

MEMORANDUM

TO: CTIO¹ BOARD OF DIRECTORS
FROM: PIPER DARLINGTON, DIRECTOR, CTIO
SUBJECT: FISCAL YEAR 2024-25 FINAL ANNUAL BUDGET ALLOCATION PLAN
DATE: FEBRUARY 14, 2024

Purpose

This month the Colorado Transportation Investment Office (CTIO) Board of Directors (the Board) is being presented with a Fiscal Year (FY) 2024-25 Final Annual Budget Allocation Plan for Fund 537 (Statewide Transportation Enterprise Operating Fund) and Fund 536 (Statewide Transportation Enterprise Special Revenue Fund).

Requested 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 November 2023, staff presented the Board with a FY 2024-25 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 2024-25 budget presented in November and the final budget being presented this month are shown in Attachment A and Attachment B.

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

- Line 23: Aconex Document Management System: This line has been adjusted to reflect a new annual contract cost. Aconex ensures document control on large Express Lane projects by providing specialized document management services.
- Line 31: Outside Legal Services: This line has been increased to reflect ongoing legal services related to the Commercial Back Office System Procurement (CBOS).

Changes highlighted in yellow and numbered on Attachment B: FY 2024-25 Final Budget for Fund 536 are:

- Lines 25, 45, 77, 97, 117: HB-22-1074 Safety Enforcement Civil Penalties and Lines 25, 37, 56, 89, 108, 127: HB-22-1074 Implementation and Backoffice Costs: These lines have been updated to reflect estimated civil penalty revenue and expenses that will be generated from the Safety Enforcement Program on I-25 North US36 to Northwest Parkway/E-470 and Johnstown to Fort Collins, C-470 and the I-70 Mountain Express Lanes (MEXLs), I-25 South GAP and Central 70.

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.

The updated estimates assume that current corridors will see a 20% decline over current rates of collection and that sixty-five percent of the revenue generated will go to cover the cost of operating the Safety Enforcement Program.

- Line 80: MEXL Loan Payment: This line has been adjusted to reflect the new debt service schedule as a result of the MEXL Loan refinancing that was completed in January 2024. While the new loan is a variable rate loan, the estimate used as part of the FY 2024-25 budget is based on current interest rates.
- Lines 94 and 113: Tolling Revenue: These lines have been adjusted to reflect more updated estimates based on actual rates of collection through the end of the second quarter of this fiscal year.
- Lines 103 and 122: General Reimbursable Expenses and Toll Processing Costs: These lines have been adjusted to reflect more updated estimates for the 2024 calendar year. Budget identified is used to support all tolling back office operations on the corridor including mailing of transponders, processing of tolls, processing HOV+3 transactions and providing customer service support to all Express Lane customers.
- Lines 33, 105 and 124: Operations: These lines have been adjusted to reflect more updated estimates based on actual expenditures through the end of the second quarter of this fiscal year. Budget identified for operations is used to hire contractors to provide regular monitoring of the Express Lanes, for maintenance of tolling equipment, enforcement and patrol by Colorado State Patrol (CSP), independent monitoring by rating agencies on corridors with debt financing and consultant support.
- Lines 4, 24, 44, 63, 76, 96, 114: Interest Earnings: These lines have been adjusted to reflect current interest earned.

Options / Decision Matrix

No decision is being requested. The Board is being asked to review the attached Fiscal Year (FY) 2024-25 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.

Next Steps

- Integrate any requested changes and return in March with a FY 2024-25 Final Budget Allocation Plan for adoption.
- Work with CDOT to finalize the FY 2024-25 Scope of Work, which will be integrated into the FY 2024-25 Fee for Service Intra-Agency Agreement (IAA).
- Work with CDOT to finalize the Scope of Work and Payment for the FY 2024-25 Tolling Operations and Maintenance Inter-Agency Agreement (TOM's IAA) between CTIO, CDOT Division of Maintenance and Operations, and CDOT Intelligent Transportation Systems (ITS).

Attachments

Attachment A: Fiscal Year 2024-25 Final Annual Budget Allocation Plan for Fund 537

Attachment B: Fiscal Year 2024-25 Final Annual Budget Allocation Plan for Fund 536

Attachment A: Fiscal Year 2024-25 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-Nov | Proposed Allocations-Nov | 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 | | \$ (1,060,000) | | \$ (1,060,000) |
| 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 | | \$ (50,000) | | \$ (50,000) |
| 16 | In and Out of State Travel | | \$ (25,000) | | \$ (25,000) |
| 17 | Total Overall Program Operations | | \$ (1,250,000) | | \$ (1,250,000) |
| 18 | Technical Services | | | | |
| 19 | Program Management | | \$ - | | \$ - |
| 20 | Express Lanes Communications and Public Affairs Support | | \$ (450,000) | | \$ (450,000) |
| 21 | Toll Operations Advisor | | \$ (815,000) | | \$ (815,000) |
| 22 | Traffic & Revenue Advisor | | \$ - | | \$ - |
| 23 | Aconex Document Management System | | \$ (575,000) | | \$ (200,000) |
| 24 | Total Technical Services | | \$ (1,840,000) | | \$ (1,465,000) |
| 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) | | \$ (700,000) |
| 32 | Attorney General Fees | | \$ (165,000) | | \$ (165,000) |
| 33 | Total Legal Services | | \$ (490,000) | | \$ (865,000) |
| 34 | Strategic Project Development | | | | |
| 35 | Transportation Infrastructure and P3 Advisor | | \$ - | | \$ - |
| 36 | Strategic Partnerships and CDOT Project Support | | \$ (400,000) | | \$ (400,000) |
| 37 | Miscellaneous | | \$ - | | \$ - |
| 38 | Total Strategic Project Development | | \$ (400,000) | | \$ (400,000) |
| 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 | | \$ - | | \$ - |

Attachment B: 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

| Line Item | | Estimated Revenues-Nov | Estimated Allocations-Nov | Final Revenues | Final Revenues |
|-----------|--|------------------------|---------------------------|----------------------|------------------------|
| 1 | US 36 Express Lanes (Cost Center T8620-536) | | | | |
| 2 | Fiscal Year Revenues | | | | |
| 3 | Annual Concessionaire Management Fee | \$ 500,000.00 | | \$ 500,000.00 | |
| 4 | Interest Earnings | \$ 15,000 | | \$ 350,000 | |
| 5 | Total US 36 FY 2024-25 Available Revenue | \$ 515,000 | | \$ 850,000 | |
| 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) | | \$ (34,000) |
| 10 | Project Oversight | | \$ (425,000) | | \$ (425,000) |
| 11 | Annual Audit | | \$ (1,000) | | \$ (1,000) |
| 12 | Attorney General Fees | | \$ (5,000) | | \$ (5,000) |
| 13 | Miscellaneous Corridor Studies | | \$ - | | \$ - |
| 14 | Total US 36 FY 2024-25 Allocations | | \$ (465,000) | | \$ (465,000) |
| 15 | Remaining Balance | | \$ 50,000.00 | | \$ 385,000.00 |
| 16 | I-25 Express Lanes | | | | |
| 17 | US36 to Fort Collins (Cost Center T8630-536) | | | | |
| 18 | Fiscal Year Revenues | | | | |
| 19 | Segment 2 | \$ 12,488,357 | | \$ 12,488,357 | |
| 20 | Segment 3 | \$ 8,649,000 | | \$ 8,649,000 | |
| 21 | Segment 6/7/8 | \$ 16,504,000 | | \$ 16,504,000 | |
| 22 | Total I-25 North Tolling Revenue | \$ 37,641,357 | | \$ 37,641,357 | |
| 23 | Transponder Revenue | \$ 650,000 | | \$ 650,000 | |
| 24 | Interest Earnings | \$ 250,000 | | \$ 800,000 | |
| 25 | HB-22-1074 Safety Enforcement Civil Penalties | \$ 8,770,000 | | \$ 13,440,884 | |
| 26 | Total I-25 North FY 2024-25 Revenue | \$ 47,311,357 | | \$ 52,532,241 | |
| 27 | Fiscal Year Allocations | | | | |
| 28 | CTIO and CDOT Staff Time | | \$ (300,000) | | \$ (300,000) |
| 29 | Attorney General Fees | | \$ (100,000) | | \$ (100,000) |
| 30 | General Reimbursable Expenses and Toll Processing Costs | | \$ (6,000,000) | | \$ (6,000,000) |
| 31 | Sales Tax and Sales Tax Processing Costs | | \$ (119,000) | | \$ (119,000) |
| 32 | Routine Maintenance | | \$ (420,000) | | \$ (420,000) |
| 33 | Operations | | \$ (1,401,000) | | \$ (2,500,000) |
| 34 | Capital Replacement-Tolling Equipment | | \$ - | | \$ - |
| 35 | Miscellaneous Corridor Studies | | \$ - | | \$ - |
| 36 | Tolling Backoffice System and Software Development | | \$ (1,540,000) | | \$ (1,540,000) |
| 37 | HB-22-1074 Implementation and Backoffice Costs | | \$ (3,710,000) | | \$ (9,537,000) |
| 38 | Total I-25 North FY 2024-25 Allocations | | \$ (13,590,000) | | \$ (20,516,000) |
| 39 | Remaining Balance | | \$ 33,721,357 | | \$ 32,016,241 |
| 40 | Monument to Castle Rock (the GAP) (Cost Center T8655-536) | | | | |
| 41 | Fiscal Year Revenues & Funds | | | | |
| 42 | Tolling Revenue | \$ 4,438,062 | | \$ 4,438,062 | |
| 43 | Transponder Revenue | \$ 250,000 | | \$ 250,000 | |
| 44 | Interest Earnings | \$ 60,000 | | \$ 200,000 | |
| 45 | HB-22-1074 Safety Enforcement Civil Penalties | \$ - | | \$ 4,683,235 | |
| 46 | Total GAP FY 2024-25 Revenue | \$ 4,748,062 | | \$ 9,571,297 | |
| 47 | Fiscal Year Allocations | | | | |
| 48 | CTIO and CDOT Staff Time | | \$ (300,000) | | \$ (300,000) |
| 49 | Attorney General Fees | | \$ (5,000) | | \$ (5,000) |
| 50 | General Reimbursable Expenses and Toll Processing Costs | | \$ (1,767,730) | | \$ (1,767,730) |
| 51 | Sales Tax and Sales Tax Processing Costs | | \$ (44,000) | | \$ (44,000) |
| 52 | Routine Maintenance | | \$ (456,000) | | \$ (456,000) |
| 53 | Operations | | \$ (465,480) | | \$ (465,480) |
| 54 | Capital Replacement-Tolling Equipment Reserve | | \$ - | | \$ - |
| 55 | Tolling Backoffice System and Software Development | | \$ (216,000) | | \$ (216,000) |
| 56 | HB-22-1074 Implementation and Backoffice Costs | | | | \$ (3,440,000) |
| 57 | Total GAP FY 2024-25 Allocations | | \$ (3,254,210) | | \$ (6,694,210) |
| 58 | Remaining Balance | | \$ 1,493,852 | | \$ 2,877,087 |

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

| | | | | |
|-----|--|------------------------|--|------------------------|
| 59 | Burnham Yard (Cost Center T8600-536) | | | |
| 60 | Fiscal Year Revenues & Funds | | | |
| 61 | CDOT Payment for Project Expenses per IAA | \$ 1,748,978 | | \$ 1,748,978 |
| 62 | Proceeds for Debt Service (Capitalized Interest) | \$ 2,189,719 | | \$ 2,189,719 |
| 63 | Interest Earnings | \$ 50,000 | | \$ 150,000 |
| 64 | Total Burnham Yard FY 2024-25 Available Revenue and Funds | \$ 3,988,697 | | \$ 4,088,697 |
| 65 | Fiscal Year Allocations | | | |
| 66 | Eligible Property Expenditures for Planning Activities | \$ - | | \$ - |
| 67 | Historic Building Preservation and Repair | \$ - | | \$ - |
| 68 | Security Services | \$ (548,350) | | \$ (548,350) |
| 69 | FY2024-25 Debt Service | \$ (1,094,859) | | \$ (1,094,859) |
| 70 | Total Burnham Yard FY 2024-25 Allocations | \$ (1,643,209) | | \$ (1,643,209) |
| 71 | Remaining Balance | \$ 2,345,488 | | \$ 2,445,488 |
| 72 | I-70 West Mountain Express Lanes (MEXL) | | | |
| 73 | MEXL Eastbound and Westbound (Cost Center T8640-536) | | | |
| 74 | Fiscal Year Revenues & Funds | | | |
| 75 | Tolling Revenue | \$ 6,254,260 | | \$ 6,254,260 |
| 76 | Interest Earnings | \$ 120,000 | | \$ 175,000 |
| 77 | HB-22-1074 Safety Enforcement Civil Penalties | \$ 3,286,853 | | \$ 1,495,037 |
| 78 | Total I-70 MEXL FY 2024-25 Revenue | \$ 9,661,113 | | \$ 7,924,297 |
| 79 | Fiscal Year Allocations | | | |
| 80 | MEXL Loan Payment | \$ (4,056,503) | | \$ (611,222) |
| 81 | CTIO and CDOT Staff Time | \$ (300,000) | | \$ (300,000) |
| 82 | Attorney General Fees | \$ (5,000) | | \$ (5,000) |
| 83 | General Reimbursable Expenses and Toll Processing Costs | \$ (517,800) | | \$ (517,800) |
| 84 | Routine Maintenance | \$ (260,920) | | \$ (260,920) |
| 85 | Operations | \$ (995,480) | | \$ (995,480) |
| 86 | Capital Replacement-Tolling Equipment | \$ - | | \$ - |
| 87 | Loan Expenses (Note Registrar, Refinancing) | \$ (75,000) | | \$ (75,000) |
| 88 | Tolling Backoffice System and Software Development | \$ (81,000) | | \$ (81,000) |
| 89 | HB-22-1074 Implementation and Backoffice Costs | \$ (1,107,503) | | \$ (1,072,000) |
| 90 | Total I-70 MEXL FY 2024-25 Allocations | \$ (7,399,206) | | \$ (3,918,422) |
| 91 | Remaining Balance | \$ 2,261,907 | | \$ 4,005,875 |
| 92 | C-470 Express Lanes (Cost Center T8650-536) | | | |
| 93 | Fiscal Year Funds and Revenue | | | |
| 94 | Tolling Revenue | \$ 11,708,511 | | \$ 16,000,000 |
| 95 | Draws on Project Reserve Accounts | \$ - | | \$ - |
| 96 | Interest Earnings | \$ 100,000 | | \$ 500,000 |
| 97 | HB-22-1074 Safety Enforcement Civil Penalties | \$ 3,560,000 | | \$ 9,338,000 |
| 98 | Total C-470 FY 2024-25 Available Funds | \$ 15,368,511 | | \$ 25,838,000 |
| 99 | Fiscal Year Allocations | | | |
| 100 | Bond Debt Service | \$ (10,053,204) | | \$ (10,053,204) |
| 101 | CTIO and CDOT Staff Time | \$ (30,000) | | \$ (30,000) |
| 102 | Attorney General Fees | \$ (10,000) | | \$ (10,000) |
| 103 | General Reimbursable Expenses and Toll Processing Costs | \$ (1,856,000) | | \$ (3,240,000) |
| 104 | Routine Maintenance | \$ (420,610) | | \$ (420,610) |
| 105 | Operations | \$ (850,000) | | \$ (1,500,000) |
| 106 | Debt Monitoring and Surveillance Fees | \$ (150,000) | | \$ (150,000) |
| 107 | Tolling Backoffice System and Software Development | \$ (280,024) | | \$ (280,024) |
| 108 | HB-22-1074 Implementation and Backoffice Costs | \$ (1,680,000) | | \$ (6,470,000) |
| 109 | Total C-470 FY 2024-25 Allocations | \$ (15,329,838) | | \$ (22,153,838) |
| 110 | Remaining Balance | \$ 38,673.23 | | \$ 3,684,162.00 |
| 111 | Central 70 (Cost Center T8660-536) | | | |
| 112 | Fiscal Year Funds and Revenue | | | |
| 113 | Tolling Revenue | \$ 11,816,400 | | \$ 16,500,000 |
| 114 | Interest Earnings | \$ 150,000 | | \$ 500,000 |
| 115 | Transponder Revenue | \$ 250,000 | | \$ 250,000 |
| 116 | CDOT Payment for Project Administration per Approved IAA | \$ 800,000 | | \$ 800,000 |
| 117 | HB-22-1074 Safety Enforcement Civil Penalties | \$ 3,560,000 | | \$ 9,240,000 |
| 118 | Total Central 70 FY 2024-25 Available Revenue & Funds | \$ 16,576,400 | | \$ 27,290,000 |
| 119 | Fiscal Year Allocations | | | |
| 120 | CTIO and CDOT Staff Time | \$ (275,000) | | \$ (275,000) |
| 121 | Attorney General Fees | \$ (5,000) | | \$ (5,000) |
| 122 | General Reimbursable Expenses and Toll Processing Costs | \$ (1,877,000) | | \$ (3,330,000) |
| 123 | Routine Maintenance | \$ (147,968) | | \$ (147,968) |
| 124 | Operations | \$ (539,000) | | \$ (1,500,000) |
| 125 | Tolling Equity Program Administration | \$ (350,000) | | \$ (350,000) |
| 126 | Tolling Backoffice System and Software Development | \$ (351,000) | | \$ (351,000) |
| 127 | HB-22-1074 Implementation and Backoffice Costs | \$ (1,680,000) | | \$ (6,400,000) |
| 128 | Total Central 70 FY 2024-25 Allocations | \$ (5,224,968) | | \$ (12,358,968) |
| 129 | Remaining Balance | \$ 11,351,432 | | \$ 14,931,032 |
| | Total Fund 536 Revenues & Funds | \$ 98,169,139 | | \$ 128,094,532 |
| | Total Fund 536 Allocations | \$ (46,906,431) | | \$ (67,749,647) |
| | Remaining Unbudgeted Funds | \$ 51,262,708 | | \$ 60,344,884 |