

MEMORANDUM

TO: CTIO¹ BOARD OF DIRECTORS
FROM: PIPER DARLINGTON, DIRECTOR, CTIO
SUBJECT: FISCAL YEAR 2024-25 PROPOSED ANNUAL BUDGET ALLOCATION PLAN
DATE: NOVEMBER 15, 2022

Purpose:

This memorandum presents a Fiscal Year (FY) 2024-25 Proposed Annual Budget Allocation Plan for Fund 537 (Statewide Transportation Enterprise Operating Fund) and Fund 536 (Statewide Transportation Enterprise Special Revenue Fund) for review by the Colorado Transportation Investment Office (CTIO) Board of Directors (the Board).

Action

The purpose of this memo is informational, and staff is requesting review by the Board.

Details:

CTIO FY 2024-25 budget allocations for the Statewide Transportation Enterprise Operating Fund (Fund 537) are based on the following revenue estimates:

- \$4,000,000 in fee-for-service revenue
- \$50,000 in interest income

CTIO does anticipate allocating additional budget to various lines once FY 2024-25 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 2024-25 Proposed Annual Budget Allocation Plan.

CTIO FY 2024-25 budget allocations for the Statewide Transportation Enterprise Special Revenue Fund (Fund 536) are based on the following revenue estimates:

- 537) \$71.9 million in toll revenue from C470, Central 70, I-25 North US36 to Fort Collins (including Segments 2,3,6,7 and 8), I-25 South Monument to Castle Rock I-70 Eastbound and Westbound Mountain Express Lanes (MEXL).
- 538) \$15.6 million in HB 22-1074 Safety Enforcement Civil Penalties
- 539) \$695,000 in interest income
- 540) \$500,000 annual concessionaire management fee from Plenary Roads Denver
- 541) \$1,150,000 in transponder revenue

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.

In addition to revenues, CTIO will also have funding available from payments made under the Burnham Yard IAA, Central 70 Tolling Equity Program IAA, and reserve account balances for C-470 that are available for annual expenses. Additional details regarding the proposed allocations for Fund 536 are outlined in Attachment A: Fiscal Year 2024-25 Proposed Annual Budget Allocation Plan.

Options and Recommendations

The Board is being asked to review the attached draft budgets and presentation, providing feedback as necessary.

Next Steps

CTIO staff will return with a FY 2024-25 Final Budget Allocation Plan for review and comment in February 2024, followed by a Final Budget Allocation Plan for adoption in March 2024.

Attachment

Attachment A: FY 2024-25 Proposed Annual Budget Allocation Plan for Fund 537 and Fund 536

Attachment B: Fiscal Year 2024-25 Budget Overview

Attachment A: FY 2024-25 Proposed Annual Budget Allocation Plan for Fund 537 and Fund 536

Fiscal Year 2024-25 Draft Annual Budget Allocation Plan for Fund 537 Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537			
Line Item		Estimated Revenues	Proposed Allocations
1	Fiscal Year Revenues		
2	Fee for Service Payment	\$ 4,000,000	
3	Interest Earnings	\$ 50,000	
4	Reimbursement For Staff Time		
5	Total FY 2023-24 Revenue	\$ 4,050,000	
6	Fiscal Year Allocations		
7	Administrative Cost Center (T8700-537)		
8			
9	Overall Program Operations		
10	CTIO Staff Compensation		\$ (1,060,000)
11	CDOT Staff Charges		\$ (100,000)
12	Board Expenses		\$ -
13	Staff Training and Certifications		\$ (10,000)
14	Administrative and Office Needs		\$ (5,000)
15	Conferences and Industry Memberships		\$ (50,000)
16	In and Out of State Travel		\$ (25,000)
17	Total Overall Program Operations		\$ (1,250,000)
18	Technical Services		
19	Program Management		\$ -
20	Express Lanes Communications and Public Affairs Support		\$ (450,000)
21	Toll Operations Advisor		\$ (815,000)
22	Traffic & Revenue Advisor		\$ -
23	Aconex Document Management System		\$ (575,000)
24	Total Technical Services		\$ (1,840,000)
25	Financial Services		
26	Accounting Advisors and Annual Audit		\$ (20,000)
27	Surveillance and Ratings Fees		\$ -
28	General Financial Advisor		\$ (50,000)
29	Total Financial Services		\$ (70,000)
30	Legal Services		
31	Outside Legal Services		\$ (325,000)
32	Attorney General Fees		\$ (165,000)
33	Total Legal Services		\$ (490,000)
34	Strategic Project Development		
35	Transportation Infrastructure and P3 Advisor		\$ -
36	Strategic Partnerships and CDOT Project Support		\$ (400,000)
37	Miscellaneous		\$ -
38	Total Strategic Project Development		\$ (400,000)
39	Total Fund 537 FY 2023-24 Revenue	\$ 4,050,000	.
40	Total Fund 537 FY 2023-24 Allocations		\$ (4,050,000)
41	Remaining Budget		\$ -

Fiscal Year 2024-25 Draft 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	Estimated Allocations
1	US 36 Express Lanes (Cost Center T8620-536)		
2	Fiscal Year Revenues		
3	Annual Concessionaire Management Fee	\$ 500,000.00	
4	Interest Earnings	\$ 15,000	
5	Total US 36 FY 2024-25 Available Revenue	\$ 515,000	
6	FY 2022-23 Roll Forward Budget		
7	Total Available FY 2024-25 Budget		
8	Fiscal Year Allocations		
9	CTIO and CDOT Staff Time		\$ (34,000)
10	Project Oversight		\$ (425,000)
11	Annual Audit		\$ (1,000)
12	Attorney General Fees		\$ (5,000)
13	Miscellaneous Corridor Studies		\$ -
14	Total US 36 FY 2024-25 Allocations		\$ (465,000)
15	Remaining Balance		\$ 50,000.00
16	I-25 Express Lanes		
17	US36 to Fort Collins (Cost Center T8630-536)		
18	Fiscal Year Revenues		
19	Segment 2	\$ 12,488,357	
20	Segment 3	\$ 8,649,000	
21	Segment 6/7/8	\$ 16,504,000	
22	Total I-25 North Tolling Revenue	\$ 37,641,357	
23	Transponder Revenue	\$ 650,000	
24	Interest Earnings	\$ 200,000	
25	HB-22-1074 Safety Enforcement Civil Penalties	\$ 8,770,000	
26	Total I-25 North FY 2024-25 Revenue	\$ 47,261,357	
29	Fiscal Year Allocations		
30	CTIO and CDOT Staff Time		\$ (300,000)
31	Attorney General Fees		\$ (100,000)
32	General Reimbursable Expenses and Toll Processing Costs		\$ (6,000,000)
33	Sales Tax and Sales Tax Processing Costs		\$ (119,000)
34	Routine Maintenance		\$ (420,000)
35	Operations		\$ (1,401,000)
36	Capital Replacement-Tolling Equipment		\$ -
37	Miscellaneous Corridor Studies		\$ -
38	Tolling Backoffice System and Software Development		\$ (1,540,000)
39	HB-22-1074 Implementation and Backoffice Costs		\$ (3,710,000)
40	Total I-25 North FY 2024-25 Allocations		\$ (13,590,000)
41	Remaining Balance		\$ 33,671,357
42	Monument to Castle Rock (the GAP) (Cost Center T8655-536)		
43	Fiscal Year Revenues & Funds		
44	Tolling Revenue	\$ 4,438,062	
45	Transponder Revenue	\$ 250,000	
46	Interest Earnings	\$ 60,000	
47	Total GAP FY 2024-25 Revenue	\$ 4,748,062	
50	Fiscal Year Allocations		
51	CTIO and CDOT Staff Time		\$ (300,000)
52	Attorney General Fees		\$ (5,000)
53	General Reimbursable Expenses and Toll Processing Costs		\$ (1,767,730)
54	Sales Tax and Sales Tax Processing Costs		\$ (44,000)
55	Routine Maintenance		\$ (456,000)
56	Operations		\$ (465,480)
57	Capital Replacement-Tolling Equipment Reserve		\$ -
58	Tolling Backoffice System and Software Development		\$ (216,000)
59	Total GAP FY 2024-25 Allocations		\$ (3,254,210)
60	Remaining Balance		\$ 1,493,852

Fiscal Year 2024-25 Final Annual Budget Allocation Plan for Fund 536		
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536		
61	Burnham Yard (Cost Center T8600-536)	
62	Fiscal Year Revenues & Funds	
63	CDOT Payment for Project Expenses per IAA	\$ 1,748,978
64	Proceeds for Debt Service (Capitalized Interest)	\$ 2,189,719
65	Interest Earnings	\$ 50,000
66	Total Burnham Yard FY 2024-25 Available Revenue and Funds	\$ 3,988,697
67	Fiscal Year Allocations	
68	Eligible Property Expenditures for Planning Activities	\$ -
69	Historic Building Preservation and Repair	\$ -
70	Security Services	\$ (548,350)
71	FY2024-25 Debt Service	\$ (1,094,859)
72	Total Burnham Yard FY 2024-25 Allocations	\$ (1,643,209)
73	Remaining Balance	\$ 2,345,488
74	I-70 West Mountain Express Lanes (MEXL)	
75	MEXL Eastbound and Westbound (Cost Center T8640-536)	
76	Fiscal Year Revenues & Funds	
77	Tolling Revenue	\$ 6,254,260
78	Interest Earnings	\$ 120,000
79	HB-22-1074 Safety Enforcement Civil Penalties	\$ 3,286,853
80	Total I-70 MEXL FY 2024-25 Revenue	\$ 9,661,113
81	Fiscal Year Allocations	
82	MEXL Loan Payment	\$ (4,056,503)
83	CTIO and CDOT Staff Time	\$ (300,000)
84	Attorney General Fees	\$ (5,000)
85	General Reimbursable Expenses and Toll Processing Costs	\$ (517,800)
86	Routine Maintenance	\$ (260,920)
87	Operations	\$ (995,480)
88	Capital Replacement-Tolling Equipment	\$ -
89	Loan Expenses (Note Registrar, Refinancing)	\$ (75,000)
90	Tolling Backoffice System and Software Development	\$ (81,000)
91	HB-22-1074 Implementation and Backoffice Costs	\$ (1,107,503)
92	Total I-70 MEXL FY 2024-25 Allocations	\$ (7,399,206)
93	Remaining Balance	\$ 2,261,907
94	C-470 Express Lanes (Cost Center T8650-536)	
95	Fiscal Year Funds and Revenue	
96	Tolling Revenue	\$ 11,708,511
97	Draws on Project Reserve Accounts	\$ -
98	Interest Earnings	\$ 100,000
99	HB-22-1074 Safety Enforcement Civil Penalties	\$ 3,560,000
100	Total C-470 FY 2024-25 Available Funds	\$ 15,368,511
101	Fiscal Year Allocations	
102	Bond Debt Service	\$ (10,053,204)
103	CTIO and CDOT Staff Time	\$ (30,000)
104	Attorney General Fees	\$ (10,000)
105	General Reimbursable Expenses and Toll Processing Costs	\$ (1,856,000)
106	Routine Maintenance	\$ (420,610)
107	Operations	\$ (850,000)
108	Debt Monitoring and Surveillance Fees	\$ (150,000)
109	Tolling Backoffice System and Software Development	\$ (280,024)
110	HB-22-1074 Implementation and Backoffice Costs	\$ (1,680,000)
111	Total C-470 FY 2024-25 Allocations	\$ (15,329,838)
112	Remaining Balance	\$ 38,673.23
113	Central 70 (Cost Center T8660-536)	
114	Fiscal Year Funds and Revenue	
115	Tolling Revenue	\$ 11,816,400
116	Interest Earnings	\$ 150,000
117	Transponder Revenue	\$ 250,000
118	CDOT Payment for Project Administration per Approved IAA	\$ 800,000
119	Total Central 70 FY 2024-25 Available Revenue & Funds	\$ 13,016,400
120	Fiscal Year Allocations	
121	CTIO and CDOT Staff Time	\$ (275,000)
122	Attorney General Fees	\$ (5,000)
123	General Reimbursable Expenses and Toll Processing Costs	\$ (1,877,000)
124	Routine Maintenance	\$ (147,968)
125	Operations	\$ (539,000)
126	Tolling Equity Program Administration	\$ (350,000)
127	Tolling Backoffice System and Software Development	\$ (351,000)
128	Total Central 70 FY 2024-25 Allocations	\$ (3,544,968)
129	Remaining Balance	\$ 9,471,432
Total Fund 536 Revenues & Funds		\$ 94,559,139
Total Fund 536 Allocations		\$ (45,226,431)
Remaining Unbudgeted Funds		\$ 49,332,708



COLORADO

Transportation
Investment Office

Fiscal Year 2024-25 Budget Overview

Fund 537: Operating Fund

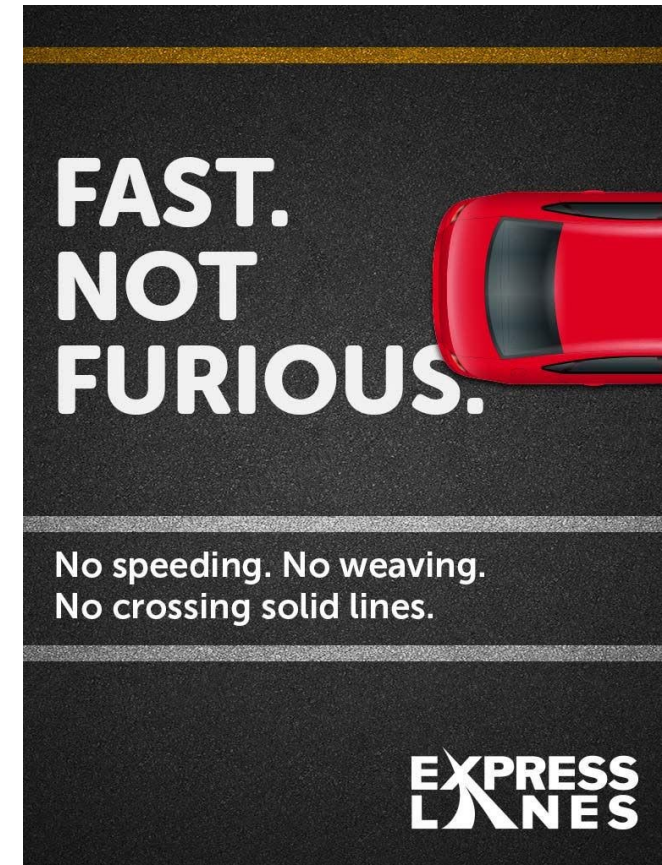
Sources of Funding

- Intra Agency Agreement (IAA)
Payments for Services
 - Annual Fee for Service IAA with CDOT
 - Project Specific IAA's, ex: Floyd Hill
- Interest
- Unsolicited Proposal Fees



Uses of Funding

- Administration and overhead of CTIO
- Project development work as requested by CDOT
- Support for Express Lanes projects under construction
 - Staff time
 - Communications (telephone town halls)
 - Legal Services
- Tasks are requested by CDOT and not necessarily related directly to tolling operations.
 - FHWA reporting requirements for TIGER, BUILD, and INFRA grants received by CDOT



Key Areas of Work for Fiscal Year 2024-25

- New Tolling Back Office Implementation (FY 25-FY 27)
- Central 70 Contract oversight for the Central 70 Project Agreement.
 - monitor routine maintenance, snow and ice removal, and capital renewal and replacement (OMR) work provided for the entire corridor
- Reconnecting Communities Grant Support (if awarded)
- Communications and outreach on Express Lanes projects under construction that will open for tolling
- Ongoing Floyd Hill TIFIA loan Procurement



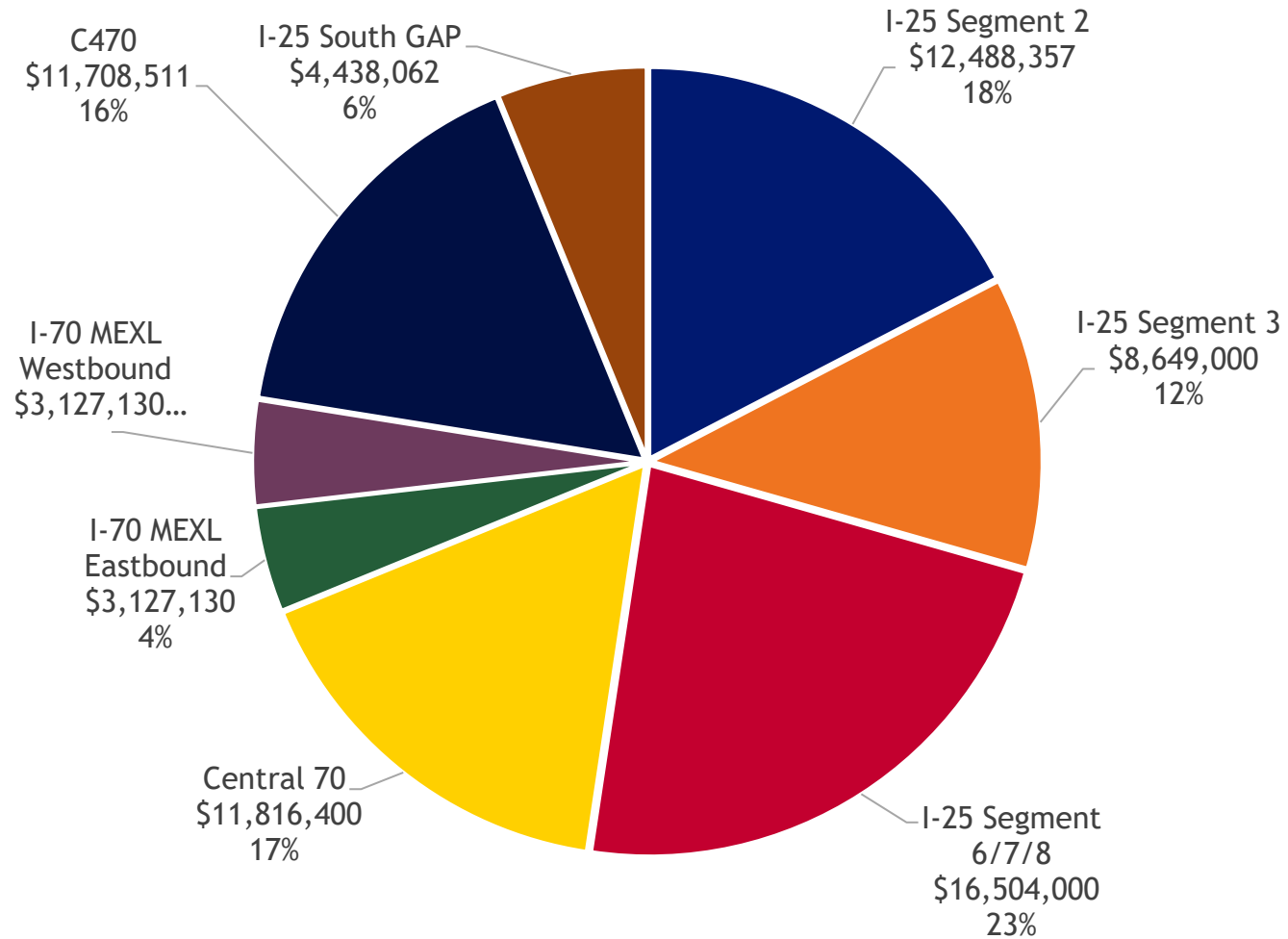
Fund 536: Special Revenue Fund

Sources of Revenue

- Toll Revenue
- Safety Enforcement Civil Penalties
- Intra Agency Agreement (IAA)
Payments for Services
 - Central 70 Tolling Equity Program IAA
 - Burnham Yard IAA
- Interest

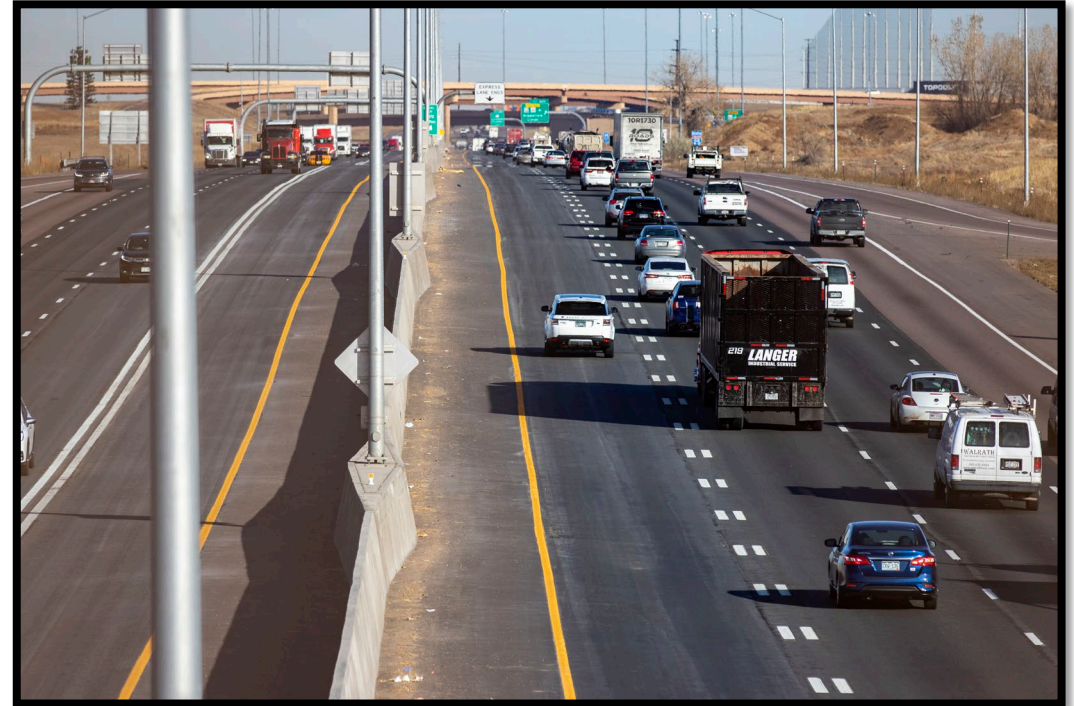


Toll Revenue Estimates



Uses of Funding

- Backoffice Operations:
 - Toll processing (including HOV transactions)
 - Transponders (including sales tax processing)
 - Customer Service
- Express Lanes Roadway and Equipment Maintenance
- Express Lanes Operations
 - Safety Enforcement
 - Staffing (contractors and internal)
- Debt Service



Key Items to Highlight for Fiscal Year 2024-25

Includes budget for 10 new tolling positions (already approved)

Reflects that 50% of total staffing costs is paid by toll revenue, shared across the corridors

Assuming initial milestone payments for the new tolling back-office vendor, cost sharing is based on percentage share of forecasted transactions by corridor

Ongoing Implementation of the Safety Enforcement Program across the network

Debt service for C-470 and I-70 MEXL increase in 2024, but CTIO is in the refinancing process

Next Steps

- ❑ Finalize the Scope of Work and Payment for the FY 2024-25 and Fee for Service Inter-Agency Agreement (IAA) between CTIO and CDOT
- ❑ Finalize the Scope of Work and Payment for the FY 2024-25 Tolling Operations and Maintenance Inter-Agency Agreement (TOM's IAA) HPTE, CDOT Division of Maintenance and Operations, and CDOT Intelligent Transportation Systems (ITS).
- ❑ Update revenue forecasts for both toll revenue and safety enforcement civil penalties
- ❑ Reflect new operations costs for toll processing and tolling equipment maintenance
- ❑ Reflect any new staffing costs following hiring of new FTE and contractors for tolling operations
- ❑ Ensure that proper contingency is included to cover cost escalations

Questions?