



**METROPOLITAN  
TRANSPORTATION  
COMMISSION  
SERVICE AUTHORITY  
FOR FREEWAYS  
AND EXPRESSWAYS**

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**Memorandum**

Agenda Item 4

TO: Operations Committee

DATE: May 2, 2014

FR: Executive Director

W.I.: 6031, 6032

RE: MTC SAFE Draft FY 2014-15 Operating and Capital Budget

The draft MTC SAFE agency budget for FY 2014-15 is provided for your review and input. The draft budget contains a slight operating surplus of \$99,548 (Attachment A). A final budget will be presented for approval next month.

Revenue

The overall revenue of \$16 million is \$900,000 more than the budgeted MTC SAFE revenue for FY 2013 -14 mainly due to the STP grant for Freeway Service Patrol which will be effective at the end of FY 2013 -14 (Table 1).

**Table 1**

<u>Operating Revenue</u>	<u>FY 2011-12 Actual</u>	<u>FY 2012-13 Actual</u>	<u>FY 2013-14 Budget</u>	<u>FY 2014-15 Budget</u>
STP	\$ 4,041,073	\$2,798,779	\$3,500,000	\$4,200,000
CMAQ	1,326,513	1,411,275	0	0
DMV Revenue	6,343,390	6,108,321	5,900,000	6,000,000
Interest Income	1,847	4,517	6,000	6,000
Other	31,723	40,151	0	0
LAP	4,331,572	5,201,131	5,750,000	5,850,000
State of California	<u>13,312</u>	<u>88,921</u>	<u>100,000</u>	<u>100,000</u>
Total Operating Revenue	<u>\$16,089,430</u>	<u>\$15,653,095</u>	<u>\$15,256,000</u>	<u>\$16,156,000</u>

Operating Expenses

The draft operating budget shows an increase in total operating expenses for FY 2014-15 from this year's budget (Table 2) mainly due to a \$1.3 million increase in the transfer to MTC to partially fund a Joint Operations Center at the 375 Beale Street office and for the Traffic Management Systems.

**Table 2**

	<b>FY 2011-12 <u>Actual</u></b>	<b>FY 2012-13 <u>Actual</u></b>	<b>FY 2013-14 <u>Budget</u></b>	<b>FY 2014-15 <u>Budget</u></b>
Salaries/ Benefits	\$2,260,538	\$2,004,281	\$1,058,890	\$908,100
Professional Fees	860,610	668,603	933,173	1,013,000
General Administration	974,974	925,178	594,456	608,100
Repairs and Maintenance	623,691	460,201	860,000	510,000
FSP Tow Expense	8,856,073	8,687,129	9,356,000	9,711,000
Transfer to MTC/SAFE Capital	1,352,667	5,327,436	1,327,427	2,660,852
Other	<u>585,872</u>	<u>447,912</u>	<u>626,680</u>	<u>645,400</u>
Total Expense	\$15,514,425	\$18,520,740	\$14,756,626	\$16,056,452

Capital Projects

There are no new projects or additional funding for existing projects proposed in the MTC SAFE Capital Program for FY 2014-15.

There is one proposed change to the MTC SAFE Capital Program. The Traffic Equipment Management Systems (TEMS) capital program will be closing with the adoption of the proposed FY 2014-15 MTC SAFE budget. The TEMS project developed the groundwork for an asset management system for Caltrans field equipment. If further activities for the TEMS program are identified, they will be included in the MTC budget.

Staff anticipates that project activities that remain in the MTC SAFE Capital Program for the Freeway Performance Initiative (FPI) will be completed during FY 2014-15 and thus this program will likely close in FY 2014-15. The majority of FPI activities were moved to the MTC budget in FY 2013-14. What remains for FPI in the MTC SAFE budget are contracts that are set to expire in FY 2014-15.

A full summary of all MTC SAFE Capital Projects is included in Attachment A to this Memorandum.

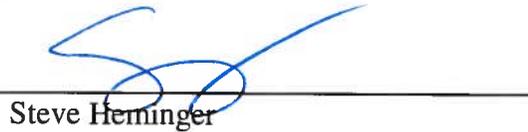
Operating Reserves:

The current and projected operating reserve position is shown in the table below.

<b>Description</b>	<b>FY 2012-13 <u>Actual</u></b>	<b>FY 2013-14 <u>Estimated</u></b>	<b>FY 2014-15 <u>Budget</u></b>
Total Reserve for			
Encumbrances	500,000	500,000	500,000
Fixed Assets	1,370,518	1,400,000	1,400,000
Prior Year Transfers	<u>1,421,025</u>	<u>1,900,000</u>	<u>1,900,000</u>
Total Restricted	3,291,543	3,800,000	3,800,000
Unrestricted Balance	<u>6,725,824</u>	<u>6,716,741</u>	<u>6,316,289</u>
Total Reserves	\$10,017,367	\$10,516,741	\$10,116,289

The unrestricted balance is also used as operating cash flow to initially pay for expenses as the grants are on a reimbursement basis.

This FY 2014-15 draft budget is presented this month for information only. Staff will present the final proposed budget to this Committee for approval in June.



Steve Heminger

SH:JM

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**METROPOLITAN TRANSPORTATION COMMISSION  
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2014-15 OPERATING AND CAPITAL BUDGET**

Date: May 9, 2014  
SAFE: WE 6031, 6032

**SAFE RESOLUTION NO. 59**

**ATTACHMENT A: TABLE OF CONTENTS**

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**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2014-15 OPERATING AND CAPITAL BUDGET**

**Revenue and Expense Summary**

<b>OPERATING REVENUE/EXPENSE</b>	<b>FY 2013-14 Budget</b>	<b>FY 2014-15 Budget</b>	<b>Percent Change</b>
Call Box	\$6,656,000	\$6,706,000	0.8%
FSP	\$8,600,000	\$9,450,000	9.9%
<b>Subtotal Operating Revenue</b>	<b>\$15,256,000</b>	<b>\$16,156,000</b>	<b>5.9%</b>
Call Box	\$2,651,140	\$2,124,900	-19.8%
FSP	\$10,778,059	\$11,270,700	4.6%
<b>Subtotal Operating Expense</b>	<b>\$13,429,199</b>	<b>\$13,395,600</b>	<b>-0.3%</b>
<b>Transfers Out</b>	<b>\$1,327,427</b>	<b>\$2,660,852</b>	<b>100.5%</b>
<b>Operating Surplus (Shortfall)</b>	<b>\$499,374</b>	<b>\$99,548</b>	<b>-80.1%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2014-15 OPERATING AND CAPITAL BUDGET**

**REVENUE DETAIL**

<b>CALL BOX REVENUES</b>	<b>FY 2013-14 Budget</b>	<b>FY 2014-15 Budget</b>	<b>Percent Change</b>
Vehicle Registration Fees	\$5,900,000	\$6,000,000	1.7%
Grant (STP)	\$750,000	\$700,000	-6.7%
Interest	\$6,000	\$6,000	0.0%
<b>Subtotal: Call Box Revenues</b>	<b>\$6,656,000</b>	<b>\$6,706,000</b>	<b>0.8%</b>
<b>FSP REVENUES</b>			
State Local Assistance Program (LAP)	\$5,750,000	\$5,850,000	1.7%
Grant (STP)	\$2,750,000	\$3,500,000	27.3%
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%
<b>Subtotal: FSP Revenues</b>	<b>\$8,600,000</b>	<b>\$9,450,000</b>	<b>9.9%</b>
<b>Total Revenue</b>	<b>\$15,256,000</b>	<b>\$16,156,000</b>	<b>5.9%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2014-15 OPERATING AND CAPITAL BUDGET**

<b>EXPENSE DETAIL</b>			
<b>SAFE OPERATING EXPENSE</b>			
<b>I. Salaries and Benefits</b>	<b>FY 2013-14 Budget</b>	<b>FY 2014-15 Budget</b>	<b>Percent Change</b>
Call Box Program	\$534,695	\$341,500	-36.1%
FSP Program	\$524,195	\$566,600	8.1%
<b>II. General Operations</b>			
Call Box Program	\$661,445	\$633,400	-4.2%
FSP Program	\$354,364	\$384,700	8.6%
<b>III. Consultant Services</b>			
Call Box Program	\$395,000	\$495,000	25.3%
FSP Program	\$337,000	\$365,000	8.3%
<b>IV. Operating Contracts</b>			
Call Box Program	\$1,060,000	\$655,000	-38.2%
FSP Program	\$9,562,500	\$9,954,400	4.1%
<b>CALL BOX Operating Expense</b>	<b>\$2,651,140</b>	<b>\$2,124,900</b>	<b>-19.8%</b>
<b>FSP Operating Expense</b>	<b>\$10,778,059</b>	<b>\$11,270,700</b>	<b>4.6%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$13,429,199</b>	<b>\$13,395,600</b>	<b>-0.3%</b>
<b>TRANSFERS OUT</b>			
MTC (1229, EOC/Joint Operations Center)	\$0	\$300,000	+100.0%
MTC (1223, TMS)	\$0	\$758,612	+100.0%
MTC (ATS, Phone Upgrade)	\$16,000	\$0	-100.0%
MTC (1237, Freeway Operations)	\$230,778	\$355,000	53.8%
MTC (1223-24, 34, 511/Arterial Pilot)	\$1,080,649	\$1,247,240	15.4%
<b>TOTAL OTHER PROJECTS/TRANSFERS OUT</b>	<b>\$1,327,427</b>	<b>\$2,660,852</b>	<b>100.5%</b>
<b>TOTAL EXPENSE</b>	<b>\$14,756,626</b>	<b>\$16,056,452</b>	<b>8.8%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2014-15 OPERATING AND CAPITAL BUDGET**

**I. SALARIES AND BENEFITS EXPENSE**

	<b>FY 2013-14 Budget</b>	<b>FY 2014-15 Budget</b>	<b>Percent Change</b>
<b>CALL BOX PROGRAM</b>			
Salaries	\$534,695	\$341,500	
<b>Call Box Subtotal</b>	<b>\$534,695</b>	<b>\$341,500</b>	<b>-36.1%</b>
<b>FREEWAY SERVICE PATROL</b>			
Salaries	\$524,195	\$566,600	
<b>FSP Subtotal</b>	<b>\$524,195</b>	<b>\$566,600</b>	<b>8.1%</b>
<b>Total Salaries and Benefits</b>	<b>\$1,058,890</b>	<b>\$908,100</b>	<b>-14.2%</b>

**II. GENERAL OPERATIONS EXPENSE**

	<b>FY 2013-14 Budget</b>	<b>FY 2014-15 Budget</b>	<b>Percent Change</b>
<b>CALL BOX PROGRAM</b>			
Graphics/printing	\$500	\$0	-100.0%
Office Operations (meals, postage, mtg rooms, printing)	\$0	\$8,500	+100.0%
Office depreciation	\$260,000	\$296,400	14.0%
Travel	\$7,500	\$10,000	33.3%
SAFE overhead	\$275,432	\$184,700	-32.9%
Legislative advocacy	\$17,900	\$18,000	0.6%
Professional Memberships	\$9,000	\$7,500	-16.7%
Insurance	\$42,840	\$58,300	36.1%
Audit	\$48,273	\$50,000	3.6%
<b>Call Box Subtotal</b>	<b>\$661,445</b>	<b>\$633,400</b>	<b>-4.2%</b>
<b>FREEWAY SERVICE PATROL</b>			
Graphics/printing	\$500	\$0	-100.0%
Office depreciation	\$13,500	\$3,300	-75.6%
Travel	\$2,500	\$2,500	0.0%
FSP Overhead	\$270,024	\$306,400	13.5%
Insurance	\$42,840	\$47,500	10.9%
Audit	\$25,000	\$25,000	0.0%
<b>FSP Subtotal</b>	<b>\$354,364</b>	<b>\$384,700</b>	<b>8.6%</b>
<b>Total General Operations</b>	<b>\$1,015,809</b>	<b>\$1,018,100</b>	<b>0.2%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2014-15 OPERATING AND CAPITAL BUDGET**

**III. CONSULTANTS/PROFESSIONAL SERVICES EXPENSE**

	<b>FY 2013-14 Budget</b>	<b>FY 2014-15 Budget</b>	<b>Percent Change</b>
<b>CALL BOX PROGRAM</b>			
Information/Data Management	\$90,000	\$100,000	11.1%
Construction Services	\$20,000	\$20,000	0.0%
Call Box Inspections	\$50,000	\$50,000	0.0%
Private Dispatch consulting fees and back-up	\$10,000	\$10,000	0.0%
511 Freeway Aid Marketing	\$125,000	\$150,000	20.0%
Consultant other	\$100,000	\$165,000	65.0%
<b>Call Box Subtotal</b>	<b>\$395,000</b>	<b>\$495,000</b>	<b>25.3%</b>
<b>FREEWAY SERVICE PATROL</b>			
Systems Integrator	\$275,000	\$250,000	-9.1%
Radio Communications Research	\$12,000	\$10,000	-16.7%
FSP Website Redesign	\$0	\$30,000	100%+
Consultant other	\$50,000	\$75,000	50.0%
<b>FSP Subtotal</b>	<b>\$337,000</b>	<b>\$365,000</b>	<b>8.3%</b>
<b>Total Consultant Expense</b>	<b>\$732,000</b>	<b>\$860,000</b>	<b>17.5%</b>

**IV. OPERATING CONTRACTS EXPENSE**

	<b>FY 2013-14 Budget</b>	<b>FY 2014-15 Budget</b>	<b>Percent Change</b>
<b>CALL BOX PROGRAM</b>			
CHP Dispatching	\$50,000	\$0	-100.0%
Telcommunication Services	\$75,000	\$75,000	0.0%
Call Box Repairs/Maintenance/Vandalism	\$800,000	\$450,000	-43.8%
Private Call Center	\$75,000	\$70,000	-6.7%
SAFE on 17 Program	\$50,000	\$50,000	0.0%
Call Box Operations	\$10,000	\$10,000	0.0%
<b>Call Box Subtotal</b>	<b>\$1,060,000</b>	<b>\$655,000</b>	<b>-38.2%</b>
<b>FREEWAY SERVICE PATROL</b>			
FSP Tow Service	\$9,326,000	\$9,661,000	3.6%
CHP Funding Agreement	\$30,000	\$50,000	66.7%
In-vehicle Maintenance	\$50,000	\$50,000	0.0%
Telecommunication Services	\$52,500	\$82,400	57.0%
System Maintenance (warranties)	\$10,000	\$10,000	0.0%
Equipment Replacement (hardware)	\$20,000	\$20,000	0.0%
System Improvement (software)	\$20,000	\$20,000	0.0%
FSP General Operations	\$54,000	\$61,000	13.0%
<b>FSP Subtotal</b>	<b>\$9,562,500</b>	<b>\$9,954,400</b>	<b>4.1%</b>
<b>Total Operating Contracts Expense</b>	<b>\$10,622,500</b>	<b>\$10,609,400</b>	<b>-0.1%</b>

**SAFE CAPITAL PROGRAM**  
**Fiscal Year 2014-15 - SAFE RES 59**

Life to Date through FY 2013-14			FY 2014-15 SAFE RES 59		Life to Date through FY 2014-15	
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
		<u>3,771,000</u>				<u>3,771,000</u>
<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
		<u>9,464,583</u>				<u>9,464,583</u>
<b>6304 Traffic Equipment Management</b>						
	SAFE	700,000			SAFE	0
		<u>700,000</u>				<u>0</u>
<b>6306 FSP Data-AVL</b>						
	SAFE	120,000			SAFE	120,000
	SAFE	1,250,000			SAFE	1,250,000
	STP	1,572,000			STP	1,572,000
		<u>2,942,000</u>				<u>2,942,000</u>
<b>6314 CBX Site Improvement</b>						
	SAFE	1,150,000			SAFE	1,150,000
		<u>1,150,000</u>				<u>1,150,000</u>
<b>6315 FPI Corridor Studies</b>						
	CMAQ	3,118,854			CMAQ	3,118,854
	SAFE	183,500			SAFE	183,500
	Caltrans	700,000			Caltrans	700,000
	STA	150,000			STA	150,000
	STP	0			STP	0
	SAFE	200,000			SAFE	200,000
	<u>Miscellaneous</u>				<u>Miscellaneous</u>	
	CCAG/SM	300,000			CCAG/SM	300,000
	SJCOG	116,000			SJCOG	116,000
	CCAG	100,000			CCAG	100,000
	Misc Total	<u>516,000</u>			Misc Total	<u>516,000</u>
		<u>4,868,354</u>				<u>4,868,354</u>
<b>Total</b>		<b>22,895,937</b>				<b>22,195,937</b>

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