

MTC SAFE Agenda Item 4a



METROPOLITAN
TRANSPORTATION
COMMISSION
SERVICE AUTHORITY
FOR FREEWAYS
AND EXPRESSWAYS

Agenda Item 3c
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Operations Committee

DATE: June 1, 2018

FR: Executive Director

W.I.: 6031, 6032

RE: MTC SAFE Resolution No. 64: FY 2018-19 Operating and Capital Budget

The MTC SAFE proposed budget for FY 2018-19 is currently balanced and reflects an operating surplus of \$149,650. The budget also includes transfers to fund capital projects and retire part of the unfunded PERS obligation.

Operating Revenue

Total operating revenue for FY 2018-19 is \$18 million, an increase of \$2.7 million or 18% above the FY 2017-18 budget (Table 1). The increase includes an additional \$2 million in the Local Assistance Program (LAP) stemming from new SB1 revenue and \$800,000 in the STP funding.

Table 1

<u>Op Revenue</u>	<u>FY 2015-16 Actual</u>	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Budget</u>	<u>FY 2018-19 Budget</u>
STP	\$1,787,795	\$3,198,477	\$2,000,000	\$2,800,000
DMV Revenue	6,582,736	6,716,382	6,400,000	6,500,000
Interest Income	6,188	21,427	9,000	9,000
LAP	4,863,908	3,170,468	6,689,600	8,700,000
State of California	36,554	0	100,000	100,000
Transfer in from BATA	300,000	300,000	200,000	0
Other	7,647	1,033,750	0	0
Total Op. Revenue	<u>\$13,584,828</u>	<u>\$14,440,504</u>	<u>\$15,398,600</u>	<u>\$18,109,000</u>

Operating Expense

The operating budget recommended for FY 2018-19 shows an increase of \$3.7 million or 28% above FY 2017-18 budget (Table 2). There are no new positions added to MTC SAFE but there are some additional allocations of staff time that account for the change in salary and benefit costs. The increase also includes \$2.1 million to cover an expansion of Freeway Service Patrol tow services. "Other" expense includes an increase of \$1 million in pass-through costs for expanded CHP contract services also funded by the new SB1 revenue.

Table 2

<u>Expense</u>	<u>FY 2015-16 Actual</u>	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Budget</u>	<u>FY 2018-19 Budget</u>
Op. Expense				
Salaries/ Benefits/ Temps	\$894,821	\$831,645	\$762,701	\$986,000
Professional Fees	446,138	508,524	685,928	735,000
General Administration	798,126	846,213	1,014,891	1,198,350
Repairs and Maintenance	396,633	386,246	505,000	525,000
FSP Tow Expense	7,240,168	7,183,541	9,900,000	12,000,000
Other	<u>521,857</u>	<u>254,357</u>	<u>526,535</u>	<u>1,635,000</u>
Total Op. Expense	10,297,743	10,010,526	13,395,055	17,079,350
Operating Balance	<u>\$3,287,085</u>	<u>\$4,429,978</u>	<u>\$2,003,545</u>	<u>\$1,029,650</u>
Transfers				
In	6,600,000	0	0	4,000,000
Out				
MTC	1,204,196	609,660	950,000	880,000
Other	0	0	0	4,000,000
SAFE Capital	<u>6,600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfers Out	<u>7,804,196</u>	<u>609,660</u>	<u>950,000</u>	<u>4,880,000</u>
Year End Balance	<u>\$2,082,889</u>	<u>\$3,820,318</u>	<u>\$1,053,545</u>	<u>\$149,650</u>

The operating balance for FY 2018-19 is estimated to be a slim \$149,650, which compared to FY 2017-18 is a significant drop. Given the enhanced service levels planned for FY 2018-19 staff believes the ending balance is appropriate.

Transfers

Staff proposes a significant increase in project and operational transfers for FY 2018-19.

- \$1.6 million to MTC SAFE Capital Program
- \$3.0 million to Express Lanes for fiber lateral connections upgrade in the I-880 corridor
- \$1.0 million to MTC to cover part of the unfunded PERS/OPEB liability
- \$0.9 million to MTC for operating contracts

Capital Program

Additional Funding for Existing Capital Program:

FSP Data-AVL (6306). The purpose of the FSP Data-AVL capital program is to provide funding for the automatic vehicle location (AVL) system utilized by the FSP fleet. In FY 2018-19, the proposed \$200,000 will enhance the telecommunications network by swapping out modem cards in the in-vehicle data units. This enhancement will allow the FSP fleet to connect with the Tier II emergency level data priority system which will provide priority telecommunications access during an emergency event.

CBX Site Improvement (6314). The additional \$194,331 will fund the retrofits and removal of the call boxes on the state-owned Bay Area bridges. The project will start with the call box removal of bridge segments with no shoulders. Future projects may include installing solar panels for the remaining bridge call boxes.

Closing of Existing Capital Program:

Bridge Call Boxes (6301). As all seven of the state-owned bridges in the Bay Area are now equipped with call boxes, staff recommends that this capital program be closed.

Operating Reserve

The current and projected operating reserve position is shown in Table 3 below.

Table 3

Description	FY 2016-17 <u>Actual</u>	FY 2017-18 <u>Budget</u>	FY 2017-18 <u>Budget</u>
Total Reserve for:			
Encumbrances	\$500,000	\$500,000	\$500,000
Fixed Assets	61,036	1,000,000	250,000
Transfer to MTC	1,727,575	550,000	880,000
Transfer to Express Lanes	0	0	3,000,000
Operating Reserve	0	2,850,000	3,600,000
Transfer to SAFE Capital Projects	0	300,000	594,331
Net Pension Liability	<u>617,986</u>	<u>450,000</u>	<u>1,000,000</u>
Total Restricted	2,906,597	5,650,000	9,824,331
Unrestricted Balance	<u>9,863,108</u>	<u>8,173,250</u>	<u>4,148,569</u>
Total Reserves	\$12,769,705	\$13,823,250	\$13,972,900

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 Committee refer MTC SAFE Resolution No. 64 to the Authority for approval.



Steve Heminger

SH:JM
Attachment

Date: June 27, 2018
W.I.: 6031, 6032
Referred by: Operations

ABSTRACT

SAFE Resolution No. 64

This resolution approves the FY 2018-19 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 1, 2018, and to the SAFE Authority dated June 20, 2018.

Date: June 27, 2018
W.I.: 6031, 6032
Referred by: Operations

RE: Approval of the FY 2018-19 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways

METROPOLITAN TRANSPORTATION COMMISSION
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

SAFE RESOLUTION NO. 64

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 2018-19; and

WHEREAS, the final draft SAFE budget for FY 2018-19 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 2018-19, as prepared in accordance with 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 the Executive Director or designee may approve adjustments among line items in the SAFE operating budget for FY 2018-19, provided that there shall be no increase in the overall SAFE operating budget without prior approval of SAFE; 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 2018-19, 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 2018-19; 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 2018-19; 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; 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

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 27, 2018.

Date: June 27, 2018
W.I.: 6031, 6032
Referred by: Operations

Attachment A
SAFE Resolution No. 64

FY 2018-19 SAFE Budget

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2018-19 OPERATING AND CAPITAL BUDGET**

Date: June 27, 2018
SAFE: WE 6031, 6032

SAFE RESOLUTION NO. 64

ATTACHMENT A: TABLE OF CONTENTS

SAFE Operating Program	Page 2
SAFE Capital Program	Page 7

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2018-19 OPERATING AND CAPITAL BUDGET**

Revenue and Expense Summary

OPERATING REVENUE/EXPENSE	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change	Change \$ Inc./ (Dec.)
SAFE	\$6,609,000	\$6,509,000	-1.5%	(\$100,000)
FSP	\$8,789,600	\$11,600,000	32.0%	\$2,810,400
Subtotal Operating Revenue	\$15,398,600	\$18,109,000	17.6%	\$2,710,400
SAFE	\$2,253,946	\$3,016,200	33.8%	\$762,254
FSP	\$11,141,109	\$14,063,150	26.2%	\$2,922,041
Subtotal Operating Expense	\$13,395,055	\$17,079,350	27.5%	\$3,684,295
Transfers Out	\$950,000	\$4,880,000	413.7%	\$3,930,000
Transfer In from Reserve	\$0	\$4,000,000	100.0%	\$4,000,000
Operating Surplus (Shortfall)	\$1,053,545	\$149,650	-85.8%	(\$903,895)

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2018-19 OPERATING AND CAPITAL BUDGET**

REVENUE DETAIL				
OPERATING REVENUE				
	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change	Change \$ Inc./ (Dec.)
SAFE REVENUE				
SAFE (Vehicle Registration Fees)	\$6,400,000	\$6,500,000	1.6%	\$100,000
BATA (Bridge CBX Operations)	\$200,000	\$0	-100.0%	(\$200,000)
Interest	\$9,000	\$9,000	0.0%	\$0
Subtotal: SAFE Revenue	\$6,609,000	\$6,509,000	-1.5%	-\$100,000
FSP REVENUE				
State Local Assistance Program (LAP)	\$6,689,600	\$8,700,000	30.1%	\$2,010,400
Grant (STP)	\$2,000,000	\$2,800,000	40.0%	\$800,000
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%	\$0
Subtotal: FSP Revenue	\$8,789,600	\$11,600,000	32.0%	\$2,810,400
Total Operating Revenue	\$15,398,600	\$18,109,000	17.6%	\$2,710,400

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2018-19 OPERATING AND CAPITAL BUDGET**

EXPENSE DETAIL				
OPERATING EXPENSE				
	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change	Change \$ Inc./Dec.)
I. Salaries and Benefits				
Freeway Assist/SAFE Project	\$298,489	\$656,500	119.9%	\$358,011
FSP Project	\$464,212	\$329,500	-29.0%	(\$134,712)
II. General Operations				
Freeway Assist Project	\$911,174	\$1,044,700	14.7%	\$133,526
FSP Project	\$277,363	\$228,650	-17.6%	(\$48,713)
III. Consultant Services				
Freeway Assist Project	\$342,282	\$510,000	49.0%	\$167,718
FSP Project	\$170,000	\$150,000	-11.8%	(\$20,000)
IV. Operating Contracts				
Freeway Assist Project	\$702,001	\$805,000	14.7%	\$102,999
FSP Project	\$10,229,534	\$13,355,000	30.6%	\$3,125,466
Freeway Assist Operating Expense	\$2,253,946	\$3,016,200	33.8%	\$762,254
FSP Operating Expense	\$11,141,109	\$14,063,150	26.2%	\$2,922,041
Total Operating Expense	\$13,395,055	\$17,079,350	27.5%	\$3,684,295
TRANSFERS				
TRANSFER IN FROM RESERVE	\$0	\$4,000,000	100.0%	\$4,000,000
TRANSFERS OUT				
Transfers Out to MTC				
MTC (1122, Travel Model Research)	\$0	\$200,000	100%	\$200,000
MTC (1212, Performance Measure & Monitoring)	\$0	\$325,000	100%	\$325,000
MTC (1223, Transportation Management Systems)	\$0	\$100,000	100%	\$100,000
MTC (1235, Incident Management)	\$400,000	\$255,000	-75.0%	(\$145,000)
MTC (1237, Freeway Operations)	\$550,000	\$0	-100.0%	(\$550,000)
Total Transfers Out to MTC Op. Budget	\$950,000	\$880,000	-7.4%	(\$70,000)
Transfer Out to MTC for Unfunded PERS Liability	\$0	\$1,000,000	100%	\$1,000,000
Transfer Out to Express Lanes Capital	\$0	\$3,000,000	100%	\$3,000,000
Total Transfers Out	\$950,000	\$4,880,000	413.7%	\$3,930,000
Total Transfers	-\$950,000	-\$880,000	-7.4%	\$70,000
Total Expense and Transfers	\$14,345,055	\$17,959,350	25.2%	\$3,614,295

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2018-19 OPERATING AND CAPITAL BUDGET**

I. SALARIES AND BENEFITS EXPENSE				
	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change	Change \$ Inc./Dec.)
SAFE Program				
Freeway Assist/SAFE Salaries and Benefits	\$298,489	\$656,500	119.9%	\$358,011
Freeway Assist Subtotal	\$298,489	\$656,500	119.9%	\$358,011
FREEWAY SERVICE PATROL				
FSP Salaries and Benefits	\$464,212	\$329,500	-29.0%	(\$134,712)
FSP Subtotal	\$464,212	\$329,500	-29.0%	-\$134,712
Total Salaries and Benefits	\$762,701	\$986,000	29.3%	\$223,299
II. GENERAL OPERATIONS EXPENSE				
	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change	Change \$ Inc./Dec.)
FREEWAY ASSIST				
Office Operations (meals, postage, printing)	\$14,000	\$14,000	0.0%	\$0
Travel/Training	\$8,500	\$8,500	0.0%	\$0
SAFE overhead	\$135,828	\$322,500	137.4%	\$186,672
Data Security Improvements/HW Transition	\$19,000	\$38,000	100%	\$19,000
Legislative advocacy	\$19,200	\$19,200	0.0%	\$0
Professional Memberships	\$8,500	\$8,500	0.0%	\$0
Insurance	\$52,500	\$55,000	4.8%	\$2,500
Audit	\$173,646	\$75,000	-56.8%	(\$98,646)
Freeway Assist Subtotal w/o Depreciation	\$431,174	\$540,700	25.4%	\$109,526
FREEWAY SERVICE PATROL				
Travel/Training	\$8,500	\$8,500	0.0%	\$0
FSP Overhead	\$213,363	\$162,000	-24.1%	(\$51,363)
Insurance	\$52,500	\$55,000	4.8%	\$2,500
FSP Subtotal w/o Depreciation	\$274,363	\$225,500	-17.8%	-\$48,863
Total General Operations w/o Depreciation	\$705,537	\$766,200	8.6%	\$60,663
FREEWAY ASSIST				
Office depreciation	\$480,000	\$504,000	5.0%	\$24,000
FREEWAY SERVICE PATROL				
Office depreciation	\$3,000	\$3,150	5.0%	\$150
Freeway Assist Subtotal with Depreciation	\$911,174	\$1,044,700	14.7%	\$133,526
FSP Subtotal with Depreciation	\$277,363	\$228,650	-17.6%	-\$48,713
Total General Operations with Depreciation	\$1,188,537	\$1,273,350	7.1%	\$84,813

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2018-19 OPERATING AND CAPITAL BUDGET**

III. PROJECT CONSULTANT SERVICES EXPENSE

	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change	Change \$ Inc./Dec.)
FREEWAY ASSIST				
Construction Services	\$20,000	\$0	-100.0%	(\$20,000)
Call Box Inspections	\$20,000	\$0	-100.0%	(\$20,000)
Private Dispatch consulting fees and back-up	\$10,000	\$10,000	0.0%	\$0
Freeway Assist Marketing	\$200,000	\$200,000	0.0%	\$0
Emergency Management	\$0	\$250,000	100.0%	\$250,000
Consultant other	\$92,282	\$50,000	-45.8%	(\$42,282)
Freeway Assist Subtotal	\$342,282	\$510,000	49.0%	\$167,718
FREEWAY SERVICE PATROL				
Information/Data Management	\$100,000	\$100,000	0.0%	\$0
PEMS FSP Module Upgrade	\$20,000	\$0	100%	(\$20,000)
Consultant other	\$50,000	\$50,000	0.0%	\$0
FSP Subtotal	\$170,000	\$150,000	-11.8%	-\$20,000
Total Consultant Expense	\$512,282	\$660,000	28.8%	\$147,718

IV. PROJECT OPERATING CONTRACTS EXPENSE

	FY 2017-18 Budget	FY 2018-19 Budget	Percent Change	Change \$ Inc./Dec.)
FREEWAY ASSIST				
CHP Administrative Services	\$20,000	\$20,000	0.0%	\$0
Telcommunication Services	\$47,001	\$100,000	112.8%	\$52,999
Call Box Repairs/Maintenance/Vandalism	\$400,000	\$400,000	0.0%	\$0
Private Call Center	\$100,000	\$75,000	-25.0%	(\$25,000)
SAFETY Corridor Programs (SAFE on 17)	\$50,000	\$100,000	100.0%	\$50,000
Emergency Operations Telecom	\$75,000	\$100,000	33.3%	\$25,000
Freeway Assist Operations	\$10,000	\$10,000	0.0%	\$0
Freeway Assist Subtotal	\$702,001	\$805,000	14.7%	\$102,999
FREEWAY SERVICE PATROL				
FSP Tow Service	\$9,900,000	\$12,000,000	21.2%	\$2,100,000
CHP Funding Agreement	\$27,534	\$1,000,000	3531.9%	\$972,466
In-vehicle Maintenance	\$85,000	\$75,000	-11.8%	(\$10,000)
Telecommunication Services	\$107,000	\$150,000	40.2%	\$43,000
Equipment Replacement (hardware & warranties)	\$20,000	\$50,000	150.0%	\$30,000
System Improvement (software & website)	\$20,000	\$15,000	-25.0%	(\$5,000)
FSP General Operations	\$70,000	\$65,000	-7.1%	(\$5,000)
FSP Subtotal	\$10,229,534	\$13,355,000	30.6%	\$3,125,466
Total Operating Contracts Expense	\$10,931,535	\$14,160,000	29.5%	\$3,228,465

SAFE CAPITAL PROGRAM

Fiscal Year 2018-19 - SAFE RES 64

Life to Date through FY 2017-18		FY 2018-19 SAFE RES 64		Life to Date through FY 2018-19	
Program	Fund Budget	Fund	Budget	Fund	Budget
6301 Bridge Call Boxes		Close Capital Program 6301 In FY2018-19			
	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	133,601	CMAQ	6,858,251
	SAFE 2,669,933	SAFE	-63,601	SAFE	2,606,332
	STP 70,000	STP	-70,000	STP	0
	9,464,583		0		9,464,583
6306 FSP Data-AVL					
		CMAQ	15,740	CMAQ	15,740
	SAFE 400,000			SAFE	400,000
	SAFE 1,670,000	SAFE	\$200,000	SAFE	1,870,000
	STP 1,572,000	STP	-15,740	STP	1,556,260
	3,642,000		200,000		3,842,000
6314 CBX Site Improvement					
	SAFE 1,650,000	SAFE	194,331	SAFE	1,844,331
	1,650,000				1,844,331
6318 Commuter Parking Initiative					
	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	\$24,227,583		\$594,331		\$24,621,914

SAFE Capital Funds (+/-)

\$594,331

SAFE Funds from Operating Reserve

(\$594,331)