

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

June 11, 2021

Agenda Item 4d

**Third Quarter MTC Service Authority for Freeways and Expressways (SAFE)
Financial Statements December 2020**

Subject: MTC SAFE financial statements for the third quarter ending March 31, 2021.

MTC SAFE continues to operate well within budget expectations for FY 2020-21. With 75% of the budget year passed, total revenue for MTC SAFE and Freeway Service Patrol (FSP) combined is approximately \$12.1 million, 57% of the \$21.1 million approved budget. Total expenses are approximately \$11.1 million, excluding encumbered contracts, or 49% of the \$22.8 million approved budget. The operating surplus is approximately \$1.0 million as of March 2021 and shows as an operating reserve transfer in Attachment A: Third Quarter SAFE Financial Statements. Salary and benefit expense is at 73% of the adopted budget, which is slightly below the 75% budget target for three quarters of the fiscal year.

General highlights include:

Freeway Assist Program

Total revenue is \$5.0 million or 78% of the approved budget. The additional revenue is the result of slightly higher vehicle registration fees. This revenue increased by 9% over the last quarter as shown in the Total DMV Revenue graph. DMV registration fees make up 99% of the total revenue for the program.

Year-to-date Freeway Assist Program total operating expenses are approximately \$1.2 million or 43% of the adopted budget. Maintenance, inspection and telecommunication activities continue to be slow due to the pandemic. Activities are expected to rise until year end but not enough to fully incur all budgeted contract expenses.

(FSP Program

Total revenue is \$7.0 million or 48% of the approved budget while total expenses are \$9.5 million or 50% of the approved budget. The operating shortfall of \$2.5 million is covered by a budgeted transfer from the Callbox Program. Through March 2021, FSP has utilized \$2.4 million, or 57% of the budgeted transfer in of \$4.3 million.

The majority of the FSP Program expenses are towing contracts. Actual year-to-date expense is \$8.8 million with a related encumbered balance of \$5.8 million. Combining actual expenditures and the remaining contract encumbrance will push year-end expenses to \$14.6 million, or 86% of the adopted budget. We should not fully incur all budgeted contract expenses as activities are not yet back to pre-pandemic level.

Capital Programs


The total life-to-date budget for the Capital Program is \$13 million. As of the end of the third quarter of FY 2020-21, life-to-date expenses for those programs plus encumbrances total \$10.5 million.

Actions under Executive Director Contract signature authority: There were no actions taken under Executive Director Contract signature authority during the Third Quarter.

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: Third Quarter SAFE Financial Statements


Therese W. McMillan

MTC Service Authority for Freeways and Expressways
Operating Budget
As of March 2021

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|----------------------|--------------------|--------------------------------|----------------|--------------------------------|------------------|
| | FY 2020-21 Budget | Actual YTD | Budget Balance Over/(Under) | % of Budget | % of Budget year Expired | Encumbrances |
| <u>SAFE Summary</u> | | | | | | |
| REVENUE: | | | | | | |
| Freeway Assist Program | 6,442,000 | 5,019,050 | (1,422,950) | 77.9% | 75.0% | - |
| FSP Program | 14,625,000 | 7,046,179 | (7,578,821) | 48.2% | 75.0% | - |
| Total Revenue | 21,067,000 | 12,065,229 | (9,001,771) | 57.3% | 0.0% | - |
| EXPENSES: | | | | | | |
| Freeway Assist Program | 2,789,444 | 1,191,277 | (1,598,167) | 42.7% | 75.0% | 401,386 |
| FSP Program | 18,887,897 | 9,466,262 | (9,421,635) | 50.1% | 75.0% | 6,262,806 |
| Total Expenses | 21,677,341 | 10,657,539 | (11,019,802) | 49.2% | 75.0% | 6,664,192 |
| OPERATING/CAPITAL TRANSFERS In (Out): | | | | | | |
| MTC | (1,100,000) | (405,135) | 694,865 | 36.8% | 75.0% | - |
| Operating Reserve | 1,710,341 | (1,002,555) | (2,712,896) | -58.6% | 75.0% | - |
| Total Transfers | 610,341 | (1,407,690) | (2,018,031) | -230.6% | 75.0% | - |
| NET Operating Revenue (Exp) | - | - | - | | | |

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|----------------------|--------------------|--------------------------------|---------------|--------------------------------|----------------|
| | FY 2020-21 Budget | Actual YTD | Budget Balance Over/(Under) | % of Budget | % of Budget year Expired | Encumbrances |
| <u>Freeway Assist Program</u> | | | | | | |
| REVENUE: | | | | | | |
| Vehicle Registration Fees | 6,402,000 | 4,998,444 | (1,403,556) | 78.1% | 75.0% | - |
| Interest Income | 40,000 | 4,487 | (35,513) | 11.2% | 75.0% | - |
| Other Revenue | - | 16,119 | 16,119 | 0.0% | 75.0% | - |
| Total Revenue | 6,442,000 | 5,019,050 | (1,422,950) | 77.9% | 75.0% | - |
| EXPENSE: | | | | | | |
| Salaries and Benefits | 542,100 | 386,212 | (155,888) | 71.2% | 75.0% | - |
| General Operations | 740,800 | 363,862 | (376,938) | 49.1% | 75.0% | 24,601 |
| Consultant Services | 500,000 | 118,572 | (381,428) | 23.7% | 75.0% | 131,428 |
| Callbox Operating Expense | 1,006,544 | 322,631 | (683,913) | 32.1% | 75.0% | 245,356 |
| Total Expense | 2,789,444 | 1,191,277 | (1,598,167) | 42.7% | 75.0% | 401,386 |
| OPERATING/CAPITAL TRANSFERS In (Out): | | | | | | |
| MTC | (1,100,000) | (405,135) | (694,865) | 36.8% | 75.0% | - |
| FSP | (4,262,897) | (2,420,083) | (1,842,814) | 56.8% | 75.0% | - |
| Operating Reserve | 1,710,341 | (1,002,555) | 2,712,896 | -58.6% | 75.0% | - |
| Total Transfers | (3,652,556) | (3,827,773) | 175,217 | 104.8% | 75.0% | - |
| NET Operating Revenue (Exp) | - | - | - | | | |

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--------------------------------|----------------------|------------------|--------------------------------|--------------------------|--------------------------------|------------------|
| | FY 2020-21 Budget | Actual YTD | Budget Balance Over/(Under) | % of Budget (col 2/1) | % of Budget year Expired | Encumbrances |
| <u>FSP Program</u> | | | | | | |
| REVENUE: | | | | | | |
| Local Assistance Program (LAP) | 7,200,000 | 5,684,079 | (1,515,921) | 78.9% | 75.0% | - |
| SB1 | 7,425,000 | 1,362,100 | (6,062,900) | 18.3% | 75.0% | - |
| Total Revenue | 14,625,000 | 7,046,179 | (7,578,821) | 48.2% | 75.0% | - |
| EXPENSE: | | | | | | |
| Salaries and Benefits | 319,000 | 241,236 | (77,764) | 75.6% | 75.0% | - |
| General Operations | 234,000 | 186,198 | (47,802) | 79.6% | 75.0% | 3,000 |
| Consultant Services | 125,000 | 58,334 | (66,666) | 46.7% | 75.0% | 56,039 |
| Freeway Serv Operating Expense | 1,209,897 | 157,046 | (1,052,851) | 13.0% | 75.0% | 371,606 |
| FSP Tow Beat Expense | 17,000,000 | 8,823,448 | (8,176,552) | 51.9% | 75.0% | 5,832,161 |
| Total Expense | 18,887,897 | 9,466,262 | (9,421,635) | 50.1% | 75.0% | 6,262,806 |
| TRANSFERS In (Out): | | | | | | |
| Transfers from Callbox | 4,262,897 | 2,420,083 | (1,842,814) | 56.8% | 75.0% | - |
| Total Transfers | 4,262,897 | 2,420,083 | (1,842,814) | 56.8% | 75.0% | - |
| Ending Balance | - | - | - | | | |

MTC Service Authority for Freeways and Expressways
Capital Budget
As of March 2021

| | 1 | 2 | 3 | 4 | 5 |
|--|-----------------|------------|-------------|-----------------|-------------|
| <u>Capital Program</u> | LTD Budget | | | Project Balance | Actual LTD |
| | Thru FY 2020-21 | Actual LTD | Encumbrance | LTD | plus Encumb |
| <u>Active Programs</u> | | | | | |
| REVENUE: | | | | | |
| STP | 1,556,260 | 1,131,161 | - | 425,099 | 1,131,161 |
| Total Revenue | 1,556,260 | 1,131,161 | - | 425,099 | 1,131,161 |
| EXPENSE: | | | | | |
| 6306-Data - AVL telecom system update | 3,826,260 | 2,479,014 | 478,983 | 868,263 | 2,957,997 |
| 6314-Callbox Site Mitigation | 2,744,331 | 1,373,812 | 76,359 | 1,294,160 | 1,450,171 |
| 6318-Commuter Parking Initiative | 5,700,000 | 5,700,000 | - | - | 5,700,000 |
| 6320-Emergency/Major Incidents Program | 1,000,000 | 349,236 | 30,452 | 620,312 | 379,688 |
| Total Expense | 13,270,591 | 9,902,062 | 585,794 | 2,782,735 | 10,487,856 |
| TRANSFERS In/(Out): | | | | | |
| SAFE | 11,714,331 | 11,714,331 | - | - | 11,714,331 |
| Total Transfer In/(Out) | 11,714,331 | 11,714,331 | - | - | 11,714,331 |
| Ending Balance | - | 2,943,430 | (585,794) | - | 2,357,636 |

