

**Metropolitan Transportation Commission  
Operations Committee**

**March 10, 2023**

**Agenda Item 4e**

**Fiscal Year 2022-23 Service Authority for Freeways and Expressways (SAFE) Second  
Quarter Financial Statements (Unaudited)**

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**Subject:**

Fiscal Year (FY) 2022-23 SAFE second quarter financial statements (unaudited).

**Background:**

The Metropolitan Transportation Commission (MTC)-SAFE is one of the 21 SAFE programs around the state. We have the Freeway Assist Program (FAP) for MTC SAFE, which provides callbox services on the Bay Area freeways, and the Freeway Service Patrol (FSP), which offers vehicle towing services. SAFE also manages a capital program.

The SAFE unaudited financial statements for the second quarter of FY 2022-23, ending as of December 31, 2022, show total revenues were \$9.4 million, and total expenses were \$9.3 million. Net operating surplus before transfers was \$85,000 without any transfers to the capital program because there are no new capital projects in the current fiscal year. There was no transfer from the operating reserve. However, the FY 2022-23 approved balanced budget included an anticipated transfer from the operating reserve of \$507,000 to cover operational shortfalls.

**FAP**

FAP collected revenue of \$3.2 million from the California Department of Motor Vehicles (DMV) registration fees, which is 47% of the budget. The program's operating expenses were \$1.1 million or 37% of the budget. Staff costs and general operations costs are at par with the budget. The consultants and call box operating expenses were below budget because some costs related to emergency management, incident management, Connected Bay Area strategic planning, and safety corridor programs will have spending towards the end of the year. The majority of expenses incurred were for callbox maintenance and communication systems. FAP had an operating surplus of \$2.2 million before the \$2.1 million transfers to the FSP to support towing operating expenses. As a result, the net operating surplus for FAP was \$85,000.

**FSP**

The FSP received total revenue of \$6.2 million or 43% of the budget, and total expenses were \$8.2 million or 44% of the budget. State grant funding was received from the Local Assistance Program and Senate Bill 1 (SB 1), which reimbursed 80% of towing expenses. The tow beat contract expenses were \$7.7 million or 44% of the budget. Towing expenses as of the year's second half are as anticipated based on invoice processing time, which lags by a month. But they are estimated to end the year within budget. There was nominal spending for vehicle maintenance and general operating expenses. Business insurance costs of \$85,000 have been incurred.

The FSP operating shortfall before transfers was approximately \$2.1 million, which was covered by a transfer from the FAP operating surplus.

**Capital Programs**

The total life-to-date budget for the SAFE Capital Program remains at \$9.1 million, with life-to-date actual expenses for active projects of \$4.2 million. No new projects were budgeted in FY 2022-23. Only \$48,000 of expenses have been incurred for the most recently added project, Emergency/Major Incidents Program because this is still in the planning stage. No capital program expenditures are anticipated this fiscal year. Spending plans are still being developed and estimated for the following fiscal year.

**Actions under Executive Director Contract approval authority:**

Per Executive Director's Management Memorandum (EDMM) 352, the Executive Director is authorized to approve and execute contracts or amendments up to \$200,000 cumulatively (or as amended by Agency resolution). Please refer to Attachment A for relevant purchase order actions taken for the quarter within the Executive Director's authority.

**Issues:**

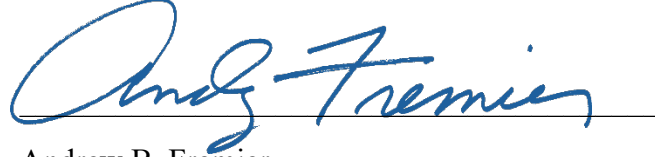
None identified.

**Recommendations:**

Information

**Attachments:**

- Attachment A: FY 2022-23 Second Quarter SAFE Financial Statements (unaudited)



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