern segment between March and June 2023. This represents a decrease of \$225,000 from the FY2023 Revised budget due to a shortage of Caltrans staff and less required maintenance for newly opened lanes.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Express Lane Maintenance	\$ 444,000	\$ 219,000	\$ 847,000	\$ 628,000	286.8%

**Toll Operations and Maintenance (BAIFA) (Line 26) \$8,350,000, an increase of \$5,490,000 from the FY2023 Forecast.**

- This line reflects the Bay Area Infrastructure Financial Authority's (BAIFA) operation of the Express Lanes toll system, including the collection of toll transactions and traffic data, sending information to the Bay Area Toll Authority customer service center, monitoring system performance, providing roadway operations, and the maintenance of toll system equipment and software.
- The increase of \$5,490,000 from the FY2023 Forecast is due to the following:
  - An increase in program management from \$500,000 to \$1,060,000 based on estimates for full corridor service levels.
  - Other civil costs not covered by Caltrans increased by \$2,550,000 for a full year's worth of preventative maintenance for the full corridor and an increase in cost for major

variable tasks/repairs such as USA marking, fiber investigation, fiber repairs and other major infrastructure repairs.

- Toll System Operations & Maintenance increased by \$1,660,000 based on estimates for full corridor service levels.
  - ROC 511 Monitoring and AT&T host and fiber costs increased by \$340,000 based on estimates for full corridor service levels.
  - Contingency increased from 5% to 10% or \$380,000.
- The FY2023 Forecast is projected at \$2.9 million, a decrease of \$2.1 million from the FY2023 Revised budget. This decrease is due to less maintenance required since the lanes are relatively new.

Toll Operations & Maintenance (BAIFA)					
Scope Area	FY23 Budget	FY23 Forecast	FY24 Proposed	Variance btw FY23 v FY24	Percentage Change
Program Management	500,000	500,000	1,060,000	560,000	112.0%
Toll Systems	2,726,000	1,530,000	3,190,000	1,660,000	108.5%
Regional Operations Center (ROC) 511 Monitoring	351,000	290,000	570,000	280,000	96.6%
Other Civil Costs not covered by Caltrans	894,000	150,000	2,700,000	2,550,000	1700.0%
AT&T Host Costs & Fiber Costs	273,000	130,000	190,000	60,000	46.2%
Contingency (10%)	237,000	260,000	640,000	380,000	146.2%
<b>Total</b>	<b>\$ 4,981,000</b>	<b>\$ 2,860,000</b>	<b>\$ 8,350,000</b>	<b>\$ 5,490,000</b>	<b>192.0%</b>

**FasTrak Customer Service (BATA) (Line 27) \$5,200,000, an increase of \$2,537,000 over the FY2023 Forecast**

- To provide customer service for FasTrak® accounts and trips taken on the US 101 Express Lanes in San Mateo County, to process customer payments and issue toll evasion violation notices. The estimate for FY2024 assumes high levels of traffic to provide sufficient budgetary authority.
- The FY2024 Preliminary Budget is \$2,537,000 or 95.3% higher than FY2023 Forecast. This increase is mostly in customer service costs of \$2.0 million and credit card fees of \$443,000.
- The FY2023 Forecast is projected at \$2.7 million, a decrease of \$0.2 million from the FY2023 Revised budget. This decrease is due to less volume of toll transactions than anticipated.

FasTrak Customer Service (BATA)					
Scope Area	FY23 Budget	FY23 Forecast	FY24 Proposed	Variance btw FY23 v FY24	Percentage Change
FasTrak Maintenance & Accounting	90,374	94,500	200,000	105,500	111.6%
Customer Service Center	2,259,348	2,000,000	4,000,000	2,000,000	100.0%
Credit Card and Banking Fees	376,558	457,000	900,000	443,000	96.9%
Direct Costs	113,720	111,500	100,000	(11,500)	-10.3%
<b>Total</b>	<b>\$ 2,840,000</b>	<b>\$ 2,663,000</b>	<b>\$ 5,200,000</b>	<b>\$ 2,537,000</b>	<b>95.3%</b>

**Express Lane Enhanced Enforcement (CHP) (Line 28) \$240,000, an increase of \$154,942 over the FY2023 Forecast**

- The line item is for the California Highway Patrol to provide enforcement services. There is an increase of \$154,942 from the FY2023 Forecast. The increase is for additional CHP activity anticipated for the full corridor service levels. The FY2023 Forecast is based on actual expenditures through December 2023. There have been less CHP costs than originally projected.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Express Lane Enhanced Enforcement (CHP)	\$ 240,000	\$ 85,058	\$ 240,000	\$ 154,942	182.2%

**Equity Program Administration and Costs (Line 29) \$1,435,000, an increase of \$1,227,500 from the FY2023 Forecast**

- This line item reflects the agreement with Samaritan House for San Mateo 101 Express Lanes Equity Program administration services including eligibility screening, marketing and outreach, oversight, reporting and costs and the direct costs of procuring Clipper Cards and FasTrak® toll tag/transponders. Samaritan House will provide eligible residents with Clipper Cards and FasTrak® toll tag/transponders projected to cost \$1,300,000. The annual administration cost is \$120,000 and communication services including translation of materials and marketing is \$15,000.
- FY2024 Preliminary budget for this line item is \$1,435,000. The program is expected to ramp up due to additional outreach and expansion in FY2024.
- The FY2023 Forecast is projected at \$0.2 million, a decrease of \$0.8 million from the FY2023 Revised budget as the program was underutilized. Staff is currently working with various stakeholders to increase marketing and outreach efforts of this program.

Equity Program Administration and Costs					
Scope Area	FY23 Revised	FY23 Forecast	FY24 Preliminary	Variance btw FY23 Forecast v FY24 Preliminary	Percentage Change
Clipper Cards and FasTrak toll tag/transponders	915,179	175,500	1,300,000	1,124,500	640.7%
Annual Administration cost (Samaritan House)	109,821	22,000	120,000	98,000	445.5%
Communication services, including translation of materials and marketing	10,000	10,000	15,000	5,000	50.0%
<b>Total</b>	<b>\$ 1,035,000</b>	<b>\$ 207,500</b>	<b>\$ 1,435,000</b>	<b>\$ 1,227,500</b>	<b>591.6%</b>

**Interest Expense – Operating Advances: (Line 30) \$269,098, an increase of \$125,584 from the FY2023 Forecast**

- This is the estimated interest incurred on the balance from the Operating advances from both CCAG and SMCTA
- The increase of \$125,584 in the FY2024 Preliminary budget is based on an average county pool interest rate of 4.375 percent on the projected \$6.0 million fund balance.
- The FY2023 Forecast is projected at \$143,514, an increase of \$84,796 from the FY2023 Revised budget. The FY2023 Forecast is based on actual expenditures through March 2023. The projection from April through June is based on a projected fund balance of \$6.0 million at an estimated county pool interest rate of 4 percent.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
<b>Interest Expense on Operating Advances</b>	<b>\$ 58,718</b>	<b>\$ 143,514</b>	<b>\$ 269,098</b>	<b>\$ 125,584</b>	<b>87.5%</b>

**Credit Enhancement Fee: (Line 31) \$400,000 – new line item**

- Credit Enhancement fee is a fee that the TA charges the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) for the TA's \$100 million bond issuance in 2020 for capital, finance and support costs associated with the US 101 Express Lanes Project. This fee compensates the TA for risk and efforts associated with the issuance and maintenance of the bond. The Credit Enhancement Fee is charged on the outstanding balance of the loan at an annual rate of 0.4 percent. However, in any fiscal year in which the Capital Loan balance is reduced by at least \$5 million, the TA will use 0.15 percent of the Credit Enhancement Fee to reduce the outstanding principal on the Capital Loan.

- Included in the \$100 million loan agreement the TA made to the SMCEL-JPA in 2020, \$0.8 million was set aside to pay for the first two years of the enhancement fee. This set-aside fund is fully exhausted by end of August 2022.
- The FY2023 Forecast is \$332,055. This represents ten months of enhancement fee at 0.4 percent of the outstanding bond loan balance of \$100 million from September 2022 through June 2023. The credit enhancement costs for July and August 2022 were covered by the \$100 million bond.
- The FY2024 Preliminary Budget for this line is \$400,000. This represents twelve months of the enhancement fee at 0.4 percent of the outstanding bond loan balance.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
Credit Enhancement Fee	\$ -	\$ 332,055	\$ 400,000	\$ 67,945	20.5%

**SMCEL-JPA Bond Interest: (Line 32) \$1,000,000 – new line item**

- This line item is comprised of \$1.0 million in projected interest expense. When the TA issued debt in 2020 on behalf of the SMCEL-JPA to finance construction of the US101 Express Lanes Project, the TA identified and qualified \$6 million as capitalized interest for the first three years of the term of the loan. This capitalized interest allows the interest to be paid from the loan; however, after February 28, 2024, this set aside of capitalized interest may not be available to reimburse the interest costs as it is expected to be exhausted. The projected \$1 million expense represents interest for the months of March through June 2024 It is expected that the SMCEL-JPA would reimburse the TA for such expenses.

	FY2023 Revised	FY2023 Forecast	FY2024 Preliminary	Variance	% Change
SMCELJPA Bond Interest	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	100.0%

**PROJECTED SOURCES OVER USES: (Line 35)**

- The FY2023 forecast projects a surplus of \$3.7 million and the FY2024 budget projects a surplus of \$3.0 million. Staff proposes to distribute the surpluses for each year based on the flow of funds per the loan agreement when the yearend audit is completed, generally around the Fall time frame (October or November of each year). Depending on the availability funds, future distributions may include funding of reserves and payment of debt principal. Staff will return to the Board this Fall with additional information in the new fiscal year regarding the audited FY2023 actuals and updated projections for FY2024.

**ATTACHMENT**

1. Preliminary FY2024 SMCEL-JPA Budget
2. Fiscal Year 2024 SMCEL-JPA Operating Budget Presentation

SAN MATEO COUNTY Express Lanes JPA  
FY2024 Preliminary Budget

	FY2023 REVISED	FY2023 FORECAST	FY2024 PRELIMINARY	FY23 FORECAST vs FY24 PRELIMINARY VARIANCE	PERCENTAGE CHANGE
<b>SOURCES OF FUNDS</b>					
Toll Revenues	8,000,000	11,270,537	20,200,000	8,929,463	79.2%
Toll Violation, Fees and Penalties	-	1,614,124	4,200,000	2,585,876	160.2%
Allocated Bond Funds - Equity Program	635,000	207,500	577,550	370,050	178.3%
SMCTA Measure A (ACR TDM) - Equity Program	400,000	-	400,000	400,000	100.0%
Carryforward Balance from SMCTA & CCAG	192,109	-	-	-	-
Advance from the C/CAG	1,350,000	-	-	-	-
Advance from the SMCTA	1,915,185	-	-	-	-
Additional advance from SMCTA	622,667	-	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>13,114,961</b>	<b>13,092,161</b>	<b>25,377,550</b>	<b>12,285,389</b>	<b>93.8%</b>
<b>USES OF FUNDS</b>					
Staff Support	839,628	760,906	1,055,611	294,705	38.7%
Administrative Overhead	106,055	106,055	117,139	11,084	10.5%
Seminar/Training & Business Travel	20,000	6,000	40,500	34,500	575.0%
Audit & Bank Fees	26,160	20,243	22,636	2,393	11.8%
Promotional Advertising	50,000	85,130	50,000	(35,130)	-41.3%
Utilities	50,000	35,667	50,000	14,333	40.2%
Software Maintenance & License	32,000	26,205	33,600	7,395	28.2%
Legal Services	60,000	15,183	60,000	44,817	295.2%
Insurance	500,000	500,000	500,000	-	0.0%
SMCEL-JPA Bond Related Debt Fees		-	520,000	520,000	100.0%
Miscellaneous	32,400	28,699	29,350	651	2.3%
Consultant	1,800,000	1,314,758	2,206,700	891,942	67.8%
Express Lanes Maintenance	444,000	219,000	847,000	628,000	286.8%
Toll Operations and Maintenance (BAIFA)	4,981,000	2,860,000	8,350,000	5,490,000	192.0%
FasTrak Customer Service (BATA)	2,840,000	2,663,000	5,200,000	2,537,000	95.3%
Express Lanes Enhanced Enforcement (CHP)	240,000	85,058	240,000	154,942	182.2%
Equity Program Administration and Costs	1,035,000	207,500	1,435,000	1,227,500	591.6%
Interest Expense on Operating Advances	58,718	143,514	269,098	125,584	87.5%
Credit Enhancement Fee	-	332,055	400,000	67,945	20.5%
SMCEL-JPA Bond Interest	-	-	1,000,000	1,000,000	100.0%
<b>TOTAL USES OF FUNDS</b>	<b>13,114,961</b>	<b>9,408,973</b>	<b>22,426,634</b>	<b>13,017,661</b>	<b>138.4%</b>
<b>PROJECTED SOURCES OVER USES</b>	<b>-</b>	<b>3,683,188</b>	<b>2,950,916</b>	<b>(732,272)</b>	<b>-19.9%</b>

A - FY2023 Revised Budget assumes 8 months of southern segment toll revenues and O&M expenses and four months of the full corridor toll revenues and OM expenses whereas FY2024 Proposed Budget reflects a 12 month projection of the full corridor.



# Fiscal Year 2024 SMCEL-JPA Operating Budget

## Item 4.1





# Agenda

- FY2024 preliminary budget presentation
  - Sources and Uses
- Next steps



# Assumptions

- The FY2024 Budget assumes 12 months of the full corridor (both the southern and northern segment)
- FY2023 Forecast is based average year-to-date actuals
- FY2023 Budget reflects 8 months of the southern segment and 4 months of northern segment operations



# SOURCES OF FUNDS

	FY2023 Forecast	FY2024 Prelim	% Change inc/(dec)
Toll Revenues	\$ 11,270,537	\$ 20,200,000	79.2%
Toll Violation, Fees and Penalties	1,614,124	4,200,000	160.2%
Allocated Bond Funds- Equity Program	207,500	577,550	178.3%
SMCTA Measure A- Equity Program	-	400,000	100.0%
<b>Total</b>	<b>\$ 13,092,161</b>	<b>\$ 25,377,550</b>	<b>93.8%</b>



# Toll Revenue Projection

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	TOTAL	Average
Toll Revenue Collected	\$290,916	\$520,128	\$350,553	\$207,473	\$1,206,818	\$563,709	\$388,478	\$1,213,921	\$4,741,996	\$592,749

	Lane Miles	Avg/lane mile	Average/mo.	Months	Preliminary Budget
Southern Segment	7.74	\$76,583	\$592,752	12	\$7,113,024
Northern Segment	14.26	\$76,583	<u>\$1,092,068</u>	12	<u>\$13,104,816</u>
<b>Sub-Total</b>			\$1,684,820		\$20,217,840
<b>Rounded</b>					<u><b>\$20,200,000</b></u>



# Toll Violation, Fees and Penalties

	Dec	Jan	Feb	TOTAL	Average
Toll Revenue Collected	\$102,567	\$124,974	\$145,181	\$372,721	\$124,240

	Lane Miles	Avg/lane mile	Average/mo.	Months	Preliminary Budget
Southern Segment	7.74	\$16,052	\$124,242	12	\$1,490,904
Northern Segment	14.26	\$16,052	<u>\$228,902</u>	12	<u>\$2,746,824</u>
<b>Sub-Total</b>			\$353,144		\$4,237,728
<b>Rounded</b>					<u><b>\$4,200,000</b></u>



# USES OF FUNDS

	FY2023 Forecast	FY2024 Prelim	% Change inc/(dec)
Staff Support	\$ 760,906	1,055,611	38.7%
Administrative Expenses	823,182	903,225	9.7%
SMCEL-JPA Bond Related Debt Fees	-	520,000	100.0%
Consultant	1,314,758	2,206,700	67.8%
Express Lanes Maintenance	219,000	847,000	286.8%
Toll Operations and Maintenance (BAIFA)	2,860,000	8,350,000	192.0%
FasTrak Customer Service (BATA)	2,663,000	5,200,000	95.3%
Express Lanes Enhanced Enforcement (CHP)	85,058	240,000	182.2%
Equity Program Administration and Costs	207,500	1,435,000	591.6%
Interest Expense on Operating Advances	143,514	269,098	87.5%
Credit Enhancement Fee	332,055	400,000	20.5%
SMCEL-JPA Bond Interest	-	1,000,000	100.0%
<b>Total</b>	<b>\$ 9,408,973</b>	<b>\$ 22,426,634</b>	<b>138.4%</b>



# Administrative Expenses

	FY2023 Forecast	FY2024 Prelim	% Change inc/(dec)
Administrative Overhead	\$ 106,055	\$ 117,139	10.5%
Seminar/Training & Business Travel	6,000	40,500	575.0%
Audit & Bank Fees	20,243	22,636	11.8%
Promotional Advertising	85,130	50,000	(41.3%)
Utilities	35,667	50,000	40.2%
Software Maintenance & License	26,205	33,600	28.2%
Legal Services	15,183	60,000	295.2%
Insurance	500,000	500,000	-
Miscellaneous	<u>28,699</u>	<u>29,350</u>	<u>2.3%</u>
<b>Total</b>	<b><u>\$ 823,182</u></b>	<b><u>\$ 903,225</u></b>	<b><u>9.7%</u></b>



# Toll Operations & Maintenance (BAIFA) Projection

BAIFA	Variable/Fixed Cost	Budget/mo.	Percent % for North Seg	Months of Northern	Preliminary FY24
Program Management	\$ 1,056,273				\$ 1,056,273
Toll Systems	561,700	93,617	184.24%	12	3,193,175
Regional Operations Center (ROC)					
511 Monitoring	99,650	16,608	184.24%	12	566,582
Other Civil Costs not covered by Caltrans	2,700,000			12	2,700,000
AT&T Host Costs & Fiber Costs	32,500	5,417	184.24%	12	185,000
Contingency (10%)					<u>638,377</u>
<b>Sub-Total</b>					<b>8,339,407</b>
<b>Rounded</b>					<b><u>\$ 8,350,000</u></b>



# FasTrak Customer Service (BATA) Projection

	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	Average
FasTrak Customer Svc	\$138,374	\$174,603	\$151,176	\$143,786	\$159,808	\$149,072	\$916,819	\$152,803

	Lane Miles	Avg/lane mile	Average/mo.	Months	Preliminary Budget
Southern Segment	7.74	\$19,742	\$152,803	12	\$1,833,636
Northern Segment	14.26	\$19,742	\$281,521	12	<u>\$3,378,251</u>
<b>Sub-Total</b>					\$5,211,891
<b>Rounded</b>					<u><b>\$5,200,000</b></u>



# Projected Sources Over Uses

	FY2023 Forecast	FY2024 Prelim	% Change inc/(dec)
Total Sources of Funds	\$ 13,092,161	\$ 25,377,550	93.8%
Total Uses of Funds	<u>9,408,973</u>	<u>22,426,634</u>	<u>138.4%</u>
<b>Projected Sources Over Uses</b>	<u><b>\$ 3,683,188</b></u>	<u><b>\$ 2,950,916</b></u>	<u><b>-19.9%</b></u>



## Next Steps

- Staff to incorporate feedback and finalize the budget
- June 9, 2023 Board Meeting- present the proposed FY2024 budget for Board adoption.



Any Questions?