

**Transportation Committee**

May 8, 2014

Fiscal Year 2014-15 Budget for the Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE)

Issue: Should the Transportation Committee recommend that the Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) Board of Directors approve the Fiscal Year (FY) 2014-15 budget with modifications incorporated from public input?

Recommendation: That the Transportation Committee recommend that the CVR-SAFE Board approve the Capitol Valley Regional SAFE FY 2014-15 final budget with the modifications shown in Attachment A.

Discussion: CVR-SAFE is comprised of Sutter, Yuba, Yolo, Sacramento, El Dorado, and San Joaquin counties. The revenues for CVR-SAFE 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 other motorist aid services such as Freeway Service Patrols and 511 traveler information services. CVR-SAFE bylaws require that a budget be approved before July 1 of each fiscal year.

A draft CVR-SAFE FY 2014-15 budget was released for public comment following authorization by the Board during the April cycle. The draft budget anticipated that \$220,000 in surplus revenues would be added to the program's cash position; however, use of \$201,550 of that surplus is now being proposed to address comments received from our call box Maintenance Vendor. Addressing these comments will require advancing some of the work originally anticipated to be completed as part of the Call Box Removal/Telephony Upgrade project, presently scheduled for Board review in the late fall.

During the public comment period, our Maintenance Vendor, CASE Systems, informed staff that the supply of internal electronics for our currently deployed call boxes is running critically low and the parts vendor is not in a position to produce replacement stock for damaged inventory. Staff therefore proposes to advance the replacement of 139 internal circuit boards in existing call box installations along Highway 50 and Highway 99 as a method to generate replacement stock to support the remainder of the current system. The 139 units would have the internal components replaced with new technology. Upgrading the 139 units will require the advancement of \$1,450 per call box, for a total of \$201,550.

These expenditures were planned to be incorporated in the Call Box Upgrade scope of work, and all upgrades will be re-used as part of that future effort. The revised final budget (Attachment A) includes the early upgrade of these 139 units and is balanced for normal expenditures. Revenues for the overall CVR-SAFE budget are still estimated to equal expenditures at \$2.22 million.

As indicated in the draft budget release, two counties, Sutter and Yolo, are projected to have expenditures that exceed the revenues collected within their counties during FY 2014-15. The new internal component upgrade work will be completed outside of these counties, so the imbalance will remain unchanged from the draft budget. Yolo County is currently estimated to over-expend its CVR-SAFE budget by \$65,400 and Sutter County to over-expend its CVR-SAFE budget by \$16,300. It is required that the CVR-SAFE budget acknowledge that vehicle registration funds collected in El Dorado, Sacramento, San Joaquin, and Yuba counties will be used to cover the over-expenditures projected in these counties. Staff recommends this regional approach to balancing the budget because the over-expenditures in Sutter and Yolo counties represent only four percent of the total CVR-SAFE operating budget for FY 2014-15, no service reductions are needed in

the donor counties to accommodate this budget gap closure, and there are benefits to maintaining consistent service levels across the CVR-SAFE region.

Following previous Board direction, staff is proceeding on the strategic planning effort to address long-term needs for the CVR-SAFE program and to identify opportunities for the significant cash balance that has accrued. The results will be presented to the Board in the October-December 2014 period.

Approved by:

Mike McKeever
Chief Executive Officer

MM:MH:gg
Attachment

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CAPITOL VALLEY REGIONAL SAFE FY 2014-15 BUDGET (FINAL)

	FY 2012-13 Actual	FY 2013-14 Adopted Budget	FY 2013-14 Estimated Actual	FY 2014-15 Proposed
REVENUE				
Interest	\$ 13,469	\$ 10,000	\$ 9,000	\$ 10,000
Registration Fees	2,261,155	2,178,964	2,095,158	2,178,964
Reimbursements from Glenn County	15,610	13,000	13,000	13,000
Reimbursements from Placer County	2,892	2,500	2,500	2,500
Knockdown Recovery	23,173	16,000	3,000	16,000
TOTAL REVENUE	\$ 2,316,299	\$ 2,220,464	\$ 2,122,658	\$ 2,220,464
EXPENDITURES				
Call Box Maintenance: CASE, Inc. (includes Placer and Glenn counties)	\$ 459,684	\$ 469,373	\$ 469,373	\$ 445,770
Freeway Service Patrol - Sacramento County	706,000	720,200	720,200	720,200
Freeway Service Patrol - San Joaquin County on I-205	66,801	113,000	60,000	113,000
Freeway Service Patrol - Yolo County	26,250	26,800	26,800	26,800
Freeway Service Patrol - El Dorado County	52,159	31,116	31,116	31,116
SAFE portion of Statewide CHP Coordinator	3,960	5,500	4,900	5,500
Private Call Answering Contract - Fixed call boxes (voice & TTY)	15,358	36,000	17,000	36,000
Private Call Answering Contract - Bike Trail Boxes - TTY only	7,500	9,000	9,000	9,000
SACOG Services (staff time and indirect costs)	84,765	201,871	105,000	200,000
Cellular Phone Service (including Placer/Glenn County)	111,508	125,000	110,000	125,000
Consultant: TeleTranTrek, Inc.	50,870	98,861	80,000	110,000
Insurance	8,524	9,000	9,000	9,000
Public Information	0	2,000	0	2,000
Legal Services	6,149	6,000	2,000	2,000
DMV Fees	11,107	12,000	11,000	12,000
Meetings/Printing	628	4,000	500	3,000
511/STARNET - Capital Improvements Project	60,965	60,000	60,000	60,000
511/STARNET - Maintenance & Operations	75,094	75,000	75,000	75,000
511 Program Management - San Joaquin County	12,800	15,000	10,000	15,000
Callbox Internal Component Upgrade*				201,550
Callbox (CBX) Removals/Telephony Upgrades				TBD**
TOTAL EXPENDITURES	\$ 1,760,122	\$ 2,019,721	\$ 1,800,889	\$ 2,201,936
REVENUE LESS EXPENDITURES	556,177	200,743	\$ 321,769	18,528

PROJECTED ENDING CASH BALANCE	4,575,246	4,775,989	5,097,758	5,116,286
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* The Callbox Internal Component Upgrade has been added to the draft budget to cover the shortage of internal components for the remainder of the callbox system. Any units upgraded will be re-used or re-located as part of the long term Removal and Telephony Upgrade project.

** The budget covers CBX planning activities between July 1 and December 31. Costs associated with actual CBX removal and telephony upgrades will be incorporated into the final FY 14/15 budget that will be prepared for Board action in the October-December 2014 period.