

MEMORANDUM

TO: THE TRANSPORTATION COMMISSION
 FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER
 DATE: FEBRUARY 20, 2020
 SUBJECT: SEVENTH AMENDMENT TO THE FY2019-20 ANNUAL BUDGET

Purpose

To review the seventh amendment to the FY 2019-20 Annual Budget in accordance with Policy Directive (PD) 703.0.

Action

The Division of Accounting and Finance (DAF) is requesting TC review and approval of the seventh amendment to the FY 2019-20 Annual Budget. The seventh amendment includes two items requiring Transportation Commission approval, described below, resulting in the increase of Bustang’s budget by \$1.2 million and a reallocation of funds to the Snow and Ice Control.

Budget Amendments

Bustang Budget Increase

\$1.2 million fare revenue increase to Bustang (Line 46):

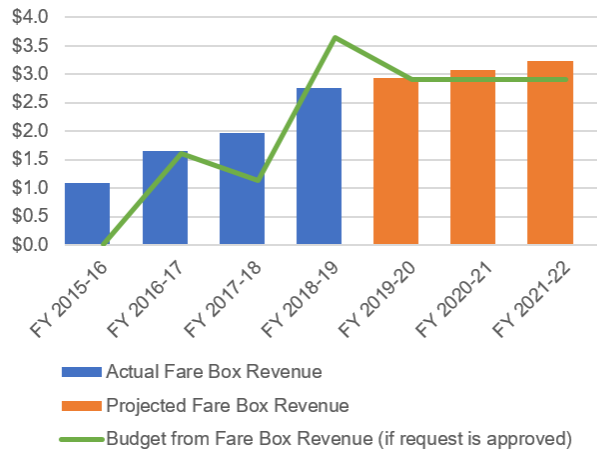
Since its inception in FY 2015-16, Bustang’s revenue and ridership have both more than doubled during its four years of providing regional bus service across Colorado, with continued expected growth. The current budget for Bustang and Bustang Outrider is \$7.7 million for FY 2019-20, with \$6 million provided by FASTER Statewide Transit funds and \$1.7 million provided as the fare revenue amount projected for the initial FY 2019-20 Budget; however, fare revenue for FY 2019-20 is now projected to be \$2.93 million. The seventh amendment will increase the FY 2019-20 Bustang and Bustang Outrider budget by \$1.2 million, in order to reflect more current fare box revenue projections, for a total budget of \$8.9 million. The increased fare box revenue will allow for the expansion of service between Denver and Grand Junction. Expanded service will include one additional bus to complete the 500-mile round trip service each day, which is estimated to serve approximately 35 additional passengers per day. Staff’s forecasted Bustang and Bustang Outrider fare revenue projections for FY 2019-20, FY 2020-21 and FY 2021-22 are below.

Table 1 - Bustang Financial Performance

<i>In Millions</i>	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Fare Box Revenue	\$2.763	\$2.931	\$3.077	\$3.233



Bustang Fare Box Revenue
(in millions)



**The budget for FY 2018-19 was increased one-time to include revenue received during FY 2017-18*

Snow and Ice Control

\$4.6 million from Maintenance Reserve Fund (Line 35) to Snow and Ice Control (Line 28):

The Division of Maintenance and Operations (DMO) is requesting \$4,609,600 from the Transportation Commission Maintenance Contingency Reserve Fund to cover a projected budget deficit associated with winter operations.

Per the attached memo, DMO is requesting 30% of the projected budget shortfall to ensure all of the Maintenance and Traffic sections remain solvent for the winter season and are able to complete summer maintenance activities. As a reminder, in December the Transportation Commission added an additional \$10 million to the existing \$12 million Snow and Ice Reserve, for a total of \$22 million. Approval of additional \$4.6 million draw this month will bring the total drawn to date to \$11.8 million, leaving a Snow and Ice Reserve balance of \$10.2 million.

Options and Recommendation

1. Approve proposed Budget Amendment (see temporary resolution #7) -- **STAFF RECOMMENDATION.**
2. Approve a portion of proposed Budget Amendment.
3. Request additional information and defer action to a subsequent month.

Attachments

- Attachment A: Memorandum from Division of Maintenance and Operations
- Attachment B: Amended FY 2019-20 Annual Budget





COLORADO
Department of Transportation

Division of Maintenance & Operations
4201 East Arkansas Ave, 3rd Floor
Denver, CO 80222

TO: Transportation Commission
FROM: Mike Goolsby, Acting Director, Division of Maintenance and Operations
CC: Jeffrey J. Sudmeier, Chief Financial Officer

DATE: February 10, 2020
SUBJECT: FY20 Maintenance Contingency Request

Purpose

The Division of Maintenance and Operations (DMO) is requesting \$4,609,600 from the Transportation Commission Maintenance Contingency Reserve.

Action Requested

Approval of requested additional funds.

Background

Colorado has had more snow fall earlier in winter throughout much of the state. DMO is requesting 30% of the projected budget shortfall to ensure all of the Maintenance and Traffic sections remain solvent for the winter season and are able to complete summer maintenance activities.

PROCESS

Winter Operations

Within the DMO, winter is defined as October 14th through May 8th. Using the MLOS Section Snow and Ice Report, a request for supplemental funding is recommended, if the Remaining Winter exceeds the S&I Section Budget Remaining. Table 1 outlines guidance used to determine the rate of draws from the Snow and Ice component of the Maintenance Contingency Reserve. In January 2020, the draw schedule was accelerated due to the early heavy snow experienced throughout the state. The accelerated draw schedule called for an allocation of 50% of the projected deficit in January. As of December month-end, the projected deficit totaled \$14.2 million and the Transportation Commission approved a draw of \$7.2 million. Table 2 has been updated to reflect data through January 31, and to reflect the \$7.2 million draw last month. As a result of continued snow fall, the deficit actually increased in January despite the addition of \$7.2 million in funding last month. Projections currently indicate a deficit for the remaining season of \$15.4 million. Staff recommends a reversion back to the original draw schedule, reflected in Table 1 below, and a February draw of 30% or \$4.6 million. As a reminder, in December the Transportation Commission added an additional \$10 million to the existing \$12 million Snow and Ice Reserve, for a total of \$22 million. Approval of draw of \$4.6 million this month will bring the total drawn to date to \$11.8 million, leaving a Maintenance Contingency Reserve balance of \$10.2 million.

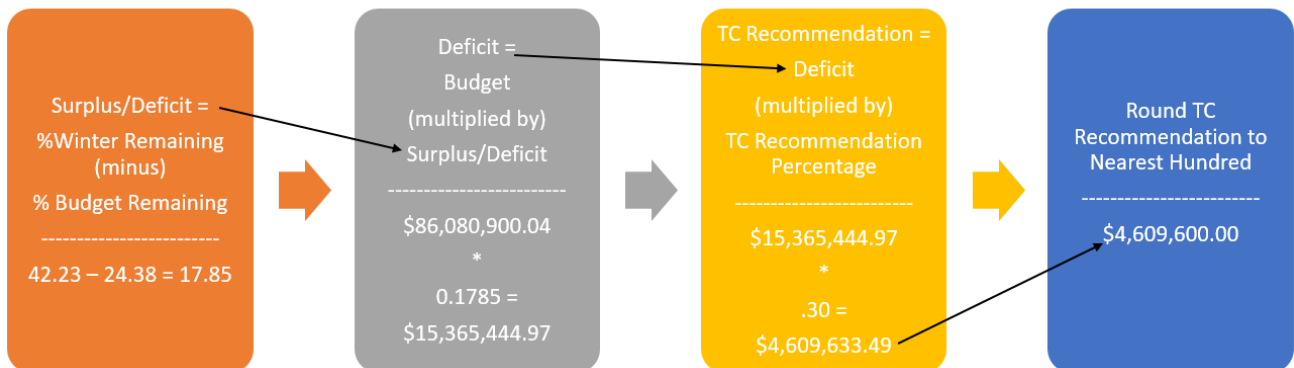
Table 1: Snow and Ice Section Recommendation Percentage Guide

Month	Percentage Request	Month	Percentage Request
October	0%	March	40%
November	0%	April	50%
December	10%	May	60%
January	20%	June	100%
February	30%		

Table 2: Snow and Ice Section Projections and Request

Section	Budget	Expenditure	% Winter Remaining	% Budget Remaining	% Surplus/Deficit	Surplus/Deficit	S&I Contingency Request
Greeley	\$14,531,139.30	\$9,642,824.84	42.23%	33.64%	-8.59%	(\$1,248,185.66)	\$374,500.00
G.J.	\$16,998,631.88	\$15,933,572.46	42.23%	6.27%	-35.96%	(\$6,113,462.82)	\$1,834,000.00
Durango	\$4,870,748.82	\$4,791,546.89	42.23%	1.63%	-40.60%	(\$1,977,715.30)	\$593,300.00
Pueblo	\$12,212,752.60	\$9,044,659.52	42.23%	25.94%	-16.29%	(\$1,989,352.35)	\$596,800.00
Aurora	\$16,150,659.25	\$10,948,244.68	42.23%	32.21%	-10.02%	(\$1,618,008.83)	\$485,400.00
Craig	\$5,924,500.95	\$4,349,661.05	42.23%	26.58%	-15.65%	(\$927,076.85)	\$278,100.00
Alamosa	\$4,041,917.91	\$3,335,966.93	42.23%	17.47%	-24.76%	(\$1,000,950.95)	\$300,300.00
EJMT	\$11,269,949.33	\$6,935,637.85	42.23%	38.46%	-3.77%	(\$424,988.12)	\$127,500.00
Aurora T	\$0.00	\$0.00	42.23%	0.00%	-42.23%	\$0.00	\$0.00
Pueblo T	\$0.00	\$0.00	42.23%	0.00%	42.23%	\$0.00	\$0.00
G.J. T	\$8,300.00	\$14,532.06	42.23%	-75.09%	117.32%	(\$9,737.15)	\$2,900.00
Greeley T	\$41,100.00	\$46,260.00	42.23%	-12.55%	54.78%	(\$22,516.53)	\$6,800.00
Durango T	\$31,200.00	\$51,474.65	42.23%	-107.21%	107.21%	(\$33,450.41)	\$10,000.00
State	\$86,080,900.04	\$65,094,380.93	42.23%	24.38%	-17.85%	(\$15,365,444.97)	\$4,609,600.00
Total S&I Contingency Request: \$4,609,600							

TC Recommendation February



Attachment B: FY 2019 - 2020 CDOT AMENDED ANNUAL BUDGET

Line	Budget Category / Program	Rollforward from FY 2018-19	FY 2019-20 Allocation Plan	Proposed TC Amendments	Approved TC Amendments	EMT and Staff Approved Adjustments	Total FY20 Program Budget Available including Changes	Funding Source
1	COLORADO DEPARTMENT OF TRANSPORTATION							
2	Capital Construction	\$469.6 M	\$1,085.9 M	\$0.0 M	\$218.4 M	\$91.0 M	\$1,865.0 M	
3	Asset Management	\$86.3 M	\$318.9 M	\$0.0 M	\$0.0 M	-\$1.3 M	\$403.9 M	
4	Surface Treatment	\$2.7 M	\$222.0 M	\$0.0 M	\$0.0 M	-\$0.8 M	\$223.9 M	FHWA / SH / SB 09-108
5	Structures	\$2.0 M	\$56.6 M	\$0.0 M	\$0.0 M	-\$1.1 M	\$57.5 M	FHWA / SH / SB 09-108
6	System Operations-AM*	\$4.8 M	\$24.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$28.9 M	FHWA / SH
7	Geohazards Mitigation	\$0.6 M	\$9.7 M	\$0.0 M	\$0.0 M	\$0.0 M	\$10.3 M	SB 09-108
8	Permanent Water Quality Mitigation	\$16.1 M	\$6.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$22.6 M	FHWA / SH
9	Emergency Relief	\$60.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.6 M	\$60.6 M	FHWA
10	Safety	\$22.1 M	\$140.5 M	\$0.0 M	-\$11.4 M	-\$0.5 M	\$150.7 M	
11	Highway Safety Improvement Program	\$5.2 M	\$44.0 M	\$0.0 M	-\$11.4 M	-\$0.5 M	\$37.3 M	FHWA / SH
12	Railway-Highway Crossings Program	\$6.3 M	\$3.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$9.8 M	FHWA / SH
13	Hot Spots	\$0.0 M	\$2.2 M	\$0.0 M	\$0.0 M	\$0.0 M	\$2.2 M	FHWA / SH
14	FASTER Safety	\$4.2 M	\$68.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$72.7 M	SB 09-108
15	ADA Compliance	\$6.3 M	\$22.4 M	\$0.0 M	\$0.0 M	\$0.0 M	\$28.7 M	FHWA / SH
16	Mobility	\$361.3 M	\$626.5 M	\$0.0 M	\$229.8 M	\$92.8 M	\$1,310.4 M	
17	Regional Priority Program	\$33.3 M	\$48.4 M	\$0.0 M	\$0.0 M	\$0.9 M	\$82.7 M	FHWA / SH
18	Strategic Projects	\$286.0 M	\$555.0 M	\$0.0 M	\$229.8 M	\$92.5 M	\$1,163.3 M	SB 17-267 / SB 19-262
19	National Highway Freight Program	\$41.9 M	\$23.1 M	\$0.0 M	\$0.0 M	-\$0.7 M	\$64.4 M	FHWA / SH
20	Maintenance and Operations	\$38.9 M	\$336.0 M	\$0.0 M	\$39.2 M	-\$10.5 M	\$403.6 M	
21	Asset Management	\$26.7 M	\$315.4 M	\$0.0 M	\$24.9 M	-\$0.9 M	\$366.2 M	
22	Maintenance Program Areas	\$4.3 M	\$265.7 M	\$4.6 M	\$10.0 M	\$7.6 M	\$292.2 M	
23	Roadway Surface	\$0.6 M	\$36.5 M	\$0.0 M	\$0.0 M	\$1.0 M	\$38.1 M	SH
24	Roadside Facilities	\$0.4 M	\$24.4 M	\$0.0 M	\$0.0 M	\$0.7 M	\$25.4 M	SH
25	Roadside Appearance	\$0.2 M	\$10.7 M	\$0.0 M	\$0.0 M	\$0.3 M	\$11.2 M	SH
26	Structure Maintenance	\$0.1 M	\$6.1 M	\$0.0 M	\$0.0 M	\$0.2 M	\$6.4 M	SH
27	Tunnel Activities	\$0.1 M	\$6.0 M	\$0.0 M	\$0.0 M	\$0.2 M	\$6.3 M	SH
28	Snow and Ice Control	\$1.3 M	\$79.2 M	\$4.6 M	\$7.2 M	\$2.3 M	\$94.6 M	SH
29	Traffic Services	\$1.1 M	\$65.4 M	\$0.0 M	\$0.0 M	\$1.9 M	\$68.4 M	SH
30	Materials, Equipment, and Buildings	\$0.3 M	\$17.3 M	\$0.0 M	\$0.0 M	\$0.5 M	\$18.1 M	SH
31	Planning and Scheduling	\$0.3 M	\$17.7 M	\$0.0 M	\$0.0 M	\$0.5 M	\$18.5 M	SH
32	Toll Corridor General Purpose Lanes	\$0.0 M	\$2.3 M	\$0.0 M	\$2.8 M	\$0.1 M	\$5.2 M	SH
33	Property	\$0.3 M	\$17.6 M	\$0.0 M	\$5.7 M	\$2.0 M	\$25.6 M	SH
34	Road Equipment	\$22.1 M	\$22.1 M	\$0.0 M	\$4.4 M	-\$10.5 M	\$38.2 M	SH
35	Maintenance Reserve Fund	\$0.0 M	\$10.0 M	-\$4.6 M	\$4.8 M	\$0.0 M	\$10.2 M	SH
36	Safety	\$2.8 M	\$0.0 M	\$0.0 M	\$11.4 M	-\$8.4 M	\$5.7 M	
37	Strategic Safety Program	\$2.8 M	\$0.0 M	\$0.0 M	\$11.4 M	-\$8.4 M	\$5.7 M	FHWA / SH
38	Mobility	\$9.4 M	\$20.6 M	\$0.0 M	\$2.9 M	-\$1.2 M	\$31.6 M	
39	Real-Time Traffic Operations	\$0.1 M	\$10.6 M	\$0.0 M	\$2.8 M	-\$1.4 M	\$12.0 M	SH
40	ITS Investments	\$9.4 M	\$10.0 M	\$0.0 M	\$0.1 M	\$0.2 M	\$19.6 M	FHWA / SH
41	Multimodal Services	\$98.0 M	\$71.9 M	\$1.2 M	-\$14.3 M	\$17.7 M	\$174.6 M	
42	Mobility	\$98.0 M	\$71.9 M	\$1.2 M	-\$14.3 M	\$17.7 M	\$174.6 M	
43	Innovative Mobility Programs	\$16.0 M	\$12.1 M	\$0.0 M	-\$14.3 M	\$0.0 M	\$13.8 M	FHWA / SH
44	Strategic Transit and Multimodal Projects	\$73.3 M	\$50.0 M	\$0.0 M	\$0.0 M	\$16.3 M	\$139.6 M	SB 17-267
45	Rail Commission	\$2.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$2.5 M	SB 18-001
46	Bustang	\$6.2 M	\$9.9 M	\$1.2 M	\$0.0 M	\$1.4 M	\$18.7 M	SB 09-108 / Fare Rev.
47	Suballocated Programs	\$428.0 M	\$243.6 M	\$0.0 M	\$0.0 M	-\$33.1 M	\$638.5 M	
48	Aeronautics	\$18.1 M	\$33.3 M	\$0.0 M	\$0.0 M	\$0.6 M	\$51.9 M	
49	Aviation System Programs	\$18.1 M	\$33.3 M	\$0.0 M	\$0.0 M	\$0.6 M	\$51.9 M	SA
50	Highway	\$239.7 M	\$123.6 M	\$0.0 M	\$0.0 M	-\$18.8 M	\$344.5 M	
51	STP-Metro	\$149.3 M	\$55.4 M	\$0.0 M	\$0.0 M	-\$4.9 M	\$199.8 M	FHWA / LOC
52	Congestion Mitigation and Air Quality	\$73.4 M	\$50.2 M	\$0.0 M	\$0.0 M	-\$14.3 M	\$109.2 M	FHWA / LOC
53	Metropolitan Planning	\$1.6 M	\$8.6 M	\$0.0 M	\$0.0 M	-\$0.4 M	\$9.8 M	FHWA / FTA / LOC
54	Off-System Bridge Program	\$15.4 M	\$9.4 M	\$0.0 M	\$0.0 M	\$0.8 M	\$25.7 M	FHWA / FSH / LOC
55	Transit and Multimodal	\$170.1 M	\$86.8 M	\$0.0 M	\$0.0 M	-\$14.9 M	\$242.0 M	
56	Recreational Trails	\$2.4 M	\$1.6 M	\$0.0 M	\$0.0 M	-\$2.1 M	\$1.9 M	FHWA
57	Safe Routes to School	\$8.0 M	\$3.1 M	\$0.0 M	\$0.0 M	\$1.9 M	\$13.0 M	FHWA
58	Transportation Alternatives Program	\$31.7 M	\$12.3 M	\$0.0 M	\$0.0 M	-\$0.5 M	\$43.4 M	FHWA / LOC
59	Transit Grant Programs	\$56.3 M	\$47.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$103.6 M	FTA / LOC / SB 09-108
60	Multimodal Options Program	\$71.8 M	\$22.5 M	\$0.0 M	\$0.0 M	-\$14.1 M	\$80.1 M	SB 19-125 / SB 18-001
61	Administration & Agency Operations	\$21.7 M	\$103.3 M	\$0.0 M	\$6.1 M	\$21.6 M	\$152.7 M	
61	Agency Operations*	\$21.7 M	\$65.0 M	\$0.0 M	\$6.1 M	\$21.6 M	\$114.3 M	FHWA / SH / SA / SB 09-108
62	Administration	\$0.0 M	\$38.4 M	\$0.0 M	\$0.0 M	\$0.0 M	\$38.4 M	SH-GA
63	Debt Service	\$0.0 M	\$62.8 M	\$0.0 M	\$1.9 M	\$0.0 M	\$64.7 M	
64	Debt Service	\$0.0 M	\$62.8 M	\$0.0 M	\$1.9 M	\$0.0 M	\$64.7 M	FHWA / SH
65	Contingency Reserve	\$191.2 M	\$23.8 M	\$0.0 M	-\$175.3 M	\$68.7 M	\$108.4 M	
66	Contingency Fund	\$23.3 M	\$15.0 M	\$0.0 M	\$17.4 M	\$0.0 M	\$55.7 M	FHWA / SH
67	Reserve Fund	\$167.9 M	\$8.8 M	\$0.0 M	-\$192.7 M	\$68.7 M	\$52.7 M	FHWA / SH
68	Other Programs	\$18.2 M	\$27.9 M	\$0.0 M	\$0.0 M	\$0.9 M	\$47.0 M	
69	Safety Education	\$9.4 M	\$12.9 M	\$0.0 M	\$0.0 M	\$1.6 M	\$23.9 M	NHTSA / SSE
70	Planning and Research	\$8.8 M	\$14.6 M	\$0.0 M	\$0.0 M	-\$0.7 M	\$22.7 M	FHWA / SH
71	State Infrastructure Bank	\$0.0 M	\$0.4 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.4 M	SIB
72	TOTAL - CDOT	\$1,265.6 M	\$1,955.1 M	\$1.2 M	\$76.0 M	\$156.5 M	\$3,454.4 M	

*Allocated plan amounts do not reflect budget originally pushed due to reorganization