



MEMORANDUM

TO: THE BRIDGE ENTERPRISE BOARD OF DIRECTORS
FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER
DATE: NOVEMBER 19, 2020
SUBJECT: PROPOSED FISCAL YEAR 2021-22 BRIDGE ENTERPRISE BUDGET FUND 538

Purpose:

This month the Bridge Enterprise (BE) Board of Directors is being presented with a proposed fiscal year (FY) 2021-22 Statewide Bridge Enterprise Special Revenue Fund (C.R.S 43-4-805(3)(a) 538 (Fund 538) budget for review and approval.

Action:

The Board is being asked to review and adopt a proposed budget plan for FY 2021-22.

Background:

In coordination with the Office of Financial Management and Budget (OFMB), Bridge Enterprise (BE) is presenting a proposed FY 2021-22 budget for Fund 538. BE will present a final budget in February 2021 for Board comment, and return in March 2021 for approval and adoption of a final FY 2021-22 budget.

Details:

Estimated Bridge Enterprises revenues for FY 2021-22 are \$125.1 million. This is an increase of \$4.9 million over FY 2020-21 projected revenues. The increase is attributed to an estimated full transfer of federal funds from CDOT for debt service on the 2019A bonds. Overall projected revenues have been allocated to the following budget categories in the proposed FY 2021-22 budget for Fund 538:

- *Line 18: \$1,590,620 for Administrative & Operating Activities.* Funding in the category is used for costs related to annual staffing, program management and the bonding program. Budget has also been allocated to support work related to Floyd Hill and I-270.
- *Line 22: \$320,000 for Support Services.* Support services funding allows BE to provide supplemental staffing or services on an as-needed or short-term basis thereby enabling BE eligible projects and the BE program to meet required schedules. An example of an activity performed under this category is scoping work, which is the process of evaluating BE eligible structures to establish a scope of work for an upcoming project, developing an initial cost estimate, identifying potential project risks, and recommending a course of action to streamline project delivery and maximize return on investment. Staff has reduced the FY 2021-22 budget for scoping in order to make additional funds available for projects.
- *Line 26: \$475,000 for Maintenance.* BE is responsible for paying CDOT to perform routine maintenance of all BE bridges on its behalf. Major activities include: snow removal, sweeping and trash removal.
- *Line 30: \$0 for Bridge Preservation.* In FY 2012-13 a Memorandum of Understanding (MOU) was executed between BE and CDOT to initiate a Pilot Bridge Enterprise Preservation Program. Per the MOU, BE would be budgeting \$100,000 for exploring preservation techniques on BE bridges. Currently, BE has a prior year bridge preservation budget balance available to use and will not be allocating any additional funding in FY 2021-22. In past years, BE has used these funds to participate in various efforts with CDOT including:
 - A parolee preventative maintenance program with CDOT maintenance;
 - A study of Floyd Hill, (structure F-15-BL) with CDOT Staff Bridge Branch, including purchasing sensors and monitoring equipment to obtain data regarding bridge stability in order to determine if there is any action required to keep the existing structure in service;



- A pilot project with Staff Bridge Branch to develop a new split timber stringer repair specification with the goals of: evaluating the potential of the repair specification to meet BE goals for structure rehabilitations, reducing future maintenance costs by eliminating emergency repairs due to progressive failure, and increasing the load carrying capacity of the existing structures to remove load restrictions on key freight corridors throughout the state.
- *Line 35: \$25,220,106 for Debt Service.* In FY 2021-22 debt service includes payments for the Series 2019A refunded bonds, the 2010A bond issuance and the BE portion of the Central 70 availability payment which will begin in March of 2022 per the Project Agreement.
- *Line 39: \$97,448,715 for the Bridge Enterprise Construction Program.* This funding will be used to program projects based on the BE Four-Year Plan and Statewide Transportation Improvement Plan (STIP). Requests to use this funding for individual BE projects will be brought before the Board via the monthly budget supplement process.

Details are outlined in Attachment A: FY 2021-22 Proposed Bridge Enterprise Budget Fund 538.

Options and Recommendations:

1. Review and approve the BE proposed FY 2021-22 budget- **STAFF RECOMMENDATION**
2. Review and approve the BE proposed FY 2021-22 budget with requested changes.
3. Do not approve.

Next Steps:

In the next several months, OFMB and BE program staff will be finalizing the FY 2021-22 Bridge Enterprise budget for Fund 538, including reviewing updated FY 2021-22 revenue projections. Staff will return to the Board in February with a final budget for Board comment and in March for approval and adoption of a final budget.

Attachment:

Attachment A: Proposed Fiscal Year 2021-22 Bridge Enterprise Budget Fund 538.



Proposed Fiscal Year 2021-22 Bridge Enterprise Budget Statewide Bridge Enterprise Special Revenue Fund (C.R.S 43-4-805(3)(a) 538			
Line Item	Budget Item	Estimated Revenues	Draft Allocations
1	Estimated Revenue		
2	Estimated FY 2021-22 FASTER Bridge Safety Surcharge Revenues	\$ 110,000,000	
3	Interest Earnings	\$ 280,000	
4	US Treasury Subsidy for Build America Bonds	\$ 5,148,202	
5	Federal Funds for 2010A Bond Debt Service	\$ 9,626,239	
6	Total Estimated Revenue	\$ 125,054,441	
7			
8	Estimated Allocations		
9	Administrative & Operating Activities (Cost Centers B8800-538 and B88AD-538)		
10			
11	Bridge Enterprise Program Management		\$ (1,300,000)
12	CDOT Staff Compensation		\$ (116,620)
13	Attorney General Legal Services		\$ (25,000)
14	Annual Audit		\$ (35,000)
15	Operating Expenses		\$ (4,000)
16	Trustee Fee		\$ (10,000)
17	Other consulting		\$ (100,000)
18	Total Administrative & Operating Activities		\$ (1,590,620)
19			
20	Support Services (Cost Center B88SP-538)		
21	Additional Project and Program Support Services		\$ (320,000)
22	Total Project Scoping		\$ (320,000)
23			
24	Maintenance (Cost Center B88MS-538)		
25	Routine Maintenance on Bridge Enterprise Structures		\$ (475,000)
26	Total Maintenance		\$ (475,000)
27			
28	Bridge Preservation (Cost Center B88BP-538)		
29	Bridge Preservation		\$ -
30	Total Bridge Preservation		\$ -
31			
32	Debt Service		
33	2010A and 2019A Bond Debt Service		\$ (17,181,000)
34	Central 70 Availability Payment		\$ (8,039,106)
35	Total Debt Service		\$ (25,220,106)
36			
37	Bridge Enterprise Construction Program		
38	Funding for Bridge Enterprise Projects		\$ (97,448,715)
39	Total Bridge Enterprise Projects		\$ (97,448,715)
40			
Total Fund 538 FY 2021-22 Revenues		\$ 125,054,441	
Total Fund 538 FY 2021-22 Allocations		\$ (125,054,441)	
Remaining Unbudgeted Funds		\$ -	

