

Kern Motorist Aid Authority

ANNUAL FINANCIAL PLAN
for
Fiscal Year 2007/2008

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SUBMITTED BY:
Ronald E. Brummett
Executive Director
May 17, 2007

LETTER OF TRANSMITTAL

Letter of Transmittal

May 17, 2007

The Honorable Board of Directors
Kern Motorist Aid Authority

Dear Chairman and Members of the Board:

Kern Motorist Aid Authority (KMAA) staff is pleased to submit the Fiscal Year 2007-2008 Annual Financial Plan for your review and approval. The plan is a statement, by object or account classification and line item within each account, of the anticipated KMAA financial activity for the upcoming year. The plan includes estimated revenues totaling \$764,541 and estimated expenses totaling \$545,645. Capital items are to be funded by prior year program reserves totaling \$1,650,000.

MISSION STATEMENT

The KMAA Board has adopted the following mission statement to guide the operation of the Kern County roadside call box network:

- 1) To provide a dependable motorist aid communication system to areas of the county not heavily patrolled and where traditional communication services do not exist.
- 2) To provide a reliable motorist aid communication system that is well maintained with failures repaired within 24 hours of identification.
- 3) To provide a high level of assurance that a motorist's call for assistance will receive a response.
- 4) To provide a public information program to ensure that the motorist understands what the call boxes are and how the call boxes are to be used.

REVENUES

The KMAA roadside call box program is financed by the assessment of a \$1.00 fee upon each registered nonexempt motor vehicle within the county of Kern. The California Department of Motor Vehicles applies the fee as part of the vehicle registration program and returns the amount collected, less a processing fee, within the county. Over the past few years, fees collected have shown a slight yet steady increase. This rise is primarily related to growth in the county population. Staff anticipates vehicle fees totaling \$669,069 for the 2007-08 fiscal year; a 5.3 percent increase over the 2006-07 fiscal year.

In addition to fees, KMAA realizes non-operating revenues (interest) by investing cash balances through the Kern County Treasurers' cash investment program. Since the 2003/04 fiscal year, interest revenue has begun to increase because of increases in cash reserves being held for future upgrades. Reserves increase because of the Board's stated

policy to finance the call box network on a "pay-as-you-go" basis. As reserves build to adequate levels, system improvements can be made. Staff anticipates interest revenue totaling \$95,472 for the 2007-08 fiscal year. This is an increase of 10.6 percent over the prior year.

EXPENSES

KMAA budgetary appropriations are primarily focused on four areas: hardware maintenance, cellular service, dispatch services and capital depreciation and acquisition. Expenses, net of capital purchases, have begun to decrease in the past few years due to the decline in depreciation expense as network hardware has reached and exceeded its estimated useful life of ten (10) years. In turn, maintenance costs have seen steady annual increases. Staff estimates total appropriations of \$545,645 will be required to finance FY 2007-08 operations.

A capital project for the significant upgrading of system hardware is proposed for specific appropriation at this time. Staff recommends the appropriation of \$1,650,000 in fund reserves for this project. KMAA has conducted a detailed inventory of existing call box hardware, site conditions and possible measures to address each site. The results of that inventory have been compiled and evaluated and are to be incorporated into project documents, including a "Request For Proposals" which was issued in early August 2005. The project is anticipated to start in fiscal year 2007-08.

PROGRAM DESCRIPTION

The KMAA roadside call box program was initiated with the installation of the first call boxes in August of 1991. During the 16 intervening years the network has grown to include 574 sites now serving between 6,000 and 7,000 calls per year.

KMAA program services are delivered through an extensive public-private partnership. Partnership members and related responsibilities include the following:

<u>Agency</u>	<u>Responsibility</u>
Kern Council of Governments	Program management and contract administration
California Dept. of Transportation	Installation guidelines and encroachment permitting
California Dept. of Highway Patrol	Operations guidelines and service dispatching
Comarco Wireless Technologies	Hardware manufacture, installation and maintenance
Cingular	Cellular service

THE FUTURE

As discussed previously, KMAA will continue to face a number of vexing issues in the next few years. These issues include:

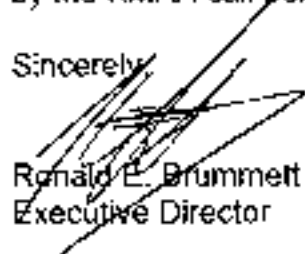
- 1) Annual service calls have shown a sustained decline starting in FY 94-95 (25,872 calls) and has continued to FY 05-06 (5,386 calls). Current data indicates that this trend in declining call volume will continue into fiscal year 06-07 during which approximately 5,000 calls will be processed. Given this trend, the Board may wish to consider new motorist aid services and/or a redeployment of certain boxes from areas of minimal use to areas of high frequency use. This will require the Board to re-evaluate current policy.
- 2) Most of KMAA's existing call box hardware now exceeds its estimated useful life of 10 years. The microprocessor boards installed in these boxes are experiencing higher maintenance rates. In addition, these microprocessor boards have been upgraded by the manufacturer since KMAA's original installation. Staff proposes that KMAA upgrade the call box microprocessor boards during the 2007-08 fiscal year.
- 3) KMAA's cellular service providers are moving in the direction of digital service. KMAA call boxes currently in operation are analog devices. Staff proposes a conversion to digital service at the same time as other hardware upgrades (Item #2, above).
- 4) KMAA continues to strive to address access issues related to the Americans With Disabilities Act (ADA) in the most cost effective manner possible. Access issues include newly approved revised site designs and TTY type hardware. Staff proposes site improvements including conversion to the newly approved L and M site types and inclusion of TTY hardware in each call box at the same time as other hardware upgrades (Item #2, above).

The issues cited above have converged during the past few years and now the time is opportune to upgrade system hardware. In the course of this project, the Board will be asked to decide the most basic questions regarding the operation of the call box network over the next 3 to 10 years. Options include: 1) no reduction in call boxes and upgrade all call boxes using available financial reserves; 2) reduce the current network to high volume routes, use financial reserves to upgrade the remaining call boxes and plan for cessation of operations in 5 to 7 years; or 3) full removal of all call boxes in Kern County. These alternatives have been developed in more detail and are currently being considered by a special ad hoc committee of the Council. The "Status of the Call Box Program Report" has been presented to the Council.

CONCLUSION

The KMAA roadside call box program completed fourteen (15) years of service to the motoring public during the early months of the 2005-06 fiscal year. Through June of 2006, 249,355 calls for assistance had been received and services rendered. The Board can take pride in the improvements to motorist safety and transportation system efficiency provided by the KMAA call box program.

Sincerely,



Ronald E. Brummett
Executive Director

STATISTICS

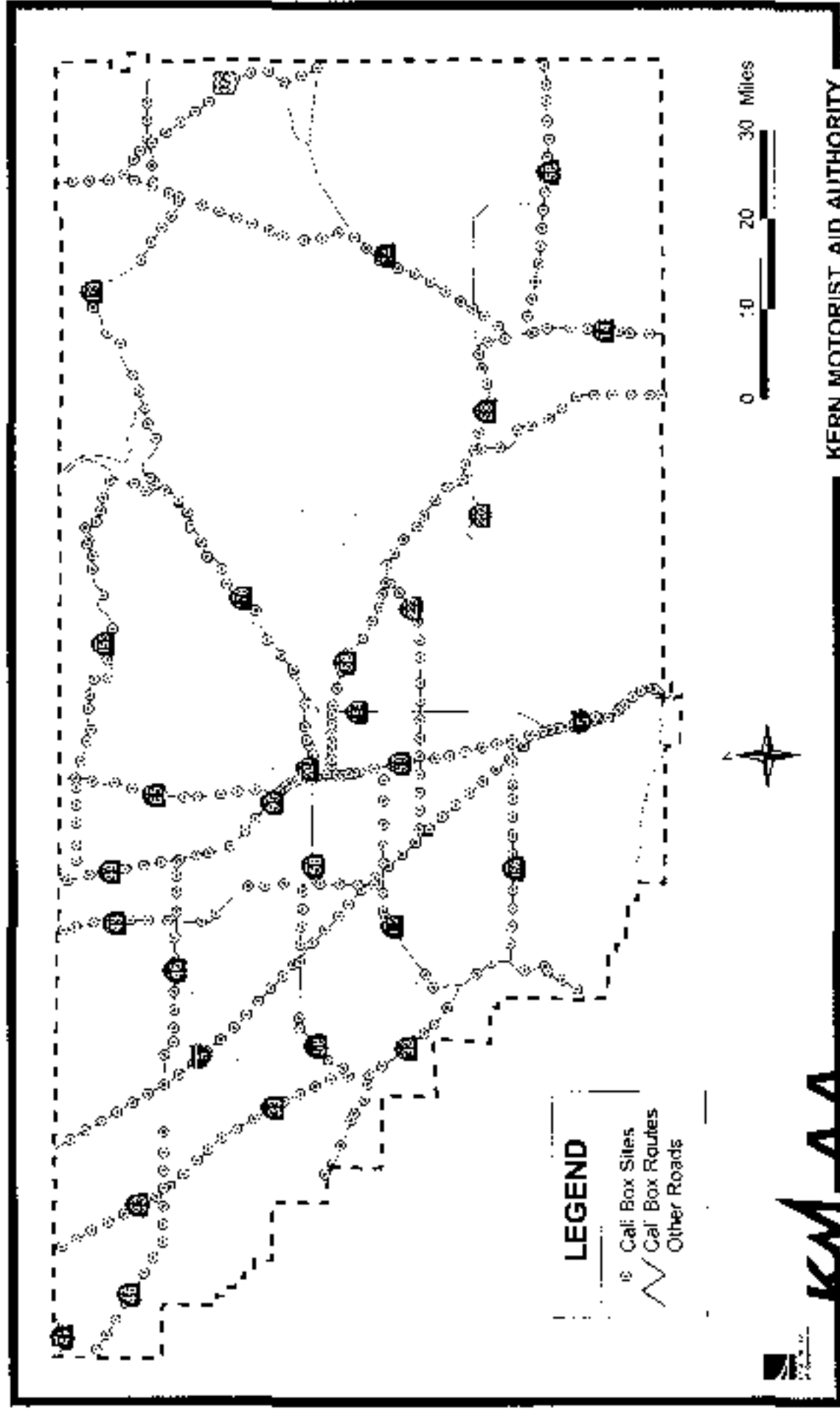
Kern Motorist Aid Authority

SCHEDULE OF CALL BOX INSTALLATIONS

<u>Route</u>	<u>Call Boxes</u>	<u>Route Mileage</u>	<u>Date Completed</u>
I-5	107	87	11/02/91 & 04/21/92
SR-14	47	65	11/21/91 & 04/21/92
SR-33	33	74	12/16/92
SR-43	18	74	01/03/92
SR-46	26	58	01/03/92
SR-58	116	144	11/21/91 & 04/21/92
SR-65	11	25	12/16/92
SR-99	70	58	01/03/92
SR-119	11	31	01/03/92
SR-155	27	71	05/19/94 & 06/30/97
SR-166	12	25	12/16/92
SR-178	48 (1-County)	57	01/03/92 & 06/30/97
SR-223	15	30	01/03/92
SR-395	21	36	06/09/92
Tehachapi/Willow Springs	12	24	06/30/00
Installed	574	859	
Scheduled	0		
Unprogrammed	0		
Total Serviceable	574		
Proposed	0		
TOTAL	574		

Note: Call box spacing: Urban/one mile (Metro: 51 boxes or 8.9%); rural/two miles (Non-Metro-523 boxes or 91.1%), excepting major grades.

Kern County Call Box Locations

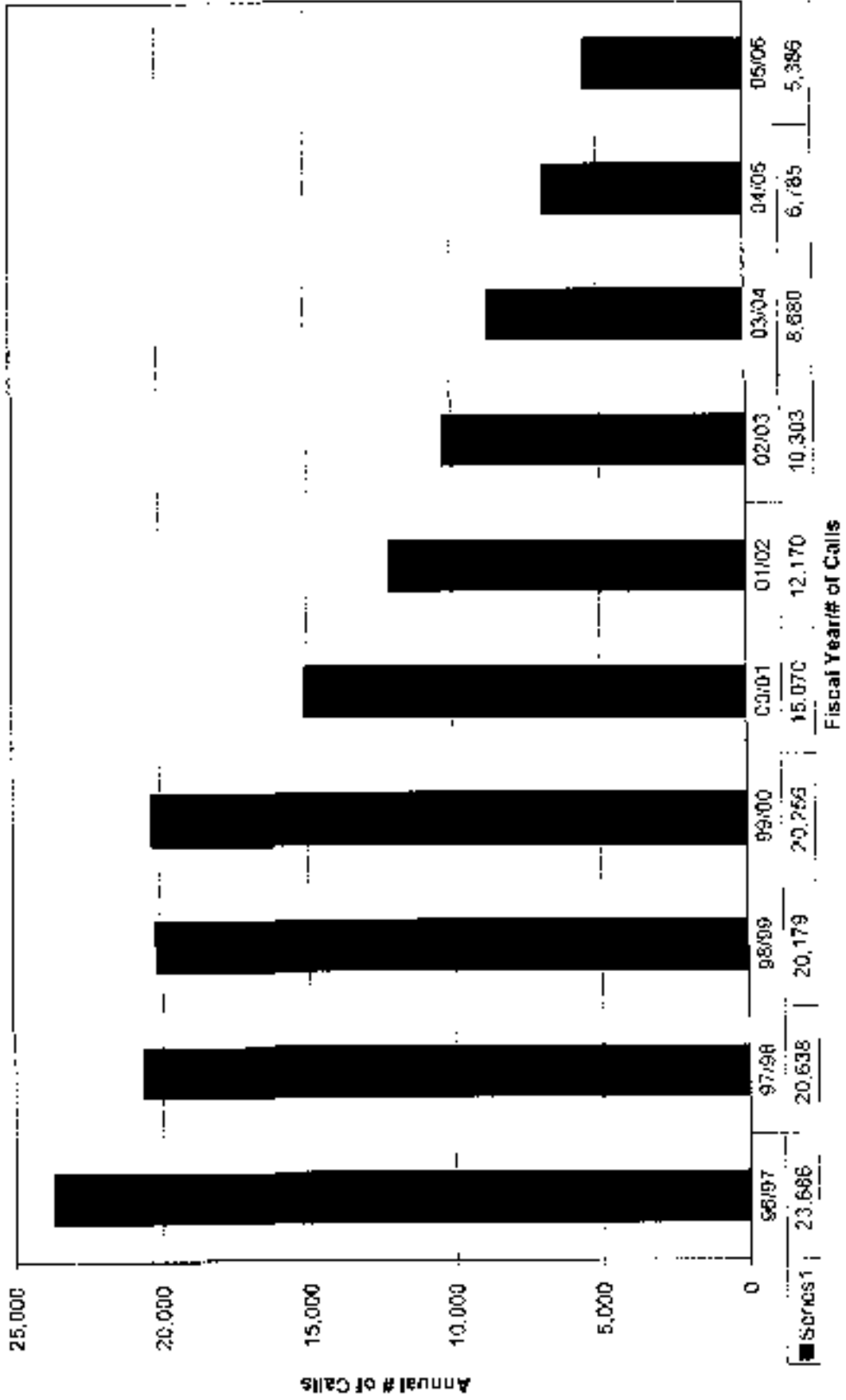


Kern Motorist Aid Authority

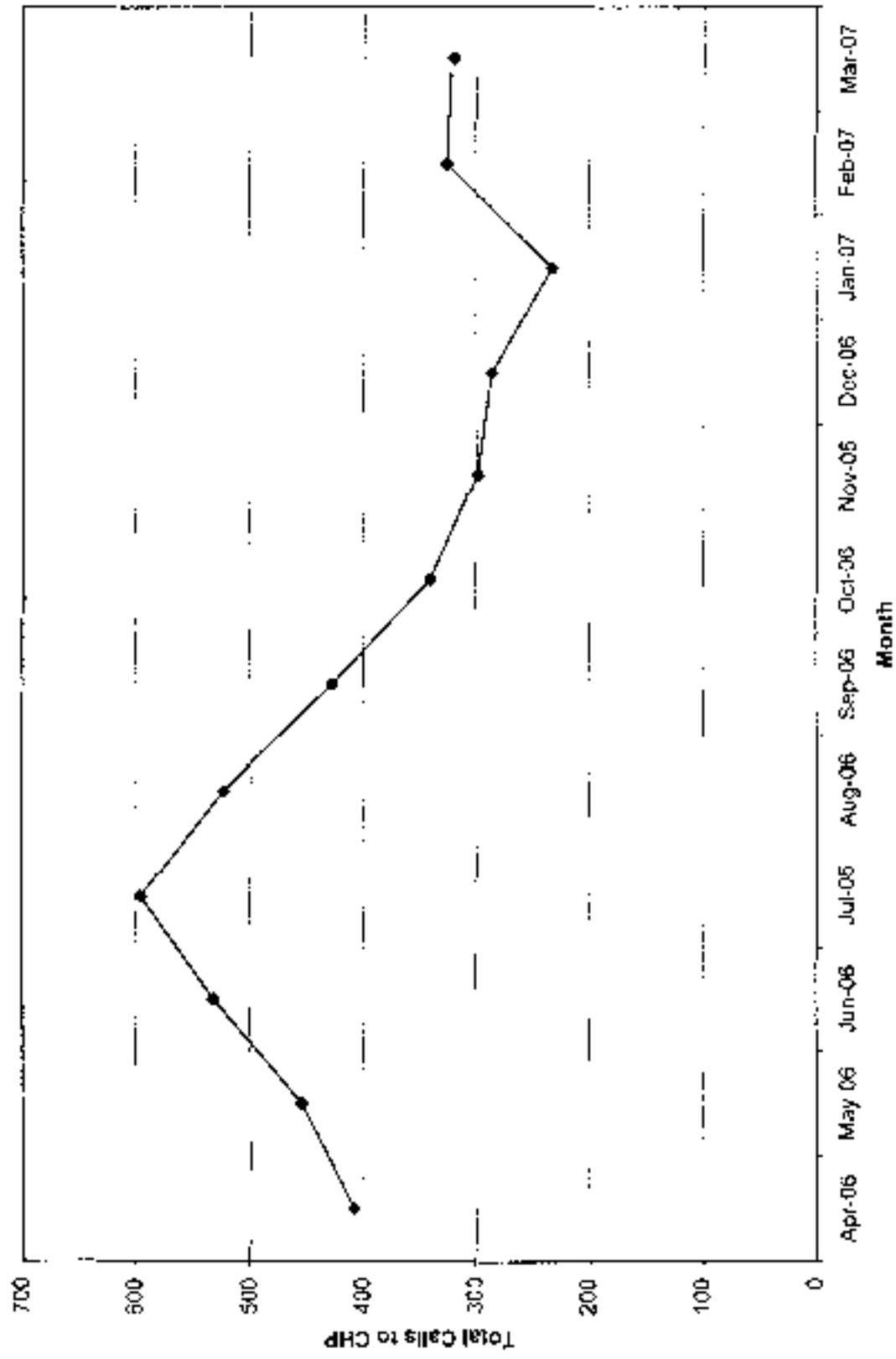
SCHEDULE OF ANNUAL CALL STATISTICS

Description	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	TOTAL
Total call boxes in service	426	516	521	508	555	559	560	552	545	567	560	510	502	490
Total days of service	365	365	365	365	365	365	366	365	365	365	366	365	365	5,477
Assistance calls/Queensfield	23,738	20,914	19,373	19,885	17,159	16,684	16,374	12,675	10,218	3,435	5,998	5,502	4,213	203,327
Assistance calls/BA-slow	4,586	4,958	3,756	4,071	3,473	3,495	3,282	2,495	1,862	1,868	1,684	1,283	1,173	46,028
Assistance calls/Subtotal	28,324	25,872	23,129	23,956	20,632	20,179	20,256	15,070	12,080	5,303	7,682	6,785	5,386	249,355
Maintenance calls/Queensfield	53,347	78,858	64,072	75,249	72,744	73,541	77,301	67,880	67,067	67,894	68,504	61,890	60,553	984,931
Other calls/Subtotal	4,097	5,313	22,428	1,058	5,745	1,379	0	0	0	0	0	0	0	46,342
TOTAL CALLS	82,239	110,143	109,628	99,093	99,827	95,099	97,557	82,950	79,237	78,197	75,184	68,675	65,839	1,280,628
Call time/CHP (Minutes)	106,649	104,130	44,503	86,245	79,847	79,653	73,571	53,110	44,400	37,440	31,378	22,522	16,227	886,876
Call time/Other (Minutes)	37,632	50,519	54,776	39,647	48,733	60,726	77,301	55,438	87,067	67,894	56,504	61,890	60,553	806,718
TOTAL CALL TIME	139,281	155,649	109,368	127,892	128,580	140,379	150,872	108,548	131,467	105,334	87,882	84,412	76,780	1,693,594
Average assst. calls per box/d	0.18	0.14	0.12	0.12	0.10	0.10	0.10	0.07	0.06	0.05	0.04	0.04	0.03	0.09
Average maint. calls per box/d	0.34	0.42	0.34	0.37	0.35	0.36	0.39	0.34	0.33	0.33	0.32	0.32	0.33	0.37
Average CHP call time	4.30	4.02	1.53	3.73	3.87	3.65	3.63	3.52	3.62	3.63	3.61	3.32	3.01	3.56
Average total time per box/d	27.25	24.94	17.49	19.10	18.01	20.93	22.46	16.36	15.86	15.62	14.57	13.27	12.75	29.42

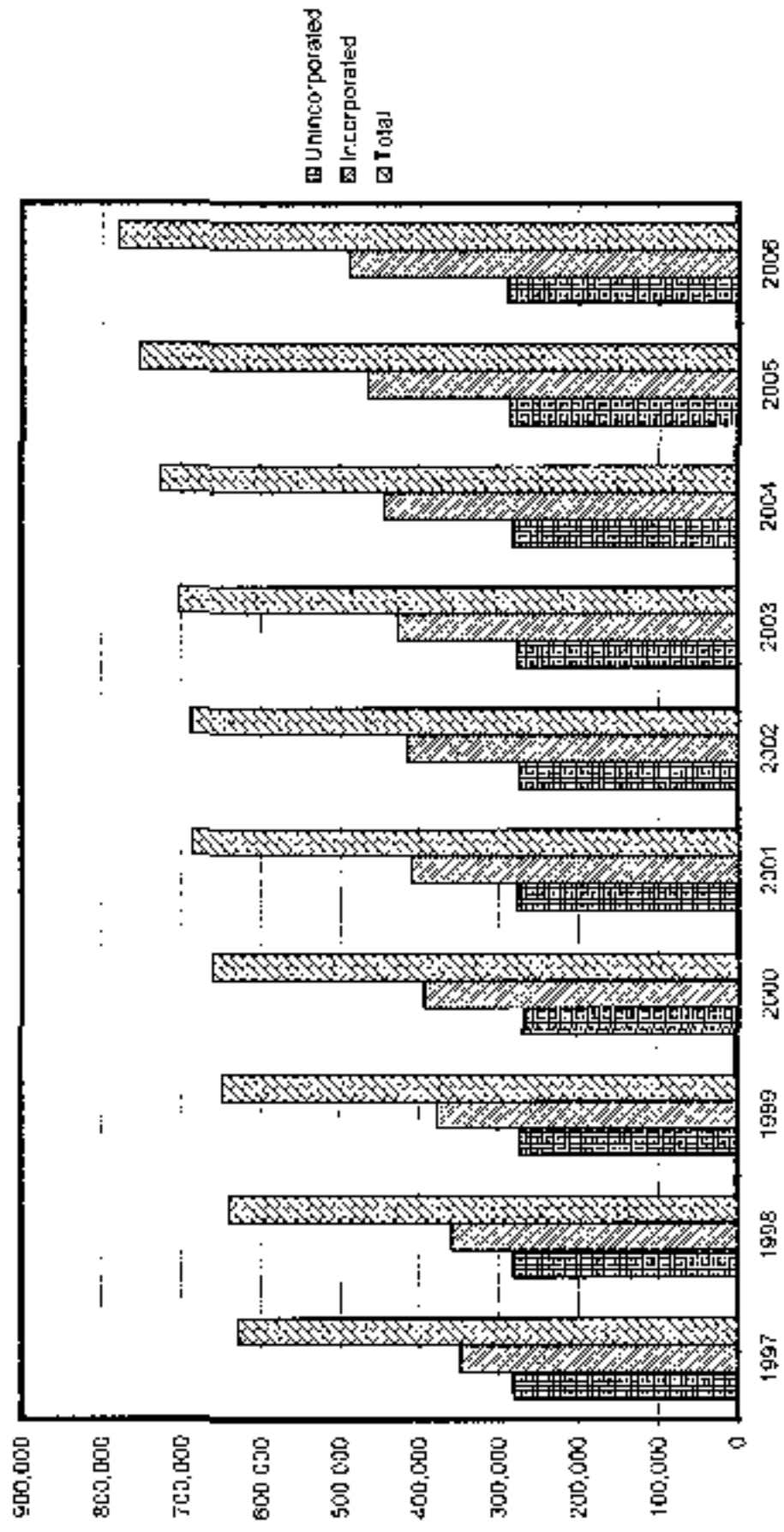
Kern Motorist Aid Authority



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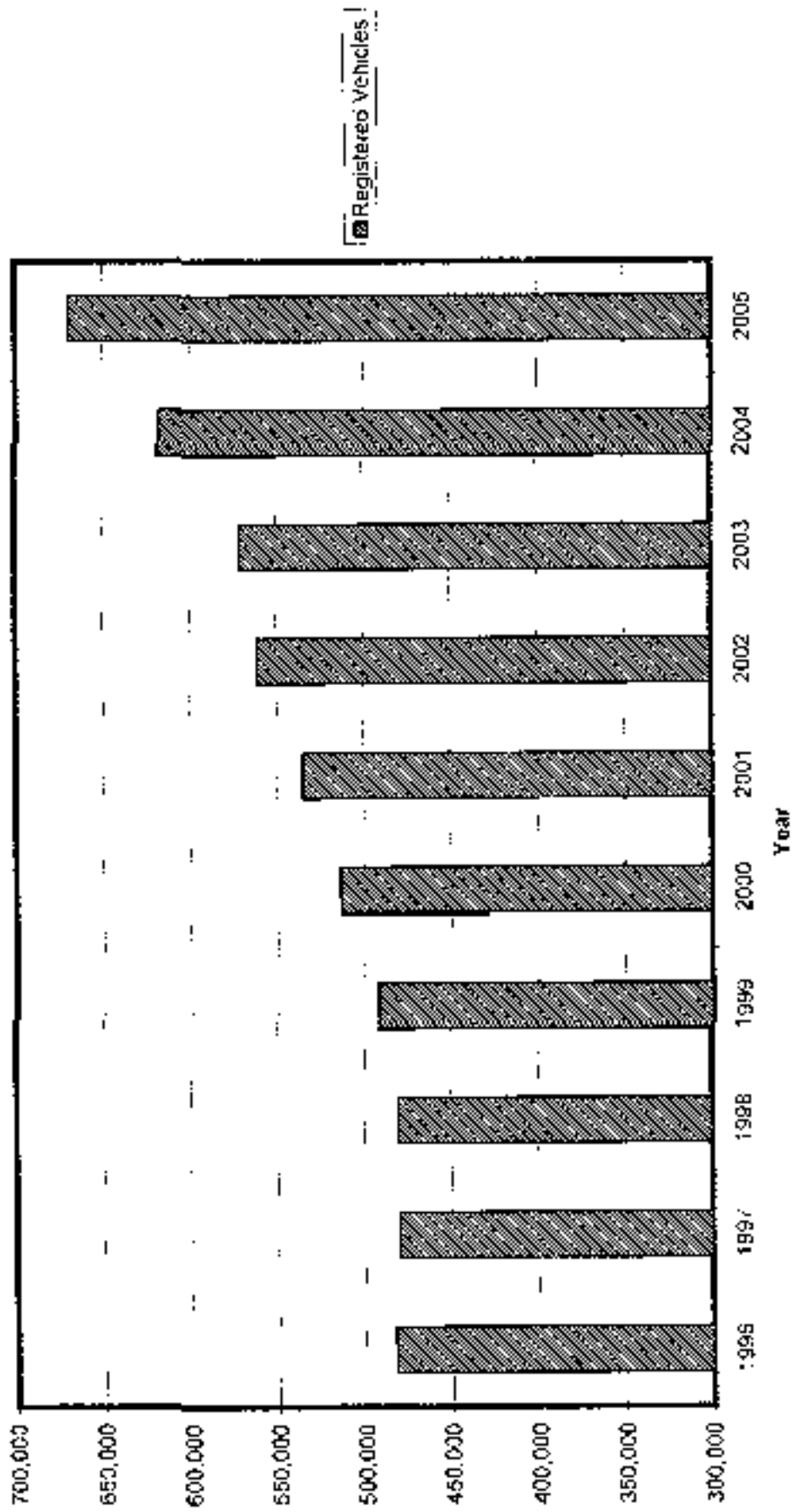


Kern Council of Governments Population



Source: U.S. Census Bureau & Calif. Dept. of Finance

Kern Motorist Aid Authority Registered Vehicles



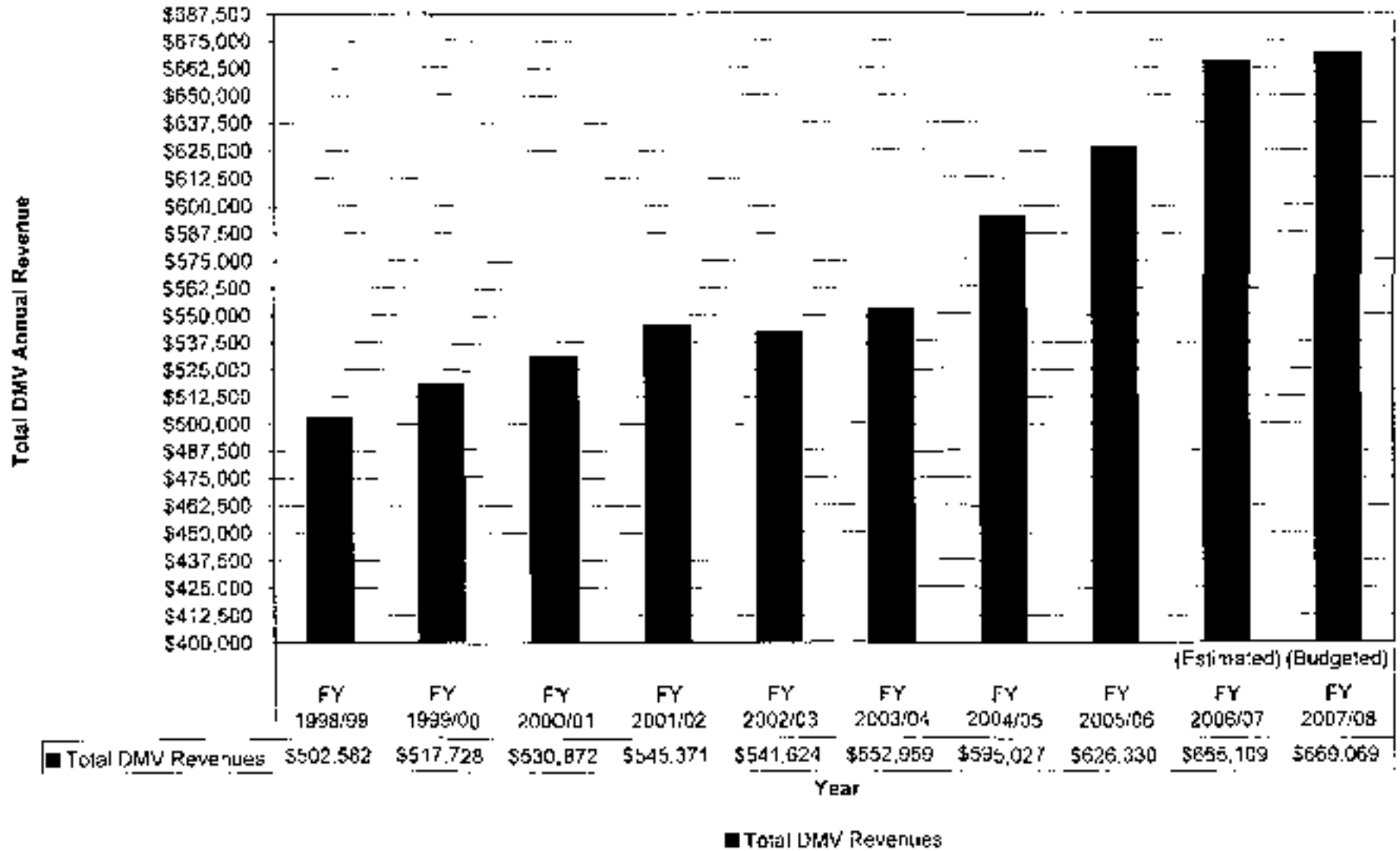
REVENUES

Kern Motorist Aid Authority

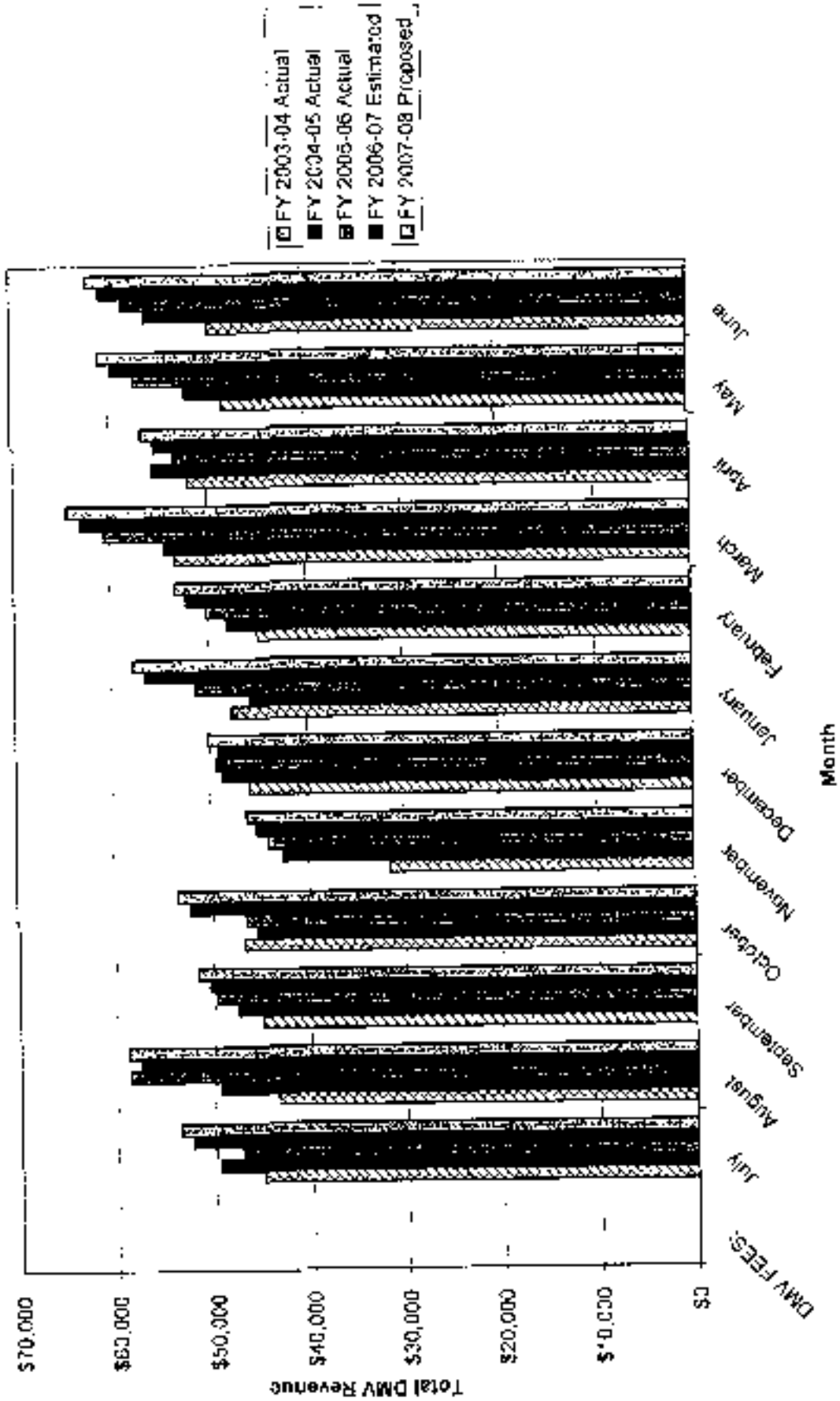
FY 2007-08 Budget Worksheet
 SCHEDULE OF MONTHLY REVENUE

Description/Month	FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Estimated	FY 2007-08 Proposed
DMV FEES.					
July	\$45,065	\$49,549	\$47,159	\$62,280	\$53,493
August	\$43,443	\$49,278	\$58,683	\$57,427	\$58,759
September	\$44,934	\$47,505	\$49,688	\$50,399	\$51,568
October	\$46,769	\$45,438	\$46,645	\$52,387	\$53,802
November	\$31,364	\$42,654	\$44,086	\$45,229	\$46,278
December	\$45,976	\$48,754	\$49,304	\$49,113	\$50,252
January	\$47,677	\$45,761	\$51,266	\$56,412	\$57,721
February	\$44,936	\$48,138	\$50,187	\$52,142	\$53,352
March	\$53,220	\$54,473	\$60,545	\$62,967	\$64,428
April	\$51,881	\$55,573	\$53,274	\$55,405	\$56,680
May	\$48,171	\$51,895	\$57,204	\$59,492	\$60,872
June	\$49,503	\$56,009	\$58,309	\$60,641	\$62,048
TOTAL DMV FEES	\$552,959	\$595,027	\$626,330	\$653,894	\$669,069
INTEREST.					
July	(\$803)	\$0	\$0	\$0	\$0
August	\$0	\$0	\$0	\$0	\$0
September	\$0	\$0	\$0	\$0	\$0
October	\$7,579	\$0	\$15,372	\$28,206	\$22,480
November	\$0	\$8,312	\$0	\$0	\$0
December	\$0	\$0	\$0	\$0	\$0
January	\$6,901	\$9,139	\$17,605	\$29,337	\$23,382
February	\$0	\$0	\$0	\$0	\$0
March	\$0	\$0	\$0	\$0	\$0
April	\$6,546	\$11,533	\$20,585	\$30,510	\$24,317
May	\$0	\$0	\$0	\$0	\$0
June	\$6,538	\$13,851	\$23,758	\$31,731	\$25,290
TOTAL INTEREST	\$26,761	\$42,835	\$77,320	\$119,784	\$85,472
OTHER.					
July	\$3,759	\$0	\$0	\$0	\$0
August	\$0	\$0	\$0	\$0	\$0
September	\$0	\$0	\$0	\$0	\$0
October	\$0	\$0	\$0	\$0	\$0
November	\$0	\$0	\$0	\$0	\$0
December	\$3,719	\$0	\$0	\$0	\$0
January	\$0	\$0	\$0	\$0	\$0
February	\$0	\$0	\$0	\$0	\$0
March	\$3,558	\$0	\$0	\$0	\$0
April	\$0	\$0	\$0	\$0	\$0
May	\$0	\$0	\$0	\$0	\$0
June	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER	\$11,034	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$590,754	\$637,862	\$703,650	\$773,679	\$764,541
PROOF	\$590,754	\$637,862	\$697,889	\$725,804	\$764,541

Kern Motorist Aid Authority



Kern Motorist Aid Authority



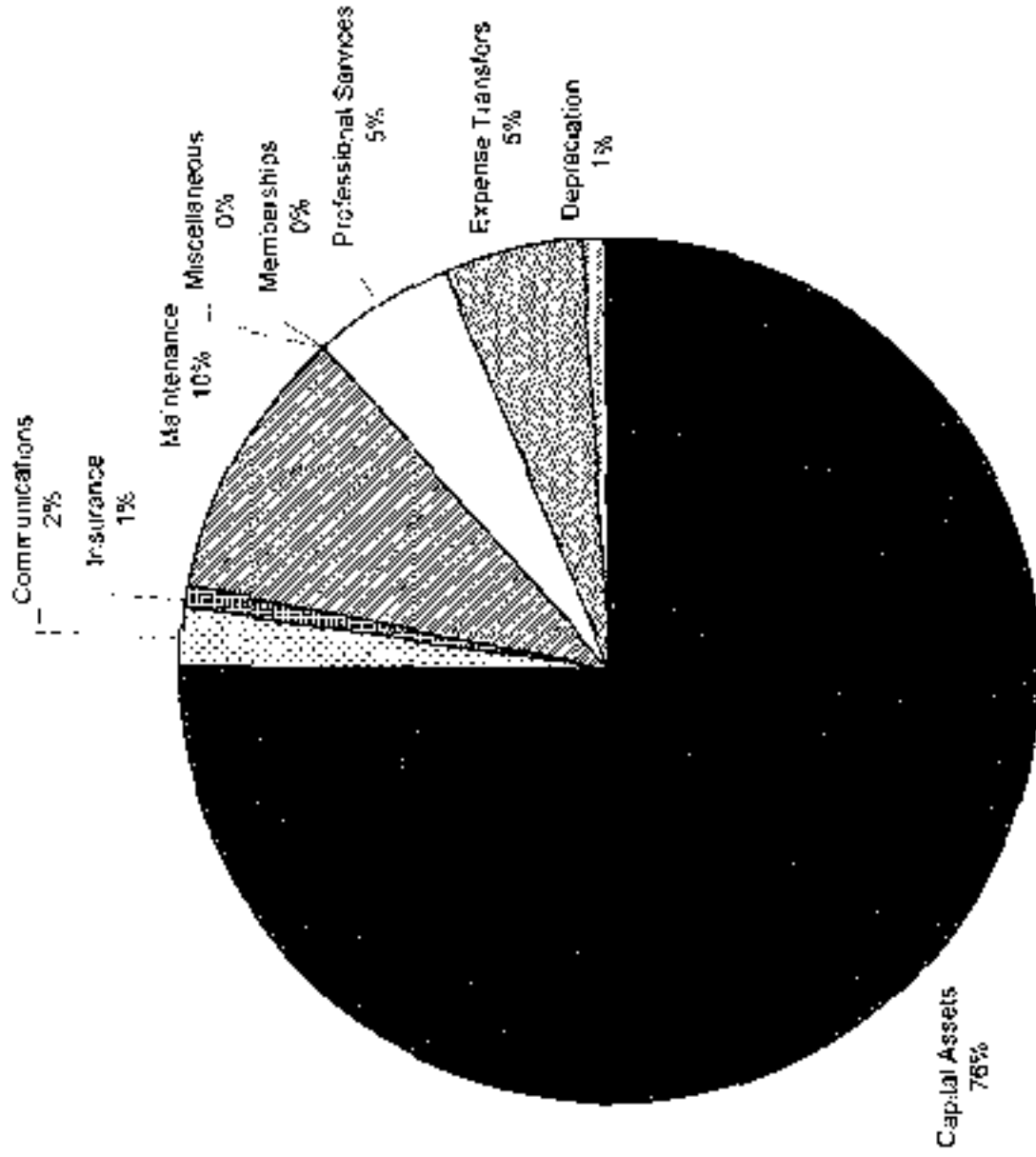
EXPENSES

**Kern Memorial Aid Authority
COMPARATIVE FINANCIAL PLAN**

(Revised May 4, 2007)

Description	FY 2004-05	FY 2005-06	FY 2004-05	FY 2005-06	FY 2005-07	FY 2007-08
	Actual	Actual	Actual	Actual	Estimated	Proposed
BEGETATING FUND EQUITY	\$1,008,132	\$1,175,914	\$1,074,208	\$2,062,620	\$2,413,717	\$2,734,174
Contributed Capital (Assets)	\$92,186	\$94,171	\$45,838	\$23,506	\$10,031	\$0
APPROPRIATION FOR CONTINGENCIES						
Reserved for Asset Replacement	\$675,000	\$675,200	\$600,000	\$200,000	\$220,000	\$270,000
Reserved for ADA Compliance	\$100,000	\$100,200	\$150,000	\$0	\$0	\$0
Reserved for General Purposes	\$120,000	\$100,200	\$150,000	\$150,000	\$150,000	\$150,000
FUND EQUITY AVAILABLE	\$1,985,344	\$2,070,443	\$1,924,172	\$1,799,324	\$2,650,488	\$2,984,174
REVENUES						
Vehicle Registration Fees	\$341,874	\$522,553	\$703,134	\$274,512	\$635,452	\$660,000
Interest	\$45,324	\$20,761	\$42,875	\$72,314	\$68,314	\$65,472
Other	\$4,042	\$11,034	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$391,240	\$554,348	\$746,009	\$346,826	\$703,766	\$725,472
APPROPRIATIONS FOR EXPENSES						
Communications						
A T & T Service	\$473	\$211	\$604	\$758	\$771	\$884
Verizon	\$1,767	\$1,006	\$1,184	\$0	\$294	\$200
Media, Beh/SRC	\$657	\$381	\$438	\$395	\$247	\$142
A T & T	\$53,607	\$48,724	\$49,371	\$43,208	\$46,661	\$45,547
Communications - Subtotal	\$56,504	\$50,322	\$51,437	\$51,221	\$48,963	\$47,547
Insurance						
Comprehensive General Liability	\$15,632	\$18,227	\$18,374	\$18,008	\$19,324	\$20,079
Public Officials Liability	\$0	\$0	\$0	\$0	\$0	\$0
Insurance - Subtotal	\$15,632	\$18,227	\$18,374	\$18,008	\$19,324	\$20,079
Maintenance/Equipment						
Construction/Protective & Preservation	\$139,025	\$121,022	\$141,827	\$121,101	\$124,429	\$130,000
GTE/Repair	\$18,274	\$30,418	\$72,917	\$48,223	\$61,178	\$75,000
Inventory Project	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance/Equipment - Subtotal	\$215,379	\$151,441	\$214,744	\$169,324	\$185,607	\$205,000
Materials/Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Memberships						
TMS Associates	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services						
California Highway Patrol/Bike Dispatch	\$79,461	\$67,396	\$89,127	\$71,522	\$70,751	\$80,000
California Highway Patrol/Bike/Bike Dispatch	\$170	\$227	\$0	\$0	\$0	\$0
County of Kern/Canyon Cal. Hoses	\$5,000	\$0	\$5,000	\$5,000	\$5,000	\$5,000
California Dam Safety Administration	\$5,809	\$240	\$0	\$0	\$0	\$10,000
California Dam Safety Administration	\$0	\$0	\$0	\$0	\$0	\$1,000
California DMV Committee	\$0	\$0	\$0	\$0	\$0	\$10,000
Marketing Consultants	\$0	\$0	\$0	\$0	\$0	\$0
ADA Compliance Assessment Contract	\$0	\$0	\$0	\$0	\$0	\$0
KMAA Strategic Plan Update	\$0	\$0	\$0	\$0	\$0	\$5,000
KMAA Project	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services - Subtotal	\$90,440	\$68,663	\$94,127	\$76,522	\$75,751	\$115,000
Expense Transfers						
Program Operations	\$12,137	\$1,000	\$2,405	\$981	\$1,221	\$18,182
Administration	\$40,072	\$41,881	\$48,946	\$41,495	\$43,075	\$41,920
Ogden Research Project	\$0	\$0	\$0	\$0	\$22,500	\$0
Traffic Court Program	\$0	\$0	\$0	\$0	\$20,000	\$20,000
Expense Transfers - Subtotal	\$52,209	\$42,881	\$51,351	\$42,476	\$66,806	\$79,102
Depreciation						
Equipment	\$37,217	\$29,015	\$1,514	\$12,320	\$1,409	\$27,700
Capital Assets						
City/Cal Boxes	\$0	\$0	\$0	\$0	\$0	\$1,610,000
TOTAL APPROPRIATIONS	\$461,455	\$292,180	\$420,247	\$311,054	\$421,143	\$2,196,643
OPERATING SURPLUS/DEFICIT	\$119,454	\$198,564	\$215,422	\$220,687	\$170,623	\$1,431,000
Adjustments to Fund Balance for Fund Assets	\$0	\$0	\$0	\$0	\$0	\$1,650,000
ENDING UNRESERVED FUND EQUITY	\$1,865,890	\$1,872,284	\$1,708,950	\$1,479,317	\$1,774,138	\$2,435,174

Kern Motorist Aid Authority--FY 2007/08 APPROPRIATIONS



KERN MOTORIST AID AUTHORITY - ANNUAL EXPENSES

