

Resolution – HPTE #193

Approving and Adopting a Third Supplement to the Fiscal Year 2015-16 HPTE Budgets for Fund 536 and Fund 537

WHEREAS the General Assembly of the State of Colorado created the Colorado High Performance Transportation Enterprise (“HPTE”) as a government-owned business within the Colorado Department of Transportation (“CDOT”); and

WHEREAS Section 43-4-806(3)(a), C.R.S. created the Statewide Transportation Enterprise Special Revenue Fund in the state treasury (“Fund 536”) for the purpose of, *inter alia*, depositing user fee revenues received by the HPTE, and further provided for the establishment of separate accounts in connection with specific surface transportation infrastructure projects; and

WHEREAS Section 43-4-806(4), C.R.S., separately created the Statewide Transportation Enterprise Operating Fund (“Fund 537”) for the HPTE; and

WHEREAS pursuant to Section 43-4-806(6)(l), C.R.S., the HPTE Board of Directors previously adopted annual budgets for fiscal year 2015-2016 for Fund 536 and Fund 537; and

WHEREAS the need has now arisen to amend the budgets for fiscal year 2015-2016 for Fund 536 and Fund 537 to authorize the expenditure of additional moneys not anticipated at the time of adoption of the budgets, to be funded out of such revenue sources as identified in this Second Supplement.

NOW THEREFORE BE IT RESOLVED that the amended fiscal year 2015-2016 budgets set forth in this Second Supplement for Fund 536 and Fund 537, attached hereto as **Exhibit A** and **Exhibit B** respectively, are hereby approved and adopted by the HPTE Board of Directors.

Signed as of February 17, 2016

Kari V. Grant
Secretary, HPTE Board

Exhibit A to HPTE Resolution #193
Amended (Third Supplement) FY 2015-16 Fund 536 Budget

Final Fiscal Year 2016 Budget			
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536			
Expenses by Corridor	Estimated FY16 Available Budget	Previously Approved Budget September 2015	Revised FY16 Expenses
US 36 Managed Lanes (Cost Center T8620-536)			
Fiscal Year 2016 Revenue			
Transponder Revenue	\$ 450,000		
Express Lanes Advertising Reimbursement from Plenary	\$ 70,000		
Interest Earnings	\$ 200,000		
Annual Concessionaire Management Fee	\$ 401,413		
Operations and Maintenance Reserve Reimbursement	\$ 630,000		
Total US 36 FY16 Available Revenue	\$ 1,751,413		
Additional Budget Adjustments			
Carry Forward of Funds for FY2015-16	\$ 2,166,899		
Revenue Reconciliation Adjustment FY2015-16	\$ 677,913		
Additional Budget for FY2016	\$ 2,844,812		
Total US36 FY2016 Available Budget	\$ 4,596,225		
Fiscal Year 2016 Expenses			
HPTE Staff Costs			\$ (25,000)
CDOT Staff Costs		\$ (15,000)	\$ (15,000)
Legal Services		\$ (158,650)	\$ (317,300)
Project Oversight		\$ (401,413)	\$ (441,413)
Miscellaneous Fees		\$ (31,500)	\$ (31,500)
Annual Audit		\$ (5,100)	\$ (5,100)
Attorney General Fees		\$ (30,000)	\$ (30,000)
Transponder Processing		\$ (15,000)	eliminated
TIFIA Fees		\$ (12,500)	\$ (12,500)
TIFIA Phase 1 Principal Payment		\$ (762,384)	\$ (762,384)
Tolling Services Agreement- General Reimbursable Costs		\$ (50,000)	\$ (248,000)
Total US 36 FY16 Estimated Expenses			\$ (1,888,197)
US36 Remaining Balance			\$ 2,708,028
I-25 North Managed Lanes (Cost Center T8630-536)			
Fiscal Year 2016 Funds			
Total I-25 N FY16 Available Funds			
Fiscal Year 2016 Expenses			
Total I-25 N FY16 Estimated Expenses			
I-25 N Remaining Balance			
I-70 West PPSL Lanes (Cost Center T8640-536)			
Fiscal Year 2016 Funds			
Toll Revenue	\$ 370,000		
Loan Funds	\$ 689,750		
Total I-70 W PPSL FY16 Available Funds	\$ 1,059,750		
Fiscal Year 2016 Expenses			
Toll Processing			\$ (150,000)
PPSL Loan Interest Payment			\$ (689,750)
Total I-70 W PPSL FY16 Estimated Expenses			\$ (839,750)
I-70 W PPSL Remaining Balance			\$ 220,000
Total Fund 536 FY16 Budget \$ 5,655,975			
Total Fund 536 FY16 Expenses \$ (2,727,947)			
Remaining Unbudgeted Funds \$ 2,928,028			

Exhibit B to HPTE Resolution #193

Amended (Third Supplement) FY 2015-16 Fund 537 Budget

Final Fiscal Year 2016 Budget			
Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537			
Operations Expenses	Estimated FY16 Available Budget	Previously Approved Budget September 2015	Revised FY16 Expenses
Fiscal Year 2016 Revenue			
Interest Earnings	\$ 8,800		
Fee for Consulting Services	\$ 2,000,000		
Total FY2016 Operating Revenue	\$ 2,008,800		
Additional Budget Adjustments			
Carry Forward FY 2015-16	\$ 702,161		
Revenue Reconciliation Adjustment FY2015-16	\$ 14,671		
Total FY2016 Additional Budget	\$ 716,832		
Total FY2016 Available Budget	\$ 2,725,632		
Fiscal Year 2016 Expenses			
Administrative Cost Center (T8700-537)			
HPTE Staff Costs		\$ (400,000)	\$ (450,000)
CDOT Staff COST		\$ (100,000)	\$ (100,000)
P3 Advisor		\$ (250,000)	\$ (250,000)
Legal Services		\$ (158,650)	moved Fund 536
Transparency, Outreach and Communications Support		\$ (120,000)	\$ (154,000)
Community and Public Affairs Support		\$ (60,000)	\$ (60,000)
Program Management		\$ (200,000)	\$ (226,520)
Attorney General Services		\$ (75,000)	\$ (75,000)
Annual Audit		\$ (5,100)	\$ (5,100)
Board Expenses		\$ (5,000)	\$ (18,400)
Conferences, Memberships and Subscriptions		\$ (8,800)	\$ (8,800)
Administrative Expenses		\$ (10,500)	\$ (10,500)
Repayment of Transportation Commission Loan		\$ (750,852)	eliminated
Aconex Document Management System		\$ (225,000)	\$ (225,000)
Accounting Services		\$ (50,000)	\$ (50,000)
TIFIA consulting for C-470			\$ (400,000)
TIFIA Loan Processing Fees		\$ (100,000)	\$ (100,000)
Credit Ratings Services		\$ (255,000)	\$ (255,000)
Local Travel		\$ (500)	\$ (500)
Staff Training		\$ -	\$ (30,000)
Miscellaneous			\$ (25,000)
Out of State Travel Cost Center (T8710-537)			
Out-of-State Travel Expenses		\$ (19,800)	\$ (15,000)
Total FY2016 Operating Budget	\$ 2,725,632		
Total FY2016 Operating Expenses			\$ (2,458,820)
Total Fund 537 FY16 Budget	\$ 2,725,632		
Total Fund 537 FY16 Expenses	\$ (2,458,820)		
Remaining Unbudgeted Funds	\$ 266,812		



MEMORANDUM

TO: HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD OF DIRECTORS
FROM: PIPER FRODE, ENTERPRISES BUDGET ANALYST
DATE: FEBRUARY 17, 2016
SUBJECT: PROPOSED AMENDMENTS TO THE FY 2015-16 BUDGETS FOR FUND 536 AND FUND 537

Purpose

This memo provides information to the High Performance Transportation Enterprise (HPTE) Board of Directors regarding proposed changes to the FY 2015-16 budgets for Fund 536 and Fund 537.

Action

The Board is asked to review the proposed amendments to the FY 2015-16 budget for Fund 536 and Fund 537 and pass Resolution #193 approving the Third Budget Supplement of FY 2015-16.

Background

The proposed budget amendments are a result of efforts to accommodate additional operating needs within current budgetary constraints as well as capture new corridors coming online. These changes are intended to complement the overarching discussion regarding the program growth HPTE is experiencing and the budgetary solutions that HPTE staff is pursuing to accommodate those changes.

Details

Given the number of changes in Fund 536, staff has included an extra column titled "Previously Approved Budget September 2015" to provide a point of comparison to the proposed changes that are bolded and shown in the "Revised FY16 Expenses" column bolded in Attachment A. Changes reflected in Fund 536 are as follows:

US 36 Managed Lane Cost Center

- Addition of FY 2014-15 revenue reconciliation adjustment in the amount of \$677,913. This is due to additional revenue that was collected from interest income, sale of transponders, an increase in the concessionaire management fee and a payment from Plenary Roads Denver for the US 36 marketing campaign in the prior fiscal year.
- A \$25,000 line item for HPTE staff costs has been added. Year to date, HPTE staff has spent \$12,700 worth of time on work related to US 36 and these costs have been re-allocated from Fund 537. Based on time spent so far, it is projected that staff will spend an equal amount of time in the remaining half of the fiscal year working on this corridor.
- The Project Oversight Line has increased by \$40,000 for additional US 36 monitoring.
- The Legal Services line item has been increased to \$317,300 in 536. This is due to the re-allocation of expenses from Fund 537.
- The \$15,000 line item for Transponder Processing has been eliminated
- The Tolling Services Agreement-General Reimbursable Costs line item has been increased to align with actual and projected expenditures related to the cost of processing transponder orders.

I-25 North Managed Lane Cost Center

- When the commercial loan for Segment 3 has closed, staff will return with an amended budget that reflects the final loan amount and the uses of those funds.
- Once staff has a more accurate estimate of what HPTE's operation and maintenance obligations will be for Segment 2, staff will return with an amended budget.
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I-70 West Peak Period Shoulder Lanes Cost Center

- Now that the shoulder lane is open, line items for projected toll revenue and toll processing costs have been added.
- Once staff has a more accurate estimate of what HPTE's operation and maintenance obligations will be, staff will return with an amended budget.

Given the number of changes in Fund 537, staff has included an extra column titled “Previously Approved Budget September 2015” to provide a point of comparison to the proposed changes that are bolded and shown in the “Revised FY16 Expenses” column bolded in Attachment B. Changes reflected in Fund 537 are as follows:

- Addition of FY 2014-15 revenue reconciliation adjustment in the amount of \$14,671. This is due to an increase in the actual amount of interest income received in the prior fiscal year.
- The budget line item for HPTE Staff Costs have increased based on actual expenditures to-date and projected staff compensation expenses through the end of the fiscal year. Of the total projected staff expenses, \$25,000 has been re-allocated to Fund 536.
- The Legal Services line item for \$158,650 has re-allocated to Fund 536.
- Transparency, Outreach and Communications Support has increased by \$34,000 to support the development of an interactive toll calculator and strategic communications.
- The Program Management line has been increased by \$26,520
- The Board Expenses line has increased to support expenses related to the upcoming Board retreat.
- The Transportation Commission (TC) Loan repayment line item for \$750,852 has been eliminated.
- A line item for legal consulting services related to C-470 TIFIA loan has been added in the amount of \$400,000
- A Staff Training line has been added to comply with one of the US 36 audit findings.
- The Miscellaneous line item has been increased to \$25,000
- Out of State travel has been reduced to \$15,000 based on a revised out-of-state travel plan.

These proposed changes to both Fund 536 and Fund 537 will allow staff to accommodate program growth HPTE is experiencing and relieve budgetary pressure. Staff continues to work on finding budget savings by identifying and liquidating existing HPTE purchase orders (POs) and other items related to the procurement of services that were expired and/or where all work had already been completed and billed.

As discussed in January during the HPTE-CDOT relationship presentation, HPTE has asked for flexibility in determining how it will be repaying its TC debt in the current and subsequent fiscal years. Staff will be working closely with CDOT to find a sustainable way to meet its obligations and will report back to the Board on the path forward.

Options and Recommendations

Staff recommends that the Board agree with the proposed budget changes and pass Resolution #193 approving the Third Budget Supplement of FY 2016-17.

Next Steps

Staff will be working on establishing budget policies and continue work with CDOT to examine the fee-for-service model for Fiscal Year 2016-17

Attachments:

Attachment A: Amended HPTE FY 2015-16 Fund 536 Budget

Attachment B: Amended HPTE FY 2015-16 Fund 537 Budget

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