



Metro

Board Report

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

File #: 2018-0320, File Type: Budget

Agenda Number: 2.

SAFE BOARD MEETING JUNE 28, 2018

SUBJECT: FISCAL YEAR BUDGET

ACTION: ADOPT THE FISCAL YEAR 2018-2019 BUDGET

RECOMMENDATION

ADOPT the Fiscal Year 2018-2019 (FY19) budget in the amount of \$7,868,365 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 the agreement with the Public Transportation Services Corporation (PTSC) for direct labor and administrative support services in the amount of \$1,673,365.

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 FY19 budget is provided as Attachment A.

DISCUSSION

During FY18, SAFE continued to fund, develop, implement and operate a variety of motorist aid services, programs and activities. These programs, services and activities included:

- Operation, maintenance and restructuring of the Kenneth Hahn Call Box System.
- Deployment and operation of the next generation Southern California 511 system.
- Funding of the Metro FSP program.
- Coordination with Metro, Caltrans and CHP on the operation and development of the Regional Integration of Intelligent Transportation Systems (RIITS).

For FY19, SAFE will focus on the operation and continued improvement of the next generation Southern California 511. In addition to operating and maintaining the Southern California 511 system, LA SAFE will be working on the following projects and activities:

- Integrating Inland Empire 511 (IE511) into the Southern California 511 system;
- Operating and maintaining the existing call box system;
- Collaborating with Metro and Caltrans on the development and improvements to RIITS, which includes securing new transportation data sources and developing new mobility improving applications;
- Working with Metro, Caltrans, CHP and the City of Los Angeles to move forward with the implementation of a more integrated Los Angeles Regional Transportation Management Center;
- Collaborating 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;
- Implementing a Quality Control/Quality Assurance program to better monitor program performance; and
- Conducting a strategic evaluation of Southern California 511 and developing a roadmap for the future services.

The FY19 budget of \$7.9 million represents a decrease of approximately \$1.2 million or 13% compared to the adopted FY18 budget. Specifically, the FY19 budget variances for each major budget category are as follows:

<u>Category</u>	<u>Increase/ (Decrease)</u>
Administration	(\$ 40,000)
Direct Labor	\$ 209,170
Programs & Services	(\$1,389,000)

The Administration budget is proposed to decrease by \$40,000. This category covers the general administrative costs for SAFE and includes the budget for general office and computer supplies including interactive video displays to enable more effective management of projects, insurance, business travel, workshops and training. The decrease is due to a reduction in funds to replace/update computer equipment which was done in FY18 and a slight decrease in business travel, staff training and workshops.

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. The budget is proposed to increase by approximately \$209,170. This increase is due to an increase in the PTSC calculated overhead and fringe cost allocations of approximately \$160,000, increase in direct labor costs of approximately \$25,000 and an increase to the as-needed budget of approximately \$130,000. The increase in the as-needed budget will allow SAFE to absorb the impact of a long-term military deployment to a current FTE as well as providing a more cost effective means of managing new projects. These FY19 projects include the integration into the Los

Angeles Regional Transportation Management Center, development of new SoCal 511 mobile services and the implementation of the Quality Control/Quality Assurance program.

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 decrease by approximately \$1.4 million, of which \$1 million is due to the removal of FSP funding for FY19. The decrease is attributed to the following factors:

- 1) completion of the initial development of and transition to the new Southern California 511 system;
- 2) reduction in the operating costs for Southern California 511 as a result of the transition to the new platforms; and
- 3) elimination of funding for Metro Freeway Service Patrol due to a reduced need as new funding from the State was secured.

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 used in support of the continued safe and reliable operation of the call box system and Southern California 511. Both systems support motorists by providing a service from which motorists can request assistance and also obtain transportation-related information, which can improve the overall safety and reliability of the transportation network.

FINANCIAL IMPACT

Funding in the amount of \$7,868,365 million has been included in the FY19 proposed budget in project 300209 and allocated to cost centers 2220 (Congestion Reduction), 3351 (SAFE), 1210 (County Counsel) 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 FY19 budget.

Impact to Budget

The FY19 SAFE budget is funded from dedicated SAFE resources and has no impact on the budget of the Metro. The FY19 budget request is consistent with the information contained in Metro's FY19 budget.

ALTERNATIVES CONSIDERED

The Board can forgo the adoption of the proposed budget, however this alternative is not recommended since the adoption of the budget is required to ensure the continued operation of SAFE and its programs. Without the budget, SAFE will be unable to administer its programs and

fulfill its statutory motorist aid mission.

The Board could choose to make a modification, either a decrease or an increase, to the proposed budget. This alternative is not recommended since the proposed budget was developed to ensure that SAFE is sufficiently funded for FY19 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 FY19 budget, staff will begin implementing the projects and work for FY19. 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 2018 - 2019 Budget Summary

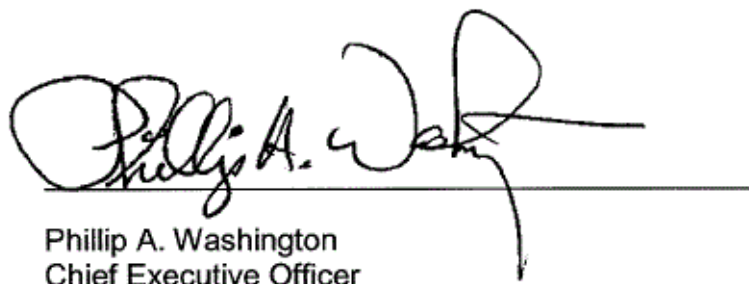
Attachment B - Five Year Financial Forecast

Prepared by: Melissa Park, Principal Transportation Planner
(213) 458-6936

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

Shahrazad Amiri, Executive Officer Congestion Reduction Programs (213) 922-3061

Reviewed by: Stephanie Wiggins, Deputy Chief Executive Officer
(213) 922-1023



Phillip A. Washington
Chief Executive Officer