



MEMORANDUM

TO: HPTE BOARD OF DIRECTORS
DATE: JUNE 21, 2017
FROM: PIPER FRODE, ENTERPRISES BUDGET ANALYST
SUBJECT: SECOND AMENDMENT TO THE FY 2016-17 BUDGETS FOR FUND 536 AND FUND 537

Requested Action

This memo provides information to the High Performance Transportation Enterprise (HPTE) Board of Directors regarding a proposed change to the FY2016-17 budget for Fund 537 (Operating Fund). The Board is asked to review the proposed change to the Fund 537 budget and approve Resolution #223, included as Attachment A, authorizing the Second Budget Amendment of FY2016-17.

Background

In the prior fiscal year (FY 2015-16), HPTE was projected to begin its repayment of Transportation Commission (TC) operating loans under the then new Fee for Service agreement with CDOT. However, midway through the fiscal year in January 2016, HPTE held a workshop with the Board and the Transportation Commission (TC) in which it asked for flexibility in the timing of when it would begin repaying its existing TC debt obligations in order to manage the needs of its rapidly expanding program. HPTE explained that for cash flow purposes it needed flexibility, and postponing repayment of the loan provided the flexibility to unexpected costs that occurred during the year (including Project Bighorn expenses). It was decided that HPTE would defer its projected FY2015-16 TC loan repayment amount of \$750,852 to the next fiscal year. The HPTE Board approved this deferral in February 2016 via budget supplement resolution #193 which has been included as Attachment B for reference.

Current Details

Based on the available budget remaining for the current fiscal year, HPTE has decided that it has the budget flexibility necessary to make the TC loan payment that was deferred in the prior year. Per the new HPTE Budget Process and Reporting Guidelines, any changes to the current approved annual budget resulting from new expenditures must be presented to the HPTE Board for review and approval. Line item numbers have been added to make changes easier to reference. 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 16: A new Transportation Commission Loan repayment line for \$750,852 has been added.

Key Benefits:

- Making a TC loan payment at this time is consistent with the message HPTE conveyed to the TC and the Board back in FY2015-16 when we asked to postpone this payment to the current fiscal year.
- HPTE can accommodate this amount within the existing budget, while still leaving us a cushion for all remaining expenses as well as any additional items for fiscal year-end.

Options and Recommendations

1. Act on Resolution #223 adopting the amended budget for 537. STAFF RECOMMENDATION
2. Request additional information.
3. Deny the request.

Next Steps

- Under the new Excess Revenue Guidelines, HPTE committed to using a portion of remaining roll forward balances in Fund 537 (if any) to paying down existing TC debt. In the fall, staff will provide a final fiscal year-end report for FY 2016-17. When a final roll forward number for the year is known, staff will examine the possibility making another TC debt service payment for FY 2017-18 and report to the Board.

Attachments:

Attachment A: Resolution #223 Second Amendment to HPTE FY 2016-17 Budget for Fund 537

Attachment B: Resolution #193 Third Supplement to the FY 2015-16 Budgets for Fund 536 and Fund 537

Resolution – HPTE #223

Approving and Adopting a Second Amendment to the Fiscal Year 2016-17 HPTE Budget for 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 (the “Board”) previously adopted annual budgets for fiscal year 2016-17 for Fund 536 and Fund 537; and

WHEREAS, the fiscal year 2016-17 budget for Fund 537 was previously amended by resolution of the Board on October 19, 2016 (the “First Amendment”); and

WHEREAS, the need has now arisen to further amend the budget for fiscal year 2016-17 for Fund 537 (the “Second 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; and

WHEREAS, this Second Amendment approves a payment of \$750,852 towards HPTE’s existing Transportation Commission loan obligations.

NOW THEREFORE BE IT RESOLVED, the amended fiscal year 2016-17 budget set forth in this Second Amendment for Fund 537, attached hereto as **Exhibit A** is hereby approved and adopted by the HPTE Board of Directors.

Signed as of June 21, 2017

Kari V. Grant
Secretary, HPTE Board

Exhibit A to HPTE Resolution #223

Amended (Second Amendment) FY 2016-17 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
	Operating Cost Center (T8700-537)		
	Fiscal Year 2017 Revenue		
1	Interest Earnings	\$ 8,800	
2	Fee for Consulting Services	\$ 2,371,114	
3	Total FY2017 Operating Revenue	\$ 2,379,914	
	Additional budget from FY2016 roll forward and encumbrances	\$ 1,493,230	
	Total Current FY2017 Operating Budget	\$ 3,873,144	
4	Fiscal Year 2017 Expenses		
5	Overall Program Operations		
6	HPTE Staff Costs		\$ (551,550)
7	CDOT Staff Consulting		\$ (61,500)
8	Attorney General		\$ (75,000)
9	Annual Accounting & Audit Services		\$ (80,100)
10	In-State Travel		\$ (2,200)
11	Board Expenses		\$ (10,000)
12	Staff Training and Certifications		\$ (20,000)
13	Conferences and Industry Memberships		\$ (8,000)
14	Administrative and Office Needs		\$ (12,000)
15	Miscellaneous		\$ (127,200)
16	Transportation Commission Loan Repayment		\$ (750,852)
17	Program Planning & Development		
18	Program Management		\$ (50,000)
19	Transparency, Outreach and Communications Support		\$ (333,364)
20	Community and Public Affairs Support		\$ (115,000)
21	P3 Advisor		\$ (150,000)
22	Toll Operations Advisor		\$ (150,000)
23	Professional Services		\$ (150,000)
24	Surveillance Fees		\$ (75,000)
25	Long-Term Strategic Planning		\$ (150,000)
26	Aconex Document Management System		\$ (224,000)
27	Feasibility Studies		\$ (20,000)
	Prior Year Encumbrances		?
28	Out of State Travel Cost Center (T8710-537)		
29	Out of State Travel Expenses		\$ (15,000)
30	Total FY2017 Operating Budget	\$ 3,873,144	
31	Total FY2017 Operating Expenses		\$ (3,130,766)
	Total Fund 537 FY17 Revenues	\$ 3,873,144	
	Total Fund 537 FY17 Expenses		\$ (3,130,766)
	Remaining Unbudgeted Funds	\$ 742,378	

Attachment B:

Resolution – HPTE #193

Approving and Adopting a Third Supplement to the Fiscal Year 2015-16 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 2015-2016 for Fund 536 and Fund 537; and

WHEREAS the need has now arisen to amend the budgets for fiscal year 2015-2016 for Fund 536 and Fund 537 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 this Second Supplement.

NOW THEREFORE BE IT RESOLVED that the amended fiscal year 2015-2016 budgets set forth in this Second Supplement 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 February 17, 2016

Kari V. Grant
Secretary, HPTE Board

Exhibit A to HPTE Resolution #193
Amended (Third Supplement) FY 2015-16 Fund 536 Budget

Final Fiscal Year 2016 Budget			
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536			
Expenses by Corridor	Estimated FY16 Available Budget	Previously Approved Budget September 2015	Revised FY16 Expenses
US 36 Managed Lanes (Cost Center T8620-536)			
Fiscal Year 2016 Revenue			
Transponder Revenue	\$ 450,000		
Express Lanes Advertising Reimbursement from Plenary	\$ 70,000		
Interest Earnings	\$ 200,000		
Annual Concessionaire Management Fee	\$ 401,413		
Operations and Maintenance Reserve Reimbursement	\$ 630,000		
Total US 36 FY16 Available Revenue	\$ 1,751,413		
Additional Budget Adjustments			
Carry Forward of Funds for FY2015-16	\$ 2,166,899		
Revenue Reconciliation Adjustment FY2015-16	\$ 677,913		
Additional Budget for FY2016	\$ 2,844,812		
Total US36 FY2016 Available Budget	\$ 4,596,225		
Fiscal Year 2016 Expenses			
HPTE Staff Costs			\$ (25,000)
CDOT Staff Costs		\$ (15,000)	\$ (15,000)
Legal Services		\$ (158,650)	\$ (317,300)
Project Oversight		\$ (401,413)	\$ (441,413)
Miscellaneous Fees		\$ (31,500)	\$ (31,500)
Annual Audit		\$ (5,100)	\$ (5,100)
Attorney General Fees		\$ (30,000)	\$ (30,000)
Transponder Processing		\$ (15,000)	eliminated
TIFIA Fees		\$ (12,500)	\$ (12,500)
TIFIA Phase 1 Principal Payment		\$ (762,384)	\$ (762,384)
Tolling Services Agreement- General Reimbursable Costs		\$ (50,000)	\$ (248,000)
Total US 36 FY16 Estimated Expenses			\$ (1,888,197)
US36 Remaining Balance			\$ 2,708,028
I-25 North Managed Lanes (Cost Center T8630-536)			
Fiscal Year 2016 Funds			
Total I-25 N FY16 Available Funds			
Fiscal Year 2016 Expenses			
Total I-25 N FY16 Estimated Expenses			
I-25 N Remaining Balance			
I-70 West PPSL Lanes (Cost Center T8640-536)			
Fiscal Year 2016 Funds			
Toll Revenue	\$ 370,000		
Loan Funds	\$ 689,750		
Total I-70 W PPSL FY16 Available Funds	\$ 1,059,750		
Fiscal Year 2016 Expenses			
Toll Processing			\$ (150,000)
PPSL Loan Interest Payment			\$ (689,750)
Total I-70 W PPSL FY16 Estimated Expenses			\$ (839,750)
I-70 W PPSL Remaining Balance			\$ 220,000
Total Fund 536 FY16 Budget \$ 5,655,975			
Total Fund 536 FY16 Expenses \$ (2,727,947)			
Remaining Unbudgeted Funds \$ 2,928,028			

Exhibit B to HPTE Resolution #193

Amended (Third Supplement) FY 2015-16 Fund 537 Budget

Final Fiscal Year 2016 Budget			
Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537			
Operations Expenses	Estimated FY16 Available Budget	Previously Approved Budget September 2015	Revised FY16 Expenses
Fiscal Year 2016 Revenue			
Interest Earnings	\$ 8,800		
Fee for Consulting Services	\$ 2,000,000		
Total FY2016 Operating Revenue	\$ 2,008,800		
Additional Budget Adjustments			
Carry Forward FY2015-16	\$ 702,161		
Revenue Reconciliation Adjustment FY2015-16	\$ 14,671		
Total FY2016 Additional Budget	\$ 716,832		
Total FY2016 Available Budget	\$ 2,725,632		
Fiscal Year 2016 Expenses			
Administrative Cost Center (T8700-537)			
HPTE Staff Costs		\$ (400,000)	\$ (450,000)
CDOT Staff COST		\$ (100,000)	\$ (100,000)
P3 Advisor		\$ (250,000)	\$ (250,000)
Legal Services		\$ (158,650)	moved Fund 536
Transparency, Outreach and Communications Support		\$ (120,000)	\$ (154,000)
Community and Public Affairs Support		\$ (60,000)	\$ (60,000)
Program Management		\$ (200,000)	\$ (226,520)
Attorney General Services		\$ (75,000)	\$ (75,000)
Annual Audit		\$ (5,100)	\$ (5,100)
Board Expenses		\$ (5,000)	\$ (18,400)
Conferences, Memberships and Subscriptions		\$ (8,800)	\$ (8,800)
Administrative Expenses		\$ (10,500)	\$ (10,500)
Repayment of Transportation Commission Loan		\$ (750,852)	eliminated
Aconex Document Management System		\$ (225,000)	\$ (225,000)
Accounting Services		\$ (50,000)	\$ (50,000)
TIFIA consulting for C-470			\$ (400,000)
TIFIA Loan Processing Fees		\$ (100,000)	\$ (100,000)
Credit Ratings Services		\$ (255,000)	\$ (255,000)
Local Travel		\$ (500)	\$ (500)
Staff Training		\$ -	\$ (30,000)
Miscellaneous			\$ (25,000)
Out of State Travel Cost Center (T8710-537)			
Out-of-State Travel Expenses		\$ (19,800)	\$ (15,000)
Total FY2016 Operating Budget	\$ 2,725,632		
Total FY2016 Operating Expenses			\$ (2,458,820)
Total Fund 537 FY16 Budget	\$ 2,725,632		
Total Fund 537 FY16 Expenses	\$ (2,458,820)		
Remaining Unbudgeted Funds	\$ 266,812		