



COLORADO
Department of Transportation

Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION
FROM: SCOTT RICHRATH, CHIEF FINANCIAL OFFICER (CFO); MARIA SOBOTA, BUDGET DIRECTOR
DATE: NOVEMBER 19, 2014
SUBJECT: FY2016 ANNUAL BUDGET

Purpose

This memorandum summarizes line item changes to the FY2016 Draft Annual Budget information to be discussed during the budget workshop, including:

- Administrative (Appropriated) Budget
- Common Policy update for anticipated salary increases
- Transportation Commission Contingency

Action

This month the Transportation Commission (TC) is being asked to review final non-substantive changes to the FY2016 Draft Annual Budget and to adopt the budget prior to the submission to the Office of State Budget and Planning (OSPB) and Joint Budget Committee (JBC).

Background & Details

The TC annually adopts the CDOT and Enterprises' draft budgets each fall before adoption of the final budgets each spring. Last month, the TC reviewed final FY2016 revenue estimates, the preliminary FY2016 Draft Annual Budget, and the FY2016 Budget Narrative. The TC was informed that a final version of the FY2016 Draft Annual Budget would be brought back for adoption in November with minimal adjustments. The FY2016 Draft Annual Budget and resolution for adoption are included in the packet for TC review. As discussed during the October TC meeting, there were no material changes made to the Budget Narrative. As a result, the slightly modified version of the Budget Narrative that will accompany the Draft Annual Budget for OSPB and JBC approval is not included in the November packet.

Last month, the TC reviewed a version of the FY2016 Draft Annual Budget that included comparisons to the TC approved FY2015 budget allocations. This month, the Draft Annual Budget is shown in the format required by OSPB and the JBC for approval. The two primary columns are titled FY16 Allocations and FY16 Budget. In addition, minor formatting adjustments have been made. The line items are now numbered for ease of reference. The shading for flexible (TC directed) and inflexible funds has been updated. In addition, two footnotes have been added. One footnote references a Safety Education funding source. The second new footnote mentions the cause of the TC Contingency Fund funding level reduction versus prior years.

The FY2016 Draft Annual Budget is balanced. The TC is being asked to adopt the Draft Annual Budget with budget changes made subsequent to the version included in the October packet. Small changes have been made to the Administrative (Appropriated), Common Policy Anticipated Salary Increase, and TC Contingency line items within the budget.



The Administrative (Appropriated) Budget - Line Number 60 has been reduced from \$30,007,435 to \$28,812,139. As an executive department, CDOT builds its Administration line of the budget in conjunction with OSPB. This process involves making incremental changes through common policies and decision items to the current year base budget. Previously, the Office of Financial Management and Budget (OFMB) within the Division of Accounting and Finance (DAF) estimated an Administration line item request of approximately \$30.0 million. As OFMB received the final common policy numbers from OSPB, it became clear that our Administration appropriation would be less than the FY2015 appropriation. The updated Administration line is reflected in the final version of the Draft Budget. Since CDOT funds its Administration Line with State Highway Fund dollars, any money not appropriated to the Administration line is reverted to the Construction, Maintenance & Operations Line of the budget. The balance is included in the TC Contingency - Line Number 95.

The FY2016 Common Policy Anticipated Salary Increase - Line Number 61 was reduced by \$1,002,864 to reflect current estimates of a 1% COLA and 1% Merit increase in FY2016. This update was provided to the Department after the TC packet was submitted last month. The balance was moved to the TC Contingency - Line Item 95. The TC Contingency budget was increased from \$0 to \$2,198,160 as a result of the changes to the Administrative (Appropriated) Budget and the Common Policy Anticipated Salary Increase line items.

There were no further changes made to the FY2016 Draft Budget.

Key Benefits

N/A

Options and Recommendations

1. Adopt the FY2016 Draft Annual Budget by resolution (see Attachment B). (Staff Recommendation)
2. Request additional changes to FY2016 Draft Annual Budget for review and adoption during the TC Meeting on November 20, 2015.
3. Do not approve FY2016 Draft Annual Budget.

Next Steps - FY2016 Budget Updates and TC Adoption

On or before December 15, 2014, DAF will submit the FY2016 Draft Annual Budget to OSPB and the JBC for approval.

In Fiscal Quarter 4 2015, the High Performance Transportation Enterprise Board and Bridge Enterprise Board will respectively adopt more detailed annual budgets. For the FY2016-2017 budget the intent will be to align review and approval timelines for all transportation budgets.

In March 2015, DAF will:

- Update the FY2016 Budget to include new revenue estimates and Common Policy and Legislative decisions including Capital Development Committee funding, if any.
- Provide an updated FY2016 Budget to the TC for final adoption.

In April 2015, upon adoption of the FY2016 Budget by the TC, the Department will resubmit the Budget to the Governor for approval on or before the 15th of the month.

Attachments

Attachment A - FY2016 Draft Annual Budget

Attachment B - FY2016 Draft Annual Budget Resolution



**Colorado Department of Transportation
Fiscal Year 2016 Proposed Budget 11/20/14**

Attachment A

	Budget Category	Program Area	Directed by	FY16 Allocations	FY16 Budget	Funding Source
	Maintain - Maintaining What We Have					
		CDOT Performed Work				
1		Roadway Surface	TC	39,075,453	39,075,453	SH
2		Roadside Facilities	TC	20,162,777	20,162,777	SH
3		Roadside Appearance	TC	7,805,488	7,805,488	SH
4		Structure Maintenance	TC	8,556,025	8,556,025	SH
5		Tunnel Activities	TC	6,908,508	6,908,508	SH
6		Snow and Ice Control	TC	73,350,077	73,350,077	SH
7		Traffic Services /1	TC	67,707,695	67,707,695	SH
8		Planning and Scheduling	TC	14,870,563	14,870,563	SH
9		Material, Equipment and Buildings	TC	15,963,414	15,963,414	SH
10				254,400,000	254,400,000	
11		Contracted Out Work				
12		Surface Treatment	TC	149,500,000	122,731,164	FHWA/ SH/ 09-108
13		Structures On-System Construction /1	TC	22,300,000	18,307,057	09-108
14		Structures Inspection and Management /1	TC	8,400,000	6,895,932	09-108
15		Geohazards Mitigation /1	TC	5,100,000	4,186,816	09-108
16		Highway Safety Investment Program	FR	29,154,151	23,933,932	FHWA / SH
17		Railway-Highway Crossings Program	FR	3,150,245	2,586,175	FHWA / SH
18		Hot Spots	TC	2,167,154	1,779,113	FHWA / SH
19		Traffic Signals	TC	1,472,823	1,209,106	FHWA / SH
20		FASTER - Safety Projects	TC	56,300,000	46,219,161	09-108
21		Maintain-Related Indirects/Overhead /2		-	30,616,236	
22		Maintain-Related CDOT Construction Engineering /2		-	19,079,683	
23				277,544,373	277,544,373	
24		Capital Expenditure				
25		Road Equipment	TC	11,500,000	11,500,000	SH
26		Capitalized Operating Equipment	TC	3,448,525	3,448,525	SH
27		Property	TC	1,011,722	1,011,722	SH
28				15,960,247	15,960,247	
29			Total:	547,904,620	547,904,620	
30	Maximize - Safely Making the Most of What We Have					
31		CDOT Performed Work				
32		TSM&O: Performance Programs and Services	TC	6,107,619	6,107,619	SH
33		TSM&O Traffic Incident Management	TC	-	-	SH
34		TSM&O: ITS Maintenance	TC	14,400,000	14,400,000	SH
35				20,507,619	20,507,619	
36		Contracted Out Work				
37		Safety Education /3	Comb	11,090,000	9,104,272	NHTSA / SSE
38		TSM&O: Congestion Relief	TC	4,000,000	3,283,777	FHWA / SH
39		Regional Priority Program	TC	50,000,000	41,047,212	FHWA / SH
40		Maximize-Related Indirect/Overhead /2		-	7,180,152	
41		Maximize-Related CDOT Construction Engineering /2		-	4,474,587	
42				65,090,000	65,090,000	
43		Capital Expenditure				
44		TSM&O: ITS Investments	TC	10,000,000	10,000,000	SH
45				10,000,000	10,000,000	
46			Total:	95,597,619	95,597,619	
47	Expand - Increasing Capacity					
48		CDOT Performed Work				
49				-	-	
50		Contracted Out Work				
51		Strategic Transportation Investment Project Program	SL	92,340,000	75,805,991	09-228
52		Expand-Related Indirect /2		-	10,186,131	
53		Expand-Related CDOT Construction Engineering /2		-	6,347,878	
54				92,340,000	92,340,000	
55			Total:	92,340,000	92,340,000	
56	Deliver - Program Delivery/Administration					
57		Operations [including maintenance support]	TC	31,123,151	31,123,151	SH
58		Administrative Compliance	TC	1,855,000	1,855,000	FHWA / SH
59		DTD Planning and Research - SPR	FR	12,711,092	12,711,092	FHWA / SH
60		Administration (Appropriated)	SL	28,812,139	28,812,139	SH
61		FY2016 Common Policy Anticipated Salary Increase		2,005,647	2,005,647	
62			Total:	76,507,029	76,507,029	
63	Pass-Through Funds/Multi-modal Grants					
64		Aeronautics				
65		Division of Aeronautics to Airports	AB	38,500,000	38,500,000	SA
66		Division of Aeronautics Administration	AB	900,000	900,000	SA
67				39,400,000	39,400,000	
68		Highway				
69		Recreational Trails	FR	1,591,652	1,591,652	FHWA
70		Transportation Alternatives Program	FR	12,045,642	12,045,642	FHWA / LOC
71		STP-Metro	FR	46,972,177	46,972,177	FHWA / LOC
72		Congestion Mitigation/Air Quality	FR	45,539,598	45,539,598	FHWA / LOC
73		Metropolitan Planning	FR	7,829,342	7,829,342	FHWA / FTA / LOC
74		Bridge Off-System - TC Directed	TC	3,164,139	3,164,139	FHWA / SH / LOC
75		Bridge Off-System - Federal Program	FR	6,285,272	6,285,272	FHWA / SH / LOC
76				123,427,822	123,427,822	
77		Transit				
78		Federal Transit	FR	29,236,280	29,236,280	FTA / LOC
79		Strategic Projects -Transit	SL	10,260,000	10,260,000	09-228
80		Transit and Rail Local Grants	SL	5,000,000	5,000,000	09-108
81		Transit and Rail Statewide Grants	SL	5,800,000	5,800,000	09-108
82		Regional Commuter Bus	TC	3,000,000	3,000,000	09-108
83		Transit Administration and Operations	SL	1,200,000	1,200,000	FTA / 09-108
84				54,496,280	54,496,280	
85		Infrastructure Bank				
86		Infrastructure Bank	TC	500,000	500,000	SIB
87			Total:	217,824,102	217,824,102	
88	Transportation Commission Contingency / Debt Service					
89		Permanent Recovery				
90		Permanent Recovery		87,000,000	71,422,149	FHWA
91		Recovery-Related Indirect/Overhead /2		-	9,597,069	
92		Recovery-Related CDOT Construction Engineering /2		-	5,980,782	
93				87,000,000	87,000,000	
94		Contingency				
95		TC Contingency	TC	2,198,160	2,198,160	FHWA / SH
96		Snow & Ice Reserve	TC	10,000,000	10,000,000	SH
97				12,198,160	12,198,160	
98		Debt Service				
99		Strategic Projects - Debt Service	DS	167,840,075	167,840,075	FHWA / SH
100		Certificates of Participation-Property		2,362,200	2,362,200	SH
101		Certificates of Participation-Energy	DS	1,041,850	1,041,850	SH
102				171,244,125	171,244,125	
103			Total:	270,442,285	270,442,285	
				1,300,615,655	1,300,615,655	
			Revenue	1,300,615,655	1,300,615,655	

Notes:

/1 FASTER Safety funds were substituted for flexible funds in appropriate Asset Management Programs. Resulting available flexible funds were then added to Regional Priority Program.

/2 Budget excludes RAMP projects; CE and Indirects are calculated based on total programs as shown.

/3 This amount includes NHTSA - required State match.

TC Contingency (Line 95) - Contingency Fund Budget reduced due to lower flexible revenue estimates and higher Delphi funding.

Key to acronyms:

LOC=Local Matching Funds
SIB=St. Infrastructure Bank Interest
TC=Transportation Commission
Shaded Areas=Flexible

DS=Debt Service Covenants
AB=Aeronautics Board
FR=Federal Requirements
Non-Shaded Areas=InFlexible

SH=State Highway funding
FHWA=Federal Highway Administration
FTA=Federal Transit Administration

SL=State Legislation
Comb=Combination
SSE=State Safety Education

09-228=Funds from HB 09-228
09-108=Funds from HB 09-108 (FASTER)
NHTSA=Nat. Hwy. Traffic Safety Administration

**State Bridge Enterprise
Fiscal Year 2016 Proposed Budget 11/20/14**

	Budget Category	Program Area	Directed by	FY16 Allocations	FY16 Budget	Funding Source
	Maintain - Maintaining What We Have					
1		CDOT Performed Work				
2		Maintenance	BEB	250,000	250,000	09-108
3		Scoping Pools	BEB	750,000	750,000	09-108
4				1,000,000	1,000,000	
5		Contracted Out Work				
6		Bridge Enterprise Projects	BEB	102,954,096	84,519,572	09-108
7		Maintain-Related Indirects/Overhead /2		-	11,356,984	
8		Maintain-Related CDOT Construction Engineering /2		-	7,077,540	
9				102,954,096	102,954,096	
			Total	103,954,096	103,954,096	
10	Maximize - Safely Making the Most of What We Have					
11		CDOT Performed Work				
12		Contracted Out Work				
13			Total	-	-	
14	Expand - Increasing Capacity					
15		CDOT Performed Work				
16		Contracted Out Work				
17			Total	-	-	
18	Deliver - Program Delivery/Administration					
19		Administration & Legal Fees		1,911,904	1,911,904	09-108
20			Total:	1,911,904	1,911,904	
21	Pass-Through Funds/Multi-modal Grants					
22		Highway				
23			Total:	-	-	
24	Transportation Commission Contingency / Debt Service					
25		Contingency				
26		Bridge Enterprise - Contingency	BEB	-	-	09-108
27				-	-	
28		Debt Service				
29		Bridge Enterprise - Debt Service	DS	18,234,000	18,234,000	FHWA / SH
30				18,234,000	18,234,000	
31			Total:	18,234,000	18,234,000	
				124,100,000	124,100,000	
			Revenue	124,100,000	124,100,000	

/2 Budget excludes RAMP projects; CE and indirects are calculated based on total programs as shown.

Key to acronyms:

BEB= Bridge Enterprise Board Shaded Areas=Flexible
DS= Debt Service Covenants Non-Shaded Areas=InFlexible

**High Performance Transportation Enterprise
Fiscal Year 2016 Proposed Budget 11/20/14**

	Budget Category	Program Area	Directed by	FY16 Allocations	FY16 Budget	Funding Source
	Maintain - Maintaining What We Have					
1		CDOT Performed Work				
2		Contracted Out Work				
3			Total	-	-	
4	Maximize - Safely Making the Most of What We Have					
5		CDOT Performed Work				
6		Contracted Out Work				
7			Total	-	-	
8	Expand - Increasing Capacity					
9		CDOT Performed Work				
10		High Performance Transportation Enterprise--Maintenance	HPTEB	-	-	
11				-	-	
12		Contracted Out Work				
13		High Performance Transportation Enterprise--Projects	HPTEB	575,000	472,043	Tolls
14		Expand-Related Indirect /2		-	63,429	
15		Expand-Related CDOT Construction Engineering /2		-	39,528	
16				575,000	575,000	Tolls
17			Total	575,000	575,000	
18	Deliver - Program Delivery/Administration					
19		High Performance Transportation Enterprise--Administration & Legal Fees		1,375,000	1,375,000	
20			Total:	1,375,000	1,375,000	
21	Pass-Through Funds/Multi-modal Grants					
22		Highway				
23			Total:	-	-	
24	Transportation Commission Contingency / Debt Service					
25		Contingency				
26		Debt Service		625,000	625,000	
27			Total:	625,000	625,000	
				2,575,000	2,575,000	
			Revenue	2,575,000	2,575,000	

/2 Budget excludes RAMP projects; CE and indirects are calculated based on total programs as shown.

Key to acronyms:

HPTEB=High Performance Transportation Enterprise Board
Shaded Areas=Flexible
Non-Shaded Areas=InFlexible

Total Consolidated Allocations	1,427,290,655	1,427,290,655
Total Consolidated Revenue	1,427,290,655	1,427,290,655

Attachment B

Resolution # TC-

RESOLUTION FOR THE FY 2015-2016 BUDGET

WHEREAS, in accordance with § 43-1-113 (2), C.R.S. the Transportation Commission of Colorado is required to formally approve and submit a proposed budget allocation plan for the moneys subject to its jurisdiction for the fiscal year beginning on July 1, 2015 to the Joint Budget Committee, the House Transportation Committee, the Senate Transportation Committee and the Governor on or before December 15, 2014 for their review and comment; and

WHEREAS, the Delphi workgroup—a group comprised of the Executive Director and other members of Senior Management, Regional Transportation Directors, Asset Managers and staff from the Division of Transportation Development and the Office of Financial Management and Budget as well as the Regions—met on January 30, 2014 and came to consensus on a recommendation to the Asset Management Committee of the Commission for the Fiscal Year 2015-2016 budget and RAMP program (sized at \$150 Million annually) for all asset management programs; and

WHEREAS, the chart below shows the baseline Fiscal Year 2015-2016 budget recommendations and the recommended FY 2015-2016 RAMP program allocations for each asset.

(In Millions)	FY16 Delphi Baseline Budget	FY16 Budget Recommendation to TC	Delphi RAMP \$150M Average	FY16 Budget Total With RAMP
Surface Treatment	\$149.5	\$149.5	\$86.4	\$235.9
Bridge, BE & Bridge Fixed Costs	\$140.3	\$140.3	\$23.8	\$164.1
MLOS	\$254.4	\$254.4	\$0.0	\$254.4
Road Equipment	\$11.5	\$11.5	\$6.9	\$18.4
ITS Investments	\$10.0	\$10.0	\$11.4	\$21.4
Geohazard Mitigation	\$5.1	\$5.1	\$4.1	\$9.2
Buildings	\$1.0	\$1.0	\$11.9	\$12.9
Tunnels	\$2.5	\$2.5	\$2.7	\$5.2
Culverts	\$3.6	\$3.6	\$4.6	\$8.2
Walls	\$0.0	\$0.0	\$2.4	\$2.4
Traffic Signals	\$1.5	\$1.5	\$4.2	\$5.7
Total	\$579.4	\$579.4	\$158.4	\$737.8

WHEREAS, under Policy Directive 703.0, those Asset Management programs with Transportation Commission approved metrics shall rely on statewide asset management models to develop their projects lists and those without approved metrics shall provide project lists to the Transportation Commission; and

WHEREAS, the Delphi presentation by the Tunnel Program included a baseline request for \$2.5 Million and RAMP request of \$2.7 Million. Proposed projects for these funds are as follows:

- \$0.3 Million for Fire System
- \$0.4 Million for a Transformer
- \$0.1 Million for Fire Control Panel Upgrade
- \$0.1 Million for Fan Monitoring Relays
- \$0.1 Million for Digital Voice Upgrade
- \$0.3 Million for Tunnel Control Servers
- \$0.1 Million for Control Room Upgrade
- \$1.6 Million for Upgrade Cameras
- \$0.3 Million for Fiber Optic Design
- \$1.9 Million for Inspection Program

WHEREAS, the Delphi presentation by the Geohazard Mitigation Program included a baseline request for \$5.1 Million and RAMP request of \$4.1 Million. Proposed projects for these funds are as follows:

- \$5.5 Million for Corridor Risk Reduction Projects
- \$1.4 Million for High Risk Site Outside Corridor Projects
- \$2.3 Million for Geohazard Management

NOW THEREFORE BE IT RESOLVED, that the Colorado Department of Transportation's FY 2015-2016 budget allocation plan for the period beginning July 1, 2015, including \$579.4 Million allocated to Asset Management Programs as indicated above, and approved by the Transportation Commission and forwarded to the Joint Budget Committee, the House Transportation and Energy Committee, the Senate Transportation Committee and the Governor on or before December 15, 2014.

BE IT FURTHER RESOLVED, that the Colorado Transportation Commission accepts staff recommendations for funding RAMP Asset Management in FY 2015-2016 with modifications outlined in this resolution and with the understanding that staff will implement the projects and spirit and intent of the plans as presented to the Transportation Asset Management Committee or shall return to that Committee for approval of revision to those projects or plans.

Transportation Commission Secretary

Date



COLORADO
Department of Transportation

Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION
FROM: SCOTT RICHRATH, CHIEF FINANCIAL OFFICER (CFO); MARIA SOBOTA, BUDGET DIRECTOR
DATE: NOVEMBER 19, 2014
SUBJECT: FY2014 - FY2015 BUDGET RECONCILIATION AND RE-DISTRIBUTION

Purpose

This memorandum provides the Transportation Commission (TC) with a list of incremental regional and department wide project funding requests proposed to consume a portion of the TC Contingency Reserve Fund (TCCRF) balance. The Department will also ask to create an \$8.0 million Statewide Project Supplemental Fund in anticipation of future project cost escalation for several large projects.

Action

This month the TC is being asked to:

- Approve a list of current fiscal year funding requests to consume a portion of the TCCRF balance.
- Approve the establishment of an \$8.0 million Statewide Project Supplemental Fund.

Background & Details

Over the period of the last three months, Department staff has reviewed the FY2014 - FY2015 reconciliation items and re-distribution amounts with the Transportation Commission. Including all final adjustments and approved October supplement items, the current TCCRF balance is \$107,769,286. Based on current estimates for federal reimbursements on emergency projects, future months' ordinary supplement requests, forecasted state match of emergency relief and permanent recovery projects, and HPTE Lease Purchase costs as previously approved by the TC, the estimated remaining balance next June 30 is \$85,102,619.

Last month, the TC informally concurred to set the FY2015 year-end TCCRF target balance at \$40.0 million. The TC asked Department staff to recommend a list of funding requests to support statewide transportation needs and department spending goals. As requested, during October, Department staff reviewed several funding scenarios evaluating multiple projects, operations needs, and various known liabilities. This month, Department staff is providing the TC with a recommendation of one-time FY2015 funding priorities from among a broad list of requests. Staff has considered criteria including (1) readiness to spend, (2) spending track record, (3) leverage of other funds, and other criteria in making the recommendation.

The TCCRF Reconciliation (Staff Recommendation) table below reflects estimated remaining balance details and the prioritized requests resulting from the senior management team review of multiple funding scenarios.



Each Transportation Region, Maintenance, Operations, and Headquarters organizations were given the opportunity to submit high priority funding requests. The staff recommendation includes items from several regions, operations, and headquarters. Last month, the TC approved a FY2014 Maintenance cost center roll forward request totaling \$5.0 million. The additional budget will fund current year priorities. As such, Maintenance did not submit new requests for consideration.

Table A

Transportation Commission Contingency Fund Reconciliation (Staff Recommendation) – November, 2014		
Funded:	FY2015	Notes
October, 2014 Balance	\$ 107,769,286	
HPTE Purchase / Lease	(5,000,000)	Approved by TC in September, 2014
Federal Reimbursement of US24 & other anticipated inflows	4,000,000	Low end projection
TCCRF Supplement Requests (8 months)	(16,666,667)	Remaining 8 months
State Match for Emergency Relief/Permanent Recovery in Region 4	(5,000,000)	Low end projection
Estimated Remaining Balance	\$ 85,102,619	
Staff Recommendation (To Fund):		
Region 2 Baptist Road Loan Pay-off or Alternative TC-Directed Reduction of CDOT Liability	(13,362,000)	Pays liability in full
Region 5 US 160 Durango to Bayfield	(7,000,000)	Ready Spring 2015
Region 1 I-25 Ramp Meters	(5,000,000)	Adds 26 ramp meter locations
Region 3 Winter Operations	(4,740,619)	Additional Fleet; Courtesy Patrol
ITS Branch – Operations Decision Support System Expansion	(3,000,000)	Completed by December 2015
Region 1 WB Floyd Hill to Empire	(2,000,000)	
Division of Administrative Services – Workforce of the Future	(2,000,000)	
Statewide Project Supplemental Fund – TCCRF Sub-Account	(8,000,000)	Criteria; Staff and TC Approval Thresholds
Target Contingency Balance – June, 2015	\$ 40,000,000	

Staff Recommendation (To Fund):

- Baptist Road Loan Pay-off or Alternative TC-Directed Reduction of CDOT Liability - Results in immediate expenditure of \$13.3 million, relieves six-year old unsatisfied debt, reduces sales tax rate in Town of Monument, provides additional funds for PPRTA, and fosters goodwill with El Paso County Commissioners and Monument residents. However, new construction projects may be higher priority in the region.
- US 160: Durango to Bayfield - Addresses safety issues and will be ready to spend in Spring, 2015. Project is too large to realistically fund with regional funds. (SB-228 project)
- I-25 Ramp Meter - Adds 26 new ramp meter locations on I-25 between 14th and Plum Creek Parkway. New ramp meters will increase system control on the most unreliable freeway in Colorado (I-25) from 31% to 57%. Ramp metering has a demonstrated benefit /cost ratio of up to 15:1.
- Winter Operations - Funds up to 21 Tandem trucks fully equipped for winter operations; vendors have confirmed capacity to deliver equipment by July 1, 2015 if order is placed by the end of the quarter.
- ITS Branch - Expands system currently implemented in the I-70 Mountain Corridor that automates operational decision making in real-time including work zone, mobile asset, traffic incident, emergency and special event_management, plus video analytics for incident detection.
- Workforce of the Future - Matches department wide skill sets with core competencies required to adapt to new technologies in the transportation industry.
- Region 1 WB Floyd Hill to Empire - Facilitates planning next steps in the development of the west bound tunnel expansion including formalizing design speed decisions, performing a visioning session, and advertising for a consultant design competition.



In an effort to continuously provide the funding required to drive department wide goals and consume available resources, Department staff also recommends that the TC consider the creation of a separate Statewide Project Supplemental Fund, as a sub-account of the TCCRF, of \$8.0 million. As you will recall, a \$10.0 million Transition Fund was previously approved by the TC with established criteria and approval thresholds consistent with Policy Directive (PD) 703.0. The Statewide Project Supplemental Fund eligibility criteria closely resemble the Transition Fund constraints. However, additional rules were added to encourage regions to advance projects for design of a small number of shelf projects identified within the four-year program. Also, criteria was added to support innovative and results driven projects (see Attachment A). In the spirit of intent of Policy Directive 703.0, the TC will be asked to approve TCCRF Statewide Project Supplemental Fund requests exceeding \$1.0 million. However, Department staff will inform the TC of all approved funding requests through the monthly budget supplement process.

Other Considerations (Not Funded):

- I-25 Climbing Lanes
- I-70 Viaduct
- ILEX
- Cimmaron
- PPSL
- Other RAMP cost increases
- R4 Greeley Building
- Ops - 511 / Gov Delivery Update
- US-85 Railroad Lease Expiration
- R3 Vail Underpass

Rationale for accepting and rejecting each of the proposed projects can be discussed during the workshop.

Key Benefits

A decision by the TC to achieve a lower TCCRF year-end balance will enable the Department to fund more construction projects and reduce known liabilities. The implementation of a Statewide Project Supplemental Fund will provide Department staff the flexibility and agility to provide additional funding to a few priority projects within the parameters in PD-703.0, essentially allowing the TC to retain the right to budget to those projects as they demonstrate need and ability to spend cash.

Options and Recommendations

1. Approve the list of projects at the amount outlined in Table A through the November monthly budget supplement process and approve an \$8.0 million Statewide Project Supplemental Fund and established thresholds set forth by Resolution (see Attachment B). (Staff Recommendation)
2. Approve a discrete project list comprised of an alternative combination of projects outlined in Table A through the November monthly budget supplement process that may or may not include an \$8.0 million Statewide Project Supplemental Fund with established thresholds set forth by Resolution (see Attachment B).
3. Deny Staff Recommendation and request additional information to be brought back to the TC in December, 2014.

Next Steps

After TC approval is secured, funding will be made available to selected high priority department wide projects. The TCCRF balance will continue to be monitored and year-end projections will be provided to the TC each month. If further consideration is required for future consumption of TCCRF funds beyond normal budget supplement activity, Department staff will bring forth a recommendation in a future month.

Attachments

- Attachment A - Statewide Project Supplemental Fund
- Attachment B - TC Project Supplemental Fund Resolution



Statewide Project Supplemental Fund

Attachment A

Organization Initiating Request:

Decision Item Title: Request project budget be supplemented by the Statewide Project Supplemental Fund.

Project:

STIP:

Funding	Current Budget	Requested Amount	Total
Right of Way			
Utilities			
Design			
Environmental			
Miscellaneous			
Construction			
Other			
Total \$			

Summary of the Request:

Two of the following signatures are required:

Executive Director Signature: _____ Date _____

Deputy Director Signature: _____ Date _____

Chief Engineer Signature: _____ Date _____

Chief Financial Officer Signature: _____ Date _____

Pursuant to the Transportation Commission Resolution #TC-xxx adopted on November 20, 2014 allowing for the allocation of funding to projects, I hereby authorize transfer of these funds from the Statewide Project Supplemental Fund for the subject project.

Statewide Project Supplemental Fund

Attachment A

Suggested criteria for utilizing the Statewide Project Supplemental Fund, a sub-account of the Transportation Commission Contingency Reserve Fund.

The request must meet all of the following:

- The project is of statewide significance.
- The project cannot seek these funds from the Transition Fund.
- The project is already on an approved project list, has identified its primary source of funding, and requires additional or supplemental funding to make award due to insufficient funding levels. The funding source is not to be used for scope increases, but rather for one of the following:
 - Supplementing the budget to advertise the project when the engineer's estimate comes in over budget,
 - Supplementing the budget to award when bids come in over the budget,
 - Supplementing the budget to fund a change order for unforeseen, conditions related to the original work (not valid for scope increases),
 - Supplementing the budget to close a project out.
- Following the spirit of Policy Directive 703.0, requests of \$1,000,000 or more must obtain approval by the Transportation Commission. Requests of less than \$1,000,000 require two of the following three signatures: Executive Director, Chief Engineer, and Chief Financial Officer. Staff-approved requests less than \$1,000,000 would be reported to the Transportation Commission at the subsequent monthly meeting as a budget supplement informational item.
- The maximum request is \$2.5 million. Requests greater than \$2.5 million should seek other funding sources to reduce their Supplemental Fund request below \$2.5 million.
- Any project savings from projects with Statewide Project Supplemental Fund first revert back to the Statewide Project Supplemental Fund.

Resolution Number:

Approving the creation and implementation of an \$8 million Statewide Project Supplemental Fund

Approved by the Transportation Commission on November 20, 2014

WHEREAS, pursuant to § 43-1-106(8)(h), C.R.S., the Colorado Transportation Commission (“Commission”) is charged with promulgating and adopting all Department budgets; and

WHEREAS, the Transportation Commission Contingency Reserve Fund (“TCCRF”) was established to provide the Commission with discretionary funding; and

WHEREAS, the Program Management Governance Committee has recommended qualifications pertaining to the usage of the proposed Statewide Project Supplemental Fund and those qualifications were presented to the Transportation Commission on November 19, 2014; and

WHEREAS, the Commission intends that Policy Directive 703.0 will help define the requisite approval levels for the proposed Statewide Project Supplemental Fund, requiring Transportation Commission approval for requests of \$1 million or more; and

NOW THEREFORE BE IT RESOLVED, the Commission authorizes a sub-account of its Transportation Commission Contingency Reserve Fund in the amount of \$8 million from the balance of the TCCRF for the implementation of the Statewide Project Supplemental Fund.

Herman Stockinger, Secretary
Transportation Commission of Colorado

Date