



MEMORANDUM

TO: HPTE BOARD OF DIRECTORS
FROM: PIPER DARLINGTON, ENTERPRISES BUDGET & SPECIAL PROJECTS MANAGER
DATE: FEBRUARY 17, 2021
SUBJECT: UPDATED FISCAL YEAR 2021-22 BUDGETS FOR FUND 536 AND FUND 537

Purpose

This memorandum presents updated Fiscal Year (FY) 2021-22 budgets for Fund 536 (Statewide Transportation Enterprise Special Revenue Fund) and Fund 537 (Statewide Transportation Enterprise Operating Fund). Staff requests that the High Performance Transportation Enterprise (HPTE) Board of Directors (the Board) provide a review.

Action Requested

The purpose of this memo is informational only and no action is required this month. A budget review this month ensures:

- HPTE is in alignment with its internal annual budget timeline.
- Accurate communication between HPTE and the CDOT Office of Financial Management & Budget (OFMB) regarding the annual fee for service request.
- Compliance with internal CDOT annual budget processes and legislative deadlines.

Background and Details

In November 2020, staff presented the Board with draft versions of the FY 2021-22 budgets for Fund 536 and Fund 537. Over the past several months, staff has worked to integrate changes and updates to both projected revenues and allocations for the upcoming fiscal year. A comparison between the draft FY 2021-22 budgets that were presented in November and the updated budgets being presented this month are shown in Attachment A and B.

Changes highlighted and numbered on Attachment A: FY 2021-22 Proposed Budget for Fund 536 are:

- *Line 22, 43, 79, and 108: HPTE and CDOT Staff Time:* Adjustments have been made to reflect that more staff time is now being charged directly to Express Lane corridors and paid for by toll revenue.
- *Line Items 42, 77, and 78: Margin Rate Payment and MEXL Loan Payment.* As a result of the refinancing process that was completed in February, adjustments have been made to reflect the elimination of the margin rate payment on I-25 North Segment 3 (US 36 to 120th) and the I-70 Mountain Express Lane (MEXL) as well as the revised loan payment amount under the new loan agreement with Wells Fargo.
- *Line Items 45 and 81: General Reimbursable Expenses and Toll Processing Costs.* HPTE has updated its estimates for toll-processing costs for the upcoming fiscal year based on spending through quarter two of the current fiscal year. Budget identified will be used to support all tolling operations on the corridor including: mailing of transponders, processing of tolls, and providing customer service support to all Express Lane customers.

Details are outlined in Attachment A: FY 2021-22 Proposed Budget for Fund 536. Important to note: HPTE staff has left the budget for 536 as proposed and will be updating information for C-470 on the final FY 2021-22 Fund 536 budget that will be brought for adoption in March. In consultation with HPTE advisors and FHWA, staff has been working on an analysis of revenue performance on the corridor as well as options for addressing shortfalls due to delayed ramp-up and the impacts of COVID which will be presented to the Board next month. Future amendments may be brought before the Board as HPTE works to finalize the new Operations and Maintenance Intra Agency Agreement (IAA) with CDOT, including the fee that will be paid to CDOT for the upcoming fiscal year.



Changes highlighted and numbered on Attachment B: FY 2021-22 Final Budget for Fund 537 include:

- *Line 2 and 3: Fee for Service Payment and Interest Earnings:* Fee for services revenues have been reduced following a review of HPTE's work plan for the upcoming fiscal year. Reasons for the reduction include:
 - HPTE has more annual expenses being paid for by toll revenue, including staff costs.
 - HPTE has other stand-alone IAA's where CDOT has requested HPTE to oversee projects and has already paid us for that work (i.e. Floyd Hill and I-270) and anticipates amending existing agreements to capture additional work being requested in FY 2021-22 (i.e. Burnham Yard).
 - HPTE does anticipate having additional budget to allocate to FY 2021-22 activities through the year-end roll forward process.
- *Line 9: HPTE Staff Compensation:* Adjustments have been made to reflect that more staff time is now being charged directly to Express Lane corridors and paid for by toll revenue. This is supported by current expenditures.
- *Line 33: Central 70 Traffic Demand Management & Tolling Equity Program:* Budget identified for this line item has been expanded to capture work being done to oversee the development of a Tolling Equity program for the Central 70 project because the corresponding NEPA document identifies this as a mitigation strategy for vulnerable populations who have been disproportionately exposed to environmental hazards along the corridor (referred to as environmental justice communities).
- *Lines 10, 19, 21, 25, 28, 30, 34 and 15.* Minor adjustments have been made to reflect current and anticipated expenditures.

HPTE does anticipate allocating additional budget to these areas once FY 2021-22 starts by using a portion of its available roll forward. Details are outlined in Attachment B: FY 2021-22 Final Budget for Fund 537.

Options and Recommendations

The Board is being asked to review the attached budgets and provide feedback, if necessary.

Next Steps

- HPTE staff will integrate changes to the C-470 budget and will return to the Board in March for final adoption of FY 2021-22 budgets for Fund 536 and Fund 537.
- HPTE staff will work with CDOT to finalize the FY 2021-22 Scope of Work, which will be integrated into the FY 2021-22 Fee for Service IAA. Staff will return to the Board for approval of the IAA in March.

Attachments

Attachment A: FY 2021-22 Proposed Budget for Fund 536

Attachment B: FY 2021-22 Final Budget for Fund 537



Attachment A: Fiscal Year 2021-22 Proposed Budget for Fund 536					
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536					
Line Item		Draft Revenues- Nov	Draft Allocations- Nov	Updated Revenues-Feb	Updated Allocations-Feb
1	US 36 Express Lanes (Cost Center T8620-536)				
2	Fiscal Year Revenues				
3	Interest Earnings	\$ 242,000		\$ 242,000	
4	Annual Concessionaire Management Fee	\$ 400,000		\$ 400,000	
5	Total US 36 FY 2021-22 Available Revenue	\$ 642,000		\$ 642,000	
6	Fiscal Year Allocations				
7	CDOT Staff Consulting		\$ (15,000)		\$ (15,000)
8	Project Oversight		\$ (600,000)		\$ (600,000)
9	Annual Audit		\$ (7,000)		\$ (7,000)
10	Attorney General Fees		\$ (20,000)		\$ (20,000)
11	Miscellaneous Corridor Studies		\$ -		\$ -
12	Total US 36 FY 2021-22 Allocations		\$ (642,000)		\$ (642,000)
13	Remaining Balance		\$ -		\$ -
14	I-25 Express Lanes				
15	US36 to 120th (Segment 2) (Cost Center T8630-536)				
16	Fiscal Year Revenues				
17	Tolling Revenue	\$ 8,186,642		\$ 8,186,642	
18	Transponder Revenue	\$ 250,000		\$ 250,000	
19	Interest Earnings	\$ 1,500		\$ 1,500	
20	Total Segment 2 FY 2021-22 Available Revenue & Funds	\$ 8,438,142		\$ 8,438,142	
21	Fiscal Year Allocations				
22	HPTE and CDOT Staff Time		\$ (15,000)		\$ (100,000)
23	Attorney General Fees		\$ (10,000)		\$ (10,000)
24	General Reimbursable Expenses and Toll Processing Costs		\$ (2,205,240)		\$ (2,205,240)
25	Sales Tax and Sales Tax Processing Costs		\$ (128,475)		\$ (128,475)
26	Routine Maintenance		\$ (150,000)		\$ (150,000)
27	Operations		\$ (250,000)		\$ (250,000)
28	Capital Replacement-Tolling Equipment		\$ -		\$ -
29	Miscellaneous Corridor Studies		\$ -		\$ -
30	Tolling System and Software Development		\$ -		\$ -
31	Total Segment 2 FY 2021-22 Allocations		\$ (2,758,715)		\$ (2,843,715)
32	Remaining Balance		\$ 5,679,427		\$ 5,594,427



Attachment A: Fiscal Year 2021-22 Proposed Budget for Fund 536				
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536				
33	120th to E470 (Segment 3) (Cost Center T8633-536)			
34	Fiscal Year Revenues & Funds			
35	Tolling Revenue	\$ 2,040,000		\$ 2,040,000
36	Transponder Revenue	\$ 250,000		\$ 250,000
37	Interest Earnings	\$ 1,500		\$ 1,500
39	Total Segment 3 FY 2021-22 Available Revenue & Funds	\$ 2,291,500		\$ 2,291,500
40	Fiscal Year Allocations			
41	I-25 North Loan Payment	\$ (470,237)		\$ (470,237)
42	Margin Rate Payment	\$ (155,973)		\$ -
43	HPTE and CDOT Staff Time	\$ (15,000)		\$ (100,000)
44	Attorney General Fees	\$ (10,000)		\$ (10,000)
45	General Reimbursable Expenses and Toll Processing Costs	\$ (255,000)		\$ (500,000)
46	Sales Tax and Sales Tax Processing Costs	\$ (42,825)		\$ (42,825)
47	Routine Maintenance	\$ (100,000)		\$ (100,000)
48	Operations	\$ (150,000)		\$ (150,000)
49	Capital Replacement-Tolling Equipment	\$ -		\$ -
50	Loan Expenses (Note Registrar, Refinancing)	\$ -		\$ -
51	Tolling System and Software Development	\$ -		\$ -
52	Total Segment 3 FY 2021-22 Allocations	\$ (1,199,035)		\$ (1,373,062)
53	Remaining Balance	\$ 1,092,465		\$ 918,438
54	Johnstown to Fort Collins (Segment 7&8) (Cost Center T8635-536)			
55	Fiscal Year Revenues & Funds			
56				
57	Total Segment 7&8 FY 2021-22 Available Revenue & Funds			
58	Fiscal Year Allocations			
59				
60	Total Segment 7&8 FY 2021-22 Allocations			
61	Remaining Balance			
62	Monument to Castle Rock (the GAP) (Cost Center T8655-536)			
63	Fiscal Year Revenues & Funds			
64				
65	Total GAP FY 2021-22 Available Revenue & Funds			
66	Fiscal Year Allocations			
67				
68	Total GAP FY 2021-22 Allocations			
69	Remaining Balance			



Attachment A: Fiscal Year 2021-22 Proposed Budget for Fund 536				
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536				
70	I-70 West Mountain Express Lanes (MEXL)			
71	MEXL Eastbound (Cost Center T8640-536)			
72	Fiscal Year Revenues & Funds			
73	Tolling Revenue	\$ 2,316,593		\$ 2,316,593
74	Interest Earnings	\$ 1,500		\$ 1,500
75	Total MEXL Eastbound FY 2021-22 Available Revenue & Funds	\$ 2,318,093		\$ 2,318,093
76	Fiscal Year Allocations			
77	MEXL Loan Payment	\$ (697,500)		\$ (168,145)
78	Margin Rate Payment	\$ (231,354)		\$ -
79	HPTE and CDOT Staff Time	\$ (15,000)		\$ (100,000)
80	Attorney General Fees	\$ (5,000)		\$ (5,000)
81	General Reimbursable Expenses and Toll Processing Costs	\$ (209,100)		\$ (400,000)
82	Routine Maintenance	\$ (200,000)		\$ (200,000)
83	Operations	\$ (125,000)		\$ (125,000)
84	Capital Replacement-Tolling Equipment Reserve	\$ -		\$ -
85	Loan Expenses (Note Registrar, Refinancing)	\$ -		\$ -
86	Tolling System and Software Development	\$ -		\$ -
87	Total MEXL Eastbound FY 2021-22 Allocations	\$ (1,482,954)		\$ (998,145)
88	Remaining Balance	\$ 835,139		\$ 1,319,948
89	MEXL Westbound (Cost Center T8645-536)			
90	Fiscal Year Funds and Revenue			
91				
92	Total MEXL Westbound FY 2021-22 Available Revenue & Funds			
93	Fiscal Year Allocations			
94				
95	Total MEXL Westbound FY 2021-22 Allocations			
96	Remaining Balance			
97	C-470 Express Lanes (Cost Center T8650-536)			
98	Fiscal Year Funds and Revenue			
99	Tolling Revenue	\$ 12,716,000		\$ 12,716,000
100	Debt Service Reserves			
101	Interest Earnings	\$ 1,500		\$ 1,500
102	Total C-470 FY 2021-22 Available Funds	\$ 12,717,500		\$ 12,717,500
103	Fiscal Year Allocations			
104	Bond Debt Service	\$ (8,089,750)		\$ (8,089,750)
105	General Reimbursable Expenses and Toll Processing Costs	\$ (3,042,000)		\$ (3,042,000)
106	Routine Maintenance	\$ (519,000)		\$ (519,000)
107	Operations	\$ (200,000)		\$ (200,000)
108	HPTE and CDOT Staff Time	\$ (15,000)		\$ (100,000)
109	Attorney General Fees	\$ (10,000)		\$ (10,000)
110	Required Reserve Funds-Tolling and Roadway Capital Reserve	\$ -		\$ -
111	Required Reserve Funds-O&M Reserve	\$ (702,000)		\$ (702,000)
112	Tolling System and Software Development	\$ -		\$ -
113	Total C-470 FY 2021-22 Allocations	\$ (12,577,750)		\$ (12,662,750)
114	Remaining Balance	\$ 139,750		\$ 54,750
115	Central 70 (Cost Center T8660-536)			
116	Fiscal Year Funds and Revenue			
117				
118	Total Central 70 FY 2021-22 Available Revenue & Funds			
119	Fiscal Year Allocations			
120				
121	Total Central 70 FY 2021-22 Allocations			
122	Remaining Balance			
Total Fund 536 Revenues & Funds		\$ 26,407,236		\$ 26,407,236
Total Fund 536 Allocations		\$ (18,660,454)		\$ (18,519,672)
Remaining Unbudgeted Funds		\$ 7,746,782		\$ 7,887,563



Attachment B: Fiscal Year 2021-22 Final Budget for Fund 537
Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537

Line Item		Draft Revenues-Nov	Draft Allocations-Nov	Updated Revenues-Feb	Updated Allocations-Feb
1	Fiscal Year Revenues				
2	Fee for Service Payment	\$ 5,600,000		\$ 4,000,000	
3	Interest Earnings	\$ 80,000		\$ 50,000	
4	Total FY 2021-22- Revenue	\$ 5,680,000		\$ 4,050,000	
5	Fiscal Year Allocations				
6	Administrative Cost Center (T8700-537)				
7					
8	Overall Program Operations				
9	HPTE Staff Compensation		\$ (1,000,000)		\$ (750,000)
10	CDOT Staff		\$ (200,000)		\$ (100,000)
11	Board Expenses		\$ (10,000)		\$ (10,000)
12	Staff Training and Certifications		\$ (10,000)		\$ (10,000)
13	Administrative and Office Needs		\$ (5,000)		\$ (5,000)
14	Conferences and Industry Memberships		\$ (10,000)		\$ (10,000)
15	In and Out of State Travel		\$ -		\$ -
16	Technical Services				
17	Program Management		\$ -		\$ -
18	Express Lanes Communications and Public Affairs Support		\$ (300,000)		\$ (300,000)
19	Toll Operations Advisor		\$ (900,000)		\$ (450,000)
20	Traffic & Revenue Advisor		\$ (150,000)		\$ (150,000)
21	Aconex Document Management System		\$ (675,000)		\$ (572,000)
22	Financial Services				
23	Accounting Advisors and Annual Audit		\$ (20,000)		\$ (20,000)
24	Surveillance and Ratings Fees		\$ (100,000)		\$ (100,000)
25	General Financial Advisor		\$ (300,000)		\$ (100,000)
26	Legal Services				
27	Outside Legal Services		\$ (300,000)		\$ -
28	Attorney General Fees		\$ (100,000)		\$ (150,000)
29	Strategic Project Development				
30	Transportation Infrastructure and P3 Advisor		\$ (550,000)		\$ (200,000)
31	Strategic Partnerships and CDOT Project Support		\$ (500,000)		\$ (500,000)
33	Central 70 Traffic Demand Management & Tolling Equity Program		\$ (500,000)		\$ (600,000)
34	Miscellaneous		\$ (50,000)		\$ (23,000)
35	Total FY 2021-22 Estimated Revenues	\$ 5,680,000	.	\$ 4,050,000	.
36	Total FY 2021-22 Proposed Allocations		\$ (5,680,000)		\$ (4,050,000)
Total Fund 537 Revenue		\$ 5,680,000	.	\$ 4,050,000	.
Total Fund 537 Allocations		\$ (5,680,000)		\$ (4,050,000)	
Remaining Unbudgeted Funds		\$ -		\$ -	