

**RESOLUTION NO. 2023-13
OF THE FRONT RANGE PASSENGER RAIL DISTRICT**

**ADOPTING A BUDGET AND SUMMARIZING EXPENDITURES AND REVENUES
FOR THE FRONT RANGE PASSENGER RAIL DISTRICT FOR THE CALENDAR
YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE
LAST DAY OF DECEMBER 2024**

WHEREAS, pursuant to Section 32-22-101, *et. seq.*, C.R.S. (the “Act”), the Front Range Passenger Rail District (the “District”) was established as a body politic and corporate and a political subdivision of the state to research, develop, construct, operate, and maintain an interconnected passenger rail system within the front range that is competitive in terms of travel time for comparable trips with other modes of surface transportation; and

WHEREAS, the Board of Directors of the District (the “Board”) has appointed the General Manager of the District to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the General Manager has submitted a proposed budget to this governing body for its consideration; and

WHEREAS, except as otherwise specifically provided, the Board exercises and performs all powers, privileges, and duties vested in or imposed upon the District in the Act; and

WHEREAS, Section 29-1-103, C.R.S. of the Local Government Budget Law of Colorado requires the District to adopt an annual budget; and

WHEREAS, the District published the proposed budget for Fiscal Year 2024 on its website and provided advanced notice in the Denver Post for the hearing at which the Board would consider the proposed budget; and

WHEREAS, in accordance with Section 29-1-108, C.R.S., the Board held a public hearing on the proposed budget for Fiscal Year 2024 on October 27, 2023, at which time the objections of the District’s electors were considered, and during which the Board instructed the General Manager to make certain revisions prior to the Board’s final adoption of the budget; and

WHEREAS, Section 29-1-113, C.R.S. requires the Board to cause a certified copy of its adopted budget for Fiscal Year 2024 to be filed with the Division of Local Government in the Department of Local Affairs no later than thirty days following the new fiscal year; and

WHEREAS, Section 29-1-108(5), C.R.S. states that the adoption of the budget and the appropriation of funds shall be effective upon Board of Directors’ adoption of the budget for Fiscal Year 2024.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Front Range Passenger Rail District:

1. The budget as submitted and amended, is hereby approved and adopted as the budget of the Front Range Passenger Rail District for Fiscal Year 2024, a copy of which is attached hereto as **Exhibit A** and incorporated herein by reference.
2. The budget hereby approved and adopted shall be signed by the Chair and Secretary and that a copy of such budget shall be maintained in the District's files.
3. A certified copy of such budget will be filed with the Division of Local Government in the Department of Local Affairs.
4. The District is authorized to expend funds consistent with the appropriations described in the budget for Fiscal Year 2024.

[Signatures and record of votes continue on following page]

APPROVED this 11th day of December 2023.


Chair

ATTEST:


Julie Mullica (Dec 19, 2023 21:10 MST)
Secretary

EXHIBIT A
FRONT RANGE PASSENGER RAIL DISTRICT
FISCAL YEAR 2024 BUDGET
(attached)

BUDGET MESSAGE
(Pursuant to 29-1-103(1)(e), C.R.S.)

Front Range Passenger Rail District

Pursuant to Section 29-1-103(1)(e), C.R.S., the budget must include the budget message.

The attached Budget for the Front Range Passenger Rail District (the “District”) for Fiscal Year 2024 includes these *important features*:

The District will shift its focus from start-up efforts to implementation of the District’s statutory mandate, which is reflected in increased expenditures to secure additional staff and consultant support and in new expenditures associated with referring a ballot issue to the District’s registered electors. The District’s largest non-salary expenditure for the year will be for legal costs, as well as consultant support on grant writing, financial modeling, marketing, and coalition building as the District seeks federal funds to support Front Range Passenger Rail project development. The budget also includes an operations reserve, which is new in 2024.

* “*important features*” are not defined in statute; however, important features of the budget would include starting/ending a service; increases or decreases in levels of services, increases/decreases to revenues (taxes/rates) and/or expenditures; acquisition of new equipment; start or end of capital project; etc.

The budgetary basis of accounting timing measurement method used is:

- ☒ Cash basis
- ☐ Modified accrual basis
- ☐ Encumbrance basis
- ☐ Accrual

The services to be provided/delivered during the budget year are the following:

The District will continue, pursuant to an agreement with the Colorado Department of Transportation (“CDOT”) to advance the Service Development Plan (“SDP”) for Front Range Passenger Rail (the “FRPR”). The SDP efforts are being funded by CDOT and are supported by the District through staff expenditures, as well as efforts to seek additional federal grant funding. In parallel, the District will take actions necessary to refer a ballot issue seeking voter approval for the District to levy taxes and issue bonds to support the development of the FRPR, including engaging consultants to support detailed financial modeling, and to publish materials that effectively communicate the benefits of the FRPR in advance of the November 2024 General Election to the District’s registered electors.

**FRONT RANGE PASSENGER RAIL DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED For the
Years Ended and Ending December 31.**

	ACTUAL 2022	BUDGET 2023	ACTUAL 8/31/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 16,400,000	\$ 16,343,993	\$ 16,343,993	\$ 18,574,512
REVENUES					
Grant revenue	-	-	-	500,000	-
Intergovernmental revenues - Southwest Chief	12,000,000	-	-	-	-
Intergovernmental revenues - Federal	2,500,000	-	-	-	-
Intergovernmental revenues - State	1,900,000	348,480	348,480	2,348,480	-
Interest income	-	-	-	10,000	50,000
Other revenue	-	-	5,842	5,842	-
Total revenues	16,400,000	348,480	354,322	2,864,322	50,000
Total funds available	16,400,000	16,748,480	16,698,315	19,208,315	18,624,512
EXPENDITURES					
General and administrative					
Salaries & Wages	20,212	186,262	129,508	243,872	525,000
Benefits	-	15,525	4,998	6,000	6,000
Accounting	-	3,795	16,641	32,000	70,000
Auditing	-	-	-	8,000	10,000
Board meeting support	-	10,010	-	10,000	10,000
Dues and membership	1,015	590	4,090	4,090	5,000
Events/travel/outreach	9,273	6,065	72,616	17,000	22,500
Insurance	6,348	11,308	5,841	5,841	7,500
IT services	-	-	7,733	12,000	15,000
Legal	14,878	96,000	74,439	150,000	165,000
Miscellaneous	-	3,600	12,957	35,000	-
Office space	-	-	-	-	36,000
PR/Advocacy	-	-	-	-	99,996
Supplies	3,881	4,410	3,294	5,000	7,500
Website maintenance	400	10,398	28,814	55,000	60,000
Contingency	-	-	-	-	35,500
Consultant support					
Grant writing	-	137,500	22,819	50,000	100,000
Service development plan	-	1,640,000	12,941	-	1,640,000
Outreach/marketing	-	-	-	-	500,000
Financial modeling	-	-	-	-	250,000
Ballot costs	-	-	-	-	250,000
Contingency support	-	-	-	-	125,000
Total expenditures	56,007	2,125,463	396,691	633,803	3,939,996
Total expenditures and transfers out requiring appropriation	56,007	2,125,463	396,691	633,803	3,939,996
ENDING FUND BALANCES	\$ 16,343,993	\$ 14,623,017	\$ 16,301,624	\$ 18,574,512	\$ 14,684,516
EMERGENCY RESERVE	\$ 492,000	\$ 10,500	\$ 10,700	\$ 71,000	\$ 1,500
DEDICATED FUNDS	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
OPERATIONS RESERVE	-	-	-	-	135,000
AVAILABLE FOR OPERATIONS	3,851,993	2,612,517	4,290,924	6,503,512	2,548,016
TOTAL RESERVE	\$ 16,343,993	\$ 14,623,017	\$ 16,301,624	\$ 18,574,512	\$ 14,684,516

No assurance provided. See summary of significant assumptions.

**FRONT RANGE PASSENGER RAIL DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Front Range Passenger Rail District a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the Colorado State Legislature in 2021. The purpose of the District is to research, develop, construct, operate, and maintain an interconnected passenger rail system within the Front Range that is competitive in terms of travel time for comparable trips with other modes of surface transportation. The District boundary extends from Wyoming to the New Mexico border, spanning portions or the entirety of the 13 counties near I-25.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Tax Revenue

The District has the authority to levy taxes through ballot measures in order to fund and support rail programs, including establishing station area improvement districts to construct and maintain train stations. No such taxes are imposed for the 2024 budget year.

Grant Revenue

The District has received and will continued to apply for state and federal funding through various grants created under, but not limited to, the federal infrastructure bill passed a few years ago.

Net Investment Income

Interest earned on the District's available funds has been estimated based on current interest yields.

Expenditures

Service Development Plan

The District will continue to advance the Service Development Plan (SDP) for Front Range Passenger Rail. The SDP evaluates routes, services, investment options, station locations, operations, and financial opportunities, developing an implementation plan for the initial train service. A data-driven plan, the SPD will demonstrate the proposed train service's operational and financial feasibility making the District eligible for federal funding. The District is currently working with CDOT on the plan.

Debt and Leases

The District has no debt and no operating or capital leases.

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending for the District, as defined under TABOR.

This information is an integral part of the accompanying budget.