

Metropolitan Transportation Commission
Service Authority for Freeways and Expressways
Operations Committee

June 14, 2019

Agenda Item 5a

MTC SAFE Resolution No. 65: FY 2019-20 Operating and Capital Budget

Background: Total operating revenue for FY 2019-20 is \$20.8 million, an increase of \$2.6 million or 15% above the FY 2018-19 budget (Table 1). The increase includes an additional \$2.6 million in Local Assistance Program (LAP) grant funding and \$2.3 million in the Senate Bill 1 funding for freeway tow services. The budget also projects a \$2.8 million funding loss in the Surface Transportation Program (STP) funding. The STP funding is being reassigned to other MTC projects.

Table 1

<u>Operating Revenue</u>	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Budget</u>	<u>FY 2019-20 Budget</u>
STP	\$3,198,477	\$2,000,000	\$2,800,000	\$0
DMV Revenue	6,716,382	6,705,582	6,500,000	6,600,000
Interest Income	72,262	280,857	9,000	400,000
Local Assistance Program	3,170,468	4,708,319	4,000,000	6,650,000
SB1	0	0	4,700,000	7,000,000
State of California	0	0	100,000	100,000
Transfer in from BATA	300,000	200,000	0	0
Other	<u>1,033,750</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Op. Revenue	<u>\$14,491,339</u>	<u>\$13,894,758</u>	<u>\$18,109,000</u>	<u>\$20,750,000</u>

Operating Expense

The operating budget recommended for FY 2019-20 shows an increase of \$3.5 million or 21% in comparison to the FY 2018-19 budget (Table 2) due to an expansion in the Freeway Service Patrol (FSP) tow services. The FSP is expanding its services with additional routes, extended service periods and new tow trucks in FY 2019-20, as required to receive the SB1 funding.

Table 2

<u>Expense</u>	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Budget</u>	<u>FY 2019-20 Budget</u>
Operating Expense				
Salaries/ Benefits/ Temps	\$831,645	\$679,223	\$986,000	\$965,700
Professional Fees	508,524	306,308	777,447	725,000
General Administration	846,213	852,880	1,230,366	1,222,800
Repairs and Maintenance	386,246	405,161	525,000	525,000
FSP Tow Expense	7,183,541	7,898,290	12,000,000	15,500,000
Other	<u>254,357</u>	<u>122,787</u>	<u>1,651,453</u>	<u>1,780,000</u>
Total Operating Expense	10,010,526	10,264,649	17,170,266	20,718,500
Operating Balance	<u>\$4,480,813</u>	<u>\$3,630,109</u>	<u>\$938,734</u>	<u>\$31,500</u>
Transfers				
In	0	0	4,000,000	1,921,000
Out				
MTC	609,660	937,565	880,000	1,921,000
Other	0	0	4,000,000	0
SAFE Capital	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>
Total Transfers Out	<u>609,660</u>	<u>1,237,565</u>	<u>4,880,000</u>	<u>1,921,000</u>
Year End Balance	<u>\$3,871,153</u>	<u>\$2,392,544</u>	<u>\$58,734</u>	<u>\$31,500</u>

The operating balance for FY 2019-20 is estimated to be \$31,500.

Transfers

Staff proposes the following project and operational transfers for FY 2019-20.

- \$1.5 million to MTC SAFE Capital Program
- \$1.9 million to MTC for operating contracts

Capital Program

Additional Funding for Existing Capital Program:

CBX Site Improvement (6314). The additional \$900,000 will fund a contract to remove equipment that is no longer in use from the freeway right-of-way, including removing call boxes from the bridges and removing legacy 511 FasTrak electronic readers from freeway signage. A portion of the funds will be used to upgrade modems on the remaining rural and bridge call boxes.

Commuter Parking Initiative (6318). A transfer of \$3,200,000 from the closing Active Operations Management Program (6319) will be used on the ridesharing parking lot construction projects in Oakland and Albany.

Changing Name for Existing Capital Program:

Emergency/Major Incidents Program (6319) previously known as Active Operations Management Program. Staff proposes a \$1 million budget for this new Emergency/Major Incidents Program. The program will fund projects that support MTC preparedness efforts for emergencies and major freeway incidents. A focus of the funding will be to improve regional communication coordination efforts between agencies and improve mass communication to the public.

Closing of Existing Capital Program:

Bay Area Camera Upgrade (6303). The Bay Area Video Upgrade project is complete and in a maintenance phase. The project delivered an improved camera control and monitoring system for the operators at the Regional Transportation Management Center through improved real-time traffic video distribution. SAFE Capital Program 6303 will be closed with the adoption of the FY 2019-20 SAFE capital budget.

Operating Reserve

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

Table 3

Description	FY 2017-18	FY 2018-19	FY 2019-20
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Total Reserve for:			
Encumbrances	\$500,000	\$500,000	\$500,000
Fixed Assets	38,477	250,000	250,000
Transfer to MTC	1,740,011	880,000	1,921,000
Transfer to Express Lanes	0	3,000,000	0
Operating Reserve	0	3,600,000	3,944,000
Transfer to SAFE Capital Projects	300,000	330,730	1,479,000
Net Pension Liability	<u>600,586</u>	<u>1,000,000</u>	<u>0</u>
Total Restricted	3,179,074	9,560,730	8,094,000
Unrestricted Balance	<u>11,975,168</u>	<u>5,652,246</u>	<u>7,150,476</u>
Total Reserves	\$15,154,242	\$15,212,976	\$15,244,476

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. 65 to the Authority for approval.

Attachments: MTC SAFE Resolution No. 65: FY 2019-20 Operating and Capital Budget


Therese W. McMillan

Date: June 26, 2019
W.I.: 6031, 6032
Referred by: Operations

ABSTRACT

SAFE Resolution No. 65

This resolution approves the FY 2019-20 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 7, 2019, and to the SAFE Authority dated June 19, 2019.

Date: June 26, 2019
W.I.: 6031, 6032
Referred by: Operations

RE: Approval of the FY 2019-20 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways

METROPOLITAN TRANSPORTATION COMMISSION
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

SAFE RESOLUTION NO. 65

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 2019-20; and

WHEREAS, the final draft SAFE budget for FY 2019-20 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 2019-20, 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 2019-20, 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 2019-20, 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 2019-20; 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 2019-20; 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

Scott Haggerty, 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 26, 2019.

Date: June 26, 2019
W.I.: 6031, 6032
Referred by: Operations

Attachment A
SAFE Resolution No. 65

FY 2019-20 SAFE Budget

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2019-20 OPERATING AND CAPITAL BUDGET**

Date: June 26, 2019
SAFE: WE 6031, 6032

SAFE RESOLUTION NO. 65

ATTACHMENT A: TABLE OF CONTENTS

SAFE Operating Program	Page 2
SAFE Capital Program	Page 7

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2019-20 OPERATING AND CAPITAL BUDGET**

Revenue and Expense Summary

OPERATING REVENUE/EXPENSE	FY 2018-19 Budget	FY 2019-20 Budget	Percent Change	Change \$ Inc./Dec.)
Freeway Assist/SAFE Project	\$6,509,000	\$7,000,000	7.5%	\$491,000
FSP	\$11,600,000	\$13,750,000	18.5%	\$2,150,000
Subtotal Operating Revenue	\$18,109,000	\$20,750,000	14.6%	\$2,641,000
Freeway Assist/SAFE Project	\$3,090,663	\$3,146,000	1.8%	\$55,337
FSP	\$14,079,603	\$17,572,500	24.8%	\$3,492,897
Subtotal Operating Expense	\$17,170,266	\$20,718,500	20.7%	\$3,548,234
Transfers Out	\$4,880,000	\$1,921,000	-60.6%	(\$2,959,000)
Transfer In from Reserve	\$4,000,000	\$1,921,000	-52.0%	(\$2,079,000)
Operating Surplus (Shortfall)	\$58,734	\$31,500	-46.4%	(\$27,234)

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2019-20 OPERATING AND CAPITAL BUDGET**

REVENUE DETAIL				
OPERATING REVENUE				
	FY 2018-19 Budget	FY 2019-20 Budget	Percent Change	Change \$ Inc./(Dec.)
FREEWAY ASSIST/SAFE REVENUE				
DMV (Vehicle Registration Fees)	\$6,500,000	\$6,600,000	1.5%	\$100,000
Interest	\$9,000	\$400,000	4344.4%	\$391,000
Subtotal: SAFE Revenue	\$6,509,000	\$7,000,000	7.5%	\$491,000
FSP REVENUE				
State Local Assistance Program (LAP)	\$4,000,000	\$6,650,000	66.3%	\$2,650,000
Road Repair & Accountability Act (SB 1)	\$4,700,000	\$7,000,000	100.0%	\$2,300,000
Grant (STP)	\$2,800,000	\$0	-100.0%	(\$2,800,000)
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%	\$0
Subtotal: FSP Revenue	\$11,600,000	\$13,750,000	18.5%	\$2,150,000
Total Operating Revenue	\$18,109,000	\$20,750,000	14.6%	\$2,641,000

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2019-20 OPERATING AND CAPITAL BUDGET**

EXPENSE DETAIL				
OPERATING EXPENSE				
	FY 2018-19 Budget	FY 2019-20 Budget	Percent Change	Change \$ Inc./(Dec.)
I. Salaries and Benefits				
Freeway Assist/SAFE Project	\$656,500	\$651,700	-0.7%	(\$4,800)
FSP Project	\$329,500	\$314,000	-4.7%	(\$15,500)
II. General Operations				
Freeway Assist/SAFE Project	\$1,119,163	\$1,059,300	-5.3%	(\$59,863)
FSP Project	\$228,650	\$238,500	4.3%	\$9,850
III. Consultant Services				
Freeway Assist/SAFE Project	\$510,000	\$500,000	-2.0%	(\$10,000)
FSP Project	\$150,000	\$150,000	0.0%	\$0
IV. Operating Contracts				
Freeway Assist/SAFE Project	\$805,000	\$935,000	16.1%	\$130,000
FSP Project	\$13,371,453	\$16,870,000	26.2%	\$3,498,547
Freeway Assist Operating Expense	\$3,090,663	\$3,146,000	1.8%	\$55,337
FSP Operating Expense	\$14,079,603	\$17,572,500	24.8%	\$3,492,897
Total Operating Expense	\$17,170,266	\$20,718,500	20.7%	\$3,548,234
TRANSFERS				
TRANSFER IN FROM RESERVE	\$4,000,000	\$1,921,000	-52.0%	(\$2,079,000)
TRANSFERS OUT				
Transfers Out to MTC				
MTC (1122, Travel Model Research)	\$200,000	\$100,000	100%	(\$100,000)
MTC (1212, Performance Measure & Monitoring)	\$325,000	\$125,000	100%	(\$200,000)
MTC (1223, Transportation Management Systems)	\$100,000	\$546,000	100%	\$446,000
MTC (1235, Incident Management)	\$255,000	\$175,000	114.1%	(\$80,000)
MTC (1237, Bay Bridge Forward)	\$0	\$975,000	0.0%	\$975,000
Total Transfers Out to MTC Op. Budget	\$880,000	\$1,921,000	118.3%	\$1,041,000
Transfer Out to MTC for Unfunded PERS Liability	\$1,000,000	\$0	100%	(\$1,000,000)
Transfer Out to Express Lanes Capital	\$3,000,000	\$0	100%	(\$3,000,000)
Total Transfers Out	\$4,880,000	\$1,921,000	-60.6%	-\$2,959,000
Total Transfers	-\$880,000	\$0	-100.0%	\$880,000
Total Expense and Transfers	\$18,050,266	\$20,718,500	14.8%	\$2,668,234

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2019-20 OPERATING AND CAPITAL BUDGET**

I. SALARIES AND BENEFITS EXPENSE

	FY 2018-19 Budget	FY 2019-20 Budget	Percent Change	Change \$ Inc./Dec.)
FREEWAY ASSIST/SAFE Program				
Salaries and Benefits	\$656,500	\$644,000	-1.9%	(\$12,500)
Temporary Assistance	\$0	\$7,700	N/A	\$7,700
Freeway Assist/SAFE Subtotal	\$656,500	\$651,700	-0.7%	-\$4,800
FREEWAY SERVICE PATROL				
Salaries and Benefits	\$329,500	\$314,000	-4.7%	(\$15,500)
FSP Subtotal	\$329,500	\$314,000	-4.7%	-\$15,500
Total Salaries and Benefits	\$986,000	\$965,700	-2.1%	-\$20,300

II. GENERAL OPERATIONS EXPENSE

	FY 2018-19 Budget	FY 2019-20 Budget	Percent Change	Change \$ Inc./Dec.)	
FREEWAY ASSIST/SAFE					
Office Operations (meals, postage, printing)	\$14,000	\$14,000	0.0%	\$0	L1
Travel/Training	\$8,500	\$9,000	5.9%	\$500	L2
SAFE overhead	\$322,500	\$347,500	7.8%	\$25,000	L3
Data Security Improvements/HW Transition	\$70,016	\$210,000	100%	\$139,984	L4
Legislative advocacy	\$19,200	\$24,000	25.0%	\$4,800	L5
Professional Memberships	\$8,500	\$9,800	15.3%	\$1,300	L6
Insurance	\$55,000	\$60,000	9.1%	\$5,000	L7
Audit	\$117,447	\$75,000	-36.1%	(\$42,447)	L8
Freeway Assist Subtotal w/o Depreciation	\$615,163	\$749,300	21.8%	\$134,137	
FREEWAY SERVICE PATROL					
Travel/Training	\$8,500	\$9,000	5.9%	\$500	L9
FSP Overhead	\$162,000	\$169,500	4.6%	\$7,500	L10
Insurance	\$55,000	\$60,000	9.1%	\$5,000	L11
FSP Subtotal w/o Depreciation	\$225,500	\$238,500	5.8%	\$13,000	
Total General Operations w/o Depreciation	\$840,663	\$987,800	17.5%	\$147,137	
FREEWAY ASSIST/SAFE					
Office depreciation	\$504,000	\$310,000	-38.5%	(\$194,000)	L12
FREEWAY SERVICE PATROL					
Office depreciation	\$3,150	\$0	-100.0%	(\$3,150)	L13
Freeway Assist Subtotal with Depreciation	\$1,119,163	\$1,059,300	-5.3%	-\$59,863	
FSP Subtotal with Depreciation	\$228,650	\$238,500	4.3%	\$9,850	
Total General Operations with Depreciation	\$1,347,813	\$1,297,800	-3.7%	-\$50,013	

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2019-20 OPERATING AND CAPITAL BUDGET**

III. PROJECT CONSULTANT SERVICES EXPENSE

	FY 2018-19 Budget	FY 2019-20 Budget	Percent Change	Change \$ Inc./Dec.)	
FREEWAY ASSIST/SAFE					
Private Dispatch consulting fees and back-up	\$10,000	\$0	-100.0%	(\$10,000)	L14
Freeway Assist Marketing	\$200,000	\$100,000	-50.0%	(\$100,000)	L15
Emergency Management	\$250,000	\$300,000	100.0%	\$50,000	L16
Consultant other	\$50,000	\$100,000	100.0%	\$50,000	L17
Freeway Assist/SAFE Subtotal	\$510,000	\$500,000	-2.0%	-\$10,000	
FREEWAY SERVICE PATROL					
Information/Data Management	\$100,000	\$100,000	0.0%	\$0	L18
Consultant other	\$50,000	\$50,000	0.0%	\$0	L19
FSP Subtotal	\$150,000	\$150,000	0.0%	\$0	
Total Consultant Expense	\$660,000	\$650,000	-1.5%	-\$10,000	

IV. PROJECT OPERATING CONTRACTS EXPENSE

	FY 2018-19 Budget	FY 2019-20 Budget	Percent Change	Change \$ Inc./Dec.)	
FREEWAY ASSIST/SAFE					
CHP Administrative Services	\$20,000	\$20,000	0.0%	\$0	L20
Freeway Assist Telcommunication Services	\$100,000	\$100,000	0.0%	\$0	L21
Call Box Repairs/Maintenance/Vandalism	\$400,000	\$400,000	0.0%	\$0	L22
Private Call Center	\$75,000	\$75,000	0.0%	\$0	L23
Incident Management Operations	\$0	\$130,000	100.0%	\$130,000	L24
SAFETY Corridor Programs (SAFE on 17)	\$100,000	\$100,000	0.0%	\$0	L25
Emergency Operations Telecommunications	\$100,000	\$100,000	0.0%	\$0	L26
Freeway Assist Operations	\$10,000	\$10,000	0.0%	\$0	L27
Freeway Assist/SAFE Subtotal	\$805,000	\$935,000	16.1%	\$130,000	
FREEWAY SERVICE PATROL					
FSP Tow Service	\$12,000,000	\$15,500,000	29.2%	\$3,500,000	L28
CHP Funding Agreement	\$1,014,642	\$1,000,000	-1.4%	(\$14,642)	L29
In-vehicle Maintenance	\$75,000	\$75,000	0.0%	\$0	L30
FSP Telecommunication Services	\$151,811	\$150,000	-1.2%	(\$1,811)	L31
Equipment Replacement (hardware & warranties)	\$50,000	\$50,000	0.0%	\$0	L32
System Improvement (software & website)	\$15,000	\$25,000	66.7%	\$10,000	L33
FSP General Operations	\$65,000	\$70,000	7.7%	\$5,000	L34
FSP Subtotal	\$13,371,453	\$16,870,000	26.2%	\$3,498,547	
Total Operating Contracts Expense	\$14,176,453	\$17,805,000	25.6%	\$3,628,547	

SAFE CAPITAL PROGRAM
Fiscal Year 2019-20 - SAFE RES 65

Life to Date through FY 2018-19			FY 2019-20 SAFE RES 65		Life to Date through FY 2019-20	
Program	Fund	Budget	Fund	Budget	Fund	Budget
6303 Bay Area Camera Upgrade					Close Capital Program 6303 start of FY 2019-20	
	CMAQ	6,858,251			CMAQ	6,858,251
	SAFE	2,606,332		(421,000)	SAFE	2,185,332
	STP	0			STP	0
		9,464,583		(421,000)		9,043,583
6306 FSP Data-AVL						
	CMAQ	15,740	CMAQ	(15,740)	CMAQ	0
	SAFE	400,000			SAFE	400,000
	SAFE	1,870,000	SAFE		SAFE	1,870,000
	STP	1,556,260	STP		STP	1,556,260
		3,842,000		(15,740)		3,826,260
6314 CBX Site Improvement						
	SAFE	1,844,331	SAFE	900,000	SAFE	2,744,331
		1,844,331		900,000		2,744,331
6318 Commuter Parking Initiative						
	SAFE	2,500,000	SAFE	3,200,000	SAFE	5,700,000
		2,500,000		3,200,000		5,700,000
6319 Active Operations Management Program			Emergency/Major Incidents Program			
	SAFE	3,200,000	SAFE	(2,200,000)	SAFE	1,000,000
		3,200,000		(2,200,000)		1,000,000
Total		\$20,850,914		\$1,463,260		\$22,314,174
SAFE Capital Funds (+/-)				\$1,463,260		
SAFE Funds from Operating Reserve				\$1,479,000		