



METROPOLITAN  
TRANSPORTATION  
COMMISSION  
SERVICE AUTHORITY  
FOR FREEWAYS  
AND EXPRESSWAYS

## Agenda Item 4a

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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**

<b>Operating Revenue</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
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**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
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.

<b>Description</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
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.

  
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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

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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**

**ATTACHMENT A: TABLE OF CONTENTS**

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

**Revenue and Expense Summary**

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

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

<b>REVENUE DETAIL</b>			
<b>OPERATING EXPENSE</b>			
<b>SAFE REVENUES</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>Percent Change</b>
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	<b>\$6,656,000</b>	<b>\$6,507,500</b>	<b>-2.2%</b>
<b>FSP REVENUES</b>			
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	<b>\$7,965,000</b>	<b>\$8,400,000</b>	<b>5.5%</b>
<b>Total Revenue</b>	<b>\$14,621,000</b>	<b>\$14,907,500</b>	<b>2.0%</b>

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

<b>EXPENSE DETAIL</b>			
<b>SAFE OPERATING EXPENSE</b>			
<b>I. Salaries and Benefits</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>Percent Change</b>
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%
<b>II. General Operations</b>			
Freeway Assist Project	\$484,900	\$821,900	69.5%
FSP Project	\$442,700	\$332,000	-25.0%
<b>III. Consultant Services</b>			
Freeway Assist Project	\$397,500	\$285,000	-28.3%
FSP Project	\$335,000	\$175,000	-47.8%
<b>IV. Operating Contracts</b>			
Freeway Assist Project	\$670,000	\$650,000	-3.0%
FSP Project	\$8,992,000	\$9,024,000	0.4%
<b>SAFE Operating Expense</b>	<b>\$1,762,900</b>	<b>\$2,138,138</b>	<b>21.3%</b>
<b>FSP Operating Expense</b>	<b>\$10,467,100</b>	<b>\$10,146,520</b>	<b>-3.1%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$12,230,000</b>	<b>\$12,284,658</b>	<b>0.4%</b>
<b>TRANSFERS OUT</b>			
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%
<b>TOTAL OTHER PROJECTS/TRANSFERS OUT</b>	<b>\$2,092,900</b>	<b>\$435,700</b>	<b>-79.2%</b>
<b>TOTAL EXPENSE</b>	<b>\$14,322,900</b>	<b>\$12,720,358</b>	<b>-11.2%</b>

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

**I. SALARIES AND BENEFITS EXPENSE**

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

**II. GENERAL OPERATIONS EXPENSE**

	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST (formerly Call Box)</b>			
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%
<b>Freeway Assist Subtotal</b>	<b>\$484,900</b>	<b>\$821,900</b>	<b>69.5%</b>
<b>FREEWAY SERVICE PATROL</b>			
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%
<b>FSP Subtotal</b>	<b>\$442,700</b>	<b>\$332,000</b>	<b>-25.0%</b>
<b>Total General Operations</b>	<b>\$927,600</b>	<b>\$1,153,900</b>	<b>24.4%</b>

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

**III. PROJECT CONSULTANT SERVICES EXPENSE**

	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST (formerly Call Box)</b>			
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%
<b>Freeway Assist Subtotal</b>	<b>\$397,500</b>	<b>\$285,000</b>	<b>-28.3%</b>
<b>FREEWAY SERVICE PATROL</b>			
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%
<b>FSP Subtotal</b>	<b>\$335,000</b>	<b>\$175,000</b>	<b>-47.8%</b>
<b>Total Consultant Expense</b>	<b>\$732,500</b>	<b>\$460,000</b>	<b>-37.2%</b>

**IV. PROJECT OPERATING CONTRACTS EXPENSE**

	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>Percent Change</b>
<b>FREEWAY ASSIST (formerly Call Box)</b>			
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%
<b>Freeway Assist Subtotal</b>	<b>\$670,000</b>	<b>\$650,000</b>	<b>-3.0%</b>
<b>FREEWAY SERVICE PATROL</b>			
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%
<b>FSP Subtotal</b>	<b>\$8,992,000</b>	<b>\$9,024,000</b>	<b>0.4%</b>
<b>Total Operating Contracts Expense</b>	<b>\$9,662,000</b>	<b>\$9,674,000</b>	<b>0.1%</b>

# 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
<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	1,370,000
STP	1,572,000		STP	1,572,000
	<b>3,342,000</b>			<b>3,342,000</b>
<b>6314 CBX Site Improvement</b>				
SAFE	500,000			
SAFE	1,150,000		SAFE	1,650,000
	<b>1,650,000</b>			<b>1,650,000</b>
<b>6318 Connected Vehicles &amp; Telematics</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>23,927,583</b>

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