



METROPOLITAN
TRANSPORTATION
COMMISSION
SERVICE AUTHORITY
FOR FREEWAYS
AND EXPRESSWAYS

Agenda Item 3b

Bay Area Metro Center
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Memorandum

TO: Operations Committee

DATE: June 3, 2016

FR: Executive Director

W.I.: 6031, 6032

RE: MTC SAFE Resolution No.62: FY 2016-17 Operating and Capital Budget

The MTC SAFE budget for FY 2016-17 is currently balanced and includes an operating surplus of \$2.2 million mainly due to the reduction in transfers to MTC (Attachment A). There have been no changes in the MTC SAFE budget from the May Study Session.

Revenue

The overall revenue of \$15 million is approximately 2% above the budgeted MTC SAFE revenue for FY 2015-16 as shown in Table 1. The increase in Surface Transportation Program (STP) revenue is offset by the decrease in the State Local Assistance Program.

Table 1

Operating Revenue	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Budget	FY 2016-17 Budget
STP	\$565,810	\$3,591,700	\$2,215,000	\$4,500,000
DMV Revenue	\$6,315,644	\$6,414,208	\$6,200,000	\$6,200,000
Interest Income	\$2,198	\$982	\$6,000	\$7,500
Other	\$41,648	\$5,938	\$300,000	\$300,000
LAP	\$7,259,555	\$4,257,828	\$5,800,000	\$3,800,000
State of California	<u>\$40,049</u>	<u>\$96,776</u>	<u>\$100,000</u>	<u>\$100,000</u>
Total Operating Revenue	<u>\$14,224,904</u>	<u>\$14,367,432</u>	<u>\$14,621,000</u>	<u>\$14,907,500</u>

Operating Expense

The draft operating budget shows a decrease of \$1.6 million in total operating expenses for FY 2016-17 (Table 2). The decrease in expenditure is mainly the result of the reduction in the transfer to MTC for the 511 Program and Freeway Performance Monitoring Program, which are now being funded by MTC grants.

Table 2

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Budget	FY 2016-17 Budget
Salaries/ Benefits/ Temps	\$832,364	\$796,413	\$907,900	\$996,758
Professional Fees	\$574,358	\$779,289	\$807,500	\$535,000
General Administration	\$475,564	\$341,657	\$852,600	\$1,078,900
Repairs and Maintenance	\$678,610	\$507,055	\$510,000	\$520,000
FSP Tow Expense	\$8,824,346	\$8,269,889	\$8,800,000	\$8,780,000
Transfer to MTC	\$1,153,702	\$964,890	\$2,092,900	\$435,700
Other	<u>\$392,685</u>	<u>\$412,152</u>	<u>\$352,000</u>	<u>\$374,000</u>
Total Expense	<u>\$12,931,629</u>	<u>\$12,071,345</u>	<u>\$14,322,900</u>	<u>\$12,720,358</u>

Capital Program

There is no change to the MTC SAFE Capital Program for FY 2016-17.

Operating Reserve

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

Description	FY 2014-15 Actual	FY 2015-16 Budget	FY 2016-17 Budget
Total Reserve for			
Encumbrances	\$500,000	\$500,000	\$500,000
Fixed Assets	\$1,099,572	\$1,139,031	\$1,000,000
Transfers to MTC	\$3,156,510	\$2,092,900	\$435,700
Operating Reserve	\$0	\$0	\$2,600,000
Net Pension Liability	<u>\$395,917</u>	<u>\$450,000</u>	<u>\$450,000</u>
Total Restricted	\$5,151,999	\$4,181,931	\$4,985,700
Unrestricted Balance	<u>\$7,963,524</u>	<u>\$2,631,692</u>	<u>\$4,015,065</u>
Total Reserves	\$13,115,523	\$6,813,623	\$9,000,765

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

Recommendation

Staff recommends that the Committee refer MTC SAFE Resolution No. 62 to the Authority for approval.



Steve Heminger

SH:se
Attachment

Date: June 22, 2016
W.I.: 1231, 1232, 1235, 1237
Referred by: Operations

ABSTRACT

SAFE Resolution No. 62

This resolution approves the FY 2016-17 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 3, 2016.

Date: June 22, 2015
W.I.: 6031, 6032, 6035, 6037
Referred by: Operations

RE: Approval of the FY 2016-17 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways

METROPOLITAN TRANSPORTATION COMMISSION
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

SAFE RESOLUTION NO. 62

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 2016-17; and

WHEREAS, the final draft SAFE budget for FY 2016-17 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 2016-17, 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 2016-17, 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 2016-17; 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 2016-17; 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

Dave Cortese, 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 22, 2016.

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2016-17 OPERATING AND CAPITAL BUDGET**

Date: June 22, 2016
SAFE: WE 6031, 6032

SAFE RESOLUTION NO. 62

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**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2016-17 OPERATING AND CAPITAL BUDGET**

Revenue and Expense Summary

OPERATING REVENUE/EXPENSE	FY 2015-16 Budget	FY 2016-17 Budget	Percent Change
SAFE	\$6,656,000	\$6,507,500	-2.2%
FSP	\$7,965,000	\$8,400,000	5.5%
Subtotal Operating Revenue	\$14,621,000	\$14,907,500	2.0%
SAFE	\$1,762,900	\$2,138,138	21.3%
FSP	\$10,467,100	\$10,146,520	-3.1%
Subtotal Operating Expense	\$12,230,000	\$12,284,658	0.4%
Transfers Out	\$2,092,900	\$435,700	-79.2%
Operating Surplus (Shortfall)	\$298,100	\$2,187,142	633.7%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2016-17 OPERATING AND CAPITAL BUDGET**

REVENUE DETAIL			
OPERATING EXPENSE			
SAFE REVENUES	FY 2015-16 Budget	FY 2016-17 Budget	Percent Change
SAFE (Vehicle Registration Fees)	\$6,200,000	\$6,200,000	0.0%
BATA (Bridge CBX Operations)	\$300,000	\$300,000	0.0%
Grant (STP)	\$150,000	\$0	-100.0%
Interest	\$6,000	\$7,500	25.0%
Subtotal: SAFE Revenues	\$6,656,000	\$6,507,500	-2.2%
FSP REVENUES			
State Local Assistance Program (LAP)	\$5,800,000	\$3,800,000	-34.5%
Grant (STP)	\$2,065,000	\$4,500,000	117.9%
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%
Subtotal: FSP Revenues	\$7,965,000	\$8,400,000	5.5%
Total Revenue	\$14,621,000	\$14,907,500	2.0%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2016-17 OPERATING AND CAPITAL BUDGET**

EXPENSE DETAIL			
SAFE OPERATING EXPENSE			
I. Salaries and Benefits	FY 2015-16 Budget	FY 2016-17 Budget	Percent Change
SAFE Program	\$108,000	\$223,153	106.6%
Freeway Assist Project	\$102,500	\$158,085	54.2%
FSP Project	\$697,400	\$615,520	-11.7%
II. General Operations			
Freeway Assist Project	\$484,900	\$821,900	69.5%
FSP Project	\$442,700	\$332,000	-25.0%
III. Consultant Services			
Freeway Assist Project	\$397,500	\$285,000	-28.3%
FSP Project	\$335,000	\$175,000	-47.8%
IV. Operating Contracts			
Freeway Assist Project	\$670,000	\$650,000	-3.0%
FSP Project	\$8,992,000	\$9,024,000	0.4%
SAFE Operating Expense	\$1,762,900	\$2,138,138	21.3%
FSP Operating Expense	\$10,467,100	\$10,146,520	-3.1%
TOTAL OPERATING EXPENSE	\$12,230,000	\$12,284,658	0.4%
TRANSFERS OUT			
MTC (Capital Equipment)	\$17,500	\$0	-100.0%
MTC (1229, EOC/Regional Operations Center)	\$260,000	\$150,000	-42.3%
MTC (1223, TMS; 1235)	\$317,000	\$200,000	-36.9%
MTC (1161 Information Technology)	\$50,000	\$35,700	-28.6%
MTC (1237, Freeway Operations)	\$625,000	\$50,000	-92.0%
MTC (1224, 511)	\$823,400	\$0	-100.0%
TOTAL OTHER PROJECTS/TRANSFERS OUT	\$2,092,900	\$435,700	-79.2%
TOTAL EXPENSE	\$14,322,900	\$12,720,358	-11.2%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2016-17 OPERATING AND CAPITAL BUDGET**

I. SALARIES AND BENEFITS EXPENSE

SAFE Program	FY 2015-16 Budget	FY 2016-17 Budget	Percent Change
SAFE Salaries and Benefits	\$108,000	\$223,153	106.6%
Freeway Assist Salaries and Benefits	\$102,500	\$158,085	54.2%
Freeway Assist Subtotal	\$210,500	\$381,238	81.1%
FREEWAY SERVICE PATROL			
FSP Salaries and Benefits	\$697,400	\$615,520	-11.7%
FSP Subtotal	\$697,400	\$615,520	-11.7%
Total Salaries and Benefits	\$907,900	\$996,758	9.8%

II. GENERAL OPERATIONS EXPENSE

	FY 2015-16 Budget	FY 2016-17 Budget	Percent Change
FREEWAY ASSIST (formerly Call Box)			
Office Operations (meals, postage, printing)	\$9,000	\$14,000	55.6%
Office depreciation	\$275,000	\$480,000	74.5%
Travel/Training	\$7,500	\$8,500	13.3%
SAFE overhead	\$58,000	\$166,000	186.2%
Legislative advocacy	\$17,900	\$17,900	0.0%
Professional Memberships	\$7,500	\$8,000	6.7%
Insurance	\$35,000	\$52,500	50.0%
Audit	\$75,000	\$75,000	0.0%
Freeway Assist Subtotal	\$484,900	\$821,900	69.5%
FREEWAY SERVICE PATROL			
Office depreciation	\$3,200	\$3,000	-6.3%
Travel/Training	\$7,500	\$8,500	13.3%
FSP Overhead	\$377,000	\$268,000	-28.9%
Insurance	\$55,000	\$52,500	-4.5%
FSP Subtotal	\$442,700	\$332,000	-25.0%
Total General Operations	\$927,600	\$1,153,900	24.4%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2016-17 OPERATING AND CAPITAL BUDGET**

III. PROJECT CONSULTANT SERVICES EXPENSE

	FY 2015-16 Budget	FY 2016-17 Budget	Percent Change
FREEWAY ASSIST (formerly Call Box)			
Information/Data Management	\$100,000	\$0	-100.0%
Construction Services	\$20,000	\$20,000	0.0%
Call Box Inspections	\$40,000	\$20,000	-50.0%
Private Dispatch consulting fees and back-up	\$12,500	\$20,000	60.0%
Freeway Assist Marketing	\$150,000	\$175,000	16.7%
Consultant other	\$75,000	\$50,000	-33.3%
Freeway Assist Subtotal	\$397,500	\$285,000	-28.3%
FREEWAY SERVICE PATROL			
Systems Integrator	\$250,000	\$0	-100.0%
Radio Communications Research	\$10,000	\$0	-100.0%
Information/Data Management	\$0	\$100,000	+100%
Consultant other	\$75,000	\$75,000	0.0%
FSP Subtotal	\$335,000	\$175,000	-47.8%
Total Consultant Expense	\$732,500	\$460,000	-37.2%

IV. PROJECT OPERATING CONTRACTS EXPENSE

	FY 2015-16 Budget	FY 2016-17 Budget	Percent Change
FREEWAY ASSIST (formerly Call Box)			
CHP Administrative Services	\$20,000	\$20,000	0.0%
Telcommunication Services	\$65,000	\$65,000	0.0%
Call Box Repairs/Maintenance/Vandalism	\$450,000	\$400,000	-11.1%
Private Call Center	\$75,000	\$100,000	33.3%
SAFE on 17 Program	\$50,000	\$50,000	0.0%
Freeway Assist Operations	\$10,000	\$15,000	50.0%
Freeway Assist Subtotal	\$670,000	\$650,000	-3.0%
FREEWAY SERVICE PATROL			
FSP Tow Service	\$8,700,000	\$8,700,000	0.0%
CHP Funding Agreement	\$50,000	\$30,000	-40.0%
In-vehicle Maintenance	\$50,000	\$110,000	120.0%
Telecommunication Services	\$90,000	\$89,000	-1.1%
System Maintenance (warranties)	\$10,000	\$10,000	0.0%
Equipment Replacement (hardware)	\$20,000	\$15,000	-25.0%
System Improvement (software)	\$10,000	\$10,000	0.0%
FSP General Operations	\$62,000	\$60,000	-3.2%
FSP Subtotal	\$8,992,000	\$9,024,000	0.4%
Total Operating Contracts Expense	\$9,662,000	\$9,674,000	0.1%

SAFE CAPITAL PROGRAM

Fiscal Year 2016-17 - SAFE RES 62

Life to Date through FY 2015-16		FY 2016-17 SAFE RES 62	Life to Date through FY 2016-17	
Program	Fund Budget	Fund Budget	Fund	Budget
6301 Bridge Call Boxes				
	BATA 3,711,000		BATA	3,711,000
	SAFE 60,000		SAFE	60,000
	3,771,000			3,771,000
6303 Bay Area Camera Upgrade				
	CMAQ 6,724,650		CMAQ	6,724,650
	SAFE 2,669,933		SAFE	2,669,933
	STP 70,000		STP	70,000
	9,464,583			9,464,583
6306 FSP Data-AVL				
	SAFE 400,000		SAFE	400,000
	SAFE 1,370,000		SAFE	1,370,000
	STP 1,572,000		STP	1,572,000
	3,342,000			3,342,000
6314 CBX Site Improvement				
	SAFE 500,000			
	SAFE 1,150,000		SAFE	1,650,000
	1,650,000			1,650,000
6318 Connected Vehicles & Telematics				
	SAFE 2,500,000		SAFE	2,500,000
	2,500,000			2,500,000
6319 Active Operations Management Program				
	SAFE 3,200,000		SAFE	3,200,000
	3,200,000			3,200,000
Total	23,927,583			23,927,583

SAFE Capital Funds (+/-) \$0
SAFE Funds from Operating Reserve \$0