Date: February 1, 2018

To: ACHD Commissioners
   Director Wong

From: Gary Inselman – Budget Committee Chair
       Christine Race-Tannler - Budget Coordinator

Subject: FY18 – 1st Budget Adjustment Review
   February 7, 2018 Commission Meeting

Facts & Findings

The Budget Committee meets regularly to review the status of revenues and expenditures. Based on the current status and data available the following adjustments to the budget are proposed.

Revenue

The original revenue budget of $117.9 million is proposed to increase to $131.4 million in the first budget adjustments as follows:

- **Original Revenue Budget**
  - Encumbrances $3,122,000
  - Impact Fee Revenue Adjustment $3,050,000
  - Highway Users Fund $2,600,000
  - Emergency Relief Funds $1,896,500
  - Federal Aid $978,000
    - State Street/Collister - $460k (ROW)
    - FA Cap Maintenance $390k (DSN)
  - Property Disposal Adjustment $500,000
  - Registration Fee Revenue Adjustments $500,000
  - Misc. Revenue Adjustments $450,000
  - Misc. Development Fee Adjustments $253,000
  - Street Vacation Fees Adjustment $216,000
  - Cost Share $202,400
  - Sales Tax Revenue Adjustments $200,000
  - Federal Aid – ITD Funds for SAM Project-into FY19 <$450,000>
- **Proposed Revenue** $131,377,450

Staff will continue to monitor revenue for future budget adjustments.
Expenditures

The original expenditure budget of $117.9 million is proposed to increase to $130.5 million as follows:

The original Operational budget of $54.2 million is proposed to increase to $56.2 million as follows:

- **Original Operational Budget**  $54,201,150
  - Encumbrances $919,000
  - IT – Upgrade network storage $380,000
  - FY18 – Director Initiatives $200,000
  - Traffic Materials $140,000
    - Radar feedback sign purchase (budget from 524-5500)
  - IT – Laserfiche Consulting $77,000
  - Misc. Development Services Adjustment $73,000
    - License TRAK module for license agreements
  - Traffic Adjustments $72,500
    - Gowen Thunder & Harrison Blvd Traffic Control
    - Catalpa traffic calming
    - Installation of radar feedback signs
  - Misc. Operational Adjustments $67,800
  - IT – Misc. Software/Hardware upgrades $58,700

- **Proposed Operational Budget**  $56,189,150

The Capital Budget of $60.7 million is proposed to increase to $71.3 million as follows:

- **Original Capital Project Budget**  $60,706,900
  - Encumbrances $2,203,000
    - Prof. Services - $402k
    - Right-of-Way - $396k
    - Construction - $1.4M
  - State St and Collister Dr. $2,512,500
  - Arterial & Collector Cap Maint (2018) - HB312 Project $1,266,000
  - State St and Veterans Memorial Pkwy $1,129,600
  - Pine Ave, Meridian Rd/Locust Grove Rd $810,500
  - Cole Rd and Overland Rd Int – LHSIP $571,000
  - State St Bridge #1486, at 15th St $459,000
  - Federal Aid Capital Maintenance (2019) $420,000
  - Emerald St & Americana Blvd, Orchard St/AMorrison Pk $407,000
  - Microseal (2017) - HB312 Project $373,000
  - Non-Impact Fee Eligible Corridor Preservation $335,000
  - Cloverdale Rd, McMillan Rd / Chinden Blvd (US 20/26) $325,000
  - Cole Rd and McMullen Rd $285,000
  - Cole Rd, I-84 / Franklin Rd $255,000
  - Misc. Capital Adjustments $218,500
  - Cole Rd and Victory Rd $143,000
  - Cole Rd, Spectrum St / Century Way, Medians $143,000
  - Cole Rd, McGlochlin / Victory $136,000
  - Cole Rd and Franklin Rd $60,000
  - Ten Mile Rd and Amity Rd <$225,000>
- Cloverdale Rd, Fairview Ave / Ustick Rd – Roadway $ 282,000
- Aikens St, Eagle Rd / 2nd St $ 300,000
- Maple Grove Rd, Victory Rd / Overland Rd $ 603,000
- **Proposed Capital Project Budget** $ 71,349,000

The Commuteride Budget of $2.95 million is proposed to remain unchanged:

- **Original Commuteride Budget** $ 2,951,500
- Net Commuteride Adjustment $ 0
- **Commuteride Budget** $ 2,951,500

**Reservation proposal to utilize FY18 increased Revenue:**
- Reservation for Priority Corridors $ 887,800

**Total Proposed Expenditures**
- Operational Budget $ 56,189,150
- Capital Budget $ 71,349,000
- Commuteride Budget $ 2,951,500
- Reservations $ 887,800
- **Total** $ 131,377,450

**Fiscal Impact**

Approving the 1st Budget Adjustments allows the continuation of projected expenses as they are currently programmed. The recording of encumbrances is the accounting of liabilities from one fiscal year to another – in this case ACHD had signed contracts that were originally intended to be paid out in FY17, however, they extend into FY18 and this adjustment allows us to add the $3.12M into the FY18 budget appropriately.

**Recommendation**

Approve the FY2018 1st Budget Adjustments as outlined in this staff report.

If there are any questions please contact, Christine Race-Tannler, at 387-6123.