



MEMORANDUM

TO: THE BRIDGE ENTERPRISE BOARD OF DIRECTORS
FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER
DATE: NOVEMBER 15, 2018
SUBJECT: DRAFT FISCAL YEAR 2019-20 BRIDGE ENTERPRISE BUDGET

Purpose:

This month the Bridge Enterprise (BE) Board of Directors is being presented with a draft version of the fiscal year (FY) 2019-20 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 draft budget plan for FY 2019-20.

Background:

Based on the projected BE revenues determined by the Office of Financial Management and Budget (OFMB) in coordination with Bridge Enterprise (BE), staff is presenting a draft of the FY 2019-20 budget for Fund 538 and will return in February with a final budget for Board comment and in March for approval and adoption of a final FY 2019-20 budget.

Details:

Estimated Bridge Enterprises revenues for FY 2019-20 are \$118.1 million. This is an increase of \$2.0 million over FY 2018-19 projected revenues. The primary driver of revenue growth is attributed to an increased collection of Bridge Safety Surcharge Fees. The \$118.1 million revenue estimate is comprised of the following revenue sources:

- \$110,000,000 in FASTER Bridge Safety Surcharge Fee Revenue
- \$2,240,000 in Interest Earnings
- \$5,900,000 in Federal Subsidy for the Build America Bonds (BABs)

As it relates to the BE, overall projected revenue of \$118.1 million has been allocated to the following budget categories in the draft FY 2019-20 budget for Fund 538:

- *\$1,488,300 for Administrative & Operating Activities.* Funding in the category is used for annual staffing and program management costs.
- *\$350,000 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 in order to establish a scope of work for an upcoming project, develop an initial cost estimate, identify any significant environmental concerns and recommend a course of action in order to maximize project delivery.



- \$450,000 for Routine Maintenance for BE Structures.* 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.
- *\$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 2019-20. BE is using these funds to participate in a parolee preventative maintenance program with CDOT maintenance and has additional funds available should the program be expanded in FY 2019-20.
 - *\$18,234,000 for 2010 A Bond Debt Service.* Important to note, while the annual federal transfer of obligation authority from CDOT is still suspended for FY 2019-20 and no additional FHWA Limitation will be obligated during FY 2019-20, BE will still be able to seek federal reimbursement for the participating share of the debt service from its existing Obligation balance remaining from prior years.
 - *\$97,617,700 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 for funding of individual BE projects will be brought before the Board via the monthly budget supplement process.

Details regarding individual line items that roll up to each category are outlined in Attachment A: FY 2019-20 Draft Bridge Enterprise Budget.

Options and Recommendations:

1. Review and approve the BE FY 2019-20 draft budget- **STAFF RECOMMENDATION**
2. Review and approve the BE FY 2019-20 draft 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 2019-20 Bridge Enterprise budget for Fund 538, including finalizing FY 2019-20 revenue projections and 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: Fiscal Year 2019-20 Draft Bridge Enterprise Draft Budget Fund 538.



Resolution #BE-18-11-06

Adoption of the Fiscal Year 2019-20 Draft Budget for the Statewide Bridge Enterprise Special Revenue Fund 538

Approved by the Bridge Enterprise on November 15, 2018.

WHEREAS, the Colorado General Assembly created the Colorado Bridge Enterprise (CBE) in C.R.S. 43-4-805 as a government-owned business within CDOT for the business purpose of financing, repairing, reconstructing, and replacing Designated Bridges, defined in C.R.S. 43-4-803(10) as those bridges identified as structurally deficient or functionally obsolete and rated poor; and

WHEREAS, Section 43-4-805(3)(a), C.R.S., created the Statewide Bridge Enterprise Special Revenue Fund in the state treasury ("Fund 538") for the Colorado Bridge Enterprise; and

WHEREAS, pursuant to Section 43-4-805(5)(m), C.R.S., the BE Board of Directors (the "Board") is empowered to set and adopt, on an annual basis, a budget for the CBE; and

WHEREAS, for Fiscal Year 2019-20, the Colorado Bridge Enterprise presents a \$118.1 million draft budget for approval by the Board.

NOW THEREFORE BE IT RESOLVED, the Colorado Bridge Enterprise draft budget for Fiscal Year 2019-20 for Fund 538, attached hereto as Exhibit A, is hereby approved and adopted by the Board.



Herman Stockinger, Secretary
Bridge Enterprise Board of Directors



Date

Exhibit A to BE Resolution #

Draft Fiscal Year 2019-20 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 2019-20 FASTER Bridge Safety Surcharge Revenues	\$ 110,000,000	
3	Interest Earnings	\$ 2,240,000	
4	Federal Subsidy for Build America Bonds	\$ 5,900,000	
5	Total Estimated Revenue	\$ 118,140,000	
6			
7	Estimated Allocations		
8	Administrative & Operating (Cost Center B8800-538 and B88AD-538)		
9			
10	Bridge Enterprise Program Management		\$ (1,300,000)
11	CDOT Staff Compensation		\$ (116,300)
12	Attorney General Legal Services		\$ (40,000)
13	Annual Audit		\$ (11,000)
14	Operating Expenses		\$ (7,000)
15	Trustee Fee		\$ (4,000)
16	Other consulting		\$ (10,000)
17	Total Administrative & Operating		\$ (1,488,300)
18			
19	Support Services (Cost Center B88SP-538)		
20	Additional Project and Program Support Services		\$ (350,000)
21	Total Project Scoping		\$ (350,000)
22			
23	Maintenance (Cost Center B88MS-538)		
24	Routine Maintenance on Bridge Enterprise Structures		\$ (450,000)
25	Total Maintenance		\$ (450,000)
26			
27	Bridge Preservation (Cost Center B88BP-538)		
28	Bridge Preservation		\$ -
29	Total Bridge Preservation		\$ -
30			
31	Debt Service		
32	2010 A Bond Debt Service		\$ (18,234,000)
33	Total Debt Service		\$ (18,234,000)
34			
35	Bridge Enterprise Construction Program		
36	Funding for Bridge Enterprise Projects		\$ (97,617,700)
37	Total Bridge Enterprise Projects		\$ (97,617,700)
38			
Total Fund 538 FY 2019-20 Revenues		\$ 118,140,000	
Total Fund 538 FY 2019-20 Allocations		\$ (118,140,000)	
Remaining Unbudgeted Funds		\$ -	

(Adopted Fiscal Year 2019-20 Fund 538 Budget)

