



MEMORANDUM

TO: TRANSPORTATION COMMISSION (TC)
 FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER
 DATE: NOVEMBER 15, 2018
 SUBJECT: FIFTH BUDGET SUPPLEMENT - FY 2018-2019

Region 4

\$3,340,000 - FASTER Safety - SH 14 S-Curve Reconstruction. Project 19664 went to bid on September 27, 2018. All bids received were above the original approved budget amount. In order to get the project awarded to the lowest bidder, Region 4 is requesting an additional \$3,340,000 of FASTER Safety funding. The amount being requested is greater than \$500,000 and more than 15% of the original approved budget. An increase of this kind requires TC approval before being allocated to the project.

SH-14 S-Curve Reconstruction

Budget Components by Phase, Funding Program, Fiscal Year

Phase of Work	Funding Program	Current Budget	Supplement Action					Revised Budget	Expended To-Date
			Year of Budget			Total Request	Percent Increase		
			FY2019	FY2020	FY2021				
Right of Way	Regional Priority Program	\$1,660,000	\$0	\$0	\$0	\$0	0%	\$1,660,000	\$578,518
	FASTER Safety	\$500,000	\$0	\$0	\$0	\$0	0%	\$500,000	\$500,000
	Total ROW	\$2,160,000	\$0	\$0	\$0	\$0	0%	\$2,160,000	\$1,078,518
Design	Regional Priority Program	\$340,000	\$0	\$0	\$0	\$0	0%	\$340,000	\$260,803
	FASTER Safety	\$2,000,000	\$0	\$0	\$0	\$0	0%	\$2,000,000	\$2,000,000
	Total Design	\$2,340,000	\$0	\$0	\$0	\$0	0%	\$2,340,000	\$2,260,803
Construction	Regional Priority Program	\$4,000,000	\$0	\$0	\$0	\$0	0%	\$4,000,000	\$0
	FASTER Safety	\$740,000	\$1,732,896	\$1,607,104	\$0	\$3,340,000	451%	\$4,080,000	\$0
	Surface Treatment	\$5,700,000	\$0	\$0	\$0	\$0	0%	\$5,700,000	\$0
	Freight Program	\$7,500,000	\$0	\$0	\$0	\$0	0%	\$7,500,000	\$0
	Total Construction	\$17,940,000	\$1,732,896	\$1,607,104	\$0	\$3,340,000	19%	\$21,280,000	\$0
Total Project Budget		\$22,440,000	\$1,732,896	\$1,607,104	\$0	\$3,340,000	15%	\$25,780,000	\$3,339,321
			Year of Expenditure			Total Request			
			FY2019	FY2020	FY2021	Total Request			
			\$1,732,896	\$1,607,104	\$0	\$3,340,000			

This item is being included in the Supplement per PD 703 as the request is greater than 15% and greater than \$500,000 above the original approved amount.

Request Authorization of the October TC Workshop Items

In the October TC workshop, Jeff Sudmeier discussed five items that would be requested in the November Supplement. Funding from the TC Program Pool Reserve Pool is being requested for all five items. Three of the items are currently shown under the projected outflow section of the TC Program Reserve balance statement. The other two items were new and presented in the October TC workshop. At this time, Jeff is requesting the approval of these items. Below is a description of the requests:



Projected Outflow items

1. Union Pacific Railroad (UPRR) Right of Way (ROW) Settlement - \$33.1 million
 - a. Remaining amount of payment to UPRR of \$33.1 million identified as part of CDOT settlement with the UP on US 85 and presented to the TC in July 2017. To be utilized for siding extensions/improvements in order to offset the mobility impacts due to the close proximity of US 85 within the UPRR ROW.
 - b. The original amount was \$33.4M, but \$315K was requested and approved in the August 2018 Supplement.
2. FY 2019 MS4 Water Quality Requirements - \$3.35 million
 - a. Remaining portion of one-time costs associated with diagnostic cleaning of Permanent Water Quality Facilities, identified as part of EPA Audit and reviewed with the TC in July 2017.
3. FY 2019 ADA Compliance Program - \$15 million
 - a. Remaining FY 2019 ADA Compliance commitment. In July 2016, the TC reviewed a proposed ADA Compliance Plan that identified a multi-year funding plan, including \$20 million in FY 2018-2019. Other funding needs, including the assumption of Senate Bill 17-267 debt service, resulted in the elimination of funding for ADA Compliance from the FY 2018-2019 Budget. The TC approved \$5 million of SB 18-001 funding for ADA Compliance in July, leaving \$15 million of the planned FY 2019 ADA Compliance amount remaining.

Additional October Items

4. FY 2019 Surface Treatment - \$16.7 million
 - a. Funding needed to complete restoration of asset management funding levels from reduced levels resulting from advancement of FY 2019 program under RAMP. The TC approved the allocation of \$100 million of SB 18-001 funds to Asset Management in July, which addressed the majority of the restoration of funding, but left a shortfall of \$16.7 million.
5. FY 2019 Toll Corridor GP Lane Maintenance Agreement - \$1.8 million
 - a. Funding needed to address shortfall in Maintenance funding for maintenance agreement on US 36. CDOT makes monthly payments for maintenance performed by Plenary on the General Purpose lanes on the US 36 corridor. The FY 2019 budget for maintenance did not reflect a planned increase in monthly payments, resulting in a shortfall.

Please see the attached "Program Reserve Fund Requests" memo for more detail on these requests.

Attachments:

- a. Program Reserve Request



**Transportation Commission Contingency Reserve Fund Reconciliation
Fifth Supplement FY 2019 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-18	<i>Ending Balance 12S18</i>		\$34,522,958	
July-18	<i>Balance 1S19</i>		\$35,589,869	
August-18	<i>Balance 2S19</i>		\$32,428,920	
September-18	<i>Balance 3S19</i>		\$28,571,298	
October-18	<i>Balance 4S19</i>		\$28,268,373	
	<i>No Actions or Requests this Month</i>			
November-18	<i>Pending Balance 5S19</i>		\$28,268,373	

**Transportation Commission Program Reserve Fund Reconciliation
Fifth Supplement FY 2019 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-18	<i>Ending Balance 12S18</i>		\$123,596,622	
July-18	<i>Balance 1S19</i>		\$139,706,203	
August-18	<i>Balance 2S19</i>		\$139,706,203	
September-18	<i>Balance 3S19</i>		\$144,391,203	
October-18	<i>Balance 4S19</i>		\$214,008,265	
	<i>Union Pacific Railroad (UPRR) Right of Way (ROW) Settlement</i>	\$ (33,114,749)		Pending
	<i>FY 2019 MS4 Water Quality Requirements</i>	\$ (3,350,000)		Pending
	<i>FY 2019 ADA Compliance Program</i>	\$ (15,000,000)		Pending
	<i>FY 2019 Surface Treatment Program</i>	\$ (16,710,005)		Pending
	<i>FY 2019 Toll Corridor GP Lane Maintenance Agreement</i>	\$ (1,754,959)		Pending
November-18	<i>Pending Balance 5S19</i>		\$144,078,552	

**Transportation Commission Contingency Snow & Ice Fund Reconciliation
Fifth Supplement FY 2019 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
	<i>FY19 Budget Allocation</i>	\$10,000,000		1000250070
	<i>FY18 to FY19 Roll Forward</i>	\$10,000,000		1000250990
July-18	<i>Balance 1S19</i>		\$20,000,000	
August-18	<i>Balance 2S19</i>		\$20,000,000	
September-18	<i>Balance 3S19</i>		\$10,000,000	
October-18	<i>Balance 4S19</i>		\$10,000,000	
November-18	<i>Pending Balance 5S19</i>		\$10,000,000	



Transportation Commission Contingency Reserve Fund
Emergency and Permanent Repairs-Nonparticipating costs and state match

September 11, 2013 Flood Related Monthly Activity

Reg	State Highway	Mileposts	Project Description	County	Total Budget TCCRF
	0.000	- 0.000	No Requests this Month		\$ -
Total					\$ -

Spring 2015 Flood Related Monthly Activity

Reg	State Highway	Mileposts	Project Description	County	Total Budget TCCRF
	0.000	- 0.000	No Requests this Month		\$ -
Total					\$ -

Grand Total TCCRF Activity for Emergency Relief Since Last Reporting

\$ -



FY 2018-2019 Contingency Reserve Fund Balance Projection		
October TC Contingency Balance (Emergencies)	\$28,268,373	
<i>Pending Requests:</i>		
No Actions or Requests this Month	\$0	
Pending November TC Contingency Reserve Balance	\$28,268,373	
<i>Projected Outflow:</i>		
	Low Estimate	High Estimate
State Match for Emergency Relief/Permanent Recovery	(\$2,000,000)	(\$5,000,000)
State Match for Spring 2015 Floods	\$0	(\$2,500,000)
Projected FY 2018-2019 YE Contingency Balance	\$26,268,373	\$20,768,373
<i>TCCRF Surplus (Deficit) to Reach \$40M Balance July 1, 2019</i>	<i>(\$13,731,627)</i>	<i>(\$19,231,627)</i>

FY 2018-2019 Program Reserve Fund Balance Projection		
October TC Program Reserve Balance	\$214,008,265	
Union Pacific Railroad (UPRR) Right of Way (ROW) Settlement	(\$33,114,749)	
FY 2019 MS4 Water Quality Requirements	(\$3,350,000)	
FY 2019 ADA Compliance Program	(\$15,000,000)	
FY 2019 Surface Treatment Program	(\$16,710,005)	
FY 2019 Toll Corridor GP Lane Maintenance Agreement	(\$1,754,959)	
Pending November TC Program Reserve Fund Balance	\$144,078,552	
<i>Projected Outflow:</i>		
	Low Estimate	High Estimate
FY18-19 Estimated Misc TCCRF Funding Requests	(\$14,000,000)	(\$14,000,000)
US 550/US160 FASTLANE Grant Match (Potential funding from SB17-267 Rev.)	\$0	(\$54,000,000)
Backfill TCCRF Balance to Equal \$40M	(\$13,731,627)	(\$19,231,627)
<i>Projected Inflow:</i>		
	High Estimate	Low Estimate
Reimbursement for Demolition of CDOT Headquarters	\$2,000,000	\$0
Projected FY 2018-2019 YE Program Reserve Balance	\$118,346,925	\$56,846,925



Resolution # TC-18-11-XX

Approval and Adoption of the Fifth Supplement to the Fiscal Year 2018-2019 Budget for the Colorado Department of Transportation

Approved by the Transportation Commission on November 15, 2018.

WHEREAS, the budget requests being presented to the Transportation Commission this month have been reviewed and were determined to meet the criteria outlined in Policy Directive 703.0, requiring approval by the Transportation Commission; and

WHEREAS, the project requests included in the Supplement are consistent with the FY 2019 through FY 2022 STIP, and funds are available from the Regions' allocations unless otherwise indicated.

NOW THEREFORE BE IT RESOLVED, after review and consideration, the Fifth Supplement to the Fiscal Year 2018-2019 Budget is approved by the Transportation Commission.

Herman Stockinger, Secretary
Transportation Commission of Colorado

Date





MEMORANDUM

TO: TRANSPORTATION COMMISSION
 FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER (CFO)
 DATE: NOVEMBER 15, 2018
 SUBJECT: PROGRAM RESERVE FUND REQUESTS

Purpose

This memorandum outlines proposed commitments of Transportation Commission (TC) Program Reserve funds.

Action

TC approval of the November Budget Supplement, including five previously discussed requests for funding from the TC Program Reserve Fund.

Background & Details

In October the TC was provided with a reconciliation of FY 2017-2018 revenues, and a reconciliation of the TC Program Reserve fund based on changes resulting from revenue reconciliation. The Program Reserve reconciliation is summarized in Table 1 below. The Program Reserve balance as of October, 2018 is \$214 million.

Table 1: FY 2018-19 Transportation Commission Program Reserve Reconciliation

Beginning of October FY 2018-19 TC Program Reserve Balance		\$ 144,391,203
September Allocations to TC Program Reserve		\$ 69,617,062
· FY 2017-18 Revenue Reconciliation	\$ (3,477,440)	
· FY 2017-18 Federal Redistribution	\$ 69,573,361	
· FY 2017-18 Return of Unused Cost Center Funds (End-of-Year TC Allocation)	\$ 3,521,141	
Total FY 2017-18 TC Program Reserve Projected Working Balance		\$ 214,008,265
FY 2018-19 October Pending Budget Supplement Items:		\$ -
· No Actions Pending	\$ -	
FY 2018-19 End of October TC Program Reserve Balance[^]		\$ 214,008,265

[^]Does not include TC Contingency Balance of \$28.3 million

Staff reviewed some options for allocation in an October TC workshop. This included a review of previously planned requests. These requests include items that the Commission previously discussed for



funding, but for which formal approval was deferred until funding was needed. Each of these items have been identified as projected outflows on the monthly Program Reserve balance statement included in monthly Budget Supplements.

- Union Pacific Railroad (UPRR) Right of Way (ROW) Settlement - \$33.1 million
 - Remaining amount of payment to UPRR of \$34.9 million, identified as part of CDOT settlement with the UP on US 85 and presented to the TC in July 2017. To be utilized for siding extensions/improvements in order to offset the mobility impacts due to the close proximity of US 85 within the UPRR ROW.
- FY 2019 MS4 Water Quality Requirements - \$3.35 million
 - Remaining portion of one-time costs associated with diagnostic cleaning of Permanent Water Quality Facilities, identified as part of EPA Audit and reviewed with the TC in July 2017.
- FY 2019 ADA Compliance Program - \$15 million
 - Remaining FY 2019 ADA Compliance commitment. In July 2016 the TC reviewed a proposed ADA Compliance Plan that identified a multi-year funding plan, including \$20 million in FY 2018-2019. Other funding needs, including the assumption of Senate Bill 17-267 debt service, resulted in the elimination of funding for ADA Compliance from the FY 2018-2019 Budget. The TC approved \$5 million of SB 18-001 funding for ADA Compliance in July, leaving \$15 million of the planned FY 2019 ADA Compliance amount remaining.

Each of these items are now ready for funding, and as such, have been included for TC approval in the November Budget Supplement. In addition to the previously planned requests, staff presented two additional items for consideration in October. These include:

- FY 2019 Surface Treatment - \$16.7 million
 - Funding needed to complete restoration of asset management funding levels from reduced levels resulting from advancement of FY 2019 program under RAMP. The TC approved the allocation of \$100 million of SB 18-001 funds to Asset Management in July, which addressed the majority of the restoration of funding, but left a shortfall of \$16.7 million.
- FY 2019 Toll Corridor GP Lane Maintenance Agreement - \$1.8 million
 - Funding needed to address shortfall in Maintenance funding for maintenance agreement on US 36. CDOT makes monthly payments for maintenance performed by Plenary on the General Purpose lanes on the US 36 corridor. The FY 2019 budget for maintenance did not reflect a planned increase in monthly payments, resulting in a shortfall.

Each of these items are now ready for funding, and as such, have also been included for TC approval in the November Budget Supplement. Together, these requests total \$69.95 million. If approved, this will leave a remaining TC Program Reserve balance of approximately \$144 million.

Options

1. Approve the monthly Budget Supplement including the five items described above.
2. Request that one or more of the identified items be removed from the monthly Budget Supplement, and approve the remaining items.
3. Defer action on one or more of the identified items, and request additional information be provided.



Next Steps

Staff will return in a subsequent month for an additional workshop with the TC on other funding requests and consideration of additional options for the allocation of some portion of the remaining TC Program Reserve balance.

