



Board Report

File #: 2021-0252, File Type: Budget

Agenda Number: 2.

LA SAFE BOARD MEETING  
JUNE 24, 2021

**SUBJECT: LA SAFE FISCAL YEAR BUDGET**

**ACTION: ADOPT THE FISCAL YEAR 2021-2022 BUDGET**

**RECOMMENDATION**

ADOPT the Fiscal Year 2021-2022 (FY22) budget in the amount of \$8,389,726 for the operation and administration of the Los Angeles County Service Authority for Freeway Emergencies (LA SAFE). This budget amount includes the annual funding allocation for the agreement with the Public Transportation Services Corporation (PTSC) for direct labor and administrative support services in the amount of \$2,315,726.

**ISSUE**

LA 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. To fulfill its mission, LA SAFE needs an annual budget and requires administrative support services, which is provided via a Memorandum of Understanding (MOU) with the PTSC.

**BACKGROUND**

During FY21, LA SAFE continued to fund, develop, implement, and operate a variety of motorist aid services, programs, and activities. These services, programs, and activities include:

- Operation and maintenance of the Kenneth Hahn Call Box System;
- Initiation of the upgrade of the call boxes to ensure continued operation due to the transition of wireless technology to 5G;
- Operation of Southern California 511 regional traveler information system (SoCal511);
- Discussion and agreement regarding the integration of the Inland Empire 511 (IE511) operations into SoCal 511;
- Deployment of Spanish language services on the SoCal 511 Interactive Voice Response (IVR) phone service;
- Completion of the initial quality assessment of the SoCal 511 Traveler Information Center, which identified actions designed to improve service to the public;
- Development of the LA SAFE Strategic assessment and five-year roadmap;
- Coordination with Metro, Caltrans and California Highway Patrol (CHP) on the operation and

- development of the Regional Integration of Intelligent Transportation Systems (RIITS);
- Coordination with CHP and Caltrans for the ongoing integration of SoCal 511 operations into the Los Angeles Regional Traffic Management Center (LARTMC)

For FY22, LA SAFE will be working on the following projects and activities:

- Continue operation and maintenance of the Kenneth Hahn Call Box System;
- Complete a review of the Kenneth Hahn Call Box System to identify any recommendations regarding future operations and status of the call box system;
- Continue operation of SoCal 511;
- Implementation of agreed upon integration of IE511 services into SoCal 511;
- Continue investigation and development of new features, services and expansion of SoCal 511;
- Solicitation, transition and implementation of a new SoCal 511 IVR phone service contract;
- Implementation of the LA SAFE strategic roadmap;
- Continue collaboration with Metro and Caltrans on the development and operation of RIITS, which includes actively supporting the RIITS strategic review, securing new transportation data sources, engaging Metrans workplans, and developing new mobility improving applications;
- Continue collaborating with regional partners to identify and implement improvements to programs and develop new services that will enhance mobility within the region - including Intelligent Transportation Systems (ITS), connected and automated vehicles and integrated corridor management projects.

The FY22 budget of \$8.4 million represents an increase of approximately \$953,000 or 13% compared to the adopted FY21 budget. Specifically, the FY22 budget variances for each major budget category are as follows:

<u>Category</u>	<u>Increase/ (Decrease)</u>
Administration	\$ 1,500
Direct Labor	\$ 1,012,183
Programs & Services	\$ (60,000)

The Administration budget covers the general administrative costs for LA SAFE and includes the budget for general office and computer supplies and insurance. This category remains stable and has increased only slightly due to an anticipated increase in insurance costs. Consistent with the FY21 budget, there are no budget allocations for travel, workshops or training in FY22.

The Direct Labor budget covers the costs for obtaining staff (full-time and as-needed) and associated administrative services from the PTSC. This category includes the costs for direct labor, as-needed, allocated overhead, fringe, and other labor related costs. The majority of the increase is attributable to cost increases associated with the existing FY21 FTE allocated Direct Labor budget. Specifically, increases due to PTSC proposed salary raises, COVID related claims/costs, the release of a frozen FY21 position, and increases to PTSC formula to overhead and fringe costs. Additionally, for FY22, LA SAFE is proposing an increase of 2 FTEs. The 2 FTEs are both Senior Directors and will provide

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direction over development and implementation of strategic initiatives and RIITS. The new FTEs will enable LA SAFE to effectively address emerging opportunities and technologies, better support new services and better manage the use or need of consultant services. All costs are calculated by PTSC and are consistent with Metro costs and budget. Additionally, all FTEs, including the new FTEs, are consistent with and included in Metro's FY22 budget.

The Programs & Services category provides the funding needed to operate, maintain, improve, and develop the variety of motorist aid services supported by LA SAFE. The FY22 programs and services include Kenneth Hahn Call Box System, SoCal 511 operations and development, on-going QA/QC improvements, and the implementation of the approved LASAFE strategic road map.

The summary and breakdown of the FTE allocation are 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 obtain transportation-related information, which can improve the overall safety and reliability of the transportation network.

### **FINANCIAL IMPACT**

Funding in the amount of \$8,389,726 has been included in the FY22 proposed budget in project 300209 and allocated to cost centers 2220 (Congestion Reduction), 3351 (LA SAFE), and 7140 (Marketing). The Five-Year Financial Forecast demonstrates the financial capacity of LA SAFE to use its existing fund balance and projected revenue to fully fund the proposed FY22 budget.

#### **Impact to Budget**

The source of funds for this action is state grant funding dedicated for SAFE. It is not eligible for bus and rail operating or capital expenditures.

### **ALTERNATIVES CONSIDERED**

The Board may elect not to adopt the proposed budget. This alternative is not recommended as it would result in the discontinuation of LA SAFE operations and its programs. Without the budget, LA 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 LA SAFE is sufficiently funded for FY22. The proposed budget ensures LA SAFE's ability to properly fulfill its mission and comply with all existing legal and statutory requirements.

**NEXT STEPS**

Upon approval of the proposed FY22 budget, staff will begin implementation of FY22 projects and efforts. Staff will monitor the budget and projects to ensure LA SAFE meets all its requirements in a fiscally responsible manner.

**ATTACHMENTS**

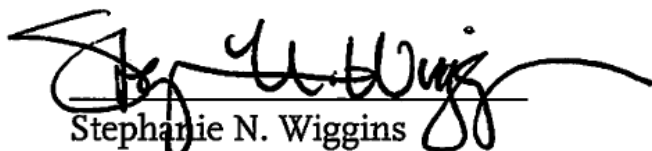
Attachment A - Proposed Fiscal Year 2021-2022 Budget Summary

Attachment B - Five Year Financial Forecast

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