



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

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***Memorandum***

Agenda Item 3

TO: Operations Committee

DATE: June 6, 2014

FR: Executive Director

W.I.: 6031, 6032

RE: MTC SAFE FY 2014-15 Operating and Capital Budget – MTC SAFE Resolution No. 59

The proposed MTC SAFE operating and capital budget for FY 2014-15 has an operating surplus of \$143,248 (Attachment A). There are no new positions proposed in the budget.

Revenue

The overall revenue is estimated at just over \$16 million. The FY 2014-15 estimate is \$850,000 (5.6%) above the MTC SAFE budgeted revenue for FY 2013-14. The increase is mainly due to the increased Surface Transportation Program (STP) grant for Freeway Service Patrol (FSP) (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	\$4,150,000
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>\$16,106,000</u>

Operating Expenses

The operating budget shows an increase in total operating expenses for FY 2014-15 of just over \$1.3 million (7.9%) (Table 2). The change is mainly due to a \$1.2 million increase in the transfer to MTC to partially fund a Traffic Management System at the Joint Operations Center at 375 Beale Street.

**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	\$853,400
Professional Fees	860,610	668,603	805,273	975,000
General Administration	974,974	925,178	942,536	844,100
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	2,680,852
Other	<u>585,872</u>	<u>447,912</u>	<u>406,500</u>	<u>388,400</u>
Total Expense	\$15,514,425	\$18,520,740	\$14,756,626	\$15,962,752

Capital Projects

There are no new capital 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) program is completed and will be closed at the end of the current fiscal year. The TEMS project developed the groundwork for an asset management system for Caltrans' field equipment.

Staff anticipates that project activities that remain 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>6,859,989</u>
Total Reserves	\$10,017,367	\$10,516,741	\$10,659,989

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

Recommendation

Staff recommends that the Committee refer MTC SAFE Resolution No. 59 to the Authority for approval.




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Steve Heminger

SH:JM

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

Date: June 13, 2014  
SAFE: WE 6031, 6032

**SAFE RESOLUTION NO. 59**

**ATTACHMENT A: TABLE OF CONTENTS**

SAFE Operating Program	Page 2
SAFE Capital Program	Page 7

**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	\$6,656,000	0.0%
FSP	\$8,600,000	\$9,450,000	9.9%
<b>Subtotal Operating Revenue</b>	<b>\$15,256,000</b>	<b>\$16,106,000</b>	5.6%
Call Box	\$2,651,140	\$2,017,000	-23.9%
FSP	\$10,778,059	\$11,264,900	4.5%
<b>Subtotal Operating Expense</b>	<b>\$13,429,199</b>	<b>\$13,281,900</b>	-1.1%
<b>Transfers Out</b>	<b>\$1,327,427</b>	<b>\$2,680,852</b>	102.0%
<b>Operating Surplus (Shortfall)</b>	<b>\$499,374</b>	<b>\$143,248</b>	-71.3%

**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	\$650,000	-13.3%
Interest	\$6,000	\$6,000	0.0%
<b>Subtotal: Call Box Revenues</b>	<b>\$6,656,000</b>	<b>\$6,656,000</b>	<b>0.0%</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>\$16,106,000</b>	<b>5.6%</b>

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

<b>EXPENSE DETAIL</b>			
<b>SAFE OPERATING EXPENSE</b>			
	<b>FY 2013-14 Budget</b>	<b>FY 2014-15 Budget</b>	<b>Percent Change</b>
<b>I. Salaries and Benefits</b>			
Call Box Program	\$534,695	\$286,700	-46.4%
FSP Program	\$524,195	\$566,700	8.1%
<b>II. General Operations</b>			
Call Box Program	\$661,445	\$540,300	-18.3%
FSP Program	\$354,364	\$378,800	6.9%
<b>III. Consultant Services</b>			
Call Box Program	\$395,000	\$535,000	35.4%
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>\$2,017,000</b>	<b>-23.9%</b>
<b>FSP Operating Expense</b>	<b>\$10,778,059</b>	<b>\$11,264,900</b>	<b>4.5%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$13,429,199</b>	<b>\$13,281,900</b>	<b>-1.1%</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, Data Enterprise)	\$16,000	\$20,000	25.0%
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>\$2,680,852</b>	<b>102.0%</b>
<b>TOTAL EXPENSE</b>	<b>\$14,756,626</b>	<b>\$15,962,752</b>	<b>8.2%</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	\$286,700	
<b>Call Box Subtotal</b>	<b>\$534,695</b>	<b>\$286,700</b>	<b>-46.4%</b>
<b>FREEWAY SERVICE PATROL</b>			
Salaries	\$524,195	\$566,700	
<b>FSP Subtotal</b>	<b>\$524,195</b>	<b>\$566,700</b>	<b>8.1%</b>
<b>Total Salaries and Benefits</b>	<b>\$1,058,890</b>	<b>\$853,400</b>	<b>-19.4%</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	\$91,600	-66.7%
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>\$540,300</b>	<b>-18.3%</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	\$300,500	11.3%
Insurance	\$42,840	\$47,500	10.9%
Audit	\$25,000	\$25,000	0.0%
<b>FSP Subtotal</b>	<b>\$354,364</b>	<b>\$378,800</b>	<b>6.9%</b>
<b>Total General Operations</b>	<b>\$1,015,809</b>	<b>\$919,100</b>	<b>-9.5%</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%
Moving Coordinator	\$0	\$50,000	+100%
Consultant other	\$100,000	\$155,000	55.0%
<b>Call Box Subtotal</b>	<b>\$395,000</b>	<b>\$535,000</b>	<b>35.4%</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>\$900,000</b>	<b>23.0%</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	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	516,000		Misc Total	516,000
		<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

Date: June 25, 2014  
W.I.: 1231, 1232, 1235, 1237  
Referred by: Operations

ABSTRACT

SAFE Resolution No. 59

Subject

This resolution approves the FY 2014-15 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 Memorandum to the Metropolitan Transportation Commission Operations Committee dated June 6, 2014.

Date: June 25, 2014  
W.I.: 6031, 6032, 6035, 6037  
Referred by: Operations

RE: Approval of the FY 2014-15 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways

METROPOLITAN TRANSPORTATION COMMISSION  
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

SAFE RESOLUTION NO. 59

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 2014-15; and

WHEREAS, the final draft SAFE budget for FY 2014-15 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 2014-15, as prepared in accordance to 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 SAFE delegates to the Operations Committee the authority to approve all contracts and expenditures in SAFE's Budget for FY 2014-15, 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 2014-15; 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 2014-15; 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

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Amy Rein Worth, 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 Oakland,  
California on June 25, 2014.

**Attachment A to SAFE Resolution No. 59:**

**see**

**J: / Section / Allstaff / Resolution /  
Resolutions / SAFE Resolutions /  
SAFE-RES-0059\_Att-a.xls**