

**Transportation Commission of Colorado
August 18, 2016**

Resolution Number TC-XXXX

WHEREAS, the Transportation Commission has oversight of the Colorado Department of Transportation annual budget, including roll forward requests; and

WHEREAS, offices of the Colorado Department of Transportation can make requests to roll forward budget resources from a prior fiscal year to a current fiscal year; and

WHEREAS, the Division of Highway Maintenance has applied to the Office of Financial Management and Budget to roll forward \$2,630,000 of FY 2015-16 funds to FY 2016-17 for specific prioritized projects; and

WHEREAS, these projects have positive cost-benefit ratios that will make the Department more efficient, increase public safety, and further increase compliance with regulations; and

WHEREAS, Policy Directive 703.0, updated in June 2016 by the Transportation Commission, allows only the Transportation Commission to approve roll forward requests above \$1.0 million; and

WHEREAS, Department Executive Management must approve roll forward requests greater than \$1.0 million before they are presented to the Transportation Commission; and

WHEREAS, The Office of Financial Management and Budget, based on approval of Executive Management, has requested the Transportation Commission approve the \$2,630,000 roll forward request from the Division of Highway Maintenance.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission, in accordance with Policy Directive 703.0, authorizes the Office of Financial Management and Budget to roll forward \$2,630,000 from FY 2015-16 to FY 2016-17 for projects managed by the Division of Highway Maintenance.

4201 East Arkansas Ave, 3rd Floor
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION
FROM: MARIA J. SOBOTA, CHIEF FINANCIAL OFFICER, AND KYLE LESTER, DIRECTOR OF HIGHWAY MAINTENANCE
CC: MIKE P. LEWIS, DEPUTY EXECUTIVE DIRECTOR, AND JOSH LAIPPLY, CHIEF ENGINEER REGIONAL TRANSPORTATION DIRECTORS
DATE: AUGUST 18, 2016
SUBJECT: REQUEST FOR REMAINING FY 2015-16 TRANSPORTATION COMMISSION (TC) SNOW AND ICE CONTINGENCY

PURPOSE:

As part of the monthly budget supplement process, Divisions have an opportunity to submit program requests to the TC for available funding. At the close of FY 2015-16, \$6.1 Million in Transportation Commission (TC) Snow and Ice Contingency funds remained and were available for FY 2016-17 program requests. The Division of Highway Maintenance is requesting to reinvest **\$3.2 million** of the funds for snow and ice equipment. These investments will pay back dividends in efficiencies and safety for CDOT employees and the traveling public.

BACKGROUND:

Tow plows allow a single snowplow to remove snow from two lanes at once. The tow plow: 1) Reduces risk of snowplow/private vehicle accidents; 2) Reduces operating costs for snow removal, and 3) Increases levels of service due to reducing lane clearance response times and more efficient road product application. The current CDOT tow plow fleet consists of 12 tow plows located throughout the state. The requested funding of **\$1.2 million** would increase the tow plow fleet to 22 plows.

Continuing to invest in the program pays benefits in safety and efficiency. In the 2015-16 program, Gazex systems on Loveland and Berthoud Passes were operationally successful. These successes reduced worker exposure to high explosives and saved \$82,000 in explosives costs and 271 hours of man-hour time savings in preparation for missions using Gazex. The next phase of deployment utilizing this **\$2.0 million** request will complete the Berthoud Pass Gazex program by installing a small system in the Eighties avalanche path and installing systems around the portals of the Eisenhower Johnson Memorial Tunnel (EJMT) on the west side of the pass.

DETAILS:

The Division of Highway Maintenance is requesting to move the \$3.2 million of TC Snow and Ice Contingency funding into the CDOT Equipment Replacement Plan to procure the essential equipment detailed below:

Project	Priority	Estimated Budget
10 Tow Plows	1	\$1,200,000
Avalanche Gazex System	2	\$2,000,000
Total		\$3,200,000

KEY BENEFITS:

The Division of Highway Maintenance will see operational efficiencies and the increased safety of employees and the traveling public with approval of the \$3.2 million request. Rejecting the request will force CDOT employees to continue using high explosives to control avalanches and will force Maintenance to use existing equipment replacement funds to purchase the tow plows. Reduction of \$1.2 million from the existing budget will force five replacement-worthy trucks to remain on the road in FY 2016-17.

RECOMMENDATIONS:

- 1) TC can approve the \$3.2 million request through the monthly budget supplement process -- STAFF RECOMMENDATION.
- 2) TC can ask for more information on the \$3.2 million request or fund one of the two priorities.
- 3) TC can reject the request for \$3.2 million.

NEXT STEPS:

If the requests are approved, the tow plow equipment will be ordered and placed into service in time for the FY 2016-17 winter season. Gazex will also be implemented and administered in more areas around Berthoud Pass for the FY 2016-17 winter season.





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Department of Transportation

Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION
FROM: MARIA SOBOTA, CHIEF FINANCIAL OFFICER (CFO)
DATE: AUGUST 18, 2016
SUBJECT: FY 2017-18 BUDGET TOPICS

Purpose

This memorandum summarizes information related to FY 2017-18 budget topics and timing, including:

- Introduction to CDOT budget process
- Timeline
- Revenue forecasts
- Decision Items

Action

No formal action required. Content is being presented to the Transportation Commission (TC) for informational purposes only.

Background & Details

The Division of Accounting and Finance (DAF) has started to compile the necessary information to produce the FY 2017-18 Budget Allocation Plan. To harness relations with internal stakeholders, DAF is enhancing its budget processes for FY 2017-18. In an effort to educate CDOT as a whole, DAF held a presentation in early July that described how it constitutes and organizes revenues and expenditures in the annual budget. DAF's continued use of Work Plan Budgets for FY 2017-18 was a featured aspect of the presentation.

Introduction to the CDOT Budget Process

On July 13, 2016, DAF held a presentation to all groups in CDOT, educating them on DAF's budget formulation actions and policies. This presentation was part of an ongoing initiative to help bring internal stakeholders into the budget formulation process to a greater degree, which will create a more participatory budget for stakeholders and foster relations between DAF and all internal groups. The presentation included an explanation of the budget timeline, revenue forecasts, creation of the annual budget, enterprise budgets, and customer service. DAF also demonstrated to Divisions/Regions how to fill out their Work Plan Budget request templates for FY 2017-18.



Timeline

For informational purposes, DAF presents the TC with a projected timeline for FY 2017-18 budget activities.

Month	Action Item
August	Preparing TC for Upcoming Budget Deliverables
August	Discuss FY 2015-16 Roll Forwards
September	FY 2015-16 Budget and TCCRF Reconciliation - Staff and TC Review
September	FY 2017-18 Revenue Projections - Staff and TC Review
October	FY 2017-18 Draft Budget for Review/Direction - Staff and TC Review
November	FY 2017-18 Draft Budget Approved by TC and Submitted to Office of State Planning & Budget (OSPB)
January	EMT Review of FY 2017-18 Decision Items
February	FY 2017-18 Decision Items and Work Plan Budgets - EMT/TC Review and Approval
February	FY 2017-18 Draft Budget for Review/Direction - EMT and TC Review
March	TC Adopts FY 2017-18 Budget
On or Before April 15th	Re-Submit FY 2017-18 Adopted Budget to OSPB for Governor's Approval

Revenue Forecasts

In September 2016, DAF will present the TC with FY 2017-18 revenue estimates with a forecast horizon of ten years (FY 2017-18 to FY 2026-27). A draft FY 2017-18 budget will be prepared based on estimated revenue. All revenue specific to a program (i.e., FAST Act and State mandated programs such as safety education and Aeronautics) will automatically be adjusted based on FY 2017-18 revenue estimates. All other program amounts will be based on the FY 2016-17 budget amounts as approved by the TC in March 2016.

Decision Items

DAF has altered the Decision Item process for FY 2017-18. In previous years, DAF has presented Decision Item requests to the TC between September and November during the Draft Annual Budget creation. However, because of the Work Plan Budget process, DAF will present Decision Items to the EMT and TC in January and February, during construction of the Final Annual Budget. This alteration will allow DAF and Divisions more time to submit important program changes (and related information) for EMT/TC approval. If necessary, DAF will present, earlier in the process, important FY 2017-18 Decision Items for TC review as they are received.

Next Steps

DAF will hold a TC budget workshop in September 2016 to review the initial Draft Annual Budget for FY 2017-18. In future months, the Department will provide FY 2017-18 budget information to the TC to meet the Office of State Planning and Budget (OSPB) and statutory requirements. DAF will also hold meetings with each Division in CDOT over the next two months to discuss their annual budgets, including traveling to each Region to meet face-to-face with Region leadership.

Attachments

N/A

