

**Transportation Commission November 18 - 19, 2015**

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**Wednesday November 18, 2015****Fiscal Year (FY) 2017 Maintenance Level of Service (MLOS) Goal Setting (Kyle Lester, B.J. McElroy)**

See: <https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/1-fy17-mlos-goal-setting.pdf> for more details.

**Purpose**

This workshop is intended to provide information to the Transportation Commission (TC) on the work being done by the Division of Highway Maintenance to use a new enhanced-based budget setting process for Fiscal Year (FY) 2016-2017. An in-depth overview on the entire process and the outcomes were provided in the presentation given at the workshop.

**Discussion and Comments**

- A budget workshop on Oct. 16, 2015 brought together Regional Transportation Directors (RTDs), maintenance superintendents, traffic engineers and various division directors to come to a consensus on a projected budget for each of the nine maintenance program areas (roadway surface, roadside facilities, roadside appearance, traffic services, structure maintenance, buildings and equipment, planning and training, snow and ice removal, and tunnels).
- The spreadsheet-based budget modeling tool used for the workshop had MLOS targets set by asset, and emphasized high-priority assets or activities, such as striping to provide more safety and to prepare for connected vehicles.
- The process shifts the focus from dollars spent to outcomes and accomplishments, and allows decision makers to see what would be needed financially to accomplish targets in increments from one to five years.
- Of the nine maintenance program areas, the ones that do not yet have performance-based targets for the model are planning and training, snow and ice removal, and tunnels. Snow and ice removal and tunnels might be performance based later.
- The upshot of the work is that the statewide maintenance budget for FY 2017 is projected at \$262.6 million, with an overall performance rating of C+. Snow and ice removal is expected to attain a B rating in contrast to the other maintenance program areas, which are projected to have ratings of C-, C, or C+.

**Budget Workshop (Maria Sobota)**

See <https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/2-budget-workshop.pdf> for more information.

**Purpose**

This workshop is intended to solicit TC review and comment on:

- FY 2014-2015 Revenue Reconciliation and the updated FY 2015-16 Transportation Commission Contingency Reserve Fund (TCCRF) surplus balance reconciliation.
- FY 2016-2017 Annual Budget Line Item Changes.

**Discussion and Comments**

- Staff will present recommendations to the TC regarding funding increases for RoadX requiring TC approval. Currently, Road X has been allocated \$9 million in the FY 2016-2017 budget.
- The FY 2014-2015 unaudited revenue reconciliation showed that:
  - CDOT has a surplus of \$143 million primarily due to higher than forecasted State Highway User Tax Fund revenues and more federal funds for flood recovery than had been anticipated.

- Colorado High Performance Transportation Enterprise (HPTE) has a \$26 million deficit. This is attributed to a timing issue about when the Regional Transportation District would pay CDOT \$30 million for a portion of its contribution to the US-36 Phase I Project. The project originally was supposed to be completed in FY 2014-2015, but wasn't completed until FY 2015-2016.
- Colorado Bridge Enterprise had a surplus of \$7.1 million due to higher than forecasted Funding Advancements for Surface Transportation and Economic Recovery Act (FASTER) Safety Bridge surcharge revenues.
- The TCCRF has a current balance of \$82.6 million, a balance that is expected to narrow to \$40.8 million by June 30, 2016.
- During FY 2015-2016, CDOT staff will recommend one-time FY 2015-2016 priorities from among a broad list of requests. Criteria used in deciding among requests will include: readiness to spend, spending track record, and leverage of other funds, among others.
- The TC is expected to act on the FY 2016-2017 annual budget this month after reviewing several line item changes. They included changes to the administrative, aeronautics, and safety education line items, for a total net increase of \$4.5 million.
- The TC also will be requested to approve three decision items this month. Funds to fulfill the requests will come from a "staff-recommended programs" line in the proposed budget, which will empty that budget line. The decision items are:
  - \$2.1 million more for the Division of Highway Maintenance Program (deicing tanks and to assume costs that would otherwise need to come from CDOT Region budgets).
  - \$3.2 million more for capital expenditures for RoadX for FY 2016-2017, bringing the total to \$12.09 million.
  - \$4.2 million to the Division of Transportation Systems Management and Operations (TSMO) for toll lane management and operations on the I-25 corridor in metro Denver and the I-70 Mountain corridor and to expand congestion relief operations (chain stations and Traffic Incident Management first responders).

**Program Management Workshop/Grand Avenue Bridge Discussion (Richard Zamora, Josh Laipply, Maria Sobota)**

See: <https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/3-program-management-workshop.pdf> for more details.

**Purpose**

The Program Management Workshop provides the TC with an update on the delivery of programs and significant projects. This month there is a focus on safety programs and the Responsible Acceleration of Maintenance and Partnerships (RAMP) program, along with a discussion of the Grand Avenue Bridge project.

**Discussion and Comments**

- Approximately \$700,000 to \$1 million to place back into TC contingency funds.
- CDOT will continue to track progress on I-25 and Simba Run.
- Grand Avenue Bridge:
  - 5 weeks ago at HQ- the local agency, in conjunction with CDOT staff, reduced the scope of work.
  - Went through three Construction Approved Price (CAP) negotiations.
    - CAP negotiations are the agreed upon construction budget.
  - The original cost estimate (an independent cost estimate [ICE]) was below the original budget.
    - Within 3.2% between the ICE and the contractor.
      - CDOT Region 3 has gotten the locals to agree to a price that works for everyone and moves the project forward.
      - Regarding TCCRF – question was raised regarding how the contract is being structured for knowns and unknowns.

- How firm is the \$105 million estimate?
  - i. Risk on environmental is minimal (404s are in order)
  - ii. Biggest risk is the accelerated bridge construction of 90 days. There will be road closures that will be difficult for the locals.
- TC will receive a supplemental tomorrow for approval of the Grand Avenue Bridge.
- Comments:
  - CDOT is having a very difficult time trying to find comparable land values for right-of-way (ROW) acquisitions.

### **SB 228/ Division of Transit and Rail Workshop**

Please see: <https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/4-sb-228-dtr-workshop.pdf> for more information.

#### **Purpose**

The purpose of this workshop is to seek general acceptance and guidance on the concept for the proposed utilization of the combined FY2016 Senate Bill (SB) 228 and remaining SB 1 dedicated transit funds.

#### **Discussion and Comments:**

- \$32 million is potentially available for Division of Transit and Rail (DTR) to spend on transit projects (SB 228 – 10% of \$200 million, and residual SB 1 funds of \$12 million).
- Need is identified for rural to urban connections for transit across Colorado.
- DTR evaluates operational costs first and then capital cost needs for areas with transit demands not met – and looks at existing services to determine if they are still viable.
- The rural to urban connections are not being addressed or covered by the private sector at this point.
- There was a request by the TC Chair to show need and incentivize providers/contractors for forming partnerships.
- TC desires a multi-year pro-forma basis to determine impacts to revenue pertaining to operations – to ensure that money won't run out for operations in the foreseeable future.
- A TC member expressed support for subsidizing Greyhound vs. supporting new Bustang service and asked walk on budget item be separated from the FY16 budget amendment.
- Another TC member stated they are against subsidizing private industry as a concept.
- There is a requirement for CDOT to spend 10% of SB 228 funds on transit.
- Staff complied with request for separation of the walk-on item related to Bustang purchase of three new buses.

### **Ten-Year Development Program (Debra Perkins-Smith)**

Please see: <https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/5-ten-year-development-program.pdf> for more details.

#### **Purpose**

To provide additional context on overall purpose and intent of the Ten-year Development Program (TDP), and more specific information on studies and projects identified to date.

#### **Discussion and Comments**

- Multiple areas within CDOT engaged in the development of the TDP – for example the Regions, TSMO, and DTR, along with DTD.
- The TPD identifies a need of \$7-\$8 billion over the next 10 years for major projects.
- TDP will position CDOT to be able to identify potential projects for new funding sources, competitive processes, etc.

- Concept of developing a capability to sort the database by criteria, e.g., bridge projects, freight improvements, and/or others.

**Update on the Department’s development of Policies and Procedures regarding the FASTER Performance Audit (Joshua Laipply, Herman Stockinger)**

Please see: <https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/6-faster-performance-audit-update.pdf> for more details.

**Purpose**

To provide an update to the TC on CDOT’s progress regarding the August 2015 Performance Audit "Collection and Usage of the FASTER Motor Vehicle Fees".

CDOT agrees with each of the eight audit recommendations and is in the process of analyzing the audit in depth as a means of improving its programs and transparency. As a result of the audit findings, the CDOT will complete the following directives and submit them for approval to the TC and Executive Director in January 2016:

- A Policy Directive (PD) pertaining to the criteria and funding allocation for DTR, Safety Mitigation and Asset Management, and includes the Office of Financial Management and Budget (OFMB’s) management of FASTER revenues;
- A Policy Directive which pertains only to the Statewide Bridge Enterprise setting for the criteria for Designated Bridges, to be approved by the Bridge Enterprise Board of Directors;
- A Procedural Directive pertaining to Transit Related FASTER Projects;
- A Procedural Directive pertaining to Safety Mitigation FASTER Projects;
- A Procedural Directive pertaining to Asset Management FASTER Projects; and
- A Procedural Directive pertaining to Bridge Enterprise FASTER Projects.

Total = 6 directives (two policy directives / 4 procedural directives)

**Discussion and Comments**

- TC members expressed their support and appreciation for how quickly and comprehensively CDOT staff has and will respond to the FASTER audit findings.

**Thursday, November 19, 2015**

**Roll Call**

- Attendance – All TC members present.

**Audience Participation: Subject Limit: 10 minutes; Time Limit: 3 minutes**

- Terri Blackmore of North Front Range Metropolitan Planning Organization (MPO) raised concern over the delay of the execution of a contract with CDOT.

**Comments of Individual Commissioners**

- Various meetings occurred throughout Colorado and were mentioned by TC members.
- A study of TC district boundaries is underway to evaluate adding more TC districts and members.
- TC Chair welcomed Greeley Mayor, Tom Norton.
- Mayor Norton commented on new building and was pleased it is in Greeley; spoke regarding his desire to get more involved in program development.

**Executive Director’s Report (Shailen Bhatt)**

- Thanked all staff who participated in the very successful Transportation Summit.
- Expressed thanks for those involved in Leadership Forum.
- Herman to share an article related to technology and transportation with TC.
- Remember all those staff out on the road during ice and snow storms – appreciate their work.
- Recognized Region 4 new office space and the potential for staff to gather more easily.

**Chief Engineer’s Report (Joshua Laipply)**

- CDOT is now more multimodal in focus – need to track expenditures for other modes (bike and pedestrian); still working to improve this.
- Thanked the Executive Director and Deputy Director for the Leadership Forum.
- Work Groups – Colorado Contractors Association (CCA) and another tactical group are action item focused.

**High Performance Transportation Enterprise (HPTE) (David Spector)**

- CDOT is a national leader with US 36 and I-70 East occurring in Colorado.
- First snow incident along US 36 – response from concessionaire was good.
- Phase 2 – Flatirons Bus Rapid Transit (BRT) anticipated grand opening in June 2016.
- I-70 Pike Period Shoulder Lane (PPSL) ready to go in December 12<sup>th</sup> – an experiment and there is much optimism for this project.

**Federal Highway Administration (FHWA) Division Report (John Cater)**

- Acknowledged the very successful Transportation Summit with Secretary Foxx attending, on the cusp of great things in Colorado.
- Federally - House and Senate coming together - hopeful for a Federal Authorization Bill for transportation to pass in December 2015.
- Discussed national trends for improper payment (not spending project dollars quickly enough) – that are not good, but Colorado did well – improper is related to lack of documentation for expenditures.

**Act on Consent Agenda – Approved unanimously on November 19, 2015.**

- Resolution to Approve the Regular Meeting Minutes of Oct. 15, 2015 (Herman Stockinger)
- Resolution to create Division of Human Resources (Kevin Furman)
- Approval of FY 2016-17 Annual Budget (Maria Sobota)

**Discuss and Act on New SIB Rate (Maria Sobota) – Approved unanimously on November 19, 2015**

The Office of Financial Management and Budget (OFMB) recommends that the TC maintain the current interest rate at 2.50% for loans originating in the second half of the State fiscal year 2016.

**Discuss and Act on the 5<sup>th</sup> Budget Supplement of FY 2016 – Approved unanimously on November 19, 2015.**

Request for the TC to approve a resolution authorizing CDOT to execute the Second Amendment to the June 27, 2013 IAA with HPTE to clarify each other’s roles and responsibilities as it applies to the oversight of the Concessionaire’s operations and maintenance work on US 36.

**Discuss and Act on Purchasing 3 New Bustang Buses (Mark Imhoff) - Approved with a vote of 10-1 on November 19, 2015.**

**I -70 East/Central 70 Quarterly Update (Tony Devito)**

- Provided TC with an update on this project.
- DBE will be 12% for construction and 11% for design.
- Short list will be released shortly – and evaluation will occur over the next 6-8 months.

- This project will create many jobs, approximately 4,000 jobs.

**Other Matters**

- Myron Hora was recognized for his many years of service at CDOT, and his plan to leave CDOT in December was announced.