

**Metropolitan Transportation Commission
Service Authority for Freeways and Expressways**

June 28, 2023

Agenda Item 2b - 23-0770

**MTC Service Authority for Freeways and Expressways (SAFE) Resolution No. 69, Revised
Fiscal Year 2022-23 Operating and Capital Budgets Amendment**

Subject:

Staff requests the Authority for approval of SAFE Resolution No. 69, Revised, which amends the FY 2022-23 Service Authority for Freeways and Expressways (SAFE) Operating and Capital Budgets. The proposed amendment increases operating revenue by \$400,000 and increases operating expenses by \$500,000. The operating budget remains balanced with a proposed amended operating deficit of \$607,000, which will be covered by a draw from available reserves.

Background:

SAFE operates the Freeway Assist Program (FAP) providing callbox services, the Freeway Service Patrol (FSP) for vehicle towing services and its capital program. The FSP tow contracts have fuel adjustment clauses which require increases to subsidize the current rise in diesel fuel costs. FSP is funded by grants from the State Local Assistance Program (LAP) and Senate Bill 1 (SB1) that reimburse 80% of FSP's direct operating costs. The proposed budget amendment increases the towing services expense line by \$500,000 to accommodate the required increases to the contract. The FSP revenue line item increases by \$400,000 as the State grants would fund 80% of the increase. The remaining \$100,000 would be funded by an additional draw from available reserves.

Operating Budget

Total FY 2022-23 operating revenue for all SAFE operations is increased to \$21.75 million from \$21.35 million per the FY 2022-23 approved budget. Total operating expenses are increased to \$22.4 million from \$21.85 million in the approved budget. Major funding sources are listed below (in millions):

	<u>FY 2022-23</u>	<u>FY 2022-23</u> <u>Amendment No.1</u>
FAP - DMV Registration Fees	\$6.85	\$6.85
FSP – LAP	7.97	8.17
FSP – SB1	6.52	6.72

The FY 2022-23 budget amendment will increase the operating revenue from the LAP grant revenue by \$200,000 and the SB1 grant revenue by \$200,000. These increases in revenue will fund 80% of the FSP fuel adjustments. Due to the volatile fuel price adjustments, the towing services expense budget will increase by \$500,000. There are sufficient funds in the annual state grants to cover this amendment. Grant required matching funds are provided by the SAFE DMV registration fees.

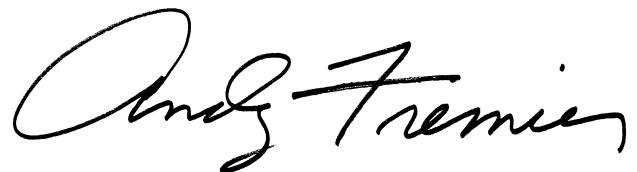
The budget remains balanced as presented, with a projected operating deficit for SAFE of \$607,000, up from the original approved budget deficit of \$507,000. The operating deficit is covered by a draw from available reserves.

Recommendations:

Staff recommends that the Authority approve SAFE Resolution No. 69, Revised, authorizing amendments to the FY 2022-23 SAFE Operating and Capital Budgets.

Attachments:

- MTC SAFE Resolution No. 69, Revised: FY 2022-23 Revised Operating and Capital Budgets



Andrew B. Fremier

Date: June 22, 2022
WI: 6031, 6032
Referred by: Operations
Revised: 6/28/23

ABSTRACT

SAFE Resolution No. 69, Revised

This resolution approves the SAFE Operating and Capital Budgets for FY 2022-23 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways (SAFE).

Attachment A to this resolution was revised on June 28, 2023. The revision increases the operating revenue budget by \$400,000 and the operating expense budget by \$500,000 towing services. The budget as revised remains balanced by a draw from reserve to cover \$607,000 operating deficit.

Further discussion of the SAFE Budget is contained in the Operations Committee Summary Sheet dated June 10, 2022 and the SAFE Authority Summary Sheet dated June 28, 2023.

Date: June 22, 2022
WI: 6031, 6032
Referred by: Operations

RE: Metropolitan Transportation Commission Service Authority for Freeways and Expressways' Operating and Capital Budgets for FY 2022-23

METROPOLITAN TRANSPORTATION COMMISSION
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

SAFE RESOLUTION NO. 69

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 2022-23; and

WHEREAS, the final draft SAFE budget for FY 2022-23 was reviewed and recommended by the Metropolitan Transportation Commission Operations Committee (the "Operations Committee") for approval; now, therefore, be it

RESOLVED, the SAFE operating and capital budgets for FY 2022-23, prepared in accordance with generally accepted accounting principles, attached hereto as Attachment A and incorporated herein as though set forth in full, is approved, and be it further

RESOLVED, that the Executive Director or designee may approve adjustments among line items in the SAFE operating budget for FY 2022-23, 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 its Operations Committee the authority to approve all contracts and expenditures in SAFE's Budget for FY 2022-23, providing 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 2022-23; 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 2022-23; and be it further

RESOLVED, that SAFE'S Executive Director and Chief Financial Officer are directed to restrict and reserve funds for year-end encumbrances, fixed assets, operating and capital transfers included in the adopted budget, pension liabilities as well as an operating reserve equivalent to six months operating revenue and except for items included in the adopted budget, no use of the reserve is authorized without approval of SAFE; and be it further

RESOLVED, SAFE authorizes the use of SAFE funds for cash flow purposes as an advance on authorized expenditures until the expenditure has been reimbursed; 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



Alfredo Pedroza, 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 and at other remote
locations, on June 22, 2022.

Date: June 22, 2022
WI: 6031, 6032
Referred by: Operations
Revised: June 28, 2023

Attachment A
SAFE Resolution No. 69, Revised

FY 2022-23 SAFE Budget
Amendment No. 1

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2022-23 OPERATING BUDGET**

SAFE RESOLUTION NO. : 69

DATE: June 10, 2022

WORK ITEM: 6031, 6032

REVISED: June 28, 2023

REVENUE AND EXPENSE SUMMARY					
OPERATING REVENUE/EXPENSE	Actual as of 12/31/2022	FY 2022-23 Budget	FY 2022-23 Amendment 1	Change % Increase/(Decrease)	Change \$ Increase/(Decrease)
Freeway Assist Program	\$3,246,683	\$6,854,000	\$6,854,000	0.0%	\$0
Freeway Service Patrol	\$6,173,575	\$14,492,000	\$14,892,000	2.8%	\$400,000
Subtotal Operating Revenue	\$9,420,258	\$21,346,000	\$21,746,000	1.9%	\$400,000
Freeway Assist Program	\$1,095,625	\$2,983,137	\$2,983,137	0.0%	\$0
Freeway Service Patrol	\$8,239,148	\$18,869,986	\$19,369,986	2.6%	\$500,000
Subtotal Operating Expense	\$9,334,773	\$21,853,123	\$22,353,123	2.3%	\$500,000
Operating Surplus (Shortfall) before Transfer	\$85,485	(\$507,123)	(\$607,123)	19.7%	(\$100,000)
Transfers Out	\$0	\$0	\$0	0.0%	\$0
Total Operating Surplus (Shortfall)	\$85,485	(\$507,123)	(\$607,123)	19.7%	(\$100,000)
Transfer In from Reserve	\$0	\$507,123	\$607,123	19.7%	\$100,000
REVENUE DETAIL					
OPERATING REVENUE	Actual as of 12/31/2022	FY 2022-23 Budget	FY 2022-23 Amendment 1	Change % Increase/(Decrease)	Change \$ Increase/(Decrease)
FREEWAY ASSIST PROGRAM REVENUE					
DMV (Annual Vehicle Registration Fees)	\$3,202,484	\$6,850,000	\$6,850,000	0.0%	\$0
DMV Planned Additional (from Reserve)	\$0	\$0	\$0	0.0%	\$0
Interest	\$44,199	\$4,000	\$4,000	0.0%	\$0
Subtotal: Freeway Assist Program Revenue	\$3,246,683	\$6,854,000	\$6,854,000	0.0%	\$0
Freeway Service Patrol REVENUE					
State Local Assistance Program (LAP)	\$4,452,975	\$7,970,600	\$8,170,600	2.5%	\$200,000
Road Repair & Accountability Act (SB 1)	\$1,720,600	\$6,521,400	\$6,721,400	3.1%	\$200,000
Subtotal: Freeway Service Patrol Revenue	\$6,173,575	\$14,492,000	\$14,892,000	2.8%	\$400,000
Total Operating Revenue	\$9,420,258	\$21,346,000	\$21,746,000	1.9%	\$400,000
EXPENSE DETAIL					
OPERATING EXPENSE	Actual as of 12/31/2022	FY 2022-23 Budget	FY 2022-23 Amendment 1	Change % Increase/(Decrease)	Change \$ Increase/(Decrease)
I. SALARIES AND BENEFITS EXPENSE					
FREEWAY ASSIST PROGRAM					
Salaries and Benefits	\$305,507	\$607,567	\$607,567	0.0%	\$0
Freeway Assist overhead	\$148,629	\$303,783	\$303,783	0.0%	\$0
Freeway Assist Program Subtotal	\$454,136	\$911,351	\$911,351	0.0%	\$0
FREEWAY SERVICE PATROL					
Salaries and Benefits	\$202,678	\$399,099	\$399,099	0.0%	\$0
Freeway Service Patrol Overhead	\$98,603	\$199,550	\$199,550	0.0%	\$0
Freeway Service Patrol Subtotal	\$301,281	\$598,649	\$598,649	0.0%	\$0
Total Salaries and Benefits	\$755,417	\$1,510,000	\$1,510,000	0.0%	\$0

II. GENERAL OPERATIONS EXPENSE					
	Actual as of 12/31/2022	FY 2022-23 Budget	FY 2022-23 Amendment 1	Change % Increase/(Decrease)	Change \$ Increase/(Decrease)
FREWAY ASSIST PROGRAM					
Office Operations (meals, postage, printing)	\$0	\$11,000	\$11,000	0.0%	\$0
Travel/Training	\$1,539	\$22,000	\$22,000	0.0%	\$0
Data Security Improvements/HW Transition	\$48,640	\$65,000	\$65,000	0.0%	\$0
Legislative advocacy	\$0	\$50,000	\$50,000	0.0%	\$0
Professional Memberships	\$4,452	\$9,800	\$9,800	0.0%	\$0
Insurance	\$85,556	\$104,459	\$104,459	0.0%	\$0
Audit/Accounting	\$47,007	\$65,500	\$65,500	0.0%	\$0
Freeway Assist Program Subtotal w/o Depreciation	\$187,194	\$327,759	\$327,759	0.0%	\$0
FREWAY SERVICE PATROL					
Travel/Training	\$4,644	\$11,000	\$11,000	0.0%	\$0
Insurance	\$85,556	\$104,459	\$104,459	0.0%	\$0
Freeway Service Patrol Subtotal w/o Depreciation	\$90,201	\$115,459	\$115,459	0.0%	\$0
Total General Operations w/o Depreciation	\$277,394	\$443,217	\$443,217	0.0%	\$0
FREWAY ASSIST PROGRAM					
Office depreciation	\$41,446	\$140,528	\$140,528	0.0%	\$0
FREWAY SERVICE PATROL					
Office depreciation	\$2,939	\$5,878	\$5,878	0.0%	\$0
Freeway Assist Program Subtotal with Depreciation	\$228,639	\$468,287	\$468,287	0.0%	\$0
Freeway Service Patrol Subtotal with Depreciation	\$93,140	\$121,337	\$121,337	0.0%	\$0
Total General Operations with Depreciation	\$321,779	\$589,624	\$589,624	0.0%	\$0
II. PROJECT CONSULTANT SERVICES EXPENSE					
	Actual as of 12/31/2022	FY 2022-23 Budget	FY 2022-23 Amendment 1	Change % Increase/(Decrease)	Change \$ Increase/(Decrease)
FREWAY ASSIST PROGRAM					
Transportation Asset-EOC Platform (STIR project)	\$75,000	\$125,000	\$125,000	0.0%	\$0
Emergency Management	\$0	\$400,000	\$400,000	0.0%	\$0
Connected Bay Area Strategic Plan	\$16,924	\$150,000	\$150,000	0.0%	\$0
Consultant (Other)	\$0	\$50,000	\$50,000	0.0%	\$0
Freeway Assist Program Subtotal	\$91,924	\$725,000	\$725,000	0.0%	\$0
FREWAY SERVICE PATROL					
Information/Data Management	\$48,855	\$100,000	\$100,000	0.0%	\$0
Consultant (Other)	\$0	\$25,000	\$25,000	0.0%	\$0
Freeway Service Patrol Subtotal	\$48,855	\$125,000	\$125,000	0.0%	\$0
Total Consultant Expense	\$140,779	\$850,000	\$850,000	0.0%	\$0
II. PROJECT OPERATING CONTRACTS EXPENSE					
	Actual as of 12/31/2022	FY 2022-23 Budget	FY 2022-23 Amendment 1	Change % Increase/(Decrease)	Change \$ Increase/(Decrease)
FREWAY ASSIST PROGRAM					
Freeway Assist Telecommunication Services	\$51,611	\$143,500	\$143,500	0.0%	\$0
Call Box Repairs/Maintenance/Vandalism	\$185,370	\$270,000	\$270,000	0.0%	\$0
Private Call Center	\$32,269	\$70,000	\$70,000	0.0%	\$0
Incident Management Program	\$35,000	\$235,000	\$235,000	0.0%	\$0
Marketing/Incentives	\$0	\$0	\$0	0.0%	\$0
SAFETY Corridor Programs (SAFE on 17)	\$0	\$100,000	\$100,000	0.0%	\$0
Emergency Operations Telecommunications	\$16,676	\$60,000	\$60,000	0.0%	\$0
Freeway Assist Program Subtotal	\$320,926	\$878,500	\$878,500	0.0%	\$0

	Actual as of 12/31/2022	FY 2022-23 Budget	FY 2022-23 Amendment 1	Change % Increase/(Decrease)	Change \$ Increase/(Decrease)
FREEWAY SERVICE PATROL					
Freeway Service Patrol Tow Service	\$7,716,969	\$17,700,000	\$18,200,000	2.8%	\$500,000
CHP Funding Agreement	\$0	\$10,000	\$10,000	0.0%	\$0
In-vehicle Maintenance	\$7,514	\$70,000	\$70,000	0.0%	\$0
Freeway Service Patrol Telecommunication Services	\$46,933	\$130,000	\$130,000	0.0%	\$0
Equipment Replacement (hardware & warranties)	\$1,026	\$20,000	\$20,000	0.0%	\$0
System Improvement (software & website)	\$3,758	\$35,000	\$35,000	0.0%	\$0
Freeway Service Patrol General Operations	\$19,673	\$60,000	\$60,000	0.0%	\$0
Freeway Service Patrol Subtotal	\$7,795,873	\$18,025,000	\$18,525,000	2.8%	\$500,000
Total Operating Contracts Expense	\$8,116,798	\$18,903,500	\$19,403,500	2.6%	\$500,000
Freeway Assist Program Operating Expense	\$1,095,625	\$2,983,137	\$2,983,137	0.0%	\$0
Freeway Service Patrol Operating Expense	\$8,239,148	\$18,869,986	\$19,369,986	2.6%	\$500,000
Total Operating Expense	\$9,334,773	\$21,853,123	\$22,353,123	2.3%	\$500,000
TRANSFERS OUT					
Transfers Out to MTC					
Total Transfers Out to MTC Op. Budget	\$0	\$0	\$0	0.0%	\$0
Transfer Out to SAFE Capital	\$0	\$0	\$0	100%	\$0
Total Transfers Out	\$0	\$0	\$0	0.0%	\$0
Total Expense and Transfers	\$9,334,773	\$21,853,123	\$22,353,123	2.3%	\$500,000

SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
 FY 2022-23 CAPITAL PROGRAM BUDGET

SAFE RESOLUTION NO. : 69
 DATE: June 10, 2022
 WORK ITEM: 6031, 6032

		Life to Date thru FY 2021-22	FY 2022-23 SAFE RESOLUTION 69	Life to Date thru FY 2022-23
Program	Funding Source	Budget	Budget	Budget
6306 FSP Data-AVL				
	SAFE	2,270,000	0	2,270,000
	STBG	1,556,260	0	1,556,260
		3,826,260	0	3,826,260
6314 CBX Site Improvement				
	SAFE	2,744,331	0	2,744,331
		2,744,331	0	2,744,331
6320 Emergency/Major Incidents Program				
	SAFE	1,000,000	0	1,000,000
		1,000,000	0	1,000,000
6321 Incident Management Capital Program				
	SAFE	1,000,000	0	1,000,000
		1,000,000	0	1,000,000
6322 NEW Connected Bay Area Capital Program				
	SAFE	500,000	0	500,000
		500,000	0	500,000
Total		\$9,070,591	\$0	\$9,070,591