



MEMORANDUM

TO: HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD OF DIRECTORS
FROM: PIPER FRODE, ENTERPRISES BUDGET ANALYST
DATE: FEBRUARY 17, 2016
SUBJECT: FISCAL YEAR 2016-17 FINAL BUDGETS FOR FUND 536 AND FUND 537

Purpose

This memorandum presents final Fiscal Year (FY) 2016-17 budgets for Fund 536 (Statewide Transportation Enterprise Special Revenue Fund) and Fund 537 (Statewide Transportation Enterprise Operating Fund) for review and comment by the High Performance Transportation Enterprise (HPTE) Board of Directors.

Action

The purpose of this memo is informational only and no action this month is required. Staff will return in March for final adoption of FY 2016-17 budgets for Fund 536 and Fund 537.

Background

On October 2015 staff presented the Board with draft versions of the FY2016-17 operational budgets for Fund 536 and Fund 537. In alignment with the new annual budget timeline, this month staff is bringing the Board final FY 2016-17 operational budgets for comment and review. This timing is to ensure that any Board comments or suggested changes can be integrated and reflected in the final CDOT FY2016-17 Annual Budget that will be formally adopted by the TC in March 2016 and then submitted to the Governor for approval.

Details

The HPTE FY 2016-17 budget allocations are based on an estimated \$7.7 million of projected HPTE revenue for FY 2016-17. The \$7.7 million revenue estimate is comprised of the following revenue sources:

Statewide Transportation Enterprise Special Revenue Fund (Fund 536):

US 36 Managed Lanes (cost center T8620-536):

- \$225,000 in Transponder Sales Revenue
- \$70,000 for the FY 2016-17 Express Lanes Advertising Reimbursement from Plenary Roads Denver
- \$200,000 in Interest Income
- \$400,000 for the annual Concessionaire Management Fee from Plenary Roads Denver.

I-25 North Managed Lanes (cost center T8630-536):

- \$3,241,703 in projected Toll Revenue

I-70 West Mountain Express Lanes (cost center T8640-536):

- \$1,500,000 in projected Toll Revenue

Statewide Transportation Enterprise Operating Fund (Fund 537):

Administrative Cost Center (T8700-537):

- \$2,080,000 in Fee-for-Service Revenue. This represents an increase of 4 percent over the FY 2015-16 Fee-for-Service amount.
- \$8,800 in Interest Income

Details regarding individual expense line items that that been identified thus far are outlined in Attachment A: FY 2016-17 Draft HPTE Budget for Fund 536 and Attachment B: FY2016-17 Draft HPTE Budget for Fund 537.

Please note the current budget for Fund 537 does not reflect a Transportation Commission (TC) loan repayment amount for FY2016-17. As discussed in January during the HPTE-CDOT relationship workshop, HPTE has asked for flexibility to determine how and when it will be repaying its TC debt in the current and subsequent fiscal years. Staff will work closely with CDOT to find a sustainable way to meet its obligations and will inform the Board of the path forward. Similarly, staff is also evaluating the fee-for-service model to determine if it is meeting the needs of both HPTE and CDOT.

HPTE will also have several corridors in operation in FY 2016-17 including I-25 North, Segment 2 and the Peak Period Shoulder Lane. The operation and maintenance expenses that will be incurred by HPTE are still being finalized and staff will return to the Board with an amended budget once it has a more accurate estimate of what those costs will be.

Options and Recommendations

The Board is being asked to review the attached draft FY 2016-17 budgets and provide feedback.

Next Steps

Over the next month, staff will be integrating any changes requested by the Board and working with the CDOT Office of Financial Management and Budget to ensure that any changes are reflected in the CDOT annual budget.

Attachments

Attachment A: FY 2016-17 Draft Budget for Fund 536

Attachment B: FY 2016-17 Draft Budget for Fund 537

Attachment A: FY 2016-17 Draft Budget for Fund 536

Fiscal Year 2017 Final Budget		
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536		
Expenses by Corridor	Estimated FY17 Revenues	Estimated FY17 Expenses
US 36 Managed Lanes (Cost Center T8620-536)		
Fiscal Year 2017 Revenue		
Transponder Revenue	\$ 225,000	
Express Lanes Advertising Reimbursement from Plenary	\$ 70,000	
Interest Earnings	\$ 200,000	
Annual Concessionaire Management Fee	\$ 400,000	
Total US 36 FY17 Available Revenue	\$ 895,000	
Fiscal Year 2017 Expenses		
CDOT Staff Consulting		\$ (15,000)
Project Oversight		\$ (400,000)
Toll Processing Oversight		\$ (198,000)
Annual Audit		\$ (5,100)
Attorney General Fees		\$ (10,000)
Tolling Services Agreement- General Reimbursable Costs		\$ (37,200)
Total US 36 FY17 Estimated Expenses		\$ (665,300)
US36 Remaining Balance		\$ 229,700
I-25 North Managed Lanes (Cost Center T8630-536)		
Fiscal Year 2017 Funds		
Tolling Revenue	\$ 3,241,703	
Total I-25 N FY17 Available Revenue & Funds	\$ 3,241,703	
Tolling Services Agreement- General Reimbursable Costs		\$ (37,200)
Toll Processing		\$ (1,388,999)
Courtesy Patrol		\$ (150,000)
CSP Enforcement		\$ (112,794)
Note Registrar		\$ (1,000)
Total I-25 N FY17 Estimated Expenses		\$ (1,689,993)
I-25 N Remaining Balance		\$ 1,551,710
I-70 West PPSL (Cost Center T8640-536)		
Fiscal Year 2017 Funds		
Tolling Revenue	\$ 1,500,000	
PPSL Loan Interest Funds	\$ 697,500	
Total I-70 W PPSL FY17 Available Revenue & Funds	\$ 2,197,500	
Fiscal Year 2017 Expenses		
PPSL Loan Interest Payment		\$ (697,500)
E-470 Toll Processing Costs		\$ (147,825)
Note Registrar		\$ (1,000)
Total I-70 W PPSL FY17 Estimated Expenses		\$ (846,325)
I-70 W PPSL Remaining Balance		\$ 1,351,175
Total Fund 536 FY17 Revenues	\$ 6,334,203	
Total Fund 536 FY17 Expenses	\$ (3,201,618)	
Remaining Unbudgeted Funds	\$ 3,132,585	

Attachment B: FY 2016-17 Draft Budget for Fund 537

Fiscal Year 2017 Final Budget		
Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537		
Operations Expenses	Estimated FY17 Revenues	Estimated FY17 Expenses
Fiscal Year 2017 Revenue		
Interest Earnings	\$ 8,800	
Fee for Consulting Services	\$ 2,080,000	
Total FY2017 Operating Revenue	\$ 2,088,800	
Fiscal Year 2017 Expenses		
Administrative Cost Center (T8700-537)		
Overall Program Operations		
HPTE Staff Costs		\$ (436,800)
CDOT Staff Consulting		\$ (61,500)
Attorney General		\$ (75,000)
Annual Accounting & Audit Services		\$ (80,100)
In-State Travel		\$ (2,200)
Board Expenses		\$ (5,000)
Staff Training and Certifications		\$ (20,000)
Administrative and Membership Expenses		\$ (20,000)
Miscellaneous		\$ (7,200)
Program Planning & Development		
Program Management		\$ (50,000)
Transparency, Outreach and Communications Support		\$ (282,000)
Community and Public Affairs Support		\$ (115,000)
P3 Advisor		\$ (150,000)
Toll Operations Advisor		\$ (150,000)
Professional Services		\$ (150,000)
Surveillance Fees		\$ (75,000)
Long-Term Strategic Planning		\$ (150,000)
Aconex Document Management System		\$ (224,000)
Credit Ratings Services		\$ (20,000)
Out of State Travel Expenses		\$ (15,000)
Total FY2017 Operating Revenue	\$ 2,088,800	
Total FY2017 Operating Expenses		\$ (2,088,800)
Total Fund 537 FY17 Revenues \$ 2,088,800		
Total Fund 537 FY17 Expenses \$ (2,088,800)		
Remaining Unbudgeted Funds \$ -		