



## Board Report

File #: 2015-0444, File Type: Budget

Agenda Number: 3.

### SAFE BOARD MEETING JUNE 25, 2015

#### SUBJECT: FISCAL YEAR BUDGET

#### ACTION: ADOPT THE FISCAL YEAR 2015 - 2016 BUDGET

#### RECOMMENDATION

ADOPT the **Fiscal Year 2015-2016 (FY16) budget** in the amount of \$12,309,099 for the operation and administration of the Los Angeles County Service Authority for Freeway Emergencies (SAFE). This budget amount includes the annual funding allocations to:

- A. the agreement with the Public Transportation Services Corporation (PTSC) for direct labor and administrative support services in the amount of \$2,176,099; and
- B. the agreement with the Los Angeles County Metropolitan Transportation Authority (MTA) for Freeway Service Patrol (FSP) in the amount of \$2,000,000.

#### ISSUE

SAFE was created in 1988, pursuant to California Streets and Highway Code Section 2550 et.seq. and is responsible for providing motorist aid services in Los Angeles County. In order to fulfill its mission SAFE needs an annual budget and requires administrative support services, which is provided via a Memorandum of Understanding (MOU), from the PTSC. A summary of the proposed FY16 budget is provided as Attachment A.

#### DISCUSSION

During FY15, SAFE continued to fund, develop, implement and operate a variety of motorist aid services, programs and activities. These programs, services and activities included:

- Operation of the Kenneth Hahn Call Box System
- Operation and continued development of Southern California 511 - new services/enhancements introduced include real-time transit information for Pasadena Arts and Glendale Beeline as well as the incorporation of improved Metro Rail information.
- Funding for the Metro FSP program
- Partnering with MTA to develop and implement the One Call-One Click Veterans

## Transportation and Community Living Initiative (VTCLI)

- Continued coordination with MTA, Caltrans and CHP on a variety of motorist service programs including Metro FSP, the Regional Integration of Intelligent Transportation Systems (RIITS) and other regional projects that focus on improving mobility throughout Los Angeles County.

For FY16, SAFE is recommending the funding, implementation and/or operation of the following projects and activities:

- Implement the approved restructuring plan for the Kenneth Hahn Call Box System;
- Continue operation of the restructured call box system;
- Manage, improve, operate and maintain Southern California 511;
- Develop and implement new services under Southern California 511 (includes improvements to the existing system as well as funding for the development of the next generation 511 system.);
- Continue funding for the Metro Freeway Service Patrol program;
- Work with MTA and Caltrans to continue developing the new regional data environment, includes updating RIITS, integrating the Archived Data Management System (ADMS), monitoring and supporting the Waze agreement and developing other data sources;
- Work with our regional partners to identify and implement improvements to existing programs and develop new services that will improve mobility within the region - including Intelligent Transportation Systems (ITS), Connected Vehicle, and corridor management projects;

The FY16 budget of \$12.3 million represents a decrease of approximately \$4.3 million or 26% compared to the adopted FY15 budget. Specifically, the FY16 budget variances for each major budget category are as follows:

<u>Category</u>	<u>Increase/ (Decrease)</u>
Administration	(\$ 69,100)
Direct Labor	(\$ 251,804)
Programs & Services	(\$4,015,000)

The decrease in Administration is due to a reduction in budgets for computer equipment and travel. Additionally, in FY15 there was a budget allocation for the replacement of a non-revenue service vehicle that is not being budgeted this fiscal year. The remaining Administration budget provides funding for insurance and office supplies.

The decrease in Direct Labor is due to lower overhead, fringe and non-work costs allocated to SAFE by PTSC. These costs are allocated annually by PTSC based upon their formulas and are not controlled by SAFE. Despite this decrease, the Direct Labor budget includes a request for one new FTE in FY16 to support the management and upgrade of the Regional Integration of Intelligent Transportation Systems (RIITS) program. With the implementation of Southern California 511 and the growing impact of technology in transportation, SAFE's reliance on RIITS to gather, compile, manage and provide a vast array of transportation related data has increased. This additional FTE to support RIITS will assist in the modernization of RIITS and enable RIITS to more efficiently integrate new data sources, such as real-time transit data from municipal bus agencies. This data can then be

---

compiled and provided to Southern California 511 for distribution to the public.

The decrease for Programs & Services is due to reductions in the Call Box budget, the Traveler Information budget and the annual funding allocation to MTA in support of Metro FSP operations. The Call Box operations budget is proposed to decrease due to lower anticipated maintenance cost as a result of implementing the planned system restructuring. The decrease to the Traveler Information budget is attributable to lower advertising and new service development costs. During this fiscal year, staff will be focused on maintaining the current system while securing a new contractor to support the development and implementation of the new 511 system. While there will be continued improvements to the 511 system, the scope of the improvements are not anticipated to be as large due to the need to transition to a new system.

Finally, the largest decrease is associated with a lower allocation of SAFE funds to Metro for FSP operations. In FY15, SAFE provided, at Metro's request, \$5 million in support of FSP operations. This year, Metro requested additional funding above the historical \$1 million provided by SAFE and it was agreed that staff would recommend allocating \$2 million in FY16 to support Metro FSP operations. This additional funding will enable MTA to continue improving the outdated communications systems while continuing to fully fund and improve current FSP operations. As this is an annual allocation, LA SAFE and MTA will continue to meet and discuss the funding needs for FSP and the availability of LA SAFE funds and present the recommended allocation to the Board for approval each year.

A more detailed summary of each project/service as well as a breakdown of the FTE allocation is provided as part of the Five-Year Financial Forecast (Attachment B).

### **DETERMINATION OF SAFETY IMPACT**

None

### **FINANCIAL IMPACT**

Funding in the amount of \$12,309,099 million has been included in the FY16 proposed budget in project 300209 and allocated to cost center 3351 (SAFE), 7140 (Marketing) and 0921 (Non-Departmental ITS). The Five-Year Financial Forecast demonstrates the financial capacity of SAFE to use its existing fund balance and projected revenue to fully fund the proposed FY16 budget.

### **ALTERNATIVES CONSIDERED**

The Board has two alternatives. It can (a) decide to not adopt the proposed budget or (b) make a modification, either a decrease or an increase, to the proposed budget. Neither of these options is recommended.

To ensure the continued operation of SAFE and its programs an annual budget is required. Without the budget, SAFE will be unable to administer its programs and fulfill its statutory motorist aid mission. Modification of the proposed budget is also not recommended. The proposed budget was

---

developed to ensure that SAFE is sufficiently funded for FY16 and has a certain amount of flexibility to adapt to situations and opportunities as they arise. The proposed budget ensures SAFE's ability to properly fulfill its mission and comply with all existing legal and statutory requirements.

### **NEXT STEPS**


Upon approval of the proposed FY16 budget, staff will begin implementing the projects and work for FY16. Staff will monitor the budget and projects to ensure SAFE meets all its requirements in a fiscally responsible manner.

### **ATTACHMENTS**

- A. Proposed Fiscal Year 2015 - 2016 Budget Summary
- B. Five Year Financial Forecast

Prepared by: Kenneth Coleman, DEO Congestion Reduction Programs (213) 922-2951

Reviewed by: Shahrzad Amiri, Executive Officer Congestion Reduction, (213) 922-3061



---

Phillip A. Washington  
Chief Executive Officer