

MULLER



LAW GROUP

A PROFESSIONAL LIMITED LIABILITY COMPANY

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September 20, 2018

(Via Electronic Mail)

Dear Judge and Commissioners:

The Board of Directors of the Fort Bend County Toll Road Authority (the “Authority”) reviewed the following items at their regular meeting held on September 19, 2018, and make the following recommendations to Commissioners Court:

1. Approval of Budget for Fiscal Year Ending September 30, 2019; and
2. TML Insurance Policy Renewal.

Additionally, the Authority reviewed the following items at their regular meeting held on July 18, 2018, and make the following recommendations to Commissioners Court:

3. Approval of Permit for Use of Fort Bend County Toll Road Authority Right-of-Way;
4. Acceptance of Quitclaim Deed; and
5. Acceptance of Special Warranty Deed.

Copies of the related documents are attached. Please place these items for consideration by Commissioners Court on the agenda for the meeting scheduled on September 25, 2018.

As always, if you should have any questions regarding this matter, please don't hesitate to contact any member of the Board of Directors or the Authority's consultants.

Very truly yours,



Richard Muller
Attorney for the Authority

FBCTRA FY2018-2019 BUDGET SUMMARY

Revenues	2018 Annual Budget	Actuals YTD (as of 9/5/18)	Projected Year End	2019 Annual DRAFT Budget
IOP Revenues (Tags)	\$32,895,532	\$23,925,641	\$31,900,855	\$39,600,000
Violation Revenues	\$1,664,432	\$782,192	\$1,042,923	\$1,296,000
Earned Interest	\$150,000	\$646,116	\$861,488	\$861,488
Revenue Recovered from Insurance	\$28,091	\$50,056	\$66,741	\$0
Other / Misc. Income	\$0	\$2,222	\$2,963	\$50,000
Total Income	\$34,738,055	\$25,406,227	\$33,874,969	\$41,807,488
Expenses	2018 Annual Budget	Actuals YTD (as of 9/5/18)	Projected Year End	2019 Annual DRAFT Budget
Administrative	\$240,012	\$33,934	\$98,719	\$155,000
Professional Fees	\$597,400	\$474,951	\$620,011	\$564,208
Fort Bend County Payroll Allocation	\$60,000	\$395,636	\$998,592	\$538,406
Utilities	\$217,230	\$118,966	\$158,621	\$145,000
Maintenance	\$493,800	\$627,497	\$836,663	\$836,000
Toll Collections	\$5,477,778	\$4,145,619	\$5,527,492	\$4,445,415
Capital Acquisitions	-	\$4,898	\$4,898	\$0
Debt Service	\$0	\$12,056,138	\$17,713,288	\$18,255,688
Operating and Admin Expenses	\$7,086,220	\$17,852,741	\$25,958,283	\$24,939,717
Special Projects	\$0	\$91,625	\$615,654	\$8,223,906
Excess Revenues for Allocation to Reserve	\$27,651,835	\$7,461,861	\$7,916,686	\$8,643,866

	Target Reserve Balance*		Beginning Reserve Balance	Amount Available To Be Reserved This Period	Amount Reserved To-Date
Reserve Funds		100%	\$68,040,027	\$7,461,861	\$75,501,888
Debt Service Advance Fund	\$18,255,688	0%	\$18,255,688	\$0	\$18,255,688
Debt Service Reserve (Final Payment)	\$9,524,685	0%	\$9,524,685	\$0	\$9,524,685
Operating Fund Balance (min. cash balance)	\$9,000,000	0%	\$9,000,000	\$0	\$9,000,000
Emergency Repair Fund	\$5,000,000	0%	\$5,000,000	\$0	\$5,000,000
Technology Replacement Fund	\$7,000,000	15%	\$4,000,000	\$1,119,279	\$5,119,279
Pavement Life Extension Projects (2-5 years)	\$31,000,000	75%	\$20,000,000	\$5,596,396	\$25,596,396
Pre-Construction of Bond Funded CIP	\$16,895,000	10%	\$2,259,654	\$746,186	\$3,005,840
Bond Funded Capital Improvement Project (CIP)	\$519,250,000	0%	\$0	\$0	\$0

FBCTRA FY2018-2019 BUDGET

Revenues		2018 Annual Budget	Actuals YTD (as of 9/5/18)	Projected Year End	Fort Bend Parkway DRAFT Budget	Westpark Tollway DRAFT Budget	2019 Annual DRAFT Budget
IOP Revenues (Tags)		\$32,895,532	\$23,925,641	\$31,900,855			\$39,600,000
FIOF	Payments Rcvd from IOP Partners	\$32,895,532	\$23,925,641	\$31,900,855	\$16,600,000	\$23,000,000	\$39,600,000
Violation Revenues		\$1,664,432	\$782,192	\$1,042,923			\$1,296,000
FV1	Tolls	\$822,000	\$605,792	\$807,723			\$513,000
FV2	Admin Fees	\$500,000	\$151,637	\$202,183			\$593,000
FV3	Court Fees	\$342,432	\$24,763	\$33,017			\$190,000
Earned Interest		\$150,000	\$646,116	\$861,488			\$861,488
FE	(List Sources of Interest)	\$150,000	\$646,116	\$861,488			\$861,488
Revenue Recovered from Insurance		\$28,091	\$50,056	\$66,741			\$0
FI1	Payments Recovered from Motorists	\$28,091	\$50,056	\$66,741			\$0
FI2	Payments Recovered from TRA Policies	-	\$0	\$0			\$0
Other / Misc. Income		\$0	\$2,222	\$2,963			\$50,000
FM	TBD....	\$0	\$2,222	\$2,963			\$0
FM1	Sign Permitting & Enforcement						\$50,000
Total Income		\$34,738,055	\$25,406,227	\$33,874,969			\$41,757,488
Expenses		2018 Annual Budget	Actuals YTD (as of 9/5/18)	Projected Year End	Fort Bend Parkway DRAFT Budget	Westpark Tollway DRAFT Budget	2019 Annual DRAFT Budget
Administrative		\$240,012	\$33,934	\$98,719			\$155,000
FA1	Director Fees	\$10,500	\$14,323	\$19,097			\$16,000
FA2	Insurance	\$69,610	\$10,731	\$69,610			\$80,000
FA4	Dues (IBTTA)	\$8,552	\$7,785	\$8,552			\$9,000
FA5	Contingencies	\$150,000	\$1,095	\$1,460			\$50,000
Professional Fees		\$597,400	\$474,951	\$620,011			\$564,208
FP1	Legal Fees (MLG)	\$92,400	\$119,431	\$143,317			\$96,708
FP9	Court Liason (J. Thompson)	-	\$0	\$6,000			\$36,000
FP2	Govt Affairs (C. Parish)	\$30,000	\$25,000	\$30,000			\$30,000
FP3	Financial Advisor Fees (Hilltop)	\$15,000	\$7,000	\$9,333			\$15,000
FP4	Independent Auditor (Whitley Penn)	\$30,000	\$21,321	\$28,428			\$21,500
FP5	Accounting Expenses (Avanta)	\$50,000	\$19,469	\$25,959			\$0
FP6	General Manager (MSAi)	\$245,000	\$204,034	\$272,045			\$245,000
FP7	Engineering (BGEi)	\$75,000	\$51,489	\$68,652			\$75,000
FP8	Engineering - Permits (BGEi)	\$60,000	\$27,207	\$36,276			\$45,000

Fort Bend County Payroll Allocation		\$574,592	\$395,636	\$998,592		\$538,406
FF1	Payroll Allocation (County Auditor)	\$47,172		\$471,172		\$39,148
FF2	Payroll Allocation (County Engineer)	\$37,054		\$37,054		\$21,635
FF3	Payroll Allocation (County Clerk)	\$55,706	\$111,480	\$55,706		\$61,843
FF6	Payroll Allocation (County Attorney)					\$10,500
	Toll Enforcement (Constables)					
FF4	Constable Pct 2	\$217,430	\$138,825	\$217,430	\$197,290	\$197,290
FF5	Constable Pct 3	\$217,230	\$145,331	\$217,230	\$207,990	\$207,990
Utilities		\$123,300	\$118,966	\$158,621		\$145,000
FU1	Electrical Power	\$77,000	\$65,978	\$87,971		\$85,000
FU2	Toll Plaza Fiber / Data	\$46,300	\$52,988	\$70,651		\$60,000
Maintenance		\$708,800	\$627,497	\$836,663		\$836,000
FR1	Road Maintenance	\$590,000	\$567,046	\$756,061	\$345,000	\$375,000
FR2	ROW Maintenance (Mowing)	\$118,800	\$60,451	\$80,601	\$73,500	\$32,500
FR3	Drainage Charge (City of Houston)				\$10,000	\$10,000
Toll Collections		\$5,477,778	\$4,145,619	\$5,527,492		\$4,445,415
FT1	IOP Fees Paid (IOP Partners)	\$3,774,323	\$2,520,229	\$3,360,305	\$1,040,000	\$1,500,000
	CUSIOP Software and Maintenance Cost (NTTA & HCTRA)	\$180,063	\$105,644	\$140,859		\$102,500
FT2	Lane Equipment Maintenance (Transcore)	\$454,770	\$529,714	\$706,285	\$368,469	\$237,446
FT3	Backoffice Vendor (SWC)	\$333,594	\$550,852	\$734,469		\$663,000
FT4	Management of Toll System (MSAi & RS&H)	\$372,614	\$319,920	\$426,560		\$450,000
	Court Expenses					
FT6	Legal Expenses (Linebarger)	\$353,414	\$118,180	\$157,573		\$75,000
FT7	Admin Hearing Officer (David Hunter)	\$9,000	\$1,080	\$1,440		\$9,000
FT8	County Court		\$0	\$0		\$0
FT8	Admin Fines/Fees					\$25,000
FT9	Sign Permitting & Enforcement			\$0		\$60,000
Special Projects		\$1,490,366	\$91,625	\$615,654		\$8,223,906
FSP1	Traffic Surveillance Cameras / Fiber	\$1,250,000	\$0	\$500,000		\$3,500,000
FSP2	Toll Plaza Signs	\$75,000	\$1,590	\$1,590		\$0
FSP3	Trip Building	\$165,366	\$85,797	\$85,797		\$0
FSP4	Westpark Corridor Management		\$4,238	\$4,238		\$182,800
	Fort Bend Parkway Extension (Wetland Mitigation / Clearing)		\$24,029	\$24,029	\$395,300	\$395,300
FSP6	Design of FBP Segment B2		\$0	\$0	\$895,000	\$895,000
FSP7	Facility Inspection (BGEi & ARA)		\$0	\$0		\$148,900
FSP8	Repaint bridges and CTB		\$0	\$0	\$345,000	\$747,000
FSP9	Mason Rd Entrance Ramp		\$0	\$0		\$759,906
FSP10	Lake Olympia Intersection Improvement		\$0	\$0		\$1,000,000

FSP11	General Special Project				\$250,000
	Capital Acquisitons		\$4,898	\$4,898	\$0
FC1	Right of Way		\$0	\$0	\$0
FC2	Westpark Extension*	\$10,869,438	\$14,492,584	\$24,667	\$24,667
FC3	HWY 6 Overpass	\$4,898	\$4,898		\$0
	Debt Service	\$17,713,288	\$12,056,138	\$17,713,288	\$18,255,688
FDS1	Payment on 2012 Series Bonds	\$11,658,713	\$8,549,263	\$11,658,713	\$11,957,338
FDS2	Payment on 2014 Series Bonds	\$2,877,575	\$1,918,375	\$2,877,575	\$2,873,850
FDS3	Payment on 2016 Series Bonds	\$3,177,000	\$1,588,500	\$3,177,000	\$3,424,500
	Total Expenses	\$26,925,536	\$17,944,366	\$26,573,937	\$33,163,623
	Excess Revenues				
	for Allocation to Reserve	\$7,812,520	\$7,461,861	\$7,301,032	\$8,593,866

*Not included in Total Expenses - paid out of 802 fund

FBCTRA RESERVE FUND ACCOUNTS

	Projected Date Funding Needed	Target Reserve Balance* Updated 09/01/2018	Beginning Reserve Balance 10/01/2018
Reserve Accounts			\$68,040,027
Debt Service Advance Fund		\$18,255,688	\$18,255,688
Debt Service Reserve (Final Payment)		\$9,524,685	\$9,524,685
Operating Fund Balance (min. cash balance)		\$9,000,000	\$9,000,000
Emergency Repair Fund		\$5,000,000	\$5,000,000
Technology Replacement Fund		\$7,000,000	\$4,000,000
Lane Equipment Replacement		\$3,500,000	\$2,000,000
Tag Readers	2024		
VES - Cameras	2024		
Equipment within the Cabinets	2024		
Back Office Upgrades / Replacement		\$3,500,000	\$2,000,000
Servers	2022		
Software Changes / Licensing	2022		
		\$31,000,000	
Pavement Life Extension Projects (2-5 years)		\$31,000,000	\$20,000,000
Pavement Repairs		\$7,000,000	\$3,000,000
FBP - Repairs / Sealing	2019	\$2,000,000	\$750,000
FBP - Bridge Painting	2019	\$1,000,000	\$750,000
WPT - Repairs / Sealing	2020	\$2,000,000	\$750,000
WPT - Bridge Painting	2020	\$2,000,000	\$750,000
Pavement Overlays		\$24,000,000	\$17,000,000
FBP - Asphalt Overlay	2022	\$12,000,000	\$8,500,000
WPT - Asphalt Overlay	2023	\$12,000,000	\$8,500,000
Reconstruction / CIP (Pre-Construction)		\$16,895,000	\$2,259,654
FBP Rehab SH-6 to BW-8		\$500,000	\$376,609
WPT Rehab SH-99 to FM-1464		\$500,000	\$376,609
FBP - Sienna Parkway to Sienna Levee		\$895,000	\$376,609
FBP - Sienna Levee to FM 2759		\$2,500,000	\$376,609
FBP - FM-2759 to SH-99		\$10,000,000	\$376,609
WPT - ML from East of FM-1463 to Cross Creek		\$2,500,000	\$376,609
Pavement Rehab / Reconstruction (5-10 years)		\$156,250,000	\$0
FBP Rehab SH-6 to BW-8	2027	\$81,250,000	\$0
WPT Rehab SH-99 to FM-1464	2028	\$75,000,000	\$0
Future Projects (>10 years)*		\$363,000,000	\$0
* (Not Included in the Total Reserve Balance)			
FBP - Sienna Parkway to Sienna Ranch		\$20,000,000	\$0
FBP - Sienna Ranch to Sienna Levee		\$26,000,000	\$0
FBP - Sienna Levee to FM-2759		\$100,000,000	\$0
FBP - FM-2759 to SH-99		\$139,000,000	\$0
FBP - DC's at BW-8		\$36,000,000	\$0
WPT - ML from FM-1463 to Cross Creek		\$42,000,000	\$0