



Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2016-0436, File Type: Budget

Agenda Number: 5

SAFE BOARD MEETING JUNE 23, 2016

SUBJECT: FISCAL YEAR BUDGET

ACTION: ADOPT THE FISCAL YEAR 2016 - 2017 BUDGET

RECOMMENDATION

ADOPT the Fiscal Year 2016-2017 (FY17) budget in the amount of \$14,073,870 for the operation and administration of the **Los Angeles County Service Authority for Freeway Emergencies (SAFE)**. This budget amount includes the annual funding allocations for:

- A. the agreement with the Public Transportation Services Corporation (PTSC) for direct labor and administrative support services in the amount of \$2,053,870; and
- B. the agreement with the Los Angeles County Metropolitan Transportation Authority (MTA) for Freeway Service Patrol (FSP) in the amount of \$1,000,000.

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), with the PTSC. A summary of the proposed FY17 budget is provided as Attachment A.

DISCUSSION

During FY16, 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. Improvements include the implementation of an updated website and integration of 3rd party traffic data to ensure a consistent and comprehensive coverage of freeway traffic information.
- Funding for the Metro FSP program
- Partnering with MTA to complete the development and implementation of the initial One Call-One Click Veterans Transportation and Community Living Initiative (VTCLI) web service. This

service is being transitioned to SAFE for integration into the next generation Southern California 511 system in FY17.

- Continued coordination with MTA, Caltrans and CHP on the operation and development of the Regional Integration of Intelligent Transportation Systems (RIITS).
- Initiation and completion of a Concept of Operations for the improved integration of SAFE and Metro motorist aid and congestion reduction programs into the Los Angeles Regional Traffic Management Center (TMC).

For FY17, the primary focus for SAFE will be the development and seamless deployment of the next generation Southern California 511 systems. The current 511 contract is scheduled to end on June 30, 2017. In addition to implementing the next generation 511 system, SAFE will be working on the following projects and activities:

- Operation of the current Southern California 511;
- Developing and implementing the next generation Southern California 511 system and seamlessly transitioning to the new systems by June 30, 2017;
- Working with MTA and Caltrans with the developments of the new regional data environment, includes updating RIITS, integrating the Archived Data Management System (ADMS), and developing other data sources. This system is integral to the success of the next generation Southern California 511 system as it will serve as the primary transportation data source for 511;
- Pending approval, proceeding with the next phase of the restructuring plan for the Kenneth Hahn Call Box System;
- Upgrading of call box hardware due to wireless system requirements and continued operation of the call box system;
- Continue funding for the Metro Freeway Service Patrol program;
- Working with MTA, Caltrans, CHP and the City of Los Angeles to move forward with the implementation of a more integrated TMC, pursuant to the Concept of Operations that was developed in FY16.
- Continue to coordinate and 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 FY17 budget of \$14.1 million represents an increase of approximately \$1.8 million or 15% compared to the adopted FY16 budget. Specifically, the FY17 budget variances for each major budget category are as follows:

<u>Category</u>	<u>Increase/ (Decrease)</u>
Administration	(\$ 2,500)
Direct Labor	(\$ 122,229)
Programs & Services	\$1,889,500

The Administration budget is proposed to decrease by \$2,500. This category covers the general administrative costs for SAFE and includes the budget for general and computer supplies, insurance

and business travel. The decrease is due to a \$5,000 reduction in the budget for general supplies; however, this decrease is slightly offset by a \$2,500 increase to the travel budget. The remaining Administration budget, which is primarily allocated insurance, did not change.

The Direct Labor budget covers the costs for obtaining staff (full-time and as-needed) from the PTSC. This category includes the costs for direct labor, as-needed, allocated overhead, fringe and other labor related costs. This decrease is due to a reduction in the full-time equivalent (FTE) allocation from 10.0 to 7.9. The commensurate decreases to the overhead, fringe and non-work costs can be attributed to the lower FTE allocation. The reduction of the FTE allocation will have no direct impact on the ability of SAFE to fulfill its requirements or work as the FTE reductions were directly supporting either the Metro Freeway Service Patrol or the Metro ExpressLanes programs and were transferred to the appropriate cost centers within MTA. There has been no reduction to the allocation of staff directly working on SAFE projects, programs or service. The reduction also does not represent the elimination of any position or employee. The reduction is due to a reallocation of the Freeway Service Patrol and ExpressLanes positions from SAFE to MTA. In addition to the FTEs, funding to obtain As-Needed and Entry Level Trainee positions is also included in the FY17 budget request.

The Programs & Services category provides the funding needed to operate, maintain, improve and develop the variety of motorist aid services supported by SAFE. This category is proposed to increase by approximately \$1.9 million. The increase to this category is needed to: 1) develop and transition to the new Southern California 511 contracts/systems; and 2) upgrade approximately 600 call boxes from 2G to 3G due to the wireless provider upgrading their systems to support only 3G or later technology. A summary 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

The budget is needed to ensure the continued safe and reliable operation of the call box system and Southern California 511. Both systems support motorist by providing a service from which motorist can request assistance and also obtain transportation related information. Without the budget, the services operated and supported by SAFE will be negatively impacted and this can cause a negative safety impact to disabled motorists.

FINANCIAL IMPACT

Funding in the amount of \$14,073,870 million has been included in the FY17 proposed budget in project 300209 and allocated to cost center 3351 (SAFE), and 7140 (Marketing). 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 FY17 budget.

Impact to Budget

The FY17 SAFE budget is funded from dedicated SAFE resources and has no impact on the budget

of the MTA. The FY17 budget request is consistent with the information contained in MTA's FY17 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 FY17 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 FY17 budget, staff will begin implementing the projects and work for FY17. Staff will monitor the budget and projects to ensure SAFE meets all its requirements in a fiscally responsible manner.

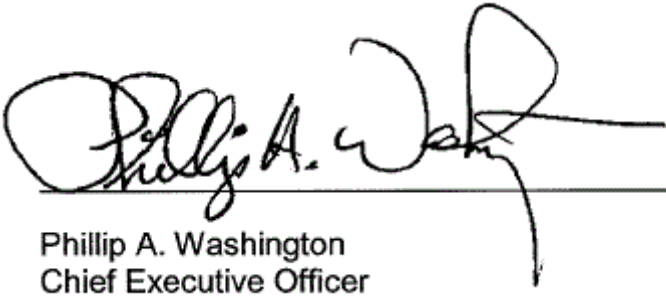
ATTACHMENTS

Attachment A - Proposed Fiscal Year 2016 - 2017 Budget Summary

Attachment B - Five Year Financial Forecast

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