



MEMORANDUM

TO: HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD OF DIRECTORS
FROM: PIPER DARLINGTON, HPTE BUDGET AND SPECIAL PROJECTS MANAGER
DATE: MAY 20, 2020
SUBJECT: FIRST AMENDMENT TO THE FISCAL YEAR 2020-21 BUDGET

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 #329 included as Attachment A, approving the First 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. In March 2020, the HPTE Board approved an annual budget for FY 2020-21. However, there is a need to amend the budget prior to the start of the fiscal year in order to establish a stand-alone budget for I-25 North 120th to E470 (referred to as Segment 3) prior to tolling commencement. Due to the terms of the HPTE loan agreement with Bank of America (BAML) for the project, HPTE must track revenues and expenses separately from I-25 North US36 to 120th (Segment 2). Staff has also made some other adjustments based on updated expenditure information and tried to break out some line items to provide more clarity to the Board and make tracking and reporting easier.

Details

Specific changes to Fund 536, HPTE Special Revenue Fund, that have been made are highlighted in yellow on Exhibit A of Attachment A. Overall, lines 32-51 are new and reflect a stand-alone budget for I-25 North 120th to E470 (Segment 3). Important changes to note for the Board:

- **Line 34: Tolling Revenue.** This estimate is based on the Traffic and Revenue work that was completed in order to develop the schedule of toll rates for Segment 3 that the Board approved back in March 2020.
- **Lines 18 and 35: Transponder Revenue.** Since both I-25 North Segment 2 and 3 will offer HOV for user's revenue for transponders will be shared.
- **Lines 25 and 45: Sales Tax and Sales Tax Processing.** This item has been separated out from Operations to make it easier to track and report on. Since this item is related to the sale of transponders, it is being shared by both I-25 North Segment 2 and 3.
- **Lines 26, 46, 63 and 78: Routine Maintenance.** This item has been renamed to reflect all roadway maintenance work in the Express Lanes including: snowplowing, sweeping, trash pick-up and other maintenance services currently being provided by CDOT.
- **Lines 27, 47, 64 and 79: Operations.** This item has been separated out from Routine Maintenance to make it easier to track and report on. Activities and expenses falling under Operations will include any costs for Colorado State Patrol (CSP) as well as a new vendor who will be providing preventative and corrective maintenance for tolling operations equipment as well as proactive monitoring of all equipment on the Express Lanes.
- **Line 37: CDOT Reimbursement for Debt Service Expenses per IAA.** This line has been added for \$313,105 to reflect the amount being requested for Transportation Commission reimbursement under the I-25 North Segment 3 Intra Agency Agreement (IAA) between HPTE and CDOT. If approved, this payment will reimburse HPTE for half of its 2020 debt service payment of \$626,210 due in December (which includes \$155,973 for a margin rate payment). Since the project is slated to open by July 2020, HPTE will have toll revenue to cover the remaining half of the payment due in December.



C-470 Express Lanes (Cost Center T8640-536)

- *Line 72: CDOT Reimbursement for Debt Service Expenses per IAA.* This line item has been renamed from Draw on Ramp-Up reserve account to better reflect the process and amount being requested for TC reimbursement under the C470 Express Lanes IAA between HPTE and CDOT.

Options and Recommendations

1. Act on Resolution #329 adopting amended budgets for fund 536. **Staff recommendation**
2. Request additional information on any of the requested amendments.
3. Deny the request.

Next Steps

- Staff will work with the Office of Financial Management and Budget (OFMB) within the Division of Accounting and Finance (DAF) to establish the Board approved budget for I-25 North Segment 3 by tolling commencement and the start of the fiscal year.
- The new amended budget will be reflected in the first quarter budget to actual statement of the 2020-21 fiscal year.

Attachment

Attachment A: Resolution #329 Approval of First Amendment to the Fiscal Year 2020-21 HPTE Budget