

**Metropolitan Transportation Commission  
Service Authority for Freeways and Expressways  
Operations Committee**

**September 13, 2019**

**Agenda Item 4b**

**Fourth Quarter MTC Service Authority for Freeways and Expressways (SAFE)  
Financial Statements June 2019 (Unaudited)**

**Subject:** MTC SAFE unaudited financial statements for the fourth quarter ended June 30, 2019.  
Major financial highlights include:

**SAFE Program**

The preliminary (unaudited) SAFE results for FY 2018-19 show a surplus of \$2.4 million. The surplus is shown as a transfer to the operating reserve on page 1 of the attachment. There will be additional accrual of expenditures before the results are final.

As a result of an increase in DMV registrations and higher interest rates, the total revenue of \$6.9 million is 6% above the adopted budget.

The total expenses for the year came in at 76% of the adopted budget (\$2.3 million). The savings are mainly due to consultant services being delayed to accommodate the additional workload for the new SB1 funding. The delayed projects will resume in the upcoming fiscal year. In addition, the lower general operations expense is the result of lower depreciation expense and audit services that are anticipated to carry over to the following fiscal year.

**Freeway Service Patrol (FSP) Program**

The total program expense came in at 74% of the adopted budget (\$10.4 million). The savings are mainly the result of lower fuel costs and FSP towing charges during the year.

Billing for the tow related reimbursement was up to May in this preliminary financial report. As the result, the transfer-in from Callbox was higher than the budget by \$283,965. The balance should be corrected as the year-end closing process is completed.

Tow related expenses were \$9.7 million as of the end of the fiscal year, which is 93% of the total reported expenditure.

**Capital Programs**

The total life-to-date budget for the Capital Program is \$21 million. As of the end of the third quarter of FY 2018-19, life-to-date expenses for those programs plus encumbrances total \$14.6 million.

Actions under Executive Director Contract signature authority: please see Attachment A for relevant actions.

If you have any questions about this report, please contact Brian Mayhew at (415) 778-6730.

**Recommendation:** None. This item is provided as information only.

**Attachments:** Attachment A: 4th Qtr SAFE Financial Statements

  
Therese W. McMillan

**MTC Service Authority for Freeways and Expressways**  
**Operating Budget**  
**As of June 2019 Unaudited**

	1	2	3	4	5
	FY 2018-19 Budget	Actual YTD	Budget Balance Over/(Under)	% of Budget	% of Budget year Expired
<b><u>SAFE Program</u></b>					
<b>REVENUE:</b>					
Vehicle Registration Fees	6,500,000	6,865,827	365,827	105.6%	100.0%
Interest Income	9,000	466,769	457,769	5186.3%	100.0%
<b>Total Revenue</b>	6,509,000	7,332,596	823,596	112.7%	100.0%
<b>EXPENSE:</b>					
Salaries and Benefits	656,500	557,132	(99,368)	84.9%	100.0%
General Operations	1,119,163	875,026	(244,137)	78.2%	100.0%
Consultant Services	510,000	355,042	(154,958)	69.6%	100.0%
Callbox Operating Expense	805,000	552,557	(252,443)	68.6%	100.0%
<b>Total Expense</b>	3,090,663	2,339,758	(750,905)	75.7%	100.0%
<b>OPERATING/CAPITAL TRANSFERS In (Out):</b>					
MTC	(880,000)	(340,479)	(539,521)	38.7%	100.0%
FSP	(2,479,603)	(2,763,568)	283,965	111.5%	100.0%
Capital	(330,730)	(330,730)	-	100.0%	100.0%
MTC - Unfunded PERS Liability	(1,000,000)	(1,000,000)	-	100.0%	100.0%
Express Lanes Capital	(3,000,000)	(3,000,000)	-	100.0%	100.0%
Operating Reserve	4,271,996	2,441,940	1,830,056	57.2%	100.0%
<b>Total Transfers</b>	(3,418,337)	(4,992,838)	1,574,501	146.1%	100.0%
<b>NET Operating Revenue (Exp)</b>	-	-	-		
	1	2	3	4	5
	FY 2018-19 Budget	Actual YTD	Budget Balance Over/(Under)	% of Budget (col 2/1)	% of Budget year Expired
<b><u>FSP Program</u></b>					
<b>REVENUE:</b>					
Local Assistance Program (LAP)	4,000,000	2,362,650	(1,637,350)	59.1%	100.0%
Surface Transportation Program (STP)	2,800,000	2,612,649	(187,351)	93.3%	100.0%
SBI	4,700,000	2,643,327	(2,056,673)	56.2%	100.0%
Traffic Mitigation Program	100,000	-	(100,000)	0.0%	100.0%
<b>Total Revenue</b>	11,600,000	7,618,626	(3,981,374)	65.7%	100.0%
<b>EXPENSE:</b>					
Salaries and Benefits	329,500	249,408	(80,092)	75.7%	100.0%
General Operations	228,650	185,648	(43,002)	81.2%	100.0%
Consultant Services	150,000	83,512	(66,488)	55.7%	100.0%
Freeway Serv Operating Expense	1,371,453	210,315	(1,161,138)	15.3%	100.0%
FSP Tow Beat Expense	12,000,000	9,653,310	(2,346,690)	80.4%	100.0%
<b>Total Expense</b>	14,079,603	10,382,194	(3,697,409)	73.7%	100.0%
<b>TRANSFERS In (Out):</b>					
Transfers from Callbox	2,479,603	2,763,568	283,965	111.5%	100.0%
<b>Total Transfers</b>	2,479,603	2,763,568	283,965	111.5%	100.0%
<b>Ending Balance</b>	-	-	-		

**MTC Service Authority for Freeways and Expressways**  
**Capital Budget**  
**As of June 2019 Unaudited**

	1	2	3	4	5
<u>Capital Program</u>	LTD Budget			Project Balance	Actual LTD
	Thru FY 2018-19	Actual LTD	Encumbrance	LTD	plus Encumb
<u>Active Programs</u>					
<b>REVENUE:</b>					
1. CMAQ	6,873,991	6,684,650	-	189,341	6,684,650
2. STP	1,556,260	1,131,161	-	425,099	1,131,161
<b>Total Revenue</b>	8,430,251	7,815,811	-	614,440	7,815,811
<b>EXPENSE:</b>					
6303-Bay Area Camera Upgrade	9,464,583	8,963,108	10,672	490,803	8,973,780
6306-Data - AVL telecom system update	3,842,000	2,378,964	30,783	1,432,253	2,409,747
6314-Callbox Site Mitigation	1,844,331	1,373,812	76,359	394,160	1,450,171
6318-Connected Vehicles & Telematic	2,500,000	1,878,570	-	621,430	1,878,570
6319-Active OPS Mgt Program	3,200,000	268,856	-	2,931,144	268,856
<b>Total Expense</b>	20,850,914	14,863,310	117,814	5,869,790	14,981,124
<b>TRANSFERS In/(Out):</b>					
SAFE	12,420,663	12,420,663	-	-	12,420,663
<b>Total Transfer In/(Out)</b>	12,420,663	12,420,663	-	-	12,420,663
<b>Ending Balance</b>	-	5,373,164	(117,814)	-	5,255,351

## CONTRACTS EXECUTED BY EXECUTIVE DIRECTOR

<b>\$200,000 and Under (Unaudited)</b>	<b>Apr - Jun'19</b>
Atlas Towing Services, Inc	\$25,000
<i>FSP Tow Beat Contract 14</i>	
Lima Towing and Transportation	\$5,000
<i>FSP Tow Beat Contract 33</i>	

**PURCHASE ORDERS EXECUTED BY EXECUTIVE DIRECTOR**

<b>\$2,500 - \$200,000 (Unaudited)</b>		<b>Apr - Jun'19</b>
Imageworks Manufacturing Inc.		3,000
	<i>FSP Merchandise</i>	
Chevron Gas Card		3,000
	<i>FSP Auto Service</i>	

**Total All Countries**

Month	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Jul	\$575,000	\$580,000	\$570,000	\$570,000	\$570,000	\$570,000
Aug	\$540,000	\$530,000	\$530,000	\$610,000	\$600,000	\$595,000
Sept	\$500,000	\$510,000	\$520,000	\$560,000	\$550,000	\$550,000
Oct	\$480,000	\$480,000	\$500,000	\$520,000	\$540,000	\$570,000
Nov	\$430,000	\$430,000	\$480,000	\$500,000	\$500,000	\$500,000
Dec	\$520,000	\$520,000	\$520,000	\$500,000	\$500,000	\$520,000
Jan	\$540,000	\$540,000	\$540,000	\$550,000	\$560,000	\$620,000
Feb	\$500,000	\$500,000	\$500,000	\$520,000	\$540,000	\$520,000
Mar	\$540,000	\$580,000	\$580,000	\$610,000	\$580,000	\$590,000
Apr	\$560,000	\$570,000	\$580,000	\$530,000	\$550,000	\$580,000
May	\$540,000	\$540,000	\$620,000	\$610,000	\$590,000	\$590,000
Jun	\$450,000	\$580,000	\$600,000	\$600,000	\$590,000	\$620,000

The chart displays monthly revenue in thousands for fiscal years FY 14 through FY 19. The Y-axis ranges from \$0 to \$8,000 in increments of \$1,000. The X-axis lists the months from July to June. A red trend line is overlaid on the bars. Revenue generally increases over the years, with a notable dip in May and June of FY 19 compared to the previous months.

Month	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Jul	600	600	600	600	600	600
Aug	1000	1000	1000	1000	1000	1000
Sept	1500	1500	1500	1500	1500	1500
Oct	2000	2000	2000	2000	2000	2000
Nov	2500	2500	2500	2500	2500	2500
Dec	3000	3000	3000	3000	3000	3000
Jan	3500	3500	3500	3500	3500	3500
Feb	4000	4000	4000	4000	4000	4000
Mar	4500	4500	4500	4500	4500	4500
Apr	5000	5000	5000	5000	5000	5000
May	5500	5500	5500	5500	5500	5500
Jun	6000	6000	6000	6000	6000	6000