

MEMORANDUM

TO: CTIO¹ BOARD OF DIRECTORS
FROM: PIPER DARLINGTON, BUDGET AND SPECIAL PROJECTS MANAGER, CTIO
SUBJECT: FISCAL YEAR 2023-24 FINAL ANNUAL BUDGET ALLOCATION PLAN
DATE: FEBRUARY 15, 2023

Purpose:

This month the Colorado Transportation Investment Office (CTIO) Board of Directors (the Board) is being presented with a Fiscal Year (FY) 2023-24 Final Annual Budget Allocation Plan for Fund 537 (Statewide Transportation Enterprise Operating Fund) and Fund 536 (Statewide Transportation Enterprise Special Revenue Fund).

Action:

The purpose of this memo is informational, and staff is requesting final review of the budget by the Board. CTIO staff will return next month seeking Board adoption of the final budget.

Background and Details:

In December 2022, staff presented the Board with a FY 2023-24 Proposed Annual Budget Allocation Plan for Fund 537 and Fund 536. Over the past several months, staff has worked to integrate changes and updates to projected revenues and allocations for the upcoming fiscal year. A comparison between the proposed FY 2023-24 budget was presented in December and the final budget being presented this month is shown in Attachment A.

Changes highlighted in yellow and numbered on Attachment A: FY 2022-23 Final Budget for Fund 537 are:

- *Line 10: CTIO Staff Compensation:* CTIO has updated its estimates for staff compensation to account for the proposed five percent across-the-board salary increase per the Colorado Workers for Innovative and New Solutions (COWINS) partnership agreement and other internal staffing updates.
- *Line 36: Strategic Partnership and CDOT Project Support:* CTIO has reduced this line to account for the increased staffing costs in 537. CTIO does anticipate allocating additional budget to this and other program areas once FY 2023-24 starts by using a portion of its available roll forward from the current fiscal year.

Additional details regarding the proposed allocations for Fund 537 are outlined in Attachment A: Fiscal Year 2023-24 Final Annual Budget Allocation Plan.

¹ The High-Performance Transportation Enterprise (CTIO) is now doing business as the Colorado Transportation Investment Office (CTIO). CTIO is how the enterprise refers to itself now and in the future. However, the CTIO name is retained for legislative and legal documents.

Changes highlighted in yellow and numbered on Attachment A: FY 2023-24 Final Budget for Fund 536 are:

- *Line 25, 43, 75, 94, 111: CTIO and CDOT Staff Compensation:* CTIO has updated its estimates for staff compensation to account for the proposed five percent across-the-board salary increase per the (COWINS) partnership agreement and the anticipated approval and hiring of seven (7) new Full-Time Equivalents (FTE) for CTIO tolling operations. The final budget reflects that fifty-four percent of direct staffing costs are estimated to be paid for by toll revenue.
- *Line 29: Routine Maintenance:* CTIO has increased its estimate for routine maintenance on the I-25 corridor based on the additional lane miles that will come online with I-25 North Berthoud to Fort Collins (Segments 6, 7, and 8).
- *Line 55: CDOT Payment for Project Expenses:* CTIO has updated its forecasted balance from the original \$5.0 million payment for the Burnham Yard project that will be remaining in FY 2023-34. Additional expenses will be incurred in FY 2022-23 include upcoming expenses related to the Burnham Yard Owners Representative work.
- *Line 71: HB-22-1074 Safety Enforcement Civil Penalties and Line 83: HB-22-1074 Implementation and Back Office Costs:* CTIO has updated the current estimates to reflect a full year of fines and costs.
- *Line 89: Draws on Project Reserves:* CTIO has updated its estimate for draws on project reserves because of increased staffing costs.
- *Line 108: CDOT Payment for Project Administration per Approved IAA:* CTIO has updated its forecasted balance from the original \$1.0 million payment for the administration of the tolling equity program that will be remaining in FY 2023-34. CTIO is anticipated to spend roughly \$100,000 per year on the administration of the tolling equity program.

Additional details regarding the proposed allocations for Fund 536 are outlined in Attachment A: Fiscal Year 2023-24 Final Annual Budget Allocation Plan.

Options and Recommendations

The Board is being asked to review the attached Fiscal Year (FY) 2023-24 Final Annual Budget Allocation Plan for Fund 537 (Statewide Transportation Enterprise Operating Fund) and Fund 536 (Statewide Transportation Enterprise Special Revenue Fund) and provide comments if needed.

Next Steps

- Integrate any requested changes and return in March with an FY 2023-24 Final Budget Allocation Plan for adoption.
- Work with CDOT to finalize the FY 2023-24 Scope of Work, which will be integrated into the FY 2023-24 Fee for Service Intra-Agency Agreement (IAA). Staff will return to the Board for approval of the IAA in March.
- Work with CDOT to finalize the Scope of Work and Payment for the FY 2023-24 Tolling Operations and Maintenance Inter-Agency Agreement (TOM's IAA) between CTIO, CDOT Division of Maintenance and Operations, and CDOT Intelligent Transportation Systems (ITS). Staff will return to the Board and the TC for approval of the IAA prior to June.

Attachment

Attachment A: FY 2023-24 Final Annual Budget Allocation Plan for Fund 537 and Fund 536

Attachment A: FY 2023-24 Final Annual Budget Allocation Plan for Fund 537 and Fund 536

Fiscal Year 2023-24 Final Annual Budget Allocation Plan for Fund 537					
Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537					
Line Item		Estimated Revenues-Dec	Proposed Allocations-Dec	Final Revenues	Final Allocations
1	Fiscal Year Revenues				
2	Fee for Service Payment	\$ 4,000,000		\$ 4,000,000	
3	Interest Earnings	\$ 50,000		\$ 50,000	
4	Reimbursement For Staff Time				
5	Total FY 2023-24 Revenue	\$ 4,050,000		\$ 4,050,000	
6	Fiscal Year Allocations				
7	Administrative Cost Center (T8700-537)				
8					
9	Overall Program Operations				
10	CTIO Staff Compensation		\$ (1,005,000)		\$ (1,062,000)
11	CDOT Staff Charges		\$ (100,000)		\$ (100,000)
12	Board Expenses		\$ -		\$ -
13	Staff Training and Certifications		\$ (10,000)		\$ (10,000)
14	Administrative and Office Needs		\$ (5,000)		\$ (5,000)
15	Conferences and Industry Memberships		\$ (20,000)		\$ (20,000)
16	In and Out of State Travel		\$ (25,000)		\$ (25,000)
17	Total Overall Program Operations		\$ (1,165,000)		\$ (1,222,000)
18	Technical Services				
19	Program Management		\$ -		\$ -
20	Express Lanes Communications and Public Affairs Support		\$ (450,000)		\$ (450,000)
21	Toll Operations Advisor		\$ (1,000,000)		\$ (1,000,000)
22	Traffic & Revenue Advisor		\$ -		\$ -
23	Aconex Document Management System		\$ (573,000)		\$ (573,000)
24	Total Technical Services		\$ (2,023,000)		\$ (2,023,000)
25	Financial Services				
26	Accounting Advisors and Annual Audit		\$ (20,000)		\$ (20,000)
27	Surveillance and Ratings Fees		\$ -		\$ -
28	General Financial Advisor		\$ (50,000)		\$ (50,000)
29	Total Financial Services		\$ (70,000)		\$ (70,000)
30	Legal Services				
31	Outside Legal Services		\$ (325,000)		\$ (325,000)
32	Attorney General Fees		\$ (167,000)		\$ (167,000)
33	Total Legal Services		\$ (492,000)		\$ (492,000)
34	Strategic Project Development				
35	Transportation Infrastructure and P3 Advisor		\$ -		\$ -
36	Strategic Partnerships and CDOT Project Support		\$ (300,000)		\$ (243,000)
37	Miscellaneous		\$ -		\$ -
38	Total Strategic Project Development		\$ (300,000)		\$ (243,000)
39	Total Fund 537 FY 2023-24 Revenue	\$ 4,050,000		\$ 4,050,000	
40	Total Fund 537 FY 2023-24 Allocations		\$ (4,050,000)		\$ (4,050,000)
41	Remaining Budget		\$ -		\$ -

Fiscal Year 2023-24 Final Annual Budget Allocation Plan for Fund 536
 Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536

Line Item		Estimated Revenues-Dec	Estimated Allocations-Dec	Final Revenues	Final Allocations
1	US 36 Express Lanes (Cost Center T8620-536)				
2	Fiscal Year Revenues				
3	Annual Concessionaire Management Fee	\$ 450,000		\$ 450,000	
4	Interest Earnings	\$ 15,000		\$ 15,000	
5	Total US 36 FY 2023-24 Available Revenue	\$ 465,000		\$ 465,000	
6	Fiscal Year Allocations				
7	CTIO and CDOT Staff Time		\$ (34,000)		\$ (34,000)
8	Project Oversight		\$ (425,000)		\$ (425,000)
9	Annual Audit		\$ (1,000)		\$ (1,000)
10	Attorney General Fees		\$ (5,000)		\$ (5,000)
11	Miscellaneous Corridor Studies		\$ -		\$ -
12	Total US 36 FY 2023-24 Allocations	\$ -	\$ (465,000)		\$ (465,000)
13	Remaining Balance	\$ -	\$ -		\$ -
14	I-25 Express Lanes				
15	US36 to Fort Collins (Cost Center T8630-536)				
16	Fiscal Year Revenues				
17	Segment 2	\$ 12,008,036		\$ 12,008,036	
18	Segment 3	\$ 8,299,000		\$ 8,299,000	
19	Segment 6/7/8	\$ 9,522,000		\$ 9,522,000	
20	Total I-25 North Tolling Revenue	\$ 29,829,036		\$ 29,829,036	
21	Transponder Revenue	\$ 650,000		\$ 650,000	
22	Interest Earnings	\$ 200,000		\$ 200,000	
23	Total I-25 North FY 2023-24 Revenue	\$ 30,679,036		\$ 30,679,036	
24	Fiscal Year Allocations				
25	CTIO and CDOT Staff Time		\$ (150,000)		\$ (275,000)
26	Attorney General Fees		\$ (100,000)		\$ (100,000)
27	General Reimbursable Expenses and Toll Processing Costs		\$ (4,211,800)		\$ (4,211,800)
28	Sales Tax and Sales Tax Processing Costs		\$ (119,000)		\$ (119,000)
29	Routine Maintenance		\$ (220,550)		\$ (420,000)
30	Operations		\$ (1,401,000)		\$ (1,401,000)
31	Capital Replacement-Tolling Equipment		\$ -		\$ -
32	Miscellaneous Corridor Studies		\$ -		\$ -
33	Tolling Backoffice System and Software Development		\$ (857,950)		\$ (857,950)
34	Total I-25 North FY 2023-24 Allocations	\$ (7,060,300)	\$ (7,060,300)		\$ (7,384,750)
35	Remaining Balance	\$ 23,618,736	\$ 23,618,736		\$ 23,294,286
36	Monument to Castle Rock (the GAP) (Cost Center T8655-536)				
37	Fiscal Year Revenues & Funds				
38	Tolling Revenue	\$ 3,501,149		\$ 3,501,149	
39	Transponder Revenue	\$ 250,000		\$ 250,000	
40	Interest Earnings	\$ 60,000		\$ 60,000	
41	Total GAP FY 2023-24 Revenue	\$ 3,811,149		\$ 3,811,149	
42	Fiscal Year Allocations				
43	CTIO and CDOT Staff Time		\$ (150,000)		\$ (275,000)
44	Attorney General Fees		\$ (5,000)		\$ (5,000)
45	General Reimbursable Expenses and Toll Processing Costs		\$ (1,767,730)		\$ (1,767,730)
46	Sales Tax and Sales Tax Processing Costs		\$ (44,000)		\$ (44,000)
47	Routine Maintenance		\$ (456,000)		\$ (456,000)
48	Operations		\$ (465,480)		\$ (465,480)
49	Capital Replacement-Tolling Equipment Reserve		\$ -		\$ -
50	Tolling Backoffice System and Software Development		\$ (125,416)		\$ (125,416)
51	Total GAP FY 2023-24 Allocations	\$ (3,013,626)	\$ (3,013,626)		\$ (3,138,626)
52	Remaining Balance	\$ 797,524	\$ 797,524		\$ 672,524

Fiscal Year 2023-24 Final Annual Budget Allocation Plan for Fund 536

Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536

53	Burnham Yard (Cost Center T8600-536)			
54	Fiscal Year Revenues & Funds			
55	CDOT Payment for Project Expenses per IAA	\$ 2,300,400	\$ 1,748,978	
56	Proceeds for Debt Service (Capitalized Interest)	\$ 3,284,578	\$ 3,284,578	
57	Interest Earnings	\$ 50,000	\$ 50,000	
58	Total Burnham Yard FY 2023-24 Available Revenue and Funds	\$ 5,634,978	\$ 5,083,556	
59	Fiscal Year Allocations			
60	Eligible Property Expenditures for Planning Activities	\$ -	\$ -	
61	Historic Building Preservation and Repair	\$ -	\$ -	
62	Security Services	\$ (548,350)	\$ (548,350)	
63	FY2023-24 Debt Service	\$ (1,094,859)	\$ (1,094,859)	
64	Total Burnham Yard FY 2023-24 Allocations	\$ (1,643,209)	\$ (1,643,209)	
65	Remaining Balance	\$ 3,991,769	\$ 3,440,347	
66	I-70 West Mountain Express Lanes (MEXL)			
67	MEXL Eastbound and Westbound (Cost Center T8640-536)			
68	Fiscal Year Revenues & Funds			
69	Tolling Revenue	\$ 6,013,711	\$ 6,013,711	
70	Interest Earnings	\$ 120,000	\$ 120,000	
71	HB-22-1074 Safety Enforcement Civil Penalties	\$ 1,643,426	\$ 3,286,853	
72	Total I-70 MEXL FY 2023-24 Revenue	\$ 7,777,137	\$ 9,420,564	
73	Fiscal Year Allocations			
74	MEXL Loan Payment	\$ (4,056,503)	\$ (4,056,503)	
75	CTIO and CDOT Staff Time	\$ (150,000)	\$ (275,000)	
76	Attorney General Fees	\$ (5,000)	\$ (5,000)	
77	General Reimbursable Expenses and Toll Processing Costs	\$ (517,800)	\$ (517,800)	
78	Routine Maintenance	\$ (260,920)	\$ (260,920)	
79	Operations	\$ (995,480)	\$ (995,480)	
80	Capital Replacement-Tolling Equipment	\$ -	\$ -	
81	Loan Expenses (Note Registrar, Refinancing)	\$ (75,000)	\$ (75,000)	
82	Tolling Backoffice System and Software Development	\$ (41,662)	\$ (41,662)	
83	HB-22-1074 Implementation and Backoffice Costs	\$ (557,404)	\$ (1,107,503)	
84	Total I-70 MEXL FY 2023-24 Allocations	\$ (6,659,768)	\$ (7,334,868)	
85	Remaining Balance	\$ 1,117,369	\$ 2,085,696	
86	C-470 Express Lanes (Cost Center T8650-536)			
87	Fiscal Year Funds and Revenue			
88	Tolling Revenue	\$ 11,258,184	\$ 11,258,184	
89	Draws on Project Reserve Accounts	\$ 2,960,654	\$ 3,085,654	
90	Interest Earnings	\$ 100,000	\$ 100,000	
91	Total C-470 FY 2023-24 Available Funds	\$ 14,318,838	\$ 14,443,838	
92	Fiscal Year Allocations			
93	Bond Debt Service	\$ (10,053,204)	\$ (10,053,204)	
94	CTIO and CDOT Staff Time	\$ (150,000)	\$ (275,000)	
95	Attorney General Fees	\$ (10,000)	\$ (10,000)	
96	General Reimbursable Expenses and Toll Processing Costs	\$ (1,856,000)	\$ (1,856,000)	
97	Routine Maintenance	\$ (420,610)	\$ (420,610)	
98	Operations	\$ (1,399,000)	\$ (1,399,000)	
99	Debt Monitoring and Surveillance Fees	\$ (150,000)	\$ (150,000)	
100	Tolling Backoffice System and Software Development	\$ (280,024)	\$ (280,024)	
101	Total C-470 FY 2023-24 Allocations	\$ (14,318,838)	\$ (14,443,838)	
102	Remaining Balance	\$ -	\$ -	
103	Central 70 (Cost Center T8660-536)			
104	Fiscal Year Funds and Revenue			
105	Tolling Revenue	\$ 9,986,400	\$ 9,986,400	
106	Interest Earnings	\$ 150,000	\$ 150,000	
107	Transponder Revenue	\$ 250,000	\$ 250,000	
108	CDOT Payment for Project Administration per Approved IAA	\$ 1,000,000	\$ 900,000	
109	Total Central 70 FY 2023-24 Available Revenue & Funds	\$ 11,386,400	\$ 11,286,400	
110	Fiscal Year Allocations			
111	CTIO and CDOT Staff Time	\$ (150,000)	\$ (275,000)	
112	Attorney General Fees	\$ (5,000)	\$ (5,000)	
113	General Reimbursable Expenses and Toll Processing Costs	\$ (1,877,000)	\$ (1,877,000)	
114	Routine Maintenance	\$ (147,968)	\$ (147,968)	
115	Operations	\$ (539,000)	\$ (539,000)	
116	Tolling Equity Program Administration	\$ (350,000)	\$ (350,000)	
117	Tolling Backoffice System and Software Development	\$ (194,950.50)	\$ (194,950.50)	
118	Total Central 70 FY 2023-24 Allocations	\$ (3,263,919)	\$ (3,388,919)	
119	Remaining Balance	\$ 8,122,481	\$ 7,897,481	
	Total Fund 536 Revenues & Funds	\$ 74,072,538	\$ 75,189,543	
	Total Fund 536 Allocations	\$ (36,424,660)	\$ (37,799,209)	
	Remaining Unbudgeted Funds	\$ 37,647,878	\$ 37,390,334	