



## MEMORANDUM

TO: HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD OF DIRECTORS  
FROM: PIPER DARLINGTON, BUDGET AND SPECIAL PROJECTS MANAGER  
DATE: JULY 15, 2020  
SUBJECT: SECOND AMENDMENT TO THE FISCAL YEAR 2020-21 BUDGET

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### Requested Action

This memo provides information to the High Performance Transportation Enterprise (HPTE) Board of Directors (the Board) regarding proposed changes to the fiscal year (FY) 2020-21 budget for Fund 536 (Special Revenue Fund). The Board is asked to review the proposed changes and approve Resolution #333 included as Attachment A, approving the second Budget Amendment of FY 2020-21.

### Background

Per the HPTE Budget Process and Reporting Guidelines, any changes to the current approved annual budget which result in a new expenditure must be presented to the HPTE Board for review and approval. The proposed second budget amendment being presented this month is related to tolling systems and software development work that will be performed by Electronic Transaction Consultants Corporation (ETCC), HPTE's new tolling services vendor.

HPTE will be using toll revenue from existing corridors to fund **half the cost** of this work and funds being requested from the TC will be used as a match to fund the remaining balance. The proposed amendment assumes Transportation Commission (TC) approval of a \$950,000 loan request that is being made under the Tolling Equipment Finance Agreement (TEFA) and included as part of the July CDOT FY 2020-21 budget amendment. All funds will be used for the development of a new cloud-based tolling system including design, software development and testing. The memo provided for the TC loan request is also included in the July packet as additional background for the Board regarding the need and timing for the request.

In the event the TEFA loan request is not approved by the TC, HPTE staff will determine how to best cover the costs of this work and return to the Board with a revised budget reflecting those recommendations.

### Details

Specific changes to Fund 536, HPTE Special Revenue Fund, that have been made are highlighted in yellow on Exhibit A of Attachment A. Changes to note for the Board:

- **Line 50 and 85: Loan Expenses.** These lines have been re-named from Note Registrar to Loan Expenses to include costs related to the refinancing of the I-25 North 120<sup>th</sup> to E470 (Segment 3) and I-70 Mountain Express Lanes Eastbound Loans with Banc of America. HPTE anticipates that the refinancing process will be completed by December 2020.
- **Lines 30, 51,86,111: Tolling System and Software Development.** These lines reflect equal amounts of toll revenue from corridors in operation (or soon to be in operation in the case of C470), and will fund half the cost of the initial work by ETCC.
- **Lines 54-69, 89-96 and 114-12.** Funds from the TEFA loan request will be used to cover the share of costs for upcoming tolling corridors including I-70 MEXL Westbound, I-25 South GAP, Central 70 and I-25 North Johnstown to Fort Collins. Since HPTE must track revenues and expenses separately for its tolling corridors, staff has set up cost centers for each future corridor and will be directing equal amounts of TEFA funds for each project through these cost centers. Loan funds are shown being allocated to Tolling System and Software Development for each of these corridors.



#### Options and Recommendations

1. Act on Resolution #333 adopting amended budgets for fund 536. Staff recommendation
2. Request additional information on any of the requested amendments.
3. Deny the requests.

#### Next Steps

- If the July TEFA request is approved by the TC:
  - HPTE staff will work with the Office of Financial Management and Budget (OFMB) within the Division of Accounting and Finance (DAF) to ensure the funds are allocated to the appropriate cost centers that have been set up by HPTE.
  - HPTE staff will work with CDOT to comply with the terms of the TEFA and provide an amortization schedule for the repayment of the loan.
- The amended budget will be reflected in the first quarter budget to actual statement of the 2020-21 fiscal year.

#### Attachment

Attachment A: Resolution #333 Approval of the Second Amendment to the Fiscal Year 2020-21 HPTE Budget