

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