



**TO:** HPTE BOARD OF DIRECTORS  
**DATE:** OCTOBER 19, 2016  
**FROM:** PIPER FRODE, ENTERPRISES BUDGET ANALYST  
**SUBJECT:** FIRST AMENDMENT TO THE FY2016-17 BUDGETS FOR FUND 536 AND FUND 537

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Requested Action

This memo provides information to the High Performance Transportation Enterprise (HPTE) Board of Directors regarding proposed changes to the FY2016-17 budgets for Fund 536 (Special Revenue Fund) and Fund 537 (Operating Fund). The Board is asked to review the proposed changes to the FY2016-17 budget for Fund 536 and Fund 537 and approve Resolution #212 approving the First Budget Amendment of FY2016-17.

Background and Details:

Last month, the Transportation Commission and the HPTE Board of Directors approved the first amendment to the FY2016-17 Fee for Service Intra-Agency Agreement, including an expanded scope of work between the Colorado Department of Transportation (CDOT) and HPTE. The amendment reflected additional work that CDOT requested HPTE to lead in order to successfully implement changes that will allow High Occupancy Vehicles (HOV) only Express Lane users and motorcycles to travel for free in HOV Express Lanes ("HOV Changes"). The amendment also authorized a corresponding fee for service budget increase of \$2,366,850 that will cover the costs associated with the implementation of these HOV Changes.

Per the new HPTE Budget Process and Reporting Guidelines, any changes to the current approved annual budget resulting from new revenues or expenditures must be presented to the HPTE Board for review and approval. Since the September amendment authorized an additional \$2,366,850 in fee for service revenue for HPTE, staff is presenting amended budgets for both Fund 536 and Fund 537 showing the new revenue and subsequent allocations. Since the final FY2016-17 budget was approved in March 2016, staff has also made additional adjustments to existing line items that reflect updated information. Line item numbers have been added to make changes easier to reference.

Specific changes to Fund 536 that have been made and highlighted in yellow on Attachment A are as follows:

*US36 Express Lanes (Cost Center T8620-536)*

- Line 1: An additional \$2,075,736 fee for consulting services revenue has been added. This is a portion of the total budget increase of \$2,366,850 related to the fee for service amendment.
- Line 2: The estimated transponder revenue has been increased by \$225,000.
- Line 13: Has been increased to account for task order issued to E470 for the implementation of HOV Changes and shipping costs related to switchable transponders.

*I-25 North Express Lanes (T8640-536)*

- Line 19: Transponder revenue has been eliminated and from this corridor and all moved to the US36 Express Lanes cost center.
- Line 23: Courtesy Patrol has been eliminated as a separate line item as this activity is now captured under the General Operations and Maintenance (O&M) line item.
- Line 25: Projected General Operations and Maintenance expenses has been increased due to updated information on projected HPTE O&M obligations for the express lanes.

*I-70 West Mountain Express Lane (MEXL) (Cost Center T8640-536)*

- Line 31: Estimated tolling revenue has been increased based on more up-to-date information on collected MEXL toll revenue.
- Line 37: Projected General Operations and Maintenance expenses has been increased due to updated information on projected HPTE O&M obligations for the express lane.

Specific changes to Fund 537 that have been made and highlighted in yellow on Attachment A are as follows:

*Operating Cost Center (T8700-537)*

- Line 1: An additional \$291,114 of fee for consulting services revenue has been added. This is a portion of the total budget increase of \$2,366,850 related to the fee for service amendment.
- Line 6: HPTE staff costs have been increased to accommodate the total compensation for the new tolling services manager position
- Line 13/14: These line items have been split out into two separate budget line items for ease of tracking.
- Line 15: The miscellaneous line item has been increased by \$125,000 account for indirect costs related to the implementation of HOV Changes.
- Line 18: Transparency, Outreach and Communications Support has been increased by \$51,364 to account for additional communications work to be performed in support of HOV Changes.

Key Benefits:

Approval of the changes to the FY2016-17 budgets for Fund 536 and Fund 537 will allow staff to continue the successful implementation of HOV Changes as well as pursue other goals as directed by the HPTE Board such as hire a new tolling services manager and focus on legislative outreach.

Options and Recommendations

1. Act on Resolution #212 adopting the amended budgets for Fund 536 and 537. STAFF RECOMMENDATION
2. Request additional information or changes to specific line items.
3. Deny the request.

Next Steps

- HPTE and CDOT have acknowledged that implementing these procedural changes for HOV only drivers will result in additional ongoing work for HPTE and budget requests and fee for service scope revisions will be accommodated as this work is performed. As such, any additional budget amendments to the FY 2016-17 budget that are driven by HOV changes, including additional fee for service revenue or line items changes will be brought before the Board before approval per the HPTE Budget and Process Guidelines.

Attachments:

Attachment A: Amended HPTE FY 2015-16 Fund 536 Budget

Attachment B: Amended HPTE FY 2015-16 Fund 537 Budget

**Attachment A: Amended HPTE FY2016-17 Fund 536 Budget**

<b>Fiscal Year 2017 Final Budget</b>				
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536				
Expenses by Corridor	Adopted FY17 Estimated Revenues	Adopted FY17 Estimated Expenses	Revised Estimated FY17 Revenues	Revised Estimated FY17 Expenses
<b>US 36 Express Lanes (Cost Center T8620-536)</b>				
<b>Fiscal Year 2017 Revenue</b>				
Fee for Consulting Services			\$ 2,075,736	
Transponder Revenue	\$ 225,000		\$ 450,000	
Express Lanes Advertising Reimbursement from Plenary	\$ 70,000		\$ 70,000	
Interest Earnings	\$ 200,000		\$ 200,000	
Annual Concessionaire Management Fee	\$ 400,000		\$ 400,000	
<b>Total US 36 FY17 Available Revenue</b>	<b>\$ 895,000</b>		<b>\$ 3,195,736</b>	
<b>Fiscal Year 2017 Expenses</b>				
CDOT Staff Consulting		\$ (15,000)		\$ (15,000)
Project Oversight		\$ (400,000)		\$ (400,000)
Toll Processing Oversight		\$ (198,000)		\$ (198,000)
Annual Audit		\$ (5,100)		\$ (5,100)
Attorney General Fees		\$ (10,000)		\$ (10,000)
Tolling Services Agreement- General Reimbursable Costs		\$ (37,200)		\$ (2,150,736)
<b>Total US 36 FY17 Estimated Expenses</b>		<b>\$ (665,300)</b>		<b>\$ (2,778,836)</b>
<b>US36 Remaining Balance</b>		<b>\$ 229,700</b>		<b>\$ 416,900</b>
<b>I-25 North Express Lanes (Cost Center T8630-536)</b>				
<b>Fiscal Year 2017 Funds</b>				
Tolling Revenue	\$ 2,269,192		\$ 2,269,192	
Transponder Revenue	\$ 225,000		eliminated, moved to US36	
<b>Total I-25 N FY17 Available Revenue &amp; Funds</b>	<b>\$ 2,494,192</b>		<b>\$ 2,269,192</b>	
Tolling Services Agreement- General Reimbursable Costs		\$ (37,200)		\$ (37,200)
Toll Processing		\$ (1,388,999)		\$ (1,388,999)
Courtesy Patrol		\$ (150,000)	eliminated, covered under O&M line item	
CSP Enforcement		\$ (112,794)		\$ (112,794)
General Operations & Maintenance		\$ (340,000)		\$ (500,000)
Note Registrar		\$ (1,000)		\$ (1,000)
<b>Total I-25 N FY17 Estimated Expenses</b>		<b>\$ (2,029,993)</b>		<b>\$ (2,039,993)</b>
<b>I-25 N Remaining Balance</b>		<b>\$ (1,804,993)</b>		<b>\$ 229,199</b>
<b>I-70 West Mountain Express Lane (MEXL) (Cost Center T8640-536)</b>				
<b>Fiscal Year 2017 Funds</b>				
Tolling Revenue	\$ 450,000		\$ 720,000	
MEXL Loan Funds	\$ 697,500		\$ 697,500	
<b>Total I-70 W MEXL FY17 Available Revenue &amp; Funds</b>	<b>\$ 1,147,500</b>		<b>\$ 1,417,500</b>	
<b>Fiscal Year 2017 Expenses</b>				
PPSL Loan Interest Payment		\$ (697,500)		\$ (697,500)
E-470 Toll Processing Costs		\$ (147,825)		\$ (147,825)
General Operations & Maintenance		\$ (67,000)		\$ (383,652)
Note Registrar		\$ (1,000)		\$ (1,000)
<b>Total I-70 W MEXL FY17 Estimated Expenses</b>		<b>\$ (913,325)</b>		<b>\$ (1,229,977)</b>
<b>I-70 W MEXL Remaining Balance</b>		<b>\$ (215,825)</b>		<b>\$ 187,523</b>
<b>Total Fund 536 FY17 Revenues &amp; Funds</b>	<b>\$ 4,536,692</b>		<b>\$ 6,882,428</b>	
<b>Total Fund 536 FY17 Expenses</b>	<b>\$ (3,608,618)</b>		<b>\$ (6,048,806)</b>	
<b>Remaining Unbudgeted Funds</b>	<b>\$ 928,074</b>		<b>\$ 833,622</b>	

**Attachment B: Amended HPTE FY2016-17 Fund 537 Budget**

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	Estimated FY17 Revenues	Estimated FY17 Expenses
	<b>Operating Cost Center (T8700-537)</b>				
	<b>Fiscal Year 2017 Revenue</b>				
1	Interest Earnings	\$ 8,800		\$ 8,800	
2	Fee for Consulting Services	\$ 2,080,000		\$ 2,371,114	
3	<b>Total FY2017 Operating Revenue</b>	<b>\$ 2,088,800</b>		<b>\$ 2,379,914</b>	
4	<b>Fiscal Year 2017 Expenses</b>				
5	<b>Overall Program Operations</b>				
6	HPTE Staff Costs		\$ (436,800)		\$ (551,550)
7	CDOT Staff Consulting		\$ (61,500)		\$ (61,500)
8	Attorney General		\$ (75,000)		\$ (75,000)
9	Annual Accounting & Audit Services		\$ (80,100)		\$ (80,100)
10	In-State Travel		\$ (2,200)		\$ (2,200)
11	Board Expenses		\$ (10,000)		\$ (10,000)
12	Staff Training and Certifications		\$ (20,000)		\$ (20,000)
13	Conferences and Industry Memberships		\$ (20,000)		\$ (8,000)
14	Administrative and Office Needs				\$ (12,000)
15	Miscellaneous		\$ (2,200)		\$ (127,200)
16	<b>Program Planning &amp; Development</b>				
17	Program Management		\$ (50,000)		\$ (50,000)
18	Transparency, Outreach and Communications Support		\$ (282,000)		\$ (333,364)
19	Community and Public Affairs Support		\$ (115,000)		\$ (115,000)
20	P3 Advisor		\$ (150,000)		\$ (150,000)
21	Toll Operations Advisor		\$ (150,000)		\$ (150,000)
22	Professional Services		\$ (150,000)		\$ (150,000)
23	Surveillance Fees		\$ (75,000)		\$ (75,000)
24	Long-Term Strategic Planning		\$ (150,000)		\$ (150,000)
25	Aconex Document Management System		\$ (224,000)		\$ (224,000)
26	Feasibility Studies		\$ (20,000)		\$ (20,000)
27	<b>Out of State Travel Cost Center (T8710-537)</b>				
28	Out of State Travel Expenses		\$ (15,000)		\$ (15,000)
29	<b>Total FY2017 Operating Revenue</b>	<b>\$ 2,088,800</b>		<b>\$ 2,379,914</b>	
30	<b>Total FY2017 Operating Expenses</b>		<b>\$ (2,088,800)</b>		<b>\$ (2,379,914)</b>
	<b>Total Fund 537 FY17 Revenues</b>	<b>\$ 2,088,800</b>		<b>\$ 2,379,914</b>	
	<b>Total Fund 537 FY17 Expenses</b>	<b>\$ (2,088,800)</b>		<b>\$ (2,379,914)</b>	
	<b>Remaining Unbudgeted Funds</b>	<b>\$ -</b>		<b>\$ -</b>	

**Resolution – HPTE #212**

**Approving and Adopting a First Amendment to the Fiscal Year 2016-17 HPTE Budgets for Fund 536 and Fund 537**

**WHEREAS**, the General Assembly of the State of Colorado created the Colorado High Performance Transportation Enterprise (“HPTE”) as a government-owned business within the Colorado Department of Transportation (“CDOT”); and

**WHEREAS**, Section 43-4-806(3)(a), C.R.S. created the Statewide Transportation Enterprise Special Revenue Fund in the state treasury (“Fund 536”) for the purpose of, *inter alia*, depositing user fee revenues received by the HPTE, and further provided for the establishment of separate accounts in connection with specific surface transportation infrastructure projects; and

**WHEREAS**, Section 43-4-806(4), C.R.S., separately created the Statewide Transportation Enterprise Operating Fund (“Fund 537”) for the HPTE; and

**WHEREAS**, pursuant to Section 43-4-806(6)(l), C.R.S., the HPTE Board of Directors previously adopted annual budgets for fiscal year 2016-2017 for Fund 536 and Fund 537; and

**WHEREAS**, the need has now arisen to amend the budgets for fiscal year 2016-2017 for Fund 536 and Fund 537 (the “First Amendment”) to authorize the expenditure of additional moneys not anticipated at the time of adoption of the budgets, to be funded out of such revenue sources as identified in herein.

**NOW THEREFORE BE IT RESOLVED**, the amended fiscal year 2016-2017 budgets set forth in this First Amendment for Fund 536 and Fund 537, attached hereto as **Exhibit A** and **Exhibit B** respectively, are hereby approved and adopted by the HPTE Board of Directors.

Signed as of October 19, 2016

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Kari V. Grant  
Secretary, HPTE Board

**Exhibit A to HPTE Resolution #212**

**Amended (First Amendment) FY 2016-17 Fund 536 Budget**

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Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536				
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<b>Remaining Unbudgeted Funds</b>	<b>\$ 928,074</b>		<b>\$ 833,622</b>	

**Exhibit B to HPTE Resolution #212**

**Amended (First Amendment) FY 2016-17 Fund 537 Budget**

<b>Fiscal Year 2017 Final Budget</b>					
<b>Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537</b>					
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	<b>Total Fund 537 FY17 Expenses</b>	<b>\$ (2,088,800)</b>		<b>\$ (2,379,914)</b>	
	<b>Remaining Unbudgeted Funds</b>	<b>\$ -</b>		<b>\$ -</b>	