



To: HPTE Board of Directors  
Date: May 21, 2015  
From: Piper Frode, Enterprises Budget Analyst  
Subject: Review and Adoption of Final Fiscal Year 2016 Budgets for HPTE Fund 536 and Fund 537

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**Purpose:**

This memorandum presents final Fiscal Year (FY) 2016 budgets for Fund 536 (Statewide Transportation Enterprise Special Revenue Fund) and Fund 537 (Statewide Transportation Enterprise Operating Fund) for review and adoption by the High Performance Transportation Enterprise (HPTE) Board of Directors.

**Action:**

This month the HPTE Board of Directors is being asked to act on Resolution #168 adopting final FY2016 budgets for Fund 536 and Fund 537.

**Background:**

In April 2015, staff brought draft versions of FY2016 budgets for Fund 536 and Fund 537 to the Board of Directors for review and comment. Since then, staff has worked closely with the Director of HPTE, the CDOT Office of Major Project Development (OMPD) and the CDOT Office of Communications to thoroughly review all line items that were presented in the April draft budgets. The finalized FY2016 budgets for Fund 536 and 537 being presented for review and adoption are the result of input and collaboration across all three programs.

**Details:**

Key items that have changed from the draft version of the FY2016 budget to the version being presented to the Board for adoption this month are as follows (see attachment A: Final FY2016 Budget for Fund 536 and attachment B: Final FY2016 Budget for Fund 537 for the line items referenced below):

***Statewide Transportation Enterprise Special Revenue Fund (Fund 536):***

- A new revenue line item for Transponder Revenue has been added to reflect \$450,000 of revenue generated from the sale of dual switchable transponders. This is based on the assumption that 30,000 units will be sold at \$15 per unit in FY2016.
- A new revenue line item for Express Lanes Advertising Reimbursement from Plenary has been added to reflect a confirmed \$70,000 contribution from Denver Plenary Roads for the Express Lanes Advertising Campaign.
- A new expense line item for Miscellaneous Fees has been added to reflect \$31,500 in annual fees for credit rating maintenance and trustee payments.
- A new line item for Transponder Processing has been added to reflect \$15,000 of expenses for the processing of sales tax resulting from the sale of transponders.
- A new expense line item for TIFIA fees has been added to reflect \$12,500 in annual expenses for US36 loan servicing.
- A new expense line item for an interest payment of \$689,750 on the Peak Period Shoulder Lanes (PPSL) Loan has been added. While future toll revenue generated on the corridor is projected to cover the full amount of the payment, in the event HPTE is unable to cover the full cost of the payment when it is due, CDOT can loan HPTE the funds per the backup loan agreement.

The C-470 section that was originally presented in the draft version of the budget for Fund 536 has been removed. At this time, revenues and expenses are not projected for this corridor in FY2016.

***Statewide Transportation Enterprise Operating Fund (Fund 537):***

- The budget line for HPTE Staff Costs has been adjusted from \$500,000 to \$400,000.
- The budget line for CDOT Staff Costs has been adjusted to \$100,000 based on current and projected expenditures for staff time for FY2015.
- The budget line item for Legal Services has been removed.
- Based on the FY2016 communications plan for HPTE, the prior public relations line item has been combined with the budget line item for Transparency and Outreach. Expenses for communications and outreach activities are now show in two new line items, one for \$120,000 for Transparency, Outreach and Communications Support and \$60,000 for Community and Public Affairs Support.
- A new line item for Conferences, Memberships and Subscriptions has been added to reflect \$8,800 in expenses for a P3 Bulletin subscription and registration fees for the annual International Bridge, Tunnel and Turnpike Association (IBTTA) Conference.
- A new line item for Accounting Services has been added to reflect \$50,000 of expenses for work on the fee for consulting services arrangement that will paid to HPTE by CDOT in FY2016 as well as other general accounting consulting on HPTE projects.
- A new line item for TIFIA Loan Processing Fees has been added to reflect \$100,000 in expenses for the processing of the C-470 TIFIA loan.
- A new line item for Credit Rating Services has been added to reflect \$200,000 in expenses related to fees for C-470 credit ratings.
- A new line item for Local Travel has been added to reflect \$500 in expenses for Denver area travel.
- A new Miscellaneous line item for \$75,000 has been added in anticipation of small budgetary changes that are at the discretion of the HPTE Director.
- The budget line item for Travel, Conference and Dues previously listed in the HPTE Out-of-State Travel Cost Center (T8710-537) has been changed to reflect the FY2016 Out-of-State Travel Plan request for \$19,800 that was submitted to the CDOT Executive Director. This is per CDOT Procedural Directive 207.2 which requires the submission of the upcoming fiscal year's Out of State Travel Plan to the CDOT CFO prior to its submission to the CDOT Executive Director for final approval.

**Options and Recommendations:**

1. Act on Resolution #168 adopting the final FY2016 budgets for Fund 536 and 537. STAFF RECOMMENDATION
2. Request additional information or changes to specific line items.
3. Deny the request.

**Next Steps**

Following the review and adoption of the final FY2016 budgets for Fund 536 and 537, budget staff will work on ensuring that correct budget amounts are pushed into HPTE cost centers for the start of the FY2016 fiscal year at the end of June.

**Attachments:**

Attachment A: Final FY2016 Budget for Fund 536

Attachment B: Final FY2016 Budget for Fund 537

**Resolution – HPTE #168**

**Approving and Adopting Fiscal Year 2015-16 HPTE Budgets for the Statewide Transportation Enterprise Special Revenue Fund 536 and the Statewide Transportation Enterprise Operating Fund 537**

**WHEREAS** the General Assembly of the State of Colorado created the Colorado High Performance Transportation Enterprise (“HPTE”) as a government-owned business within the Colorado Department of Transportation (“CDOT”); and

**WHEREAS** Section 43-4-806(3)(a), C.R.S. created the Statewide Transportation Enterprise Special Revenue Fund in the state treasury (“Fund 536”) for the purpose of, *inter alia*, depositing user fee revenues received by the HPTE, and further provided for the establishment of separate accounts in connection with specific surface transportation infrastructure projects; and

**WHEREAS** Section 43-4-806(4), C.R.S., separately created the Statewide Transportation Enterprise Operating Fund (“Fund 537”) for the HPTE; and

**WHEREAS** pursuant to Section 43-4-806(6)(I), C.R.S., the Board of the HPTE (the “Board”) is empowered to set and adopt, on an annual basis, a budget for the HPTE.

**NOW THEREFORE BE IT RESOLVED** that the Budgets for the Fiscal Year 2015-16 for Fund 536 and Fund 537, attached hereto as **Exhibit A** and **Exhibit B** respectfully, are hereby approved and adopted by the Board of the HPTE.

Signed as of May 20, 2015

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Kari V. Grant  
Interim Secretary, HPTE Board

**Exhibit A to HPTE Resolution #168  
(Adopted FY 2015-16 Fund 536 Budget)**

Attachment A: Final FY2016 Budget for Fund 536

<b>Final Fiscal Year 2016 Budget</b>		
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536		
Expenses by Corridor	Estimated FY16 Revenues	Estimated FY16 Expenses
<b>US 36 Managed Lanes (Cost Center T8620-536)</b>		
Estimated Amount of FY 2015 Funds for Carry Forward	\$ 280,278	
<b>Fiscal Year 2016 Revenue</b>		
Transponder Revenue	\$ 450,000	
Express Lanes Advertising Reimbursement from Plenary	\$ 70,000	
Interest Earnings	\$ 200,000	
Annual Concessionaire Management Fee	\$ 401,413	
Operations and Maintenance Reserve Reimbursement	\$ 630,000	
<b>Total US 36 FY16 Available Revenue</b>	<b>\$ 2,031,691</b>	
<b>Fiscal Year 2016 Expenses</b>		
CDOT Staff Costs		\$ (15,000)
Project Oversight		\$ (401,413)
Miscellaneous Fees		\$ (31,500)
Annual Audit		\$ (5,100)
Attorney General Fees		\$ (30,000)
Transponder Processing		\$ (15,000)
TIFIA Fees		\$ (12,500)
<b>Total US 36 FY16 Estimated Expenses</b>		<b>\$ (510,513)</b>
<b>US36 Remaining Balance</b>		<b>\$ 1,521,178</b>
<b>I-25 North Managed Lanes (Cost Center T8630-536)</b>		
<b>Total I-25 N FY16 Available Revenue</b>		
<b>Total I-25 N FY16 Estimated Expenses</b>		
<b>I-25 N Remaining Balance</b>		
<b>I-70 West PPSL Lanes (Cost Center T8640-536)</b>		
<b>Total I-70 W PPSL FY16 Available Revenue</b>		
<b>Fiscal Year 2016 Expenses</b>		
PPSL Loan Interest Payment		\$ (689,750)
<b>Total I-70 W PPSL FY16 Estimated Expenses</b>		<b>\$ (689,750)</b>
<b>I-70 W PPSL Remaining Balance</b>		
<b>Total Fund 536 FY16 Revenues</b> \$ 2,031,691		
<b>Total Fund 536 FY16 Expenses</b> \$ (1,200,263)		
<b>Remaining Unbudgeted Funds</b> \$ 831,428		

**Exhibit B to HPTE Resolution #168  
(Adopted FY 2015-16 Fund 537 Budget)**

Attachment B: Final FY2016 Budget for Fund 537

<b>Final Fiscal Year 2016 Budget</b>		
<b>Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537</b>		
Operations Expenses	Estimated FY16 Revenues	Estimated FY16 Expenses
Estimated Amount of FY 2015 537 Funds For Carry Forward	\$ 786,804	
<b>Fiscal Year 2016 Revenue</b>		
Interest Earnings	\$ 8,800	
Fee for Consulting Services	\$ 2,000,000	
<b>Total FY2016 Operating Revenue</b>	<b>\$ 2,795,604</b>	
<b>Fiscal Year 2016 Expenses</b>		
<b>Administrative Cost Center (T8700-537)</b>		
HPTE Staff Costs		\$ (400,000)
CDOT Staff COST		\$ (100,000)
P3 Advisor		\$ (250,000)
Transparency, Outreach and Communications Support		\$ (120,000)
Community and Public Affairs Support		\$ (60,000)
Program Management		\$ (200,000)
Attorney General Services		\$ (75,000)
Annual Audit		\$ (5,100)
Board Expenses		\$ (5,000)
Conferences, Memberships and Subscriptions		\$ (8,800)
Administrative Expenses		\$ (10,500)
Repayment of Transportation Commission Loan		\$ (750,852)
Aconex Document Management System		\$ (225,000)
Accounting Services		\$ (50,000)
TIFIA Loan Processing Fees		\$ (100,000)
Credit Ratings Services		\$ (200,000)
Local Travel		\$ (500)
Miscellaneous		\$ (75,000)
<b>Out of State Travel Cost Center (T8710-537)</b>		
Out of State Travel Expenses		\$ (19,800)
<b>Total FY2016 Operating Revenue</b>	<b>\$ 2,795,604</b>	
<b>Total FY2016 Operating Expenses</b>		<b>\$ (2,655,552)</b>
<b>Total Fund 537 FY16 Revenues \$ 2,795,604</b>		
<b>Total Fund 537 FY16 Expenses \$ (2,655,552)</b>		
<b>Remaining Unbudgeted Funds \$ 140,052</b>		