

Metropolitan Transportation Commission
Regional Network Management Committee

May 10, 2024

Agenda Item 3g

**Fiscal Year (FY) 2023-24 MTC Service Authority for Freeways and Expressways (SAFE)
Statement of Revenues and Expenses for the Period Ended March 31, 2024 (Unaudited)**

Subject:

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

Background:

SAFE receives fees collected by the Department of Motor Vehicles (DMV) pursuant to Streets and Highways code Section 2555 et seq., which permits the collection of up to \$1 per registered vehicle in participating counties. The fees represent charges for services rendered to external users. SAFE has two separate activities: the Freeway Assist Program (FAP), which provides callbox services on the Bay Area freeways, and the Freeway Service Patrol (FSP), pursuant to a jointly adopted Memorandum of Understanding between MTC SAFE, Caltrans, and the California Highway Patrol (CHP), which provides vehicle towing services.

Operating Revenues:

SAFE's DMV registration fees reached \$4.8 million by the end of the third quarter in FY2023-24, which was \$22 thousand less than the prior year-to-date actual.

Operating Expenses:

As of March 31, 2024, total operating expenses were \$12.9 million, about \$1.2 million lower than the prior year-to-date actual. The lower operating expenses in FY 2024 was primarily driven by fewer towing service routes provided in FY 2023-24 and timing in vendor invoice received.

Non-operating Revenues:

SAFE's non-operating revenues primarily consist of grants from the State Local Assistance Program (LAP) and Senate Bill 1 (SB1), which reimburse eighty percent of towing and direct program operating expenses. As of March 31, 2024, total LAP and SB1 revenues were \$8.5 million, decreased by \$921 thousand compared to the prior year-to-date actual.

Contributions and Transfers:

As of March 31, 2024, total transfers to MTC were \$259 thousand. The transfers to MTC in the statement represent SAFE's consulting expenses charged by MTC.

Budget & Forecast Updates:

As of the third quarter period ending for FY 2023-24, the DMV registration fees collected and recorded through February 2024 were 70% of the budget in the FAP. The FSP program revenue, which are reimbursements from state grant fundings for 80% of incurred towing expenses, was 51% of the budget. There is a one-month lag to invoice these reimbursable revenues. Interest revenue of \$533 thousand are at 333% of the adopted budget due to interest rates remaining higher than anticipated.

The total SAFE operating expenses were 56% of the budget, with towing contract expenses of \$10.7 million representing 57% of these expenses. Since towing expenses are paid a month after expenses are incurred, actual expenses are under budget. Professional and consultant fees were below the budget at 38%. Payments will catch up towards the end of the year. Staff costs and general operations costs are within the budget.

Recommendations:

None. Information only.

Attachments:

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



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