

Metropolitan Transportation Commission
Regional Network Management Committee

March 8, 2024

Agenda Item 3e

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

Subject:

Statement of Revenues and Expenses for the Period Ended December 31, 2023 (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 \$3.2 million by the end of the second quarter in FY 2023-24, which was \$11 thousand more than the prior year-to-date actual.

Operating Expenses:

As of December 31, 2023, total operating expenses were \$8.5 million, about \$858 thousand lower than the prior year-to-date actual. The lower operating expenses in FY 2024 were primarily driven by fewer service routes provided in FY 2023-24 and timing in vendor invoices 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 December 31, 2023, total LAP and SB1 revenues were \$5.5 million, decreased by \$640 thousand compared to the prior year-to-date actual.

Contributions and Transfers:

As of December 31, 2023, total transfers to MTC were \$105 thousand. The transfers to MTC in the statement represent SAFE's consulting expenses charged by MTC.

Budget Status Update:

As of the second quarter period ending for FY 2023-24, the DMV registration fees were 47% of the budget in the FAP. The FSP program revenue from the state grant fundings total revenue were 37% of the budget which reimburses 80% of incurred towing expenses. There is a one month lag to invoice these reimbursable revenues. Interest revenue of \$327k was very favorable earning 204% of the adopted budget due to interest rates remaining higher than what had been anticipated.


The total SAFE operating expenses were 37% of the budget. The towing contract expenses of \$6.9 million were 37% of the budget. Towing expenses were lower than anticipated versus the budget, firstly, because invoice processing time lags by a month and, secondly, because of lesser towing activities in the Alameda and Contra Costa counties. Professional and consultant fees were below the budget at 25%. While some consultant expenses for the emergency management program expenses and motorist aid support expenses were incurred, the rest of the expenses for freeway assistance services will catch up towards the end of the year. Staff costs and general operations costs are at par with the budget. Repair and maintenance expenses were below budget at only 12% because there were no callbox maintenance expenses yet as we await vendor invoices. There was nominal spending for vehicle maintenance expenses.

Recommendations:

None. Information only.

Attachments:

- Attachment A: SAFE Statement of Revenues and Expenses for the Period Ended December 31, 2023 (unaudited)


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