



COLORADO

Department of Transportation

Office of the Chief Engineer

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

DATE: SEPTEMBER 21, 2017
TO: TRANSPORTATION COMMISSION
FROM: JOSH LAIPPLY, CHIEF ENGINEER
HERMAN STOCKINGER, ACTING CHIEF FINANCIAL OFFICER
JANE FISHER, OFFICE OF PROGRAM MANAGEMENT DIRECTOR
SUBJECT: PROGRAM MANAGEMENT INFORMATION ITEM

Purpose

The Program Management Information Item provides the Transportation Commission with an update on the integration of cash management and program management and RAMP.

Action

Information only.

Background

Integration of Cash Management and Program Management:

Please see Fund 400 Cash Balance Memo included as a separate information item.

RAMP:

The RAMP program was initiated in November 2012 as a means to reduce the cash balance. Shortly thereafter the TC approved a project list and has since approved groups of projects and individual projects. Given the majority of the RAMP projects are now in construction, PMO updates are now limited to background associated with requested TC actions. There are no RAMP related actions this month.

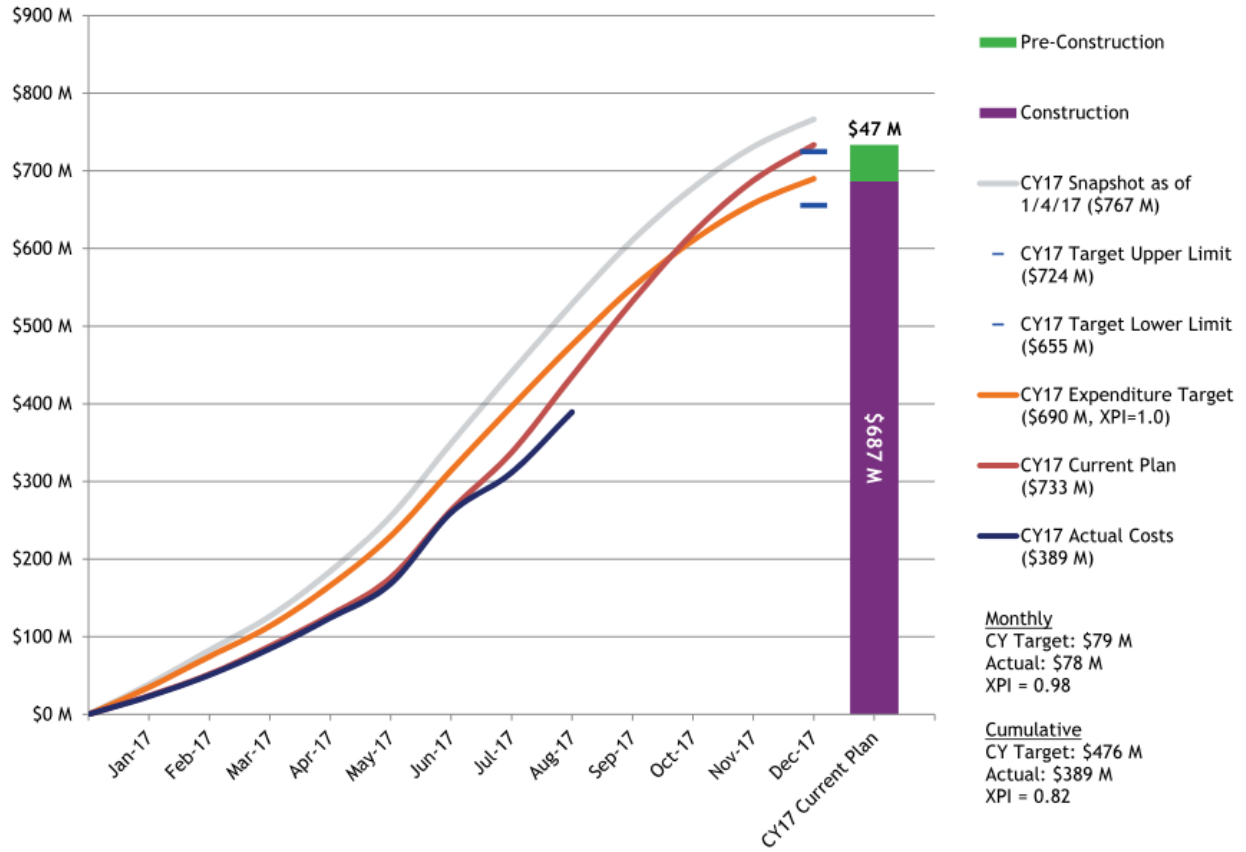
Details

Integration of Cash Management and Program Management:

PMO is tracking program delivery at the statewide level using the expenditure performance index (XPI) to evaluate actual construction expenditure performance as compared to planned. As indicated in Figure 1, the cumulative Calendar Year 2017 XPI is 0.82 which is a slight increase as compared to last month (0.82 this month vs. 0.78 last month). August's actual expenditures were \$1M below the expenditure target (Monthly XPI = 0.98). Statistical modelling, based on a combination of historic factors, has been conducted and the results indicate that we are still on track to achieve calendar year end expenditures within the calendar year target upper and lower limits.



Figure 1. Calendar Year 2017 Construction Expenditure Results



RAMP:

Table 1 details RAMP Partnership and Operations projects (CDOT & Locally Administered) that have not yet been awarded. There are no RAMP related actions this month. The remaining TC Contingency RAMP Reserve and RAMP Operations Contingency are \$119,839 and \$315,615, respectively.



| Project Name | Project Budget | RAMP Request | Local Contribution | Other CDOT Funds | Status |
|--|----------------|--------------------------|--------------------|------------------|-----------------------------|
| CDOT ADMINISTERED | | | | | |
| I-70 Glenwood Canyon Variable Speed Limit Signing | \$5,600,000 | \$2,200,000 | \$0 | \$3,400,000 | In Bid/Award |
| I-70 Mountain Corridor Wireless Improvement | \$5,300,000 | \$1,700,000 | \$0 | \$3,600,000 | Ad in Apr '18 |
| HPTE P3 Development Fund | \$40,000,000 | \$4,000,000 ¹ | \$0 | \$0 | Under Staff Development |
| LOCALLY ADMINISTERED | | | | | |
| SH 14 / Greenfields Ct. - Frontage Rd. Relocation and Intersection Improvements | \$2,100,000 | \$1,680,000 | \$420,000 | \$0 | Ad in Sept '17 |
| SH 119 Boulder Canyon Trail Extension | \$5,466,350 | \$4,373,080 | \$1,093,270 | \$0 | Ad in Sept '17 ³ |
| Federal Blvd: 6 th to Howard Reconstruction and Multimodal Improvements | \$29,181,821 | \$23,341,821 | \$5,840,000 | \$0 | Ad in Oct '17 ² |

¹ This total represents the remaining RAMP Development funding still available. Staff has prepared a HPTE Development Fund Policy and Evaluation Criteria guidance document.

² ROW delay; ³ Locals pursuing a Conditional Letter of Map Revision (CLOMR) prior to Ad

Attachments

1. None





MEMORANDUM

TO: BRIDGE ENTERPRISE BOARD OF DIRECTORS
FROM: HERMAN STOCKINGER, ACTING CHIEF FINANCIAL OFFICER
DATE: SEPTEMBER 21, 2017
SUBJECT: FISCAL YEAR 2016-17 YEAR END REPORT

Purpose

This memorandum provides a Fiscal Year (FY) 2016-17 year-end report for the Colorado Bridge Enterprise (BE) Fund 538. Information provided includes FY 2016-17 unaudited revenue reconciliation information, cost center balances eligible to be rolled into FY 2016-17 and a final budget to actual statement for Fund 538 through June 2017.

Action

The purpose of this memo is informational only.

Fiscal Year 2016-17 Year End Details

At the close of each fiscal year, the Division of Accounting and Finance (DAF) compares the forecasted revenues to the actual revenues received, as well as reviews all remaining cost center balances to determine if they are eligible to roll forward to the next fiscal year.

FY 2016-17 Revenue Reconciliation

The Bridge Enterprise estimated revenues for the FY 2016-17 of \$126.6 million, and received \$127.3 million, creating a surplus of \$728,873. This surplus is primarily due to higher than forecasted FASTER Safety Bridge Surcharge revenues. Table 1 below provides a comparison of FY 2016-17 estimated revenues to revenues actually received. Although FY 2016-17 has closed, figures are unaudited and subject to change. Should there be any notable changes following the annual audit, staff will provide an update to the Board at that time.

Table 1: Bridge Enterprise Revenue Reconciliation Summary

| Revenue Source | FY 2016-17 Estimated Revenue | FY 2016-17 Actual Revenue* | Difference |
|--|---------------------------------|-------------------------------|-------------------|
| FASTER Bridge Safety Surcharge | \$ 102,100,000 | \$ 103,985,122 | \$ 1,885,122 |
| Interest Earnings | \$ 3,500,000 | \$ 2,576,343 | \$ (923,657) |
| Federal Subsidy for Build America Bonds | \$ 6,000,000 | \$ 5,941,549 | \$ (58,451) |
| Local & Federal Project & Debt Service Contributions | \$ 15,000,000 | \$ 14,732,848 | \$ (267,152) |
| Miscellaneous Revenue | \$ - | \$ 93,011 | \$ 93,011 |
| Total | \$ 126,600,000 | \$ 127,328,873 | \$ 728,873 |

*Revenues are unaudited and are subject to change



FY 2016-17 Cost Center Roll Forward

In accordance with Policy Directive PD 703.0, all Bridge Enterprise cost center balances are eligible for automatic roll forward from the previous to the current fiscal year. Table 2 provides a summary of the remaining cost center balances that were available to roll forward from FY 2016-17 to FY 2017-18.

Table 2: Bridge Enterprise Cost Center Roll Forward Detail

| Budget Category | Cost Center | Amount Remaining in FY 2016-17 |
|------------------------|-------------|--------------------------------|
| Program Administration | B8800-538 | \$ 2,038,318 |
| | B88AD-538 | \$ - |
| Scoping Pools | B88SP-538 | \$ 602,558 |
| Maintenance | B88MS-538 | \$ 161,236 |
| Bridge Preservation | B88BP-538 | \$ 500,000 |
| Total | | \$ 3,302,112 |

Based on the eligible FY 2016-17 roll forward amounts, the Office of Financial Management and Budget (OFMB) worked with Bridge Enterprise staff to review current cost center balances and determined that excess budget in the current cost centers can be moved back into the FASTER pool and budgeted for other program needs. Therefore, the majority of the cost center balances listed were rolled back to the BE budget pool during the revenue reconciliation process where it is now available for reprogramming.

Final Budget to Actual Statement through June 2017.

Listed below are key details related to the final June 2017 budget to actual statement and an overall review of the Bridge Enterprise FY 2016 -17 financial transactions for Fund 538.

- Expenses for program management activities were \$1,322,715
- CDOT/BE staff time totaled \$173,010
- Operating expenses totaled \$724
- Trustee fees for the 2010A bonds were \$3,629

See Attachment A for a final copies of the completed June 2017 Fund 538 budget to actual statement.

Next Steps

- Based on the \$728,873 surplus identified through the revenue reconciliation process, OFMB staff will distribute the surplus to the appropriate cost centers and budget pools.
- Staff will bring a draft FY 2018-19 budget for Fund 538 to the Board for review and comment in November.

Attachment A: Adopted FY 2016-17 FASTER Bridge Enterprise Budget to Actual-June 2017



Attachment A: Adopted FY 2017 FASTER Bridge Enterprise Budget to Actual

For the Period ended June 30, 2017 Unaudited

| | FY2017 Adopted Budget | | Current Fiscal Year Actuals | | | Remaining Budget |
|---|-----------------------|-----------------------|-----------------------------|-----------------------|--------------------------------|---------------------|
| | Revenue | Expenditures | Current Month | YTD | YTD % of Budgeted Expenditures | |
| Revenues | | | | | | |
| FY 17 Estimated FASTER Bridge Revenues | \$ 102,100,000 | | \$ 464,038 | \$ 103,985,122 | 102% | \$ (1,885,122) |
| Interest Earnings | \$ 3,500,000 | | \$ 40,261 | \$ 2,576,343 | 74% | \$ 923,657 |
| Miscellaneous Revenue | \$ - | | \$ - | \$ 93,011 | N/A | N/A |
| Federal Subsidy for Build America Bonds | \$ 6,000,000 | | \$ 5,941,549 | \$ 5,941,549 | 99% | \$ 58,451 |
| Federal and Local Funds | \$ 15,000,000 | | \$ - | \$ 14,732,848 | 98% | \$ 267,152 |
| Total FY2017 Revenues | \$ 126,600,000 | | \$ 6,445,848 | \$ 127,328,873 | 101% | \$ (728,873) |
| Expenditures | | | | | | |
| Program Management | | \$ 1,772,564 | \$ 79,584 | \$ 1,537,661 | 87% | \$ 234,903 |
| - BE Program Management - AECOM | | \$ 1,500,000 | \$ 78,610 | \$ 1,322,715 | 88% | \$ 177,285 |
| - CDOT/BE Staff | | \$ 181,564 | \$ 974 | \$ 173,010 | 95% | \$ 8,554 |
| - AG Legal | | \$ 50,000 | \$ - | \$ 23,501 | 47% | \$ 26,499 |
| - Annual Audit | | \$ 11,000 | \$ - | \$ 17,710 | 161% | \$ (6,710) |
| - Operating Expenses | | \$ 10,000 | \$ - | \$ 724 | 7% | \$ 9,276 |
| - Other Consulting | | \$ 20,000 | \$ - | \$ - | 0% | \$ 20,000 |
| Regional Scoping Pools | | \$ 300,000 | \$ - | \$ - | 0% | \$ 300,000 |
| Bonding Program | | \$ 18,239,000 | \$ - | \$ 18,237,629 | 100% | \$ 1,371 |
| - Debt Service | | \$ 18,234,000 | \$ - | \$ 18,234,000 | 100% | \$ - |
| - Trustee | | \$ 5,000 | \$ - | \$ 3,629 | 73% | \$ 1,371 |
| Maintenance | | \$ 250,000 | \$ - | \$ 88,765 | 36% | \$ 161,235 |
| Preservation Program | | \$ 100,000 | \$ - | \$ - | 0% | \$ 100,000 |
| Total Expenditures | | \$ 20,661,564 | \$ 79,584 | \$ 19,864,055 | 96% | |
| Revenues Less Expenditures, Available for Projects | | \$ 105,938,436 | \$ 6,366,264 | \$ 107,464,818 | | |



DATE: SEPTEMBER 21, 2017
TO: THE TRANSPORTATION COMMISSION
FROM: HERMAN STOCKINGER, CHIEF FINANCIAL OFFICER (ACTING)
JOSH LAIPPLY, CHIEF ENGINEER
SUBJECT: FUND 400 CASH BALANCE - INFORMATIONAL MEMORANDUM

Purpose

This memo summarizes information related to the Cash Balance Threshold Policy for the period ending July 2017 for Fund 400 only.

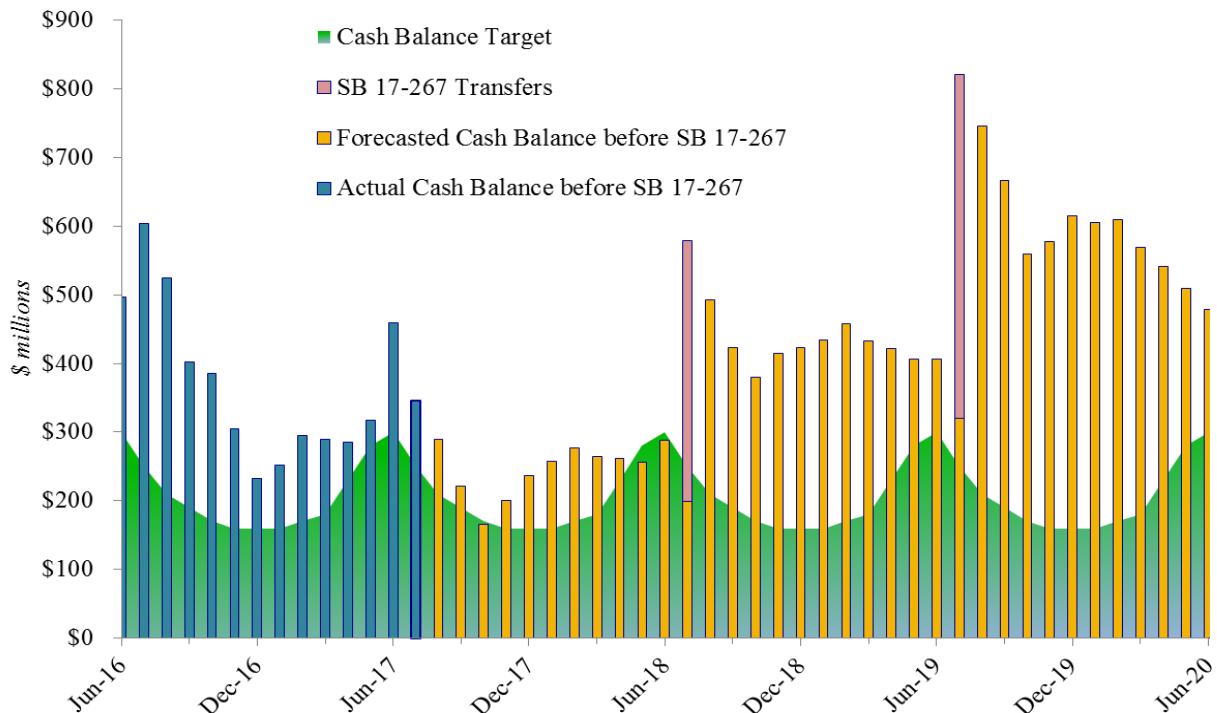
Action

No action is requested or required of the Transportation Commission (TC) regarding this item.

Summary

The total cash balance in Fund 400 (Construction) at month end July 2017 was \$346 million, versus a forecasted amount for this month of \$335 million. This cash balance is \$11 million above the forecasted amount, and \$96 million above the TC minimum cash balance target of \$250 million set for this period. Overall, contractor project expenditures for CY 2017 have decreased since last month, down to \$635 million from data provided from the PMO office. The majority of the decrease in those expenditures are due to decreases in Flood Recovery and C-470 project expenditures. CDOT did receive the final SB-228 transfer the 15th of July in the amount of \$79 million, and Federal redistribution amount of \$44,872,399. Changes in C-470 expenditures moving to later months has pushed the low risk item, previously identified in October 2017, to now occur in May 2018. Staff will continue to monitor the risk item and communicate any changes in the future. Figure 1 below depicts the projected cash balance forecast against the (green area) cash balance targets.

Figure 1 – Fund 400 Cash Balance Forecast With SB 17-267





Forecast Model Parameter Updates

State and Federal Revenues: CDOT did receive the final distribution of the SB 09-228 transfer of \$79 million in July 2017, and the remaining future transfers have been eliminated with SB 17-267. CDOT did receive the Federal redistribution in the amount of \$44,872,399 (see the “Redistribution Fact Sheet” in Budget Workshop materials this month for further information). Staff is currently in the process of fully obligating all federal funds by end of September and processing reimbursements into cash. For cash modeling purposes, staff has affected the assumption of receiving SB 17-267 funds starting July 1st of 2019, and expenditures to start within the same fiscal year. See Table 1 for summary of those distribution amounts. **Note:** any delay in receiving SB 17-267 funds will result in a reduction of cash in Fund 400. For example, it is projected if SB-267 fund transfer delays by three months, Fund 400 will be around \$42 million in September 2018 without additional expenditure adjustments.

Table 1 – SB 17-267 Forecasted Receipts and Disbursements*

| \$ Millions | Forecast | Debt Service |
|--------------------|------------------|---------------------|
| FY 2018-19 | \$380.0 | \$28.5 |
| FY 2019-20 | \$500.0 | \$50.0 |
| FY 2020-21 | \$500.0 | \$50.0 |
| FY 2021-22 | \$500.0 | \$50.0 |
| Total: | \$1,880.0 | \$178.5 |

**This only includes four years of debt service, not the total*

Fund 400 Expenditures: Department staff will continue monitoring the expenditure plans for large projects such as Central 70, I-25 North, I-25 South, C-470, and the Headquarters and Regional Office projects. The total CDOT expenditure forecast for CY 2017 is compiled by the Project Management Office (PMO) and validated using CDOT Contract Payout Model. Project data is compiled and consistent with the PMO practice to adjust downward this expenditure forecast by 10%, the estimated expenditures to expend through Fund 400 in the remaining month of CY 2017 is \$635 million. See Table 2 for a summary.

Table 2– Fund 400 Forecasted Expenditures under Existing and New Construction Contracts*

| Expenditure Schedule | | 2015 Actual | 2016 Actual | 2017 Forecast | 2018 Forecast | 2019 Forecast |
|--------------------------------|---------|----------------------|----------------------|----------------------|----------------------|----------------------|
| PMO | Grade A | \$697,910,724 | \$668,627,176 | \$635,000,000 | \$287,000,000 | \$60,000,000 |
| PMO | Grade B | \$0 | \$0 | \$0 | \$355,700,000 | \$300,400,000 |
| OCM | Grade C | \$0 | \$0 | \$0 | \$0 | \$267,000,000 |
| Total Expenditures | | \$697,910,724 | \$668,627,176 | \$635,000,000 | \$642,700,000 | \$627,400,000 |
| Year Over Year % Change | | | -4.20% | -5.03% | 1.21% | -2.38% |

**This includes only Fund 400 expenditures. It excludes Bridge enterprise projects. The Grade A expenditure category is SAP project expenditure data reviewed and validated by PMO. Grade B is PMO un-reviewed project data. Grade C is the expenditure schedule that is set by the forecast model to keep within the approved target thresholds of PD703.0.*

Next Steps

Department staff will continue monitoring the cash balance, and report significant changes in the forecast to the Transportation Commission in the Information Tab of the TC packet.



COLORADO
Department of Transportation
Division of Transit & Rail

4201 E. Arkansas Ave., Rm. 227
Denver, CO 80222

DATE: September 21, 2017
TO: Transportation Commission
FROM: Mark Imhoff, Director, Division of Transit & Rail
SUBJECT: Volkswagen Settlement

Purpose

The purpose of this memo is to provide the Transit & Intermodal Committee with information about the Volkswagen settlement

Action

Informational memo, no action requested

Background

Volkswagen has agreed to settle some of the allegations that it violated the federal Clean Air Act by selling vehicles that emit more air pollution than the Clean Air Act allows, and by cheating on federal emission tests to hide the excess pollution. The affected vehicles exceed emission limits for nitrogen oxides (NOx), a pollutant that harms public health and forms ozone or smog.

The state of Colorado expects to receive \$68.7 million in settlement funds following resolution of the Volkswagen emissions scandal. The Colorado Department of Public Health and Environment has been designated as the state's lead agency to implement the trust. CDPHE partnered with the Colorado Department of Transportation, the Colorado Energy Office, and the Regional Air Quality Council to develop a spending plan known as the Beneficiary Mitigation Plan (BMP). Over the last several months, CDPHE and its partner agencies developed a draft BMP which is now open for public comment. More information can be found here:

<https://www.colorado.gov/pacific/cdphe/news/VW-settlement>

Details

The draft BMP divides the state allocation into five funding categories:

1. \$10.3 million (15%) for electric vehicle charging infrastructure
2. \$18 million (26%) for alternative fuel medium/heavy-duty vehicle replacements
3. \$18 million (26%) for alternative fuel transit bus replacements
4. \$5 million (7%) to reduce emissions from non-road diesel engines or diesel equipment
5. \$12.2 million (18%) reserve fund that would be allocated to eligible projects based on demand

For improved efficiency, funding will flow through existing programs. For instance, the funds for alternative fuel transit buses will become part of DTR's annual competitive application process. Colorado estimates that implementation costs of the program will total approximately \$5.2 million, which accounts for 7.5% of the trust, which is less than the 15% allowed.

Funds will be distributed statewide and there will be no geographic targets or quotas. We anticipate that project awards will likely be dispersed in line with the population distribution of the state - with approximately 80% along the Front Range.

Next Steps

CDPHE will accept comments on the draft BMP until October 13th and will then submit the plan to the VW Settlement Trust for approval. We anticipate that funds will be distributed in calendar year 2018.