



METROPOLITAN
TRANSPORTATION
COMMISSION
SERVICE AUTHORITY
FOR FREEWAYS
AND EXPRESSWAYS

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Memorandum

TO: Operations Committee

DATE: May 7, 2010

FR: Executive Director

W.I.: 1231, 1232, 1235, 1237

RE: MTC SAFE FY 2010-11 Draft Budget

The SAFE program will begin the next fiscal year with an Operating Reserve of \$10.1 million. With the proposed expenditures and transfers in the draft FY 2010-11 budget described in this memo, we project the SAFE reserve will have a balance of \$9.2 million at the close of FY 2010-11. We expect the SAFE operating reserve to stabilize within a range of \$9.0 and \$11.0 million over the next five years.

Budget Summary (in thousands)

Opening Reserve Balance	\$10,082
FY 2010-11 Operating	
Revenue	\$17,271
Expenses	<\$16,873>
Transfers	<\$1,171>
Operating Deficit	<\$773>
FY 2010-11 Capital	
Revenue	\$2,998
Expenses	<\$3,098>
Capital Deficit	<\$100>
Reduction in Reserves	<\$873>
Ending Reserve Balance	\$9,210

Operating Budget

We are forecasting that annual vehicle registration fees dedicated to the Bay Area Call Box program will hold steady at approximately \$6.0 million. The Freeway Service Patrol is expected to receive State funding of approximately \$5.8 million and \$3.5 million in federal STP funding. In combination with other funding sources, total operating revenues for the SAFE program are forecast to be \$17.3 million in FY 2010-11.

Operating expenditures will total \$16.9 million, the bulk of which is for FSP tow service contracts (\$9.9 million). Other operating expenses include \$1.5 million for general operations and \$1.0 million for consulting services. Salaries in the budget have increased due to 1) staff moving from the MTC budget to the MTC SAFE budget, 2) increased cost for benefits, and 3) increased costs for retiree medical benefits for retired and currently employed staff. Significant changes in operating expenditures include a Caltrans-funded FSP Benefit/Cost analysis that documents the effectiveness of the FSP program.

Consistent with prior years, the budget includes a transfer of funds to MTC for projects such as 511, freeway operational efficiency projects, and regional emergency preparedness activities, totaling \$1.2 million. This \$1.2 million transfer is a 50% reduction from the FY 2009-10 transfer to MTC.

Capital Budget

SAFE will receive \$3.0 million in non-SAFE funding for the Incident Management and Freeway Performance Initiative projects in the SAFE capital program. The draft budget recommends \$3.1 million for new capital projects in FY 2010-11 (listed in Attachment B), which requires a SAFE contribution of \$100,000.

SAFE Program Reserves

The SAFE Program has two reserves, an Operating Reserve and a Capital Reserve. An increase of STP funds for the Freeway Service Patrol program and a decrease in operating expenditures for the Freeway Service Patrol and Call Box programs will balance operating revenues and expenses in FY 2010-11. As a result, the SAFE operating reserve is expected to stabilize within a range of \$9.0 and \$11.0 million over the next five years. At the close of FY 2010-11, we anticipate an operating reserve of approximately \$9.2 million.

The SAFE capital program functions as a reserve specifically for approved capital projects and includes federal and local funds. With approval of the FY 2010-11 budget, and additional \$100,000 in SAFE funds will be held in the SAFE capital program.

This is an information item only. Staff will return in June with the final FY 2010-11 SAFE budget for approval.

Steve Heminger

SH:JM

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Attachment B
SAFE Capital Project Funding
FY 2010-11

- **Freeway Incident Management and Operational Efficiency Projects (\$1,640,000 CMAQ):** This funding will implement projects to enhance incident management and reduce congestion along the I-880 corridor in Alameda County. The I-880 corridor was selected to serve as a regional test bed to develop, deploy and assess the benefits of incident management strategies because it is a densely populated, multi-modal corridor that connects major employment centers. As a major goods movement corridor, I-880 has high traffic volumes and incident rates, and serves as a route of major economic significance both within the region and throughout the state. Specific project proposals are being developed in collaboration with Caltrans and local stakeholders, and will be brought to this committee for approval.
- **FPI Detection Fitness (\$500,000 Caltrans):** The intent of the project is to improve the state of detection on freeways throughout the Bay Area. Project funding from Caltrans will be used to conduct field inspections of detection loops and perform repairs where needed.
- **Freeway Performance Initiative (\$858,000 STP):** This funding is intended to support the implementation of ramp metering on freeway corridors where equipment has been installed but not yet turned on. The work will involve development of metering timing plans and coordination with local agencies. +
- **Bay Area Video Upgrade Project (\$100,000 SAFE):** This funding for the BAVU project will fund technical support services in FY 2010-11. The BAVU project is intended to upgrade over 400 CCTV cameras on Bay Area freeways. In addition to field device upgrades, when complete, the system will include upgraded video distribution services, web-based video viewing/control services, and a field device health-monitoring system. This project is currently in the full system buildout phase.