



## MEMORANDUM

**TO:** HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD OF DIRECTORS  
**FROM:** PIPER FRODE, ENTERPRISES BUDGET ANALYST  
**DATE:** SEPTEMBER 20, 2017  
**SUBJECT:** FIRST AMENDMENT TO THE FY 2017-18 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 FY 2017-18 budgets for Fund 536 (Special Revenue Fund) and Fund 537 (Operating Fund). The Board is asked to review the proposed changes to the FY 2017-18 budget for Fund 536 and Fund 537 and approve Resolution #241 approving the First Budget Amendment of FY 2017-18.

### Background and Details

This month the Transportation Commission and the HPTE Board of Directors are being asked to approve the first amendment to the FY 2017-18 Fee for Service Intra-Agency Agreement, including an expanded scope of work (SOW) between the Colorado Department of Transportation (CDOT) and HPTE. The amendment also authorized a corresponding fee for service budget increase of \$395,000 which compensates HPTE for providing additional services to CDOT as described in the new scope of work.

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 will authorize an additional \$395,000 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 FY 2017-18 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.

All changes being made to the previously approved budget for Fund 536 and Fund 537 are highlighted in yellow and included as Exhibit A and B under Attachment A. A few notable changes that have been made are:

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

- Line 15: A new line for Miscellaneous Corridor Studies has been added to account for ongoing work on areas such as stripping and pavement evaluations

#### *C-470 Express Lanes (New Cost Center T8650-536)*

- Lines 41: A new line for FY 2017-18 debt service obligations has been added

#### *Operating Cost Center (T8700-537)*

- Line 2: An additional \$395,000 of fee for consulting services revenue has been added related to the fee for service amendment.
- Line 6: HPTE staff costs have been increased by \$395,000 to account for new projected staff costs
- Line 22: The Public Affairs line item has been combined with the Express Lanes Communication line for easier reporting
- Line 29: A new line for Express Lanes Master Plan activities has been added in line with the revised SOW

Important to note, is that both amended budgets for Fund 536 and Fund 537 are contingent upon TC and Board approval of the First Amendment to the Intra Agency Agreement (IAA) for FY 2017-18 between CDOT and HPTE as well as the third TC budget supplement approving the additional funding. Staff has previewed the pending request with the TC and has full confidence that both requests will be approved.

**Key Benefits**

Approval of the changes to the FY 2017-18 budgets for Fund 536 and Fund 537 will allow staff to continue the successful merger between OMPD and HPTE as well as pursue other goals as directed by CDOT and the HPTE Board such as Express Lanes Master Planning.

**Options and Recommendations**

1. Act on Resolution #241 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**

- Both amended budgets for Fund 536 and Fund 537 are contingent upon TC and Board approval of the First Amendment to the Intra Agency Agreement (IAA) for FY 2017-18 between CDOT and HPTE. If the amendment is not approved, staff will return with updated budgets for the Board
- Under the new Excess Revenue Guidelines, HPTE committed to using a portion of remaining roll forward balances in Fund 537 to paying down existing TC debt. Given the current roll forward available, staff is examining the possibility making another TC debt service payment for FY 2017-18 and will report to the Board in the coming months.

**Attachment**

Attachment A: Resolution #241 Approving and Adopting a First Amendment to the Fiscal Year 2017-18 HPTE Budgets for Fund 536 and Fund 537

**Attachment A:**

**Resolution – HPTE #241**

**Approving and Adopting a First Amendment to the Fiscal Year 2017-18 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 2017-18 for Fund 536 and Fund 537; and

**WHEREAS**, the need has now arisen to amend the budgets for fiscal year 2017-18 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 2017-18 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 September 20, 2017

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Kari V. Grant  
Secretary, HPTE Board

## Exhibit A to HPTE Resolution #212

### Amended (First Amendment) FY 2017-18 Fund 536 Budget

Amended Fiscal Year 2017-18 Final Budget					
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536					
Line	Expenses by Corridor	Estimated Revenues	Estimated Expenses	Revised Estimated Revenues	Revised Estimated Expenses
1	<b>US 36 Managed Lanes (Cost Center T8620-536)</b>				
2	<b>Fiscal Year Revenues</b>				
3	Express Lanes Advertising Reimbursement from Plenary	\$ 70,000		\$ 70,000	
4	Interest Earnings	\$ 175,000		\$ 175,000	
5	Annual Concessionaire Management Fee	\$ 400,000		\$ 400,000	
6	<b>Total US 36 FY 2017-18 Available Revenue</b>	<b>\$ 645,000</b>		<b>\$ 645,000</b>	
7	Additional Budget from FY 2016-17 Roll Forward			\$ 3,637,247	
8	<b>Total Current Available FY 2017-18 Operating Budget</b>			<b>\$ 4,282,247</b>	
9	<b>Fiscal Year Expenses</b>				
10	CDOT Staff Consulting		\$ (15,000)		\$ (15,000)
11	Project Oversight		\$ (400,000)		\$ (400,000)
12	Toll Processing Oversight		\$ (200,000)		\$ (200,000)
13	Annual Audit		\$ (5,100)		\$ (5,100)
14	Attorney General Fees		\$ (10,000)		\$ (10,000)
15	Miscellaneous Corridor Studies				\$ (100,000)
16	<b>Total US 36 FY 2017-18 Estimated Expenses</b>		<b>\$ (630,100)</b>		<b>\$ (730,100)</b>
17	<b>US36 Remaining Balance</b>		<b>\$ 14,900</b>		<b>\$ 3,552,147</b>
18	<b>I-25 North Managed Lanes (Cost Center T8630-536)</b>				
19	<b>Fiscal Year Revenues</b>				
20	Tolling Revenue	\$ 10,896,066		\$ 10,896,066	
21	Transponder Revenue	\$ 450,000		\$ 450,000	
22	Interest Earnings			\$ 1,500	
23	I-25 North Loan Funds for Debt Service Payment	\$ 470,237		\$ 470,237	
24	<b>Total I-25 N FY 2017-18 Available Revenue &amp; Funds</b>	<b>\$ 11,816,303</b>		<b>\$ 11,817,803</b>	
25	<b>Fiscal Year Expenses</b>				
26	I-25 North Loan Payment		\$ (470,237)		\$ (470,237)
27	CDOT Staff Consulting		\$ (15,000)		\$ (15,000)
28	Attorney General Fees				\$ (10,000)
29	General Reimbursable Expenses and Toll Processing Costs		\$ (2,330,284)		\$ (2,330,284)
30	Corridor Operations & Maintenance		\$ (500,000)		\$ (500,000)
31	Note Registrar		\$ (1,000)		\$ (1,000)
32	<b>Total I-25 N FY 2017-18 Estimated Expenses</b>		<b>\$ (3,316,521)</b>		<b>\$ (3,326,521)</b>
33	<b>I-25 N Remaining Balance</b>		<b>\$ 8,499,782</b>		<b>\$ 8,491,282</b>
34	<b>I-70 West Mountain Express Lane (MEXL) (Cost Center T8640-536)</b>				
35	<b>Fiscal Year Funds and Revenue</b>				
36	Tolling Revenue	\$ 1,938,285		\$ 1,938,285	
37	Interest Earnings			\$ 1,000	
38	MEXL Loan Funds for Debt Service Payment	\$ 697,500		\$ 697,500	
39	Additional Budget from FY 2016-17 Roll Forward			\$ 463,555	
40	<b>Total I-70 W MEXL FY 2017-18 Available Revenue &amp; Funds</b>	<b>\$ 2,635,785</b>		<b>\$ 3,100,340</b>	
41	<b>Fiscal Year Expenses</b>				
42	MEXL Loan Payment		\$ (697,500)		\$ (697,500)
43	CDOT Staff Consulting		\$ (15,000)		\$ (15,000)
44	Attorney General Fees				\$ (10,000)
45	General Reimbursable Expenses and Toll Processing Costs		\$ (172,264)		\$ (172,264)
46	Corridor Operations & Maintenance		\$ (383,625)		\$ (383,625)
47	Note Registrar		\$ (1,000)		\$ (1,000)
48	<b>Total I-70 W MEXL FY 2017-18 Estimated Expenses</b>		<b>\$ (1,269,389)</b>		<b>\$ (1,279,389)</b>
49	<b>I-70 W MEXL Remaining Balance</b>		<b>\$ 1,368,398</b>		<b>\$ 1,820,951</b>
50	<b>C-470 Express Lanes (Cost Center T8650-536)</b>				
51	<b>Fiscal Year Funds and Revenue</b>				
52	C-470 Bond Proceeds for Debt Service			\$ 8,500,000	
53	<b>Total C-470 FY 2017-18 Available Funds</b>			<b>\$ 8,500,000</b>	
54	<b>Fiscal Year Expenditures</b>				
55	Bond Debt Service				\$ (8,500,000)
56	<b>Total I-70 W MEXL FY 2017-18 Estimated Expenses</b>		<b>\$ -</b>		<b>\$ (8,500,000)</b>
57	<b>I-70 W MEXL Remaining Balance</b>		<b>\$ -</b>		<b>\$ -</b>
<b>Total Fund 536 Revenues &amp; Funds</b>		<b>\$ 15,097,088</b>		<b>\$ 27,700,390</b>	
<b>Total Fund 536 Expenses</b>		<b>\$ (5,216,010)</b>		<b>\$ (13,836,010)</b>	
<b>Remaining Unbudgeted Funds</b>		<b>\$ 9,881,078</b>		<b>\$ 13,864,380</b>	

## Exhibit B to HPTE Resolution #212

### Amended (First Amendment) FY 2017-18 Fund 537 Budget

Amended Fiscal Year 2017-18 Final Budget					
Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537					
Line	Operations Expenses	Estimated Revenues	Estimated Expenses	Revised Estimated Revenues	Revised Estimated Expenses
1	<b>Fiscal Year 2017-18 Revenue</b>				
2	Fee for Consulting Services	\$ 4,774,500		\$ 5,169,500	
3	Interest Earnings	\$ 25,000		\$ 25,000	
4	<b>Total FY 2017-18 Operating Revenue</b>	<b>\$ 4,799,500</b>		<b>\$ 5,194,500</b>	
5	Additional Budget from FY 2016-17 Roll Forward			\$ 1,851,835	
6	<b>Total Current Available FY 2017-18 Operating Budget</b>			<b>\$ 7,046,335</b>	
7	<b>Fiscal Year 2017-18 Expenses</b>				
8	<b>Administrative Cost Center (T8700-537)</b>				
9					
10	<b>Overall Program Operations</b>				
11	HPTE Staff Costs		\$ (563,900)		\$ (958,900)
12	CDOT Staff Consulting		\$ (100,000)		\$ (100,000)
13	Attorney General		\$ (90,000)		\$ (90,000)
14	Annual Accounting & Audit Services		\$ (55,200)		\$ (55,200)
15	Board Expenses		\$ (18,400)		\$ (18,400)
16	Staff Training and Certifications		\$ (45,000)		\$ (45,000)
17	Administrative and Office Needs		\$ (12,000)		\$ (12,000)
18	Conferences and Industry Memberships		\$ (10,000)		\$ (10,000)
19	<b>Program Planning &amp; Development</b>				
20	Program Management		\$ (100,000)		\$ (100,000)
21	Express Lanes Communications and Public Affairs Support		\$ (404,000)		\$ (422,000)
22	Public Affairs Support		\$ (18,000)		Eliminated
23	P3 Advisor		\$ (350,000)		\$ (300,000)
24	Toll Operations Advisor		\$ (300,000)		\$ (300,000)
25	Professional and Legal Services		\$ (500,000)		\$ (300,000)
26	Surveillance and Ratings Fees		\$ (75,000)		\$ (150,000)
27	Strategic Partnerships and CDOT Project Support		\$ (300,000)		\$ (300,000)
28	Aconex Document Management System		\$ (224,000)		\$ (224,000)
29	Express Lanes Master Plan				\$ (1,700,000)
30	Express Lane Project Development Support		\$ (1,500,000)		\$ (1,500,000)
31	In and Out of State Travel		\$ (18,000)		\$ (18,000)
32	Miscellaneous		\$ (116,000)		\$ (116,000)
33	<b>Total FY 2017-18 Operating Budget</b>	<b>\$ 4,799,500</b>		<b>\$ 7,046,335</b>	
34	<b>Total FY 2017-18 Operating Expenses</b>		<b>\$ (4,799,500)</b>		<b>\$ (6,719,500)</b>
Total Fund 537 Revenues		\$ 4,799,500		\$ 7,046,335	
Total Fund 537 Expenses		\$ (4,799,500)		\$ (6,719,500)	
Remaining Unbudgeted Funds		\$ -		\$ 326,835	

