



# Metropolitan Transportation Commission

Bay Area Metro Center  
375 Beale Street  
San Francisco, CA 94105

## Meeting Agenda

### Service Authority for Freeways and Expressways

*Jake Mackenzie, Chair    Scott Haggerty, Vice Chair*

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Wednesday, June 28, 2017

10:45 AM

Board Room – 1st Floor

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This meeting is scheduled to be webcast live on the Metropolitan Transportation Commission's Website: <http://mtc.ca.gov/whats-happening/meetings> and will take place at 10:45 a.m. or immediately following the 10:40 a.m. BAIFA meeting.

#### 1. Roll Call / Confirm Quorum

Quorum: A quorum of this Authority shall be a majority of its regular voting members (10).

#### 2. Chair's Report - Mackenzie

#### 3. Consent Calendar

3a.    **17-2661**            Minutes-June 22, 2016 Meeting.

**Action:**                Authority Approval

**Attachments:**        3a\_MTC SAFE MTG\_Minutes\_June 22 2016

#### Committee Report

#### 4. Operations Committee - Cortese

4a.    [17-2662](#)            MTC SAFE Resolution No. 63: FY 2017-18 Operating and Capital Budget

Approval of MTC SAFE Resolution No. 63: FY 2017-18 Operating and Capital Budget.

**Action:**                Authority Approval

**Attachments:**        [4a\\_Ops\\_3b\\_MTC SAFE Res. No.0063](#)

[4a\\_Ops\\_6.2.17\\_3b\\_Res. No 63](#)

#### 5. Other Business / Public Comment

## **6. Adjournment / Next Meeting**

**The next meeting of the MTC Service Authority for Freeways and Expressway will be held at the Call of the Chair in the Board Room, 1st Floor, Bay Area Metro Center, 375 Beale Street, San Francisco, CA 94105.**

**Public Comment:** The public is encouraged to comment on agenda items at Commission meetings by completing a request-to-speak card (available from staff) and passing it to the Commission secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

**Meeting Conduct:** If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Commission may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

**Record of Meeting:** Commission meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site ([mtc.ca.gov](http://mtc.ca.gov)) for public review for at least one year.

**Accessibility and Title VI:** MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

**可及性和法令第六章:** MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

**Acceso y el Título VI:** La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

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Attachments are sent to Commission members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Commission. Actions recommended by staff are subject to change by the Commission.



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 17-2662      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Authority Approval  
**File created:** 5/31/2017      **In control:** Service Authority for Freeways and Expressways  
**On agenda:** 6/28/2017      **Final action:**  
**Title:** MTC SAFE Resolution No. 63: FY 2017-18 Operating and Capital Budget  
Approval of MTC SAFE Resolution No. 63: FY 2017-18 Operating and Capital Budget.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [4a Ops 3b MTC SAFE Res. No.0063](#)  
[4a Ops 6.2.17 3b Res. No 63](#)

Date	Ver.	Action By	Action	Result
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MTC SAFE Resolution No. 63: FY 2017-18 Operating and Capital Budget

Approval of MTC SAFE Resolution No. 63: FY 2017-18 Operating and Capital Budget.  
Authority Approval



METROPOLITAN  
TRANSPORTATION  
COMMISSION  
SERVICE AUTHORITY  
FOR FREEWAYS  
AND EXPRESSWAYS

**Agenda Item 4a**

Bay Area Metro Center  
375 Beale Street, Suite 800  
San Francisco, CA 94105  
TEL 415.778.6700  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

*Memorandum*

TO: MTC SAFE Authority

DATE: June 23, 2017

FR: Deputy Executive Director, Operations

W.I.: 6031, 6032

RE: MTC SAFE Resolution No.63: FY 2017-18 Operating and Capital Budget

Staff requests that the Authority approve MTC SAFE Resolution 63 authorizing the operating and capital budget for FY 2017-18.

The budget is revised from the previous version presented to the Operations Committee on June 9<sup>th</sup> to include additional revenue and expense. These changes are made due to additional revenue anticipated for the FSP program as a result of Senate Bill 1 (Beall). The following table summarizes the changes in the budget.

FY 2017-18 Budget			
	6/9/17 Version	6/27/17 Version	Diff
<b>Operating Revenue</b>			
STP	3.0 million	2.0 million	-1.0 million
LAP	4.5 million	6.7 million	2.2 million
Total Revenue	14.2 million	15.4 million	1.2 million
<b>Operating Expense</b>			
FSP Tow Expense	9.5 million	10.0 million	0.5 million
Transfer to MTC	0.6 million	1.0 million	0.4 million
Total Expense	13.3 million	14.2 million	0.9 million
<b>Balance</b>	0.9 million	1.2 million	0.3 million

The MTC SAFE budget for FY 2017-18 has an operating surplus of \$1,199,008 (Attachment A). The operating surplus in the revised budget increased by \$289,600 as the result of increased from the State Local Assistance Program (LAP). The budget also includes a transfer of \$300,000 from operating reserves to fund capital projects.

## Revenue

The overall revenue of \$15.4 million is approximately 3% above the budgeted MTC SAFE revenue for FY 2016-17 (Table 1). The increase in overall revenue is the result of more State Local Assistance Program (LAP) revenue.

The revised revenue budget is \$1.2 million more than the original budget as the result of increases in the LAP eligible expenses.

**Table 1**

<b>Operating Revenue</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>
STP	\$3,591,700	\$1,787,795	\$4,500,000	\$2,000,000
DMV Revenue	6,414,208	6,582,736	6,200,000	6,400,000
Interest Income	982	6,188	7,500	9,000
LAP	4,257,828	4,863,908	3,800,000	6,689,600
State of California	96,776	36,554	100,000	100,000
Transfer in from BATA	0	300,000	300,000	200,000
Other	<u>5,938</u>	<u>7,647</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	<u>\$14,367,432</u>	<u>\$13,584,828</u>	<u>\$14,907,500</u>	<u>\$15,398,600</u>

## Operating Expense

The operating budget shows an increase of \$1.4 million in total operating expenses for FY 2017-18 (Table 2). The increase in expenditure is mainly the result of higher costs in FSP tow service and an increase in the transfer to MTC.

The total expense budget has increased by \$900,000 from the original presented budget, as staff anticipates \$500,000 more in LAP eligible expenses for the FSP tow service and \$400,000 more in transfer to MTC.

**Table 2**

<b>Operating Expense</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>
Salaries/ Benefits/ Temps	\$796,413	\$894,821	\$996,758	\$762,701
Professional Fees	779,289	446,138	609,354	545,000
General Administration	341,657	447,151	1,078,900	1,014,891
Repairs and Maintenance	507,055	396,633	520,000	505,000
FSP Tow Expense	8,269,889	7,240,168	8,780,000	9,975,000
Transfer to MTC	964,890	1,204,196	435,700	950,000
Transfer to SAFE Capital	0	6,600,000	0	0
Other	<u>412,152</u>	<u>521,857</u>	<u>364,000</u>	<u>447,000</u>
Total Expense	<u>\$12,071,345</u>	<u>\$17,750,964</u>	<u>\$12,784,712</u>	<u>\$14,199,592</u>

## Capital Program

The Capital Program budget is the same as the original budget presented on June 9<sup>th</sup>.

### Operating Reserve

The current and projected operating reserve position is shown in the table below.

Description	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget
Total Reserve for			
Encumbrances	\$500,000	\$500,000	\$500,000
Fixed Assets	990,045	1,000,000	1,000,000
Transfers to MTC	4,015,495	435,700	550,000
Operating Reserve	0	2,600,000	2,850,000
Transfer to SAFE Capital Projects	0	0	300,000
Net Pension Liability	<u>467,999</u>	<u>450,000</u>	<u>450,000</u>
Total Restricted	5,973,539	4,985,700	5,650,000
Unrestricted Balance	<u>2,975,848</u>	<u>6,086,475</u>	<u>6,621,183</u>
Total Reserves	\$8,949,387	\$11,072,175	\$12,271,183

The revised reserve increased by \$289,600 as the result of the increase in the surplus.

The unrestricted balance is also used as operating cash flow to pay for expenses as the grants are on a reimbursement basis.

### Recommendation

Staff recommends that the Authority to approve MTC SAFE Resolution No. 63.

  
\_\_\_\_\_  
Andrew B. Fremier

ABF:JM  
Attachments

Date: June 28, 2017  
W.I.: 1231, 1232, 1235, 1237  
Referred by: Operations

ABSTRACT

SAFE Resolution No. 63

This resolution approves the FY 2017-18 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways (SAFE).

Further discussion of the SAFE Budget is contained in the Executive Director's Memoranda to the Metropolitan Transportation Commission Operations Committee dated June 2, 2017, and to the SAFE Authority dated June 23, 2017.



Date: June 28, 2017  
W.I.: 6031, 6032, 6035, 6037  
Referred by: Operations

RE: Approval of the FY 2017-18 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways

METROPOLITAN TRANSPORTATION COMMISSION  
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

SAFE RESOLUTION NO. 63

WHEREAS, SAFE Resolution No. 1 established a Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE or SAFE) pursuant to Streets and Highways Code §§ 2550-2556, which provides for the design, installation, operation and maintenance of a motorist aid call box system in any of the Bay Area counties that elect to join SAFE; and

WHEREAS, SAFE staff has prepared a budget setting forth the anticipated revenues and expenditures of the SAFE for FY 2017-18; and

WHEREAS, the final draft SAFE budget for FY 2017-18 was reviewed and recommended by the Metropolitan Transportation Commission Operations Committee (the "Operations Committee") for approval; now, therefore, be it

RESOLVED, that the SAFE budget for FY 2017-18, as prepared in accordance to generally accepted accounting principles, attached hereto as Attachment A and incorporated herein as though set forth in full, is hereby approved in the amounts and for the purposes listed therein; and, be it further

RESOLVED, that SAFE delegates to the Operations Committee the authority to approve all contracts and expenditures in SAFE's Budget for FY 2017-18, provided that there shall be no increase in the overall budget without prior approval of SAFE; and be it further

RESOLVED, that SAFE's Executive Director, or the responsible staff person designated by the Executive Director, shall submit written requests to the Operations Committee for approval of consultants, professional services, and expenditures authorized in the SAFE Budget for FY 2017-18; and be it further

RESOLVED, that SAFE's Executive Director and Chief Financial Officer are authorized to carry over and re-budget all grants, contracts and funds properly budgeted in the prior fiscal year for which expenditures were budgeted and encumbered and which will take place in FY 2017-18; and be it further

RESOLVED, that the Chief Financial Officer is authorized to make advances for cash flow purposes from available resources for operating, project and grant funding purposes with such advances to be repaid as funds are received.

RESOLVED, that SAFE's Executive Director, or the responsible staff person designated by the Executive Director, shall furnish the Operations Committee with a quarterly financial report to reflect budgeted and actual income, expenditures, obligations for professional and consultant services and such other information and data as may be requested by the Operations Committee.

METROPOLITAN TRANSPORTATION  
COMMISSION SERVICE AUTHORITY FOR  
FREEWAYS AND EXPRESSWAYS

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Jake Mackenzie, Chair

The above resolution was entered into by the Metropolitan Transportation Commission Service Authority for Freeways and Expressways at a regular meeting of the Authority held in San Francisco, California on June 28, 2017.

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

Date: June 28, 2017  
SAFE: WE 6031, 6032

**SAFE RESOLUTION NO. 63**

**ATTACHMENT A: TABLE OF CONTENTS**

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**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

**Revenue and Expense Summary**

<b>OPERATING REVENUE/EXPENSE</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
SAFE	\$6,507,500	\$6,609,000	1.6%
FSP	\$8,400,000	\$8,789,600	4.6%
<b>Subtotal Operating Revenue</b>	<b>\$14,907,500</b>	<b>\$15,398,600</b>	<b>3.3%</b>
SAFE	\$2,212,492	\$2,111,017	-4.6%
FSP	\$10,136,520	\$11,138,575	9.9%
<b>Subtotal Operating Expense</b>	<b>\$12,349,012</b>	<b>\$13,249,592</b>	<b>7.3%</b>
<b>Transfers Out</b>	<b>\$435,700</b>	<b>\$950,000</b>	<b>118.0%</b>
<b>Operating Surplus (Shortfall)</b>	<b>\$2,122,788</b>	<b>\$1,199,008</b>	<b>-43.5%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

<b>REVENUE DETAIL</b>			
<b>OPERATING EXPENSE</b>			
<b>SAFE REVENUES</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
SAFE (Vehicle Registration Fees)	\$6,200,000	\$6,400,000	3.2%
BATA (Bridge CBX Operations)	\$300,000	\$200,000	-33.3%
Interest	\$7,500	\$9,000	20.0%
Subtotal: SAFE Revenues	<b>\$6,507,500</b>	<b>\$6,609,000</b>	<b>1.6%</b>
<b>FSP REVENUES</b>			
State Local Assistance Program (LAP)	\$3,800,000	\$6,689,600	76.0%
Grant (STP)	\$4,500,000	\$2,000,000	-55.6%
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%
Subtotal: FSP Revenues	<b>\$8,400,000</b>	<b>\$8,789,600</b>	<b>4.6%</b>
<b>Total Revenue</b>	<b>\$14,907,500</b>	<b>\$15,398,600</b>	<b>3.3%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

**EXPENSE DETAIL**

<b>SAFE OPERATING EXPENSE</b>			
	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
<b>I. Salaries and Benefits</b>			
Freeway Assist/SAFE Project	\$381,238	\$298,489	-21.7%
FSP Project	\$615,520	\$464,212	-24.6%
<b>II. General Operations</b>			
Freeway Assist Project	\$861,254	\$812,528	-5.7%
FSP Project	\$332,000	\$277,363	-16.5%
<b>III. Consultant Services</b>			
Freeway Assist Project	\$320,000	\$300,000	-6.3%
FSP Project	\$175,000	\$170,000	-2.9%
<b>IV. Operating Contracts</b>			
Freeway Assist Project	\$650,000	\$700,000	7.7%
FSP Project	\$9,014,000	\$10,227,000	13.5%
<b>SAFE Operating Expense</b>	<b>\$2,212,492</b>	<b>\$2,111,017</b>	<b>-4.6%</b>
<b>FSP Operating Expense</b>	<b>\$10,136,520</b>	<b>\$11,138,575</b>	<b>9.9%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$12,349,012</b>	<b>\$13,249,592</b>	<b>7.3%</b>
<b>TRANSFERS OUT</b>			
MTC (1229, Regional Operations Center)	\$150,000	\$0	-100.0%
MTC (1223, TMS; 1235)	\$200,000	\$400,000	100.0%
MTC (1161 Information Technology)	\$35,700	\$0	-100.0%
MTC (1237, Freeway Operations)	\$50,000	\$550,000	1000.0%
<b>TOTAL OTHER PROJECTS/TRANSFERS OUT</b>	<b>\$435,700</b>	<b>\$950,000</b>	<b>118.0%</b>
<b>TOTAL EXPENSE</b>	<b>\$12,784,712</b>	<b>\$14,199,592</b>	<b>11.1%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

**I. SALARIES AND BENEFITS EXPENSE**

<b>SAFE Program</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
Freeway Assist/SAFE Salaries and Benefits	\$381,238	\$298,489	-21.7%
<b>Freeway Assist Subtotal</b>	<b>\$381,238</b>	<b>\$298,489</b>	<b>-21.7%</b>
<b>FREEWAY SERVICE PATROL</b>			
FSP Salaries and Benefits	\$615,520	\$464,212	-24.6%
<b>FSP Subtotal</b>	<b>\$615,520</b>	<b>\$464,212</b>	<b>-24.6%</b>
<b>Total Salaries and Benefits</b>	<b>\$996,758</b>	<b>\$762,701</b>	<b>-23.5%</b>

**II. GENERAL OPERATIONS EXPENSE**

	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST</b>			
Office Operations (meals, postage, printing)	\$14,000	\$14,000	0.0%
Office depreciation	\$480,000	\$480,000	0.0%
Travel/Training	\$8,500	\$8,500	0.0%
SAFE overhead	\$166,000	\$135,828	-18.2%
Data Security Improvements/HW Transition	\$0	\$19,000	100%
Legislative advocacy	\$17,900	\$19,200	7.3%
Professional Memberships	\$8,000	\$8,500	6.3%
Insurance	\$52,500	\$52,500	0.0%
Audit	\$114,354	\$75,000	-34.4%
<b>Freeway Assist Subtotal</b>	<b>\$861,254</b>	<b>\$812,528</b>	<b>-5.7%</b>
<b>FREEWAY SERVICE PATROL</b>			
Office depreciation	\$3,000	\$3,000	0.0%
Travel/Training	\$8,500	\$8,500	0.0%
FSP Overhead	\$268,000	\$213,363	-20.4%
Insurance	\$52,500	\$52,500	0.0%
<b>FSP Subtotal</b>	<b>\$332,000</b>	<b>\$277,363</b>	<b>-16.5%</b>
<b>Total General Operations</b>	<b>\$1,193,254</b>	<b>\$1,089,891</b>	<b>-8.7%</b>



**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

**III. PROJECT CONSULTANT SERVICES EXPENSE**

	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST</b>			
Construction Services	\$20,000	\$20,000	0.0%
Call Box Inspections	\$20,000	\$20,000	0.0%
Private Dispatch consulting fees and back-up	\$20,000	\$10,000	-50.0%
Freeway Assist Marketing	\$175,000	\$200,000	14.3%
Consultant other	\$85,000	\$50,000	-41.2%
<b>Freeway Assist Subtotal</b>	<b>\$320,000</b>	<b>\$300,000</b>	<b>-6.3%</b>
<b>FREEWAY SERVICE PATROL</b>			
Information/Data Management	\$100,000	\$100,000	0.0%
PEMS FSP Module Upgrade	\$0	\$20,000	100%
Consultant other	\$75,000	\$50,000	-33.3%
<b>FSP Subtotal</b>	<b>\$175,000</b>	<b>\$170,000</b>	<b>-2.9%</b>
<b>Total Consultant Expense</b>	<b>\$495,000</b>	<b>\$470,000</b>	<b>-5.1%</b>

**IV. PROJECT OPERATING CONTRACTS EXPENSE**

	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST</b>			
CHP Administrative Services	\$20,000	\$20,000	0.0%
Telcommunication Services	\$65,000	\$45,000	-30.8%
Call Box Repairs/Maintenance/Vandalism	\$400,000	\$400,000	0.0%
Private Call Center	\$100,000	\$100,000	0.0%
SAFE on 17 Program	\$50,000	\$50,000	0.0%
Emergency Operations Training & Telecom	\$0	\$75,000	100.0%
Freeway Assist Operations	\$15,000	\$10,000	-33.3%
<b>Freeway Assist Subtotal</b>	<b>\$650,000</b>	<b>\$700,000</b>	<b>7.7%</b>
<b>FREEWAY SERVICE PATROL</b>			
FSP Tow Service	\$8,700,000	\$9,900,000	13.8%
CHP Funding Agreement	\$30,000	\$25,000	-16.7%
In-vehicle Maintenance	\$110,000	\$85,000	-22.7%
Telecommunication Services	\$89,000	\$107,000	20.2%
Equipment Replacement (hardware & warranties)	\$15,000	\$20,000	33.3%
System Improvement (software & website)	\$10,000	\$20,000	100.0%
FSP General Operations	\$60,000	\$70,000	16.7%
<b>FSP Subtotal</b>	<b>\$9,014,000</b>	<b>\$10,227,000</b>	<b>13.5%</b>
<b>Total Operating Contracts Expense</b>	<b>\$9,664,000</b>	<b>\$10,927,000</b>	<b>13.1%</b>



**SAFE CAPITAL PROGRAM**  
**Fiscal Year 2017-18 - SAFE RES 63**

Life to Date through FY 2016-17		FY 2017-18 SAFE RES 63		Life to Date through FY 2017-18	
Program	Fund Budget	Fund	Budget	Fund	Budget
<b>6301 Bridge Call Boxes</b>					
BATA	\$3,711,000			BATA	\$3,711,000
SAFE	60,000			SAFE	60,000
	<b>3,771,000</b>				<b>3,771,000</b>
<b>6303 Bay Area Camera Upgrade</b>					
CMAQ	6,724,650			CMAQ	6,724,650
SAFE	2,669,933			SAFE	2,669,933
STP	70,000			STP	70,000
	<b>9,464,583</b>				<b>9,464,583</b>
<b>6306 FSP Data-AVL</b>					
SAFE	400,000			SAFE	400,000
SAFE	1,370,000	SAFE	\$300,000	SAFE	1,670,000
STP	1,572,000			STP	1,572,000
	<b>3,342,000</b>				<b>3,642,000</b>
<b>6314 CBX Site Improvement</b>					
SAFE	1,650,000			SAFE	1,650,000
	<b>1,650,000</b>				<b>1,650,000</b>
<b>6318 Connected Vehicles &amp; Telematics</b>					
<b>6318 Commuter Parking Initiative</b>					
SAFE	2,500,000			SAFE	2,500,000
	<b>2,500,000</b>				<b>2,500,000</b>
<b>6319 Active Operations Management Program</b>					
SAFE	3,200,000			SAFE	3,200,000
	<b>3,200,000</b>				<b>3,200,000</b>
<b>Total</b>	<b>\$23,927,583</b>		<b>\$300,000</b>		<b>\$24,227,583</b>
<b>SAFE Capital Funds (+/-)</b>			<b>\$300,000</b>		
<b>SAFE Funds from Operating Reserve</b>			<b>(\$300,000)</b>		



METROPOLITAN  
TRANSPORTATION  
COMMISSION  
SERVICE AUTHORITY  
FOR FREEWAYS  
AND EXPRESSWAYS

**Agenda Item 3b**  
Bay Area Metro Center  
375 Beale Street, Suite 800  
San Francisco, CA 94105  
TEL 415.778.6700  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

## *Memorandum*

TO: Operations Committee

DATE: June 2, 2017

FR: Executive Director

W.I.: 6031, 6032

RE: MTC SAFE Resolution No.63: FY 2017-18 Operating and Capital Budget

Staff requests that the Operations Committee approve and refer SAFE Resolution 63 authorizing the operating and capital budget for FY 2017-18 to the Commission for approval.

The MTC SAFE budget for FY 2017-18 is balanced with an operating surplus of \$909,000 (Attachment A). The budget also includes a transfer of \$300,000 from operating reserves to fund capital projects.

### **Revenue**

The overall revenue of \$14.2 million is approximately 5% below the budgeted MTC SAFE revenue for FY 2016-17 (Table 1). The decrease of Surface Transportation Program (STP) revenue is partially offset by the increase in State Local Assistance Program (LAP).

**Table 1**

<b>Operating Revenue</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>
STP	\$3,591,700	\$1,787,795	\$4,500,000	\$3,000,000
DMV Revenue	6,414,208	6,582,736	6,200,000	6,400,000
Interest Income	982	6,188	7,500	9,000
LAP	4,257,828	4,863,908	3,800,000	4,500,000
State of California	96,776	36,554	100,000	100,000
Transfer in from BATA	0	300,000	300,000	200,000
Other	<u>5,938</u>	<u>7,647</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	<u>\$14,367,432</u>	<u>\$13,584,828</u>	<u>\$14,907,500</u>	<u>\$14,209,000</u>

Even though slightly down, revenue is still adequate to cover all of the budgeted expenses for FY 2017-18.

### **Operating Expense**

The operating budget shows an increase of \$515,000 in total operating expenses for FY 2017-18 (Table 2). The increase in expenditure is mainly the result of higher costs in FSP tow service, which anticipate higher fuel and contract costs as well as service expansions.

**Table 2**

	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>
Salaries/ Benefits/ Temps	\$796,413	\$894,821	\$996,758	\$762,701
Professional Fees	779,289	446,138	609,354	545,000
General Administration	341,657	447,151	1,078,900	1,014,891
Repairs and Maintenance	507,055	396,633	520,000	505,000
FSP Tow Expense	8,269,889	7,240,168	8,780,000	9,475,000
Transfer to MTC	964,890	1,204,196	435,700	550,000
Transfer to SAFE Capital	0	6,600,000	0	0
Other	<u>412,152</u>	<u>521,857</u>	<u>364,000</u>	<u>447,000</u>
Total Expense	<u>\$12,071,345</u>	<u>\$17,750,964</u>	<u>\$12,784,712</u>	<u>\$13,299,592</u>

### **Capital Program**

There is one increase and one change to the MTC SAFE Capital Program for FY 2017-18 which will be funded by transferring \$300,000 from the MTC SAFE reserve.

### **Additional Funding:**

**FSP DATA-AVL (6306).** The purpose of the \$300,000 transfer is to purchase and install data units that are capable of using 4G networking technology replacing the current 3G network. Staff estimates that this project will cost \$250,000. The remaining \$50,000 will be spent on a pilot project to install devices that will utilize the data units to provide safety data to the FSP Partners (CHP, Caltrans and MTC) in hopes of improving driver performance and ultimately lowering insurance expenses.

### **Changing Program's Name for Existing Capital Programs:**

#### **Commuter Parking Initiative (6318) previously known as Connected Vehicles & Telematics.**

Connected Vehicles & Telematics was an addition in FY 2015-16 with the objective to complete the Phase One Connected Vehicle Pilot Deployment work, but has not incurred any expense since introduction. The New Commuter Parking Initiative Program will implement ridesharing measures including ride-matching, vanpool services, and commute trip planning services. The Program also includes implementation of parking management technologies to encourage carpool and express bus ridership. The Commuter Parking Initiative Program will inherit the \$2.5 million budget originally assigned to the Connected Vehicles & Telematics Program.

### **Operating Reserve**

The current and projected operating reserve position is shown in the table below.

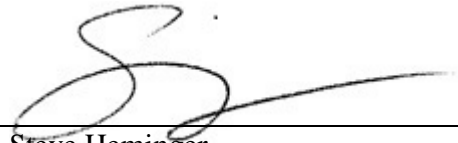
<b>Description</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>
Total Reserve for			
Encumbrances	\$500,000	\$500,000	\$500,000
Fixed Assets	990,045	1,000,000	1,000,000
Transfers to MTC	4,015,495	435,700	550,000
Operating Reserve	0	2,600,000	2,700,000
Transfer to SAFE Capital Projects	0	0	300,000
Net Pension Liability	<u>467,999</u>	<u>450,000</u>	<u>450,000</u>
Total Restricted	5,973,539	4,985,700	5,500,000
Unrestricted Balance	<u>2,975,848</u>	<u>6,086,475</u>	<u>6,481,583</u>
Total Reserves	\$8,949,387	\$11,072,175	\$11,981,583

The unrestricted balance is also used as operating cash flow to pay for expenses as the grants are on a reimbursement basis.

Note that the budget does not include any revenue increase for FSP from Senate Bill 1 (Beall). Staff estimates the revenue increase to be approximately \$5 million. The budget will be adjusted to reflect the increase between your Committee referral and final Commission action on June 28<sup>th</sup>.

**Recommendation**

Staff recommends that the Committee refer MTC SAFE Resolution No. 63 to the Commission for approval.

  
\_\_\_\_\_  
Steve Heminger

SH:JM  
Attachments

Date: June 28, 2017  
W.I.: 1231, 1232, 1235, 1237  
Referred by: Operations

ABSTRACT

SAFE Resolution No. 63

This resolution approves the FY 2017-18 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways (SAFE).

Further discussion of the SAFE Budget is contained in the Executive Director's Memorandum to the Metropolitan Transportation Commission Operations Committee dated June 2, 2017.

Date: June 28, 2017  
W.I.: 6031, 6032, 6035, 6037  
Referred by: Operations

RE: Approval of the FY 2017-18 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways

METROPOLITAN TRANSPORTATION COMMISSION  
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

SAFE RESOLUTION NO. 63

WHEREAS, SAFE Resolution No. 1 established a Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE or SAFE) pursuant to Streets and Highways Code §§ 2550-2556, which provides for the design, installation, operation and maintenance of a motorist aid call box system in any of the Bay Area counties that elect to join SAFE; and

WHEREAS, SAFE staff has prepared a budget setting forth the anticipated revenues and expenditures of the SAFE for FY 2017-18; and

WHEREAS, the final draft SAFE budget for FY 2017-18 was reviewed and recommended by the Metropolitan Transportation Commission Operations Committee (the "Operations Committee") for approval; now, therefore, be it

RESOLVED, that the SAFE budget for FY 2017-18, as prepared in accordance to generally accepted accounting principles, attached hereto as Attachment A and incorporated herein as though set forth in full, is hereby approved in the amounts and for the purposes listed therein; and, be it further

RESOLVED, that SAFE delegates to the Operations Committee the authority to approve all contracts and expenditures in SAFE's Budget for FY 2017-18, provided that there shall be no increase in the overall budget without prior approval of SAFE; and be it further

RESOLVED, that SAFE's Executive Director, or the responsible staff person designated by the Executive Director, shall submit written requests to the Operations Committee for approval of consultants, professional services, and expenditures authorized in the SAFE Budget for FY 2017-18; and be it further

RESOLVED, that SAFE's Executive Director and Chief Financial Officer are authorized to carry over and re-budget all grants, contracts and funds properly budgeted in the prior fiscal year for which expenditures were budgeted and encumbered and which will take place in FY 2017-18; and be it further

RESOLVED, that SAFE's Executive Director, or the responsible staff person designated by the Executive Director, shall furnish the Operations Committee with a quarterly financial report to reflect budgeted and actual income, expenditures, obligations for professional and consultant services and such other information and data as may be requested by the Operations Committee.

METROPOLITAN TRANSPORTATION  
COMMISSION SERVICE AUTHORITY FOR  
FREEWAYS AND EXPRESSWAYS

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Jake Mackenzie, Chair

The above resolution was entered into by  
the Metropolitan Transportation Commission  
Service Authority for Freeways and Expressways  
at a regular meeting of the Authority held in  
San Francisco, California on June 28, 2017.

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

Date: June 28, 2017  
SAFE: WE 6031, 6032

**SAFE RESOLUTION NO. 63**

**ATTACHMENT A: TABLE OF CONTENTS**

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SAFE Capital Program	Page 7



**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

**Revenue and Expense Summary**

<b>OPERATING REVENUE/EXPENSE</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
SAFE	\$6,507,500	\$6,609,000	1.6%
FSP	\$8,400,000	\$7,600,000	-9.5%
<b>Subtotal Operating Revenue</b>	<b>\$14,907,500</b>	<b>\$14,209,000</b>	<b>-4.7%</b>
SAFE	\$2,212,492	\$2,348,017	6.1%
FSP	\$10,136,520	\$10,401,575	2.6%
<b>Subtotal Operating Expense</b>	<b>\$12,349,012</b>	<b>\$12,749,592</b>	<b>3.2%</b>
<b>Transfers Out</b>	<b>\$435,700</b>	<b>\$550,000</b>	<b>26.2%</b>
<b>Operating Surplus (Shortfall)</b>	<b>\$2,122,788</b>	<b>\$909,408</b>	<b>-57.2%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

<b>REVENUE DETAIL</b>			
<b>OPERATING EXPENSE</b>			
<b>SAFE REVENUES</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
SAFE (Vehicle Registration Fees)	\$6,200,000	\$6,400,000	3.2%
BATA (Bridge CBX Operations)	\$300,000	\$200,000	-33.3%
Interest	\$7,500	\$9,000	20.0%
Subtotal: SAFE Revenues	<b>\$6,507,500</b>	<b>\$6,609,000</b>	<b>1.6%</b>
<b>FSP REVENUES</b>			
State Local Assistance Program (LAP)	\$3,800,000	\$4,500,000	18.4%
Grant (STP)	\$4,500,000	\$3,000,000	-33.3%
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%
Subtotal: FSP Revenues	<b>\$8,400,000</b>	<b>\$7,600,000</b>	<b>-9.5%</b>
<b>Total Revenue</b>	<b>\$14,907,500</b>	<b>\$14,209,000</b>	<b>-4.7%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

<b>EXPENSE DETAIL</b>			
<b>SAFE OPERATING EXPENSE</b>			
<b>I. Salaries and Benefits</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
Freeway Assist/SAFE Project	\$381,238	\$460,489	20.8%
FSP Project	\$615,520	\$302,212	-50.9%
<b>II. General Operations</b>			
Freeway Assist Project	\$861,254	\$887,528	3.1%
FSP Project	\$332,000	\$202,363	-39.0%
<b>III. Consultant Services</b>			
Freeway Assist Project	\$320,000	\$300,000	-6.3%
FSP Project	\$175,000	\$170,000	-2.9%
<b>IV. Operating Contracts</b>			
Freeway Assist Project	\$650,000	\$700,000	7.7%
FSP Project	\$9,014,000	\$9,727,000	7.9%
<b>SAFE Operating Expense</b>	<b>\$2,212,492</b>	<b>\$2,348,017</b>	<b>6.1%</b>
<b>FSP Operating Expense</b>	<b>\$10,136,520</b>	<b>\$10,401,575</b>	<b>2.6%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$12,349,012</b>	<b>\$12,749,592</b>	<b>3.2%</b>
<b>TRANSFERS OUT</b>			
MTC (1229, Regional Operations Center)	\$150,000	\$0	-100.0%
MTC (1223, TMS; 1235)	\$200,000	\$0	-100.0%
MTC (1161 Information Technology)	\$35,700	\$0	-100.0%
MTC (1237, Freeway Operations)	\$50,000	\$550,000	1000.0%
<b>TOTAL OTHER PROJECTS/TRANSFERS OUT</b>	<b>\$435,700</b>	<b>\$550,000</b>	<b>26.2%</b>
<b>TOTAL EXPENSE</b>	<b>\$12,784,712</b>	<b>\$13,299,592</b>	<b>4.0%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

**I. SALARIES AND BENEFITS EXPENSE**

	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
<b>SAFE Program</b>			
Freeway Assist/SAFE Salaries and Benefits	\$381,238	\$460,489	20.8%
<b>Freeway Assist Subtotal</b>	<b>\$381,238</b>	<b>\$460,489</b>	<b>20.8%</b>
<b>FREEWAY SERVICE PATROL</b>			
FSP Salaries and Benefits	\$615,520	\$302,212	-50.9%
<b>FSP Subtotal</b>	<b>\$615,520</b>	<b>\$302,212</b>	<b>-50.9%</b>
<b>Total Salaries and Benefits</b>	<b>\$996,758</b>	<b>\$762,701</b>	<b>-23.5%</b>

**II. GENERAL OPERATIONS EXPENSE**

	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST</b>			
Office Operations (meals, postage, printing)	\$14,000	\$14,000	0.0%
Office depreciation	\$480,000	\$480,000	0.0%
Travel/Training	\$8,500	\$8,500	0.0%
SAFE overhead	\$166,000	\$210,828	27.0%
Data Security Improvements/HW Transition	\$0	\$19,000	100%
Legislative advocacy	\$17,900	\$19,200	7.3%
Professional Memberships	\$8,000	\$8,500	6.3%
Insurance	\$52,500	\$52,500	0.0%
Audit	\$114,354	\$75,000	-34.4%
<b>Freeway Assist Subtotal</b>	<b>\$861,254</b>	<b>\$887,528</b>	<b>3.1%</b>
<b>FREEWAY SERVICE PATROL</b>			
Office depreciation	\$3,000	\$3,000	0.0%
Travel/Training	\$8,500	\$8,500	0.0%
FSP Overhead	\$268,000	\$138,363	-48.4%
Insurance	\$52,500	\$52,500	0.0%
<b>FSP Subtotal</b>	<b>\$332,000</b>	<b>\$202,363</b>	<b>-39.0%</b>
<b>Total General Operations</b>	<b>\$1,193,254</b>	<b>\$1,089,891</b>	<b>-8.7%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2017-18 OPERATING AND CAPITAL BUDGET**

**III. PROJECT CONSULTANT SERVICES EXPENSE**

	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST</b>			
Construction Services	\$20,000	\$20,000	0.0%
Call Box Inspections	\$20,000	\$20,000	0.0%
Private Dispatch consulting fees and back-up	\$20,000	\$10,000	-50.0%
Freeway Assist Marketing	\$175,000	\$200,000	14.3%
Consultant other	\$85,000	\$50,000	-41.2%
<b>Freeway Assist Subtotal</b>	<b>\$320,000</b>	<b>\$300,000</b>	<b>-6.3%</b>
<b>FREEWAY SERVICE PATROL</b>			
Information/Data Management	\$100,000	\$100,000	0.0%
PEMS FSP Module Upgrade	\$0	\$20,000	100%
Consultant other	\$75,000	\$50,000	-33.3%
<b>FSP Subtotal</b>	<b>\$175,000</b>	<b>\$170,000</b>	<b>-2.9%</b>
<b>Total Consultant Expense</b>	<b>\$495,000</b>	<b>\$470,000</b>	<b>-5.1%</b>

**IV. PROJECT OPERATING CONTRACTS EXPENSE**

	<b>FY 2016-17 Budget</b>	<b>FY 2017-18 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST</b>			
CHP Administrative Services	\$20,000	\$20,000	0.0%
Telcommunication Services	\$65,000	\$45,000	-30.8%
Call Box Repairs/Maintenance/Vandalism	\$400,000	\$400,000	0.0%
Private Call Center	\$100,000	\$100,000	0.0%
SAFE on 17 Program	\$50,000	\$50,000	0.0%
Emergency Operations Training & Telecom	\$0	\$75,000	100.0%
Freeway Assist Operations	\$15,000	\$10,000	-33.3%
<b>Freeway Assist Subtotal</b>	<b>\$650,000</b>	<b>\$700,000</b>	<b>7.7%</b>
<b>FREEWAY SERVICE PATROL</b>			
FSP Tow Service	\$8,700,000	\$9,400,000	8.0%
CHP Funding Agreement	\$30,000	\$25,000	-16.7%
In-vehicle Maintenance	\$110,000	\$85,000	-22.7%
Telecommunication Services	\$89,000	\$107,000	20.2%
Equipment Replacement (hardware & warranties)	\$15,000	\$20,000	33.3%
System Improvement (software & website)	\$10,000	\$20,000	100.0%
FSP General Operations	\$60,000	\$70,000	16.7%
<b>FSP Subtotal</b>	<b>\$9,014,000</b>	<b>\$9,727,000</b>	<b>7.9%</b>
<b>Total Operating Contracts Expense</b>	<b>\$9,664,000</b>	<b>\$10,427,000</b>	<b>7.9%</b>

# SAFE CAPITAL PROGRAM

## Fiscal Year 2017-18 - SAFE RES 63

Life to Date through FY 2016-17			FY 2017-18 SAFE RES 63		Life to Date through FY 2017-18	
Program	Fund	Budget	Fund	Budget	Fund	Budget
<b>6301 Bridge Call Boxes</b>						
	BATA	\$3,711,000			BATA	\$3,711,000
	SAFE	60,000			SAFE	60,000
		<b>3,771,000</b>				<b>3,771,000</b>
<b>6303 Bay Area Camera Upgrade</b>						
	CMAQ	6,724,650			CMAQ	6,724,650
	SAFE	2,669,933			SAFE	2,669,933
	STP	70,000			STP	70,000
		<b>9,464,583</b>				<b>9,464,583</b>
<b>6306 FSP Data-AVL</b>						
	SAFE	400,000			SAFE	400,000
	SAFE	1,370,000	SAFE	\$300,000	SAFE	1,670,000
	STP	1,572,000			STP	1,572,000
		<b>3,342,000</b>				<b>3,642,000</b>
<b>6314 CBX Site Improvement</b>						
	SAFE	1,650,000			SAFE	1,650,000
		<b>1,650,000</b>				<b>1,650,000</b>
<b>6318 Connected Vehicles &amp; Telematics</b>						
<b>6318 Commuter Parking Initiative</b>						
	SAFE	2,500,000			SAFE	2,500,000
		<b>2,500,000</b>				<b>2,500,000</b>
<b>6319 Active Operations Management Program</b>						
	SAFE	3,200,000			SAFE	3,200,000
		<b>3,200,000</b>				<b>3,200,000</b>
<b>Total</b>		<b>\$23,927,583</b>		<b>\$300,000</b>		<b>\$24,227,583</b>
<b>SAFE Capital Funds (+/-)</b>				<b>\$300,000</b>		
<b>SAFE Funds from Operating Reserve</b>				<b>(\$300,000)</b>		