



Strategic Planning Committee

May 31, 2012

Adopt Fiscal Year 2012-13 Provisional Budget for the Capitol Valley Regional Service Authority for Freeways and Expressways (CVRS)

Issue: Should the Strategic Planning Committee, with its delegated authority from the Capitol Valley Regional Service Authority for Freeways and Expressways (CVRS) Board of Directors, approve the attached Fiscal Year (FY) 2012-13 provisional budget?

Recommendation: That the Strategic Planning Committee approve the FY 2012-13 provisional budget, contingent upon not receiving any public comments during the 30-day public review period ending June 17, 2012, that would necessitate a budget change. It is anticipated that a revised budget, which will be informed by the strategic planning effort and an interpretation of a recent statewide court ruling that may impact ongoing program costs, will be available later this fiscal year.

Discussion: CVRS is comprised of Glenn, Sutter, Yuba, Yolo, Sacramento, El Dorado, and San Joaquin counties. The revenues for the CVRS are collected as a \$1 fee assessed at the time of vehicle registration in the participating counties. These revenues are mandated to be used to provide call box services and provide motorist aid services such as Freeway Service Patrol and 511 traveler information services. CVRS bylaws require that a work program and budget be approved before July 1 of each fiscal year.

The proposed provisional CVRS budget submitted for review is balanced for normal expenditures. Revenues for the provisional budget are estimated at \$2.14 million, while expenditures are budgeted at \$1.9 million. The \$230,384 in surplus revenues would add to the program's cash position. The cash position is projected to grow to \$3.87 million by the end of FY 2012-13. The provisional draft budget was released for public comment on May 17, 2012, and no comments have been received to date. If comments are received between today and the June 7 meeting, they will be shared at the SPC meeting.

Since the adoption of the current year CVRS budget, there has been considerable risk that future costs for the call box maintenance component could rise substantially across the state. Given that call box maintenance is projected to consume nearly 25 percent of the total FY 11-12 CVRS budget, staff has been monitoring since last fall the actions of the Department of Industrial Relations (DIR) on this matter. In late March 2012, the DIR issued a statewide ruling that certain services provided as part of call box maintenance contracts must be compensated at the prevailing wage; however, the labor classifications impacted by the ruling are not yet clear. SAFEs across the state are seeking a clarification on the DIR ruling, expected within the next few months. Until the clarification is available, the budget implications for the CVRS program remain uncertain. In the meantime, the existing CVRS call box maintenance contractor, Siemens ITS, has agreed to a contract extension through December 2012.

Once the budget implications from the DIR ruling are clear, staff proposes coming back to the CVRS Board with proposed revisions to the FY 2012-13 budget for the CVRS program. The revised budget will reflect the implications of the DIR ruling as well as strategic planning efforts that respond to Transportation Committee discussions on the SAFE budget in 2011. Strategies under development include cost-effective methods to enhance current services and an analysis of the eligibility of SAFE funds to cover other agency priorities. Staff proposes to resume the initial strategic planning efforts in June.

Approved by:

Mike McKeever
Chief Executive Officer

MM:MH:gg
Attachments

Key Staff: Matt Carpenter, Director of Transportation Services, (916) 340-6276
Mark Heiman, ITS/511/SAFE Program Manager, (916) 340-6232
Barbara VaughanBechtold, Associate Planner, (916) 340-6226

CAPITOL VALLEY REGIONAL SAFE PROPOSED FY 2012-13 BUDGET (Final)

	FY 2011-12 Adopted Budget	FY 2011-12 Projected Actual	FY 2012-13 Proposed
REVENUE			
Interest	\$ 16,000	\$ 9,000	\$ 9,000
Registration Fees	2,094,758	2,095,158	2,095,158
Reimbursements from Glenn County	13,000	13,000	13,000
Reimbursements from Placer County	2,500	2,500	2,500
Knockdown Recovery	16,000	20,000	16,000
TOTAL REVENUE	\$ 2,142,258	\$ 2,139,658	\$ 2,135,658
EXPENDITURES			
Call Box Maintenance (including Placer/Glenn County)	\$ 456,873	\$ 410,000	\$ 469,373
Freeway Service Patrol - Sacramento County	706,000	706,000	720,200
Freeway Service Patrol - San Joaquin County on I-205	113,000	74,000	113,000
Freeway Service Patrol - Yolo County	26,250	26,250	26,800
Freeway Service Patrol - El Dorado County	52,159	52,159	22,354
SAFE portion of Statewide CHP Coordinator	4,200	4,200	4,200
Private Call Answering Contract - Fixed call boxes (voice & TTY)	37,389	18,000	36,000
Private Call Answering Contract - Bike Trail Boxes - TTY only	9,000	9,000	9,000
SACOG Services (staff time and indirect costs)	132,137	50,000	72,145
Cellular Phone Service (including Placer/Glenn County)	125,000	108,000	125,000
Consultant	84,480	50,000	91,328
Insurance	9,000	9,000	9,000
Public Information	5,000	1,000	5,000
Legal Services	2,000	3,000	4,000
DMV Fees	12,000	12,000	12,000
Meetings/Printing	4,000	1,800	4,000
511/STARNET - Capital Improvements Project	150,000	135,000	69,353
511/STARNET - Operations	125,000	125,000	97,521
511 Program Management - San Joaquin County	15,000	15,000	15,000
TOTAL EXPENDITURES	\$ 2,068,488	\$ 1,809,409	\$ 1,905,274
REVENUE LESS EXPENDITURES	\$ 73,770	\$ 330,249	230,384

PROJECTED ENDING CASH BALANCE	\$3,312,353	\$ 3,642,602	3,872,986
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