



COLORADO

Department of Transportation

Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION
FROM: MARIA SOBOTA, CHIEF FINANCIAL OFFICER (CFO)
DATE: AUGUST 18, 2016
SUBJECT: FY 2015-16 COST CENTER ROLL FORWARD REQUESTS

Purpose

This memorandum provides an opportunity for the Transportation Commission (TC) to review and approve the required FY 2015-16 cost center roll forward requests according to PD 703.0.

Action

The TC is being asked to approve a \$2.63 million roll forward for Maintenance Levels of Service (MLOS). All other items are informational. Approved FY 2015-16 roll forward requests will be rolled into FY 2016-17 cost center balances.

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.

Preliminary cost center reconciliations show that current FY 2015-16 cost center balances are unspent and available to roll forward. FY 2015-16's Period 13 closes on August 22. Therefore, the Division of Accounting and Finance (DAF) will provide a final reconciliation to the TC in September. All remaining unspent funds will be rolled into the Transportation Commission Contingency Reserve Fund (TCCRF).

\$2.63 Million Roll Forward for the Division of Highway Maintenance from MLOS

At the close of each fiscal year, unspent MLOS funds become available to be repurposed. The Division of Highway Maintenance requests that \$2.63 million of the remaining balance of FY 2015-16 MLOS funds be rolled forward to fund five specific projects (see Attachment A for list of projects). These projects will serve to advance several crucial Division of Highway Maintenance objectives.

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 C lists FY 2015-16 to FY 2016-17 roll forward requests that have been approved by Executive Management, totaling \$1.3 million. These roll forwards will allow eight CDOT offices to further advance their program goals in FY 2016-17.



Automatic Roll Forwards

According to statutory, regulatory, or Departmental guidelines, a number of roll forwards are automatically enacted each fiscal year, including from FY 2015-16 (see Attachment D). The total estimated amount of these automatic roll forwards into FY 2016-17 is \$45.0 million. The larger automatic roll forwards are explained below:

- **Bridge Enterprise (BE), \$2,971,320:** Bridge Safety Surcharge funds are required to stay in BE and will be used for FY 2016-17 projects.
- **High Performance Transportation Enterprise (HPTE), \$3,574,188:** Budget in these cost centers are allocated for corridor specific maintenance activities. HPTE staff is considering appropriate uses of these funds on each corridor.
- **FASTER Transit, \$4,246,533:** Cancelled projects created a high balance in the cost centers. The Division of Transit and Rail (DTR) has put out a call for new projects to use these existing funds, which are statutorily required to be used for transit purposes.
- **Aeronautics, \$24,912,611:** The large roll forward covers grants that are multi-year commitments and fuel refunds that are statutorily obligated to be paid to airports.
- **Intelligent Transportation Systems (ITS), \$5,450,769:** Task and purchase orders for multi-year engineering, technical, and maintenance projects were created late in FY 2015-16 and are being rolled over into FY 2016-17.
- **RoadX, \$1,424,885:** There are two consulting contracts (at \$350,000 each) that were not in place at the end of FY 2015-16 that are signed for FY 2016-17.

Key Benefits

Approval of the \$2.63 million MLOS roll forward will allow 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 the Division of Highway Maintenance's \$2.63 million roll forward request (Resolution included in Act on Consent Agenda). -- **STAFF RECOMMENDATION.**
2. Ask for more information on the submitted roll forward requests.
3. Deny the request.

Next Steps

1. With TC approval, DAF will roll the FY 2015-16 funds into FY 2016-17.
2. In September, DAF will provide the TC with revenue and cost center reconciliations.

Attachments

- A: MLOS Roll Forward Request
- B: Staff Approved Roll Forwards
- C: Automatic Roll Forwards



Attachment A: MLOS Cost Center Roll Forward Request

FY 2015-16 Roll Forward Requests for TC Approval		
	Request	Justification
SM011-010 - MLOS projects	\$2,630,000	
Phase II of AVL Zonar deployment	\$1,000,000	The \$1.0 million will complete phase II of 3 planned deployments of Automatic Vehicle Location (AVL) systems in Division of Maintenance's heavy fleet trucks. Phase II will deploy AVL in 1,099 Federal DOT-regulated heavy fleet trucks. In FY 2014-15, CDOT completed installation of 870 light fleet vehicles. In FY 2015-16, CDOT completed installation of AVL in 1,070 snowplows heavy fleet vehicles. FY 2016-17 funding would complete the installation for all Federal DOT heavy fleet vehicles. Phase III deployment will involve asset tracking devices on all roadway equipment that does not fall under Federal DOT regulations.
JOA Costs	\$1,300,000	The \$1.3 million will continue support for additional staffing to the Summit County area. Additional staffing requires placing employees in travel status, causing the department to incur housing costs and per diem. \$1.3 million will cover the travel costs for the I-70 JOA and prevent Region 3 from using operating funds for these costs.
Region 4 Rest Area	\$80,000	\$80,000 will cover the cost of upgrading the HVAC system in the Poudre Rest Area. Currently no other funding source has been identified to cover the costs of maintenance of capital improvements in rest areas.
Region 1 Salt Brine Equipment	\$150,000	\$150,000 will be utilized to purchase Salt Brine equipment for Region 1. CDOT utilizes Salt Brine as the primary winter maintenance product used in anti-icing strategies. Anti-icing is proven to reduce snow removal costs.
Safety Respirator Equipment	\$100,000	\$100,000 will be used to outfit employees with respirator equipment required during roadway sweeping operations. OSHA has reduced the exposure limits for air-borne Silica, causing CDOT to deploy respirators for anyone operating sweeping equipment.
Total Division of Maintenance Request	\$2,630,000	



Attachment B: FY 2015-16 Staff Approved Cost Center Roll Forwards

FY 2015-16 Cost Center Roll Forward Requests for Staff Approval

	Request Amount	Notes
Division of Accounting and Finance		
C0206-010 TC Budget Management	\$200,000	As Work Plan Budgeting is a new process, there have been a few cases of budget needs that were not included in Work Plan requests. Including a nominal allocation in this cost center allows OFMB the flexibility to address these issues quickly and efficiently.
Total Division of Accounting and Finance	\$200,000	
Division of Highway Maintenance		
SM019-010 - Ongoing support for the NHI Maintenance Leadership Academy	\$100,000	Ongoing support for the NHI Maintenance Leadership Academy is in its second year at CDOT. The course is a 3 week intense academy focused on Asset Management and middle management positions in maintenance.
SM011-010 - Deploying new technology to CDOT Sign Shop	\$250,000	The CDOT Sign Shop is working on deploying technology to increase efficiency and safety in the shop. With these funds, staff would purchase a water jet metal cutting machine to reduce old drill presses and metal shear cutting machines. Utilizing the water jet machine will increase production and safety in the shop.
Total Division of Maintenance	\$350,000	
Division of Transportation Development		
DT535-010 - Traffic Data Collection	\$186,442	The Data Collections Unit in DTD has active POs assigned to this cost center.
Total Division of Transportation Development	\$186,442	
Division of Human Resources		
ET668-010 - DoHRA CHRM Org Learning and Dev	\$21,927	There are two PO's with remaining balances in cost center ET668-010.
Total Division of Human Resources	\$21,927	
Office of Emergency Management		
EM120-010 - ICS Training	\$24,622	These funds were requested to conduct mobile delivery of ICS training throughout the regions in CDOT. We were able to contract with JPK Consulting when funds came available from a supplemental request and were unable to complete all the training.
Total Office of Emergency Management	\$24,622	

(continued on next page)



Office of Transportation Safety		
E0473-010 - Employee Excellence in Safety Program	\$100,000	The Excellence in Safety program is entering a new era. We will be phasing out the use of the Origami database to capture Safety Engagements completed by supervisors and transitioning to the SAP framework. There will be costs associated with this transition and these roll forward funds will be used for that purpose.
SESHF-010 - Occupational Safety and Employee Excellence in Safety funding	\$200,000	The Excellence in Safety program is being expanded and several recognition programs and events are planned in FY 2016-17. The estimated costs of these programs is \$174,999. Additionally, OTS will be contracting with an Industrial Hygiene Consultant to assess the level of silica dust exposure our employees are subject to while performing certain maintenance tasks. These roll-forward funds are necessary to complete this work and determine whether our workforce is in compliance with exposure standards.
SE184-010 - State-wide security enhancement	\$24,999	Purchase Order 411009096 for Bureau Veritas brooming air testing is underway but will not be completed by year end. The PO for \$24,999 will be rolled into FY 2016-17 funds.
Total Office of Transportation Safety	\$324,999	
Region 4		
R41PP-010 - R4 New HQ Building	\$21,272	Funds from the rental of the older R4 HQ property in NE Greeley are deposited into R41PP-010 for use of purchases of necessary new building related items. This is for items that were unable to be purchased out of the related project due to that project being out of funding. It was very late in the fiscal year before all decisions about these funds were made and they were transferred into the desired cost center. Also some purchases were required to be made from CCI, which has a long turn around time and our orders have not been shipped or billed as of yet.
Total Region 4	\$21,272	
TSM&O		
OP105-010 Frt Range Traffic	\$190,710	The POs attached to this cost center are contractors that watch the cameras, monitor traffic data, manage traffic management systems, dispatch assets and take calls from the citizens on the corridors from the CTMC and EJMT.
Total TSM&O	\$190,710	
Total :		\$1,319,972



Attachment C: Automatic Roll Forwards

CDOT Automatic Roll Forward Cost Centers (FY 2016-17)*

Program	Cost Centers	Roll Forward Criteria	Justification	Project or Operating Expense	Responsible Party	Estimate
Bridge Enterprise (BE)	All BE Cost Centers (Fund 538)	All fund balances	Statutory	Both	BE Board/OFMB	\$2,971,320
High Performance Transportation Enterprise (HPTE)	All HPTE Cost Centers (Fund 536-537)	All fund balances	Statutory	Both	HPTE Board/OFMB	\$3,574,188
FASTER Transit	D9620-010, D9635-010, D9636-010, D9637-010, D9638-010	All fund balances	Statutory	Operating	DTR	\$4,246,533
Aeronautics	All Aeronautics Cost Centers (Fund 160)	All fund balances	Statutory	Both	Aero Board	\$24,912,611
Motorcycle Operator Safety Training (MOST)	All MOST Cost Centers (Fund 402)	All fund balances	Statutory	Both	Office of Transportation Safety	\$1,001,396
Law Enforcement Assistance Fund (LEAF)	All LEAF Cost Centers (Fund 403)	All fund balances	Statutory	Both	Office of Transportation Safety	\$620,204
Heavy Road Equipment	S0247-010, S0270-010	All fund balances	2009 CFO Memo	Capital Purchases	Maintenance Division	\$28,593
Property Pool	SM265-010, S0014-010	All fund balances	2009 CFO Memo	Capital projects	DAS--Property Manager	\$42,962
Intelligent Transportation Systems (ITS)	OI440-010	All fund balances	2009 CFO Memo	Both	TSM&O--ITS Branch	\$5,450,769
Transportation Summit Conference	S0192-010	All fund balances	2015 CFO Memo	Operating	Intergovernmental Relations/ Communications	\$65,443
Southwest Chief Rail	TOMAS-290 (Fund 29R)	All fund balances	Statutory	Operating	DTR	\$95,000
RoadX	RoadX-010	All fund balances	CFO E-mail on 6/25/16	Both	RoadX Office	\$1,424,885
Transportation Engineering Training Program (TETP)	S0193-010	All fund balances	2009 CFO Memo	Operating	Office of Employee Development	\$563,210

*RAMP funds in cost centers roll forward just like regular funds

Total \$ 44,997,114





COLORADO

Department of Transportation

Division of Highway Maintenance

4201 East Arkansas Ave, 3rd Floor
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION

FROM: MARIA J. SOBOTA, CHIEF FINANCIAL OFFICER, AND KYLE LESTER, DIRECTOR OF HIGHWAY MAINTENANCE

CC: MIKE P. LEWIS, DEPUTY EXECUTIVE DIRECTOR, AND JOSH LAIPPLY, CHIEF ENGINEER REGIONAL TRANSPORTATION DIRECTORS

DATE: AUGUST 18, 2016

SUBJECT: REQUEST FOR REMAINING FY 2015-16 TRANSPORTATION COMMISSION (TC) SNOW AND ICE CONTINGENCY

PURPOSE:

As part of the monthly budget supplement process (see “Second Supplement - FY 2016-17” memo), Divisions have an opportunity to submit program requests to the TC for available funding. At the close of FY 2015-16, \$6.1 Million in Transportation Commission (TC) Snow and Ice Contingency funds remained and were available for FY 2016-17 program requests. The Division of Highway Maintenance is requesting to reinvest **\$3.2 million** of the funds for snow and ice equipment. These investments will pay back dividends in efficiencies and safety for CDOT employees and the traveling public.

BACKGROUND:

Tow plows allow a single snowplow to remove snow from two lanes at once. The tow plow: 1) Reduces risk of snowplow/private vehicle accidents; 2) Reduces operating costs for snow removal, and 3) Increases levels of service due to reducing lane clearance response times and more efficient road product application. The current CDOT tow plow fleet consists of 12 tow plows located throughout the state. The requested funding of **\$1.2 million** would increase the tow plow fleet to 22 plows.

Continuing to invest in CDOT’s avalanche program pays benefits in safety and efficiency. In the 2015-16 winter season, CDOT’s Gazex systems on Loveland and Berthoud Passes were operationally successful. These successes reduced worker exposure to high explosives and saved \$82,000 in explosives costs and 271 hours of man-hour time savings in preparation for missions using Gazex. The next phase of deployment utilizing this **\$2.0 million** request will complete the Berthoud Pass Gazex program by installing a small system in the “Eighties” avalanche path and installing systems around the portals of the Eisenhower Johnson Memorial Tunnel (EJMT) on the west side of the pass.



DETAILS:

The Division of Highway Maintenance is requesting to move the \$3.2 million of TC Snow and Ice Contingency funding into the CDOT Equipment Replacement Plan to procure the essential equipment detailed below:

Project	Priority	Estimated Budget
10 Tow Plows	1	\$1,200,000
Avalanche Gazex System	2	\$2,000,000
Total		\$3,200,000

KEY BENEFITS:

The Division of Highway Maintenance will see operational efficiencies and the increased safety of employees and the traveling public with approval of the \$3.2 million request. Rejecting the request will force CDOT employees to continue using high explosives to control avalanches and will force Maintenance to use existing equipment replacement funds to purchase the tow plows. Reduction of \$1.2 million from the existing budget will force five replacement-worthy trucks to remain on the road in FY 2016-17.

RECOMMENDATIONS:

- 1) TC can approve the \$3.2 million request through the monthly budget supplement process -- STAFF RECOMMENDATION.
- 2) TC can ask for more information on the \$3.2 million request or fund one of the two priorities.
- 3) TC can reject the request for \$3.2 million.

NEXT STEPS:

If the requests are approved, the tow plow equipment will be ordered and placed into service in time for the FY 2016-17 winter season. Gazex will also be implemented and administered in more areas around Berthoud Pass for the FY 2016-17 winter season.





COLORADO

Department of Transportation

Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION
FROM: MARIA SOBOTA, CHIEF FINANCIAL OFFICER (CFO)
DATE: AUGUST 18, 2016
SUBJECT: FY 2017-18 BUDGET TOPICS

Purpose

This memorandum summarizes information related to FY 2017-18 budget topics and timing, including:

- Introduction to CDOT budget process
- Timeline
- Revenue forecasts
- Decision Items

Action

No formal action required. Content is being presented to the Transportation Commission (TC) for informational purposes only.

Background & Details

The Division of Accounting and Finance (DAF) has started to compile the necessary information to produce the FY 2017-18 Budget Allocation Plan. To harness relations with internal stakeholders, DAF is enhancing its budget processes for FY 2017-18. In an effort to educate CDOT as a whole, DAF held a presentation in early July that described how it constitutes and organizes revenues and expenditures in the annual budget. DAF's continued use of Work Plan Budgets for FY 2017-18 was a featured aspect of the presentation.

Introduction to the CDOT Budget Process

On July 13, 2016, DAF held a presentation to all groups in CDOT, educating them on DAF's budget formulation actions and policies. This presentation was part of an ongoing initiative to help bring internal stakeholders into the budget formulation process to a greater degree, which will create a more participatory budget for stakeholders and foster relations between DAF and all internal groups. The presentation included an explanation of the budget timeline, revenue forecasts, creation of the annual budget, enterprise budgets, and customer service. DAF also demonstrated to Divisions/Regions how to fill out their Work Plan Budget request templates for FY 2017-18.



Timeline

For informational purposes, DAF presents the TC with a projected timeline for FY 2017-18 budget activities.

Month	Action Item
August	Preparing TC for Upcoming Budget Deliverables
August	Discuss FY 2015-16 Roll Forwards
September	FY 2015-16 Budget and TCCRF Reconciliation - Staff and TC Review
September	FY 2017-18 Revenue Projections - Staff and TC Review
October	FY 2017-18 Draft Budget for Review/Direction - Staff and TC Review
November	FY 2017-18 Draft Budget Approved by TC and Submitted to Office of State Planning & Budget (OSPB)
January	EMT Review of FY 2017-18 Decision Items
February	FY 2017-18 Decision Items and Work Plan Budgets - EMT/TC Review and Approval
February	FY 2017-18 Draft Budget for Review/Direction - EMT and TC Review
March	TC Adopts FY 2017-18 Budget
On or Before April 15th	Re-Submit FY 2017-18 Adopted Budget to OSPB for Governor's Approval

Revenue Forecasts

In September 2016, DAF will present the TC with FY 2017-18 revenue estimates with a forecast horizon of ten years (FY 2017-18 to FY 2026-27). A draft FY 2017-18 budget will be prepared based on estimated revenue. All revenue specific to a program (i.e., FAST Act and State mandated programs such as safety education and Aeronautics) will automatically be adjusted based on FY 2017-18 revenue estimates. All other program amounts will be based on the FY 2016-17 budget amounts as approved by the TC in March 2016.

Decision Items

DAF has altered the Decision Item process for FY 2017-18. In previous years, DAF has presented Decision Item requests to the TC between September and November during the Draft Annual Budget creation. However, because of the Work Plan Budget process, DAF will present Decision Items to the EMT and TC in January and February, during construction of the Final Annual Budget. This alteration will allow DAF and Divisions more time to submit important program changes (and related information) for EMT/TC approval. If necessary, DAF will present, earlier in the process, important FY 2017-18 Decision Items for TC review as they are received.

Next Steps

DAF will hold a TC budget workshop in September 2016 to review the initial Draft Annual Budget for FY 2017-18. In future months, the Department will provide FY 2017-18 budget information to the TC to meet the Office of State Planning and Budget (OSPB) and statutory requirements. DAF will also hold meetings with each Division in CDOT over the next two months to discuss their annual budgets, including traveling to each Region to meet face-to-face with Region leadership.

Attachments

N/A

