



**MEMORANDUM**

**TO:** TRANSPORTATION COMMISSION  
**FROM:** MARIA SOBOTA, CHIEF FINANCIAL OFFICER (CFO)  
**DATE:** AUGUST 20, 2015  
**SUBJECT:** FY2014-15 COST CENTER ROLL FORWARD REQUESTS

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**Purpose**

This memorandum allows the Transportation Commission (TC) to review requests to roll FY2014-15 cost center balances into FY2015-16.

**Action**

The TC is being requested to approve a \$3.64 million roll forward for Maintenance Levels of Service (MLOS). All other items are informational.

**Background & Details**

In accordance with Policy Directive PD 703.0, all requests to roll forward ending cost center balances from the previous to the current fiscal year in amounts less than \$1.0 million are subject to approval by Executive Management. Two signatures are required for approval. Also, according to PD 703.0, roll forward requests of \$1.0 million or greater require approval by the TC. These requests must be reviewed by the CFO and Executive Management, who will decide whether to recommend approval before submitting requests to the TC for consideration in their monthly meeting.

**\$3.6 Million Roll Forward for the Division of Highway Maintenance**

At the close of each fiscal year, unspent MLOS funds become available to be repurposed. The Division of Highway Maintenance requests that \$3.64 million of the remaining balance of FY2014-15 MLOS funds be rolled forward to fund six specific projects. These projects will serve to advance several crucial Division of Highway Maintenance objectives (see Attachment A for list of prioritized projects). All projects will be completed over the next nine months.

**Staff Approved Roll Forwards**

According to PD 703.0, roll forward requests that are less than \$1.0 million can be approved by two Executive Management signatures. Attachment B lists FY2014-15 to FY2015-16 roll forward requests that have been approved by Executive Management, totaling \$3.0 million. These roll forwards will allow 9 CDOT offices to further advance their program goals into FY2015-16.

**Automatic Roll Forwards**

According to statutory, regulatory, or Departmental guidelines, a number of roll forwards are automatically enacted each fiscal year, including from FY2014-15 (see Attachment C). The total estimated amount of these automatic roll forwards into FY2015-16 is \$60.5 million.



**Key Benefits**

Approval of the \$3.64 million roll forward will allow MLOS projects with positive cost-benefit ratios to make the Department more efficient, increase safety, and further increase compliance with regulations. Staff-approved and automatic roll forwards allow Departmental operations to continue uninterrupted while minimizing budget considerations.

**Options and Recommendations**

1. Approve \$3.64 million roll forward request for Maintenance -- **STAFF RECOMMENDATION.**
2. Ask for more information on the prioritized projects for the \$3.64 million roll forward.

**Next Steps**

With TC approval, the Office of Financial Management and Budget will enact the \$3.64 million roll forward request from Maintenance.

**Attachments**

- A: MLOS Priority Projects
- B: Staff Approved Roll Forwards
- C: Automatic Roll Forwards



Attachment A: MLOS Priority Projects

Project	Priority	Justification of Requests	Consequences if not Funded	Estimated Budget
SAP Software GEOe and Work Manager	1	The additional SAP Modules will allow CDOT to fully integrate GIS Data with Financial Data in SAP. The Work Manager module allows Maintenance Work Orders to be performed on a tablet in CDOT Vehicles.	Lack of funding has prohibited these advancements from going forward. Funding this project from operations will pull \$1,500,000 from the maintenance operations in the Regions.	1,000,000
NHI Maintenance Leadership Academy	2	Colorado is the fourth state to host this academy. The academy is focused on developing maintenance management practices.	Lack of funding for this new program will pull the funds for operations, as CDOT is committed to hosting the academy.	80,000
US36 Concessionaire Payment	3	This payment is above the contract amount of \$690,000. The Contractor has requested an inflation adjusted payment of an additional \$80,000.	The additional payment will impact the Region 1 Maintenance budget and cause critical operational programs to be left unfunded.	80,000
Bulk Tank Card Lock System	4	Technology Summit and regulatory compliance. The highest risk for fuel theft is our 64 bulk fuel tanks throughout the state. These tanks are regulated, but controls measures have not been automated	These capital improvements at our facilities are necessary to provide the same fuel controls processes to be used on both the heavy and light fleet.	1,500,000
I-70 JOA Hotel Costs	5	The increase staffing requirements for the I-70 Mountain Corridor create shortfall in the ability to fill vacant positions along the corridor. To backfill the vacant positions, crews are mobilized from around the state to fill the need. CDOT has blocked 20 rooms to house employees on the I-70 corridor from November to May.	The cost of housing these employees is to be paid by Region 3. As this is a statewide priority, funding to support the program will help Regions continue to supply resources. Lack of funding will cause Regions to loose support for the program, as funding will continue to be pulled from operations.	600,000
Automatic Vehicle Location (AVL) for Heavy Fleet	6	This important program will allow CDOT to efficiently locate vehicles throughout the state. These funds will continue rolling out AVL in regions 2, 3 and 5.	Without these roll forward funds, the implementation of AVL will be delayed.	380,000
<b>Total</b>				<b>3,640,000</b>



**Attachment B: FY2015-16 Staff Approved Roll Forwards**

<b>Office</b>	<b>Total Requested</b>	<b>Staff Note</b>
Division of Transportation Development: \$544,487	\$544,487	
Program Management Office: \$959,811	\$959,811	Of the total, #761,571 is a request for additional indirect spending authority
Office of Transportation Safety: \$1,016,289	\$326,613	
Office of Major Project Development: 874,706	\$874,706	This request is for additional indirect spending authority
Region 1: \$18,000	\$18,000	
Region 2 Maintenance: \$62,515	\$62,515	
Region 3: \$4,096	\$4,096	
Region 4: \$16,000	\$16,000	
Region 5 Maintenance: \$230,000	\$230,000	
<b>Total</b>	<b>\$3,036,228</b>	



**Attachment C: Automatic Roll Forwards**

Program	Cost Centers	Roll Forward Criteria	Justification	Project or Operating Expense	Responsible Party	FY15 Estimated Roll Forward
Bridge Enterprise (BE)	B8800-538, B88AD-538, B88MS-538, B88SP-538	All fund balances	Statutory	Both	BE Board/OFMB	6,059,988
High Performance Transportation Enterprise (HPTE)	T8620-536, T8630-536, T8640-536, T8650-536, T8700-537	All fund balances	Statutory	Both	HPTE Board/OFMB	4,905,416
FASTER Transit	D9620-010, D9635-010, D9636-010, D9637-010, D9638-010	All fund balances	Statutory	Operating	DTR	4,970,796
Aeronautics	V0090-020, VDG15-033, V0091-020, V009J-020, V0095-032, V009A-033, V009D-033, V009E-033, V009F-033, V009N-033, V009R-033, V009T-033, V009W-033, V009X-033, V009Z-033, VDGPC-033	All fund balances	Statutory	Both	Aero Board	27,215,666
Motorcycle Operator Safety Training (MOST)	ST890-309, ST892-309, ST895-308	All fund balances	Statutory	Both	Office of Transportation Safety	486,355
Law Enforcement Assistance Fund (LEAF)	ST880-307, ST882-307, ST885-304	All fund balances	Statutory	Both	Office of Transportation Safety	868,233
Heavy Road Equipment	S0247-010, S0270-010	All fund balances	2009 CFO Memo	Capital Purchases	Maintenance Division	9,556,947
Property Pool	SM265-010, S0014-010	All fund balances	2009 CFO Memo	Capital projects	DAS--Property Manager	22
Intelligent Transportation Systems (ITS)	OI440-010	All fund balances	2009 CFO Memo	Both	TSM&O--ITS Branch	6,145,054
Non-road, non-computer (other) equipment.	E0249-010, R1001-010, R2001-010, R3001-010, R4001-010, R5001-010	Only fund balances associated with encumbrances	Previous Budget Director Memo	Capital Purchases	Project Support & Region RTDs	18,816
Transportation Engineering Training Program (TETP)	S0193-010	All fund balances	2009 CFO Memo	Operating	Office of Employee Development	320,517
<b>Total</b>						<b>60,547,810</b>



**Transportation Commission of Colorado  
August 20, 2015**

**Resolution Number TC-XXXX**

**WHEREAS**, the Transportation Commission has oversight of the Colorado Department of Transportation annual budget, including roll forward requests; and

**WHEREAS**, offices of the Colorado Department of Transportation can make requests to roll forward budget resources from a prior fiscal year to a current fiscal year; and

**WHEREAS**, the Division of Highway Maintenance has applied to the Office of Financial Management and Budget to roll forward \$3,640,000 of FY2014-15 funds to FY2015-16 for specific prioritized projects; and

**WHEREAS**, these projects have positive cost-benefit ratios that will make the Department more efficient, increase public safety, and further increase compliance with regulations; and

**WHEREAS**, Policy Directive 703.0, approved in May 2015 by the Transportation Commission, allows only the Transportation Commission to approve roll forward requests above \$1.0 million; and

**WHEREAS**, Department Executive Management must approve roll forward requests greater than \$1.0 million before they are presented to the Transportation Commission; and

**WHEREAS**, The Office of Financial Management and Budget, based on approval of Executive Management, has requested the Transportation Commission approve the \$3,640,000 roll forward request from the Division of Highway Maintenance.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission, in accordance with Policy Directive 703.0, authorizes the Office of Financial Management and Budget to roll forward \$3,640,000 from FY2014-15 to FY2015-16 for projects managed by the Division of Highway Maintenance.