



# Foothill/Eastern

## Fiscal Year 2010 Proposed Budget



*Transportation Corridor Agencies*



# Preparing the Budget

- Staff began working on the budget in January
- Three board member budget workshops
- Proposed fiscal year 2010 budgeted expenses are below fiscal year 2009 projected actuals
- Recommended budget will maintain customer service and prepare for the agency's future needs
- Increases to tolls, fees and penalties included
- Continue to watch traffic, revenue and expenses on a daily basis

# Accomplishments and Programs

- Construction began to add an additional FasTrak lane in each direction through the Windy Ridge Toll Plaza
- Triangle Fire Assistance
- Spring Native Habitat Tours
- “Fossils in your backyard” classroom program



# Accomplishments and Programs

- Commerce decision and outreach
  - Commerce decision allows for a solution
  - Board directs staff to reach out to stakeholders
  - More than 50 meetings held



# Accomplishments and Programs

- 3.3% annual growth in FasTrak accounts
- 3.5% annual growth in transponders
- Toll Attendants Honored
- Replaceable Battery Transponders
- FasTrak Incentive - \$30 in tolls
- E-statement Incentive
- Costco Holiday Incentive
- Facebook fan page



# Initiatives

- Complete new FasTrak lanes through the Windy Ridge toll plaza
- \$11.9 million for engineering, environmental and communications to support ongoing outreach for a 241 solution
- 10th anniversary of the Spring Habitat Tour Program
- Expanded outreach to schools
- Ongoing environmental mitigation management

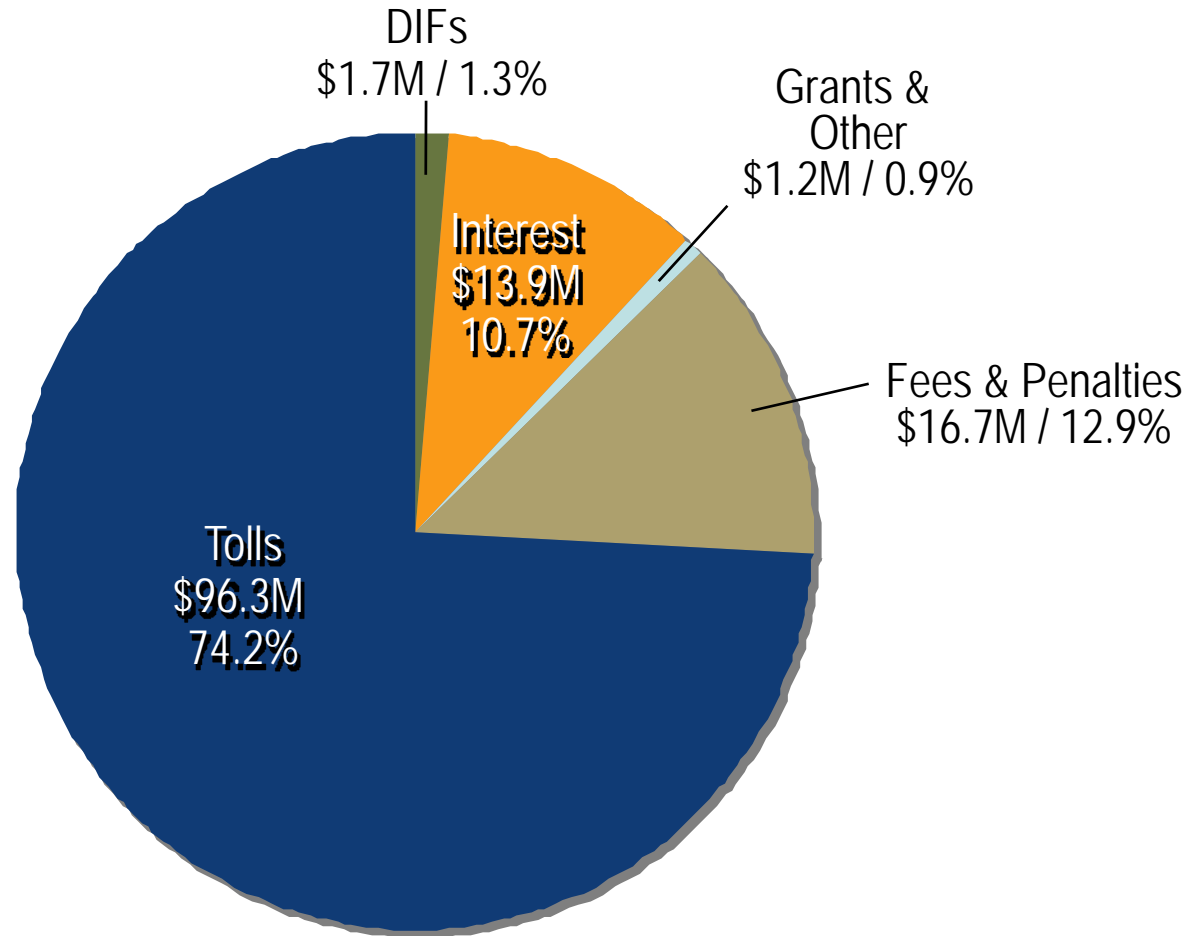


# Initiatives

- Focus on customers:
  - Continue ridership incentives
  - Continue website usage incentives
  - Continue cost-efficient account payment incentives - ACH
  - Update IVR messaging
- Violation camera upgrade
- Strategic planning and policy study to guide future of toll operations functions



# FY 2010 Proposed Revenues



Revenues \$129.8M



# Toll Revenue – \$96.3M

- Assumes transactional toll revenue of \$99.6 million. A 7.2% increase over projected FY 2009 transactional toll revenue of \$92.9 million
- Reduced by violations and non-revenue transactions of \$3.3 million estimated at approximately 3.3% of transactional toll revenue
  - 1.1% represents pursuable violations
  - 2.2% represents unprocessable violations and non-revenue transactions

# FY10 Recommended Toll Rates

Location	Time/Type	Current FY09	Proposed FY10	Change from Current
Tomato Springs	Cash Off-Peak	\$2.25	\$2.50	\$0.25
	AVI Off-Peak	\$1.75	\$2.00	\$0.25
	Cash Peak	\$2.50	\$2.75	\$0.25
	AVI Peak	\$2.00	\$2.25	\$0.25
Portola North	Cash Off-Peak	\$1.25	\$1.50	\$0.25
	AVI Off-Peak	\$1.00	\$1.25	\$0.25
	Cash Peak	\$1.50	\$1.75	\$0.25
	AVI Peak	\$1.25	\$1.50	\$0.25
Alton	Cash	\$0.75	\$1.00	\$0.25
	AVI	\$0.50	\$0.75	\$0.25
Portola South	Cash	\$0.50	\$0.75	\$0.25
	AVI	\$0.25	\$0.50	\$0.25
Los Alisos	Cash	\$0.50	\$0.75	\$0.25
	AVI	\$0.25	\$0.50	\$0.25
Antonio	Cash	\$0.50	\$0.75	\$0.25
	AVI	\$0.25	\$0.50	\$0.25
Oso Pkwy	Cash	\$1.25	\$1.50	\$0.25
	AVI	\$1.00	\$1.25	\$0.25

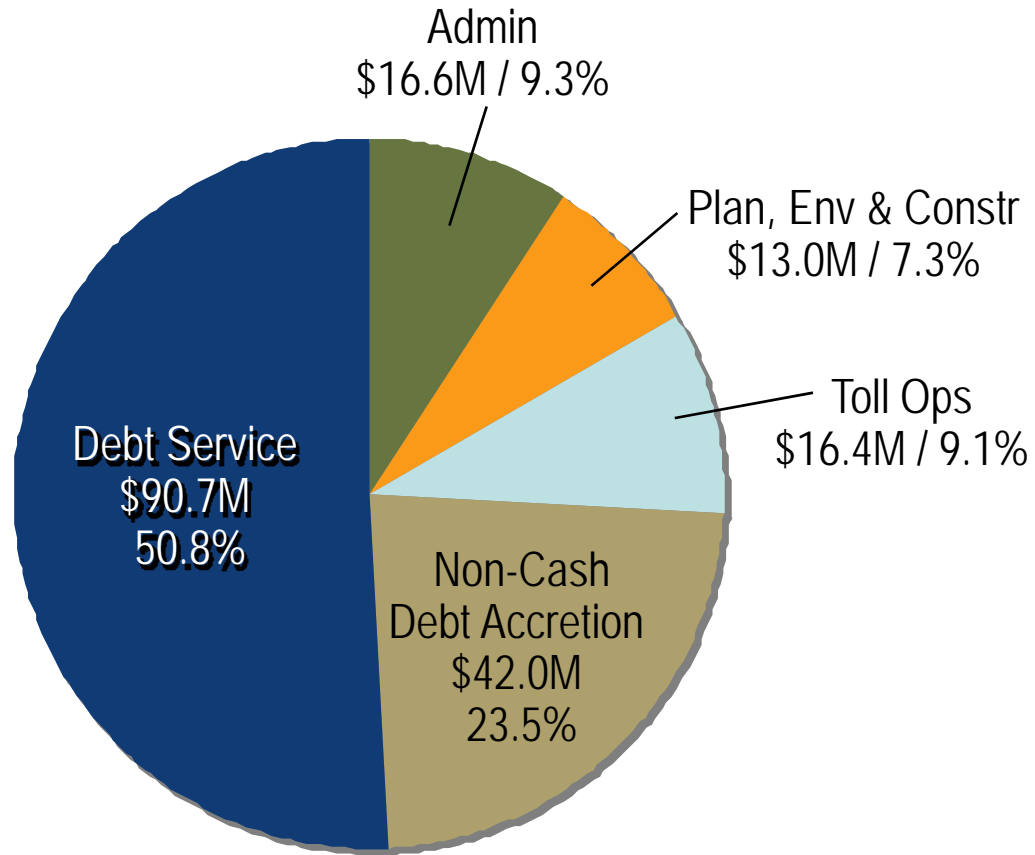
# FY10 Recommended Toll Rates

Location	Time/Type	Current FY09	Proposed FY10	Change from Current
Windy Ridge ML	Cash Off-Peak	\$2.75	\$2.75	-
	AVI Off-Peak	\$2.25	\$2.25	-
	Cash Peak	\$2.75	\$2.75	-
	AVI Peak	\$2.25	\$2.25	-
Orange Grove ML	Cash Off-Peak	\$1.75	\$2.00	\$0.25
	AVI Off-Peak	\$1.25	\$1.50	\$0.25
	Cash Peak	\$1.75	\$2.00	\$0.25
	AVI Peak	\$1.25	\$1.50	\$0.25
Irvine Ranch ML	Cash Off-Peak	\$1.50	\$1.75	\$0.25
	AVI Off-Peak	\$1.00	\$1.25	\$0.25
	Cash Peak	\$1.75	\$2.00	\$0.25
	AVI Peak	\$1.25	\$1.50	\$0.25
Portola West	Cash	\$1.25	\$1.50	\$0.25
	AVI	\$1.00	\$1.25	\$0.25
Irvine Blvd. (East)	Cash	\$0.75	\$1.00	\$0.25
	AVI	\$0.50	\$0.75	\$0.25
Irvine Blvd. (West)	Cash	\$0.75	\$1.00	\$0.25
	AVI	\$0.50	\$0.75	\$0.25

# FY 2010 Budget Sources

Total Revenues	\$129.8M
Current Year Capitalized Interest	\$9.0M
Rollover of Operating Account Funds Not Spent in FY09	\$3.6M
Available Unrestricted Cash	\$93.7M
<b>Sources Available to Cover Cash Uses</b>	<b>\$236.1M</b>

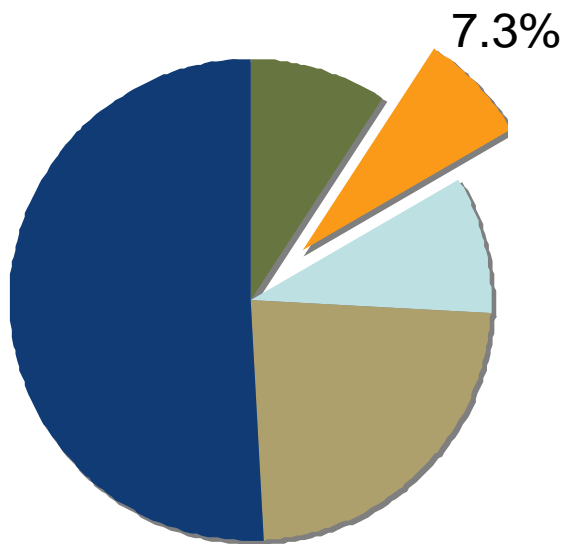
# FY 2010 Proposed Budgeted Uses



Total Uses \$178.7M

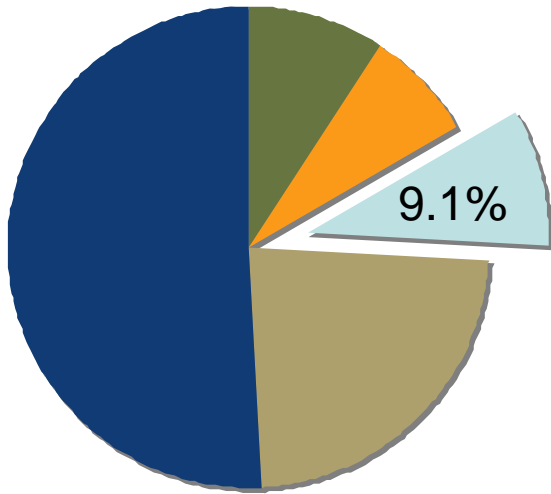
Cash Uses \$136.7M

# Planning, Environmental and Construction – \$13M



	FY09 Amended Budget	FY09 Est. Actuals	FY10 Budget	Change Between FY09 Est. Actuals vs. FY10 Budget
Foothill-South	\$65.0M	\$42.9M	\$7.1M	(\$35.8M)
Capital Improvement Projects	\$15.0M	\$7.4M	\$4.2M	(\$3.2M)
Environmental	\$1.7M	\$0.7M	\$1.6M	\$0.9M
Misc. Construction	\$0.2M	\$0.1M	\$0.1M	\$0.0M
<b>Total</b>	<b>\$81.9M</b>	<b>\$51.1M</b>	<b>\$13.0M</b>	<b>(\$38.1M)</b>

# Toll Operations – \$16.4M



	FY09 Budget	FY09 Est. Actuals	FY10	Change Between FY09 Est. Actuals vs. FY10 Budget
Toll Customer Service & Compliance	\$8.6M	\$7.8M	<b>\$7.6M</b>	(\$0.2M)
Toll Systems	\$3.6M	\$3.5M	<b>\$3.3M</b>	(\$0.2M)
Toll Equipment	\$3.9M	\$2.0M	<b>\$2.0M</b>	\$0.0M
Toll Collections	\$2.8M	\$2.6M	<b>\$2.2M</b>	(\$0.4M)
Toll Facilities	\$1.4M	\$1.3M	<b>\$1.3M</b>	\$0.0M
<b>Total</b>	<b>\$20.3M</b>	<b>\$17.2M</b>	<b>\$16.4M</b>	<b>(\$0.8M)</b>

# Administration - \$16.6M

	FY09 Amended Budget	FY09 Est. Actuals	FY10 Budget	Change Between FY09 Est. Actuals vs. FY10 Budget
Salaries & Benefits	\$7.7M	\$6.9M	\$7.1M	\$0.2M
Foothill-South Administration	\$4.9M	\$2.9M	\$2.1M	(0.8M)
Foothill-South Legal	\$3.2M	\$2.4M	\$2.7M	\$0.3M
Insurance	\$1.4M	\$1.0M	\$1.2M	\$0.2M
Legal	\$1.0M	\$0.4M	\$0.4M	\$0.0M
Consulting	\$0.9M	\$0.4M	\$0.6M	\$0.2M
TCS	\$0.9M	\$0.1M	\$0.0M	(\$0.1M)
Office Expense & Equipment	\$0.5M	\$0.4M	\$0.4M	\$0.0M
Building Services	\$0.6M	\$0.6M	\$0.5M	(\$0.1M)
Pacifica Fixed Assets	\$0.4M	\$0.0M	\$0.0M	\$0.0M
Transportation & Travel	\$0.4M	\$0.2M	\$0.2M	\$0.0M
Other	\$0.6M	\$0.5M	\$0.4M	(\$0.1M)
Marketing	\$1.1M	\$1.1M	\$1.0M	(\$0.1M)
<b>Total</b>	<b>\$23.6M</b>	<b>\$16.9M</b>	<b>\$16.6M</b>	<b>(\$0.3M)</b>

# Debt Coverage Calculation FY 2010

	Budget FY 2010 (\$ in Thousands)
Adjusted Net Toll Revenues	
Total Toll Revenues Including Fees and Penalties	\$112,988
Interest Earnings	\$5,297*
Current Expenses – Funded From Toll Revenue	<u>(\$22,554)**</u>
Adjusted Net Toll Revenues	\$95,731
Annual Debt Service Net of Capitalized Interest of \$9M, Subordinate debt of \$0.5M, and Escrow Defeasance of \$8.7M	\$72,500
Coverage Ratio	1.32

\* Reflects Estimated Earnings on Specific Accounts in Both the Enterprise and Debt Service Funds as Defined per the Indenture.

\*\* Excludes Costs Reimbursable by Grant Funds

# Reconciliation of Sources & Available Cash

Beginning Cash Available to Fund Current & Future Budgets	\$206.8M
Restricted Cash in Debt Service Accounts	(\$109.5M)
Restricted Cash in Operations Accounts	(\$3.6M)
<b>Estimated Available Cash at 7/01/09</b>	<b>\$93.7M</b>

# Estimated FY 2010 Available Cash

Est. Available Unrestricted Cash @ 7/1/09	\$93.7M
FY 2010 Proposed Uses:	
Debt Defeasance to Meet Coverage	(\$8.7M)
Construction & Administration	(\$22.8M)
Net Available Unrestricted Cash	\$62.2M
FY 2010 Sources	
DIF Receivable	\$1.7M
Surplus Revenues	\$14.0M
Interest Income	\$1.4M
Other Income	\$0.5M
Estimated Available Unrestricted Cash @ 6/30/10	\$79.8M



# Reserves

- Current expense \$3.6M
- Use and occupancy \$15.1M
- Debt service \$297.9M

# Foothill/Eastern

## Staff Recommendation

- Approve budget totaling \$178,745,582
- Approve revised compensation and staffing plan
- Authorize CEO to reallocate within the following categories
  - Administration \$ 16,724,832
  - Foothill-South (Excluding Foothill-South administrative costs of \$4.8M included in Administration line above) \$ 7,100,000
  - Capital Improvement Projects \$ 4,231,000
  - Other Planning, Environ & Construction \$ 1,637,725
  - Toll Operations \$ 16,364,107
  - Debt Expenses \$132,687,918
- With approval of the Chair, authorize CEO to execute contracts regarding legislative support and legislative strategy.
- Resolves to carry forward the project description and schedule from the current 2008 Regional/Federal Transportation Improvement Program (RTIP), and to include the updated project budget approved by this resolution in the next 2008 RTIP for the San Diego Association of Governments (SANDAG) region.
- Direct staff to submit budget to the trustee