

**AGENDA:** October 5, 2006

**TO:** Regional Transportation Commission/Service Authority for Freeway Emergencies  
**FROM:** Grace Blakeslee, Transportation Planner  
**RE:** SAFE Funds Loan to the Freeway Service Patrol Program for Cash Flow Purposes

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## **RECOMMENDATIONS**

Staff recommends that the Regional Transportation Commission (RTC) authorize the Executive Director to approve short term loans of SAFE Funds to the Freeway Service Patrol (FSP) Program.

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## **BACKGROUND**

In partnership with the Metropolitan Transportation Commission (MTC) SAFE, the California Highway Patrol (CHP) and Caltrans, the Santa Cruz County Regional Transportation Commission Safety Authority of Freeway Emergencies (SCCRTC SAFE) administers, implements and funds the Santa Cruz County FSP Program. This program consists of tow trucks patrolling Highways 1 and 17. The FSP Program is funded by a combination of State FSP, State Transportation Improvement Program (STIP) and SAFE funds.

## **DISCUSSION**

The FSP Program is frequently presented with cash flow constraints in the Fall due to the gap between the allocation and receipt of State funds. The FSP Program is an ongoing program and services are invoiced on a monthly basis. The lump sum of State FSP funds is usually available in November. STIP allocations are usually available in the October/November timeframe. STIP funds for FSP are available on a reimbursement basis. The delay in the receipt of the grant funding for the fiscal year for which it is programmed can result in cash flow issues for payment of FSP invoices.

**Staff recommends that the RTC approve a resolution (Attachment 1) authorizing the Executive Director to approve short term interest free loans of SAFE Funds to the FSP Program to address cash flow issues as needed and within the annual budgeted amounts.**

Payment of FSP services is an eligible use of SAFE funds. The short term loan is to be repaid upon receipt of FSP grant funds.

## **SUMMARY**

The Santa Cruz County FSP Program is an ongoing program that invoices for services on a monthly basis. A delay in the receipt of grant funding for the program in the year in which it is programmed can present cash flow issues. Staff recommends that the RTC authorize the Executive Director to approve short term loans from the SAFE Program to the FSP Program to address cash flow issues as needed.