

CAPITAL ASSET REPLACEMENT FUND (CARF)

Fund 105-000

Pursuant to statutory authority documented in 55 ILCS 5/6-1002.5, the Champaign County Board adopted Resolution No. 4555 on May 21, 2002, establishing the Capital Asset Replacement Fund as the fund to receive revenues and appropriate expenditures for the implementation of a long term capital planning for technology, vehicles, furnishings and office equipment for the County's General Corporate Fund departments. Beginning in FY2006, the Champaign County Board added funding for capital improvements for some facilities needs to the Capital Asset Replacement Fund. Sources of revenue for this fund include, but are not limited to: General Corporate Fund, the Public Safety Sales Tax Fund, the Court Services Probation Service Fees Fund, and grant funds.

BUDGET HIGHLIGHTS

Per the FY2020 Budget Process Resolution, the County Board directed the CARF be prepared with funding 1.) For maintenance scheduled in FY2020 per the County's Facilities Capital Plan; 2.) For Enterprise Resource Planning (ERP) to replace the County's in-house financial system; and 3.) For CARF equipment and items scheduled for replacement in FY2020.

The Nursing Home Fund owes the Capital Asset Replacement Fund a total of \$73,586 for expenditures paid on its behalf in prior fiscal years. In FY2019 the Art Bartell sidewalk installation, required for the subdivision of the Nursing Home property, will be paid from this fund and is estimated to cost \$260,000.

Software

The FY2020 budget includes new funding for a Digital Evidence Management System (DEMS) requested by the State's Attorney's Office, and phishing threat email security and training requested by IT. The budget includes continued funding for new technology implemented in FY2019 such as Real Estate Tax Cycle software, Jail Management Software as a Service (SaaS), law enforcement civil processing SaaS, and Information Security Operations Center support. The FY2020 budget appropriates \$500,000 for replacing the County's in-house financial system with Enterprise Resource Planning (ERP) software; although the actual cost was unknown at the time of budget preparation.

Facilities

The Facilities CARF budget is under the direction of the Facilities Committee. In November 2017, the Facilities Committee approved a 10-Year Capital Facilities Plan, which was subsequently approved by the County Board in May 2018, http://www.co.champaign.il.us/FacilitiesPlans/PDFS/10-Year_Capital_Facilities_Plan.pdf. A copy of the plan is included in the Supplemental Information section of the Budget document. The plan was based on the County's 2015 Facility Condition Assessment; however, excludes interior improvements and facility maintenance for the Champaign County Sheriff's Office and downtown jail.

In FY2020, the plan calls for increased funding of \$1.1 million over FY2019, for a total of \$2.2 million. In FY2019, \$261,331 was appropriated for architectural/engineering services for the potential relocation of the Sheriff's downtown facilities, or for required American's with Disabilities Act (ADA) improvements. The Facilities Committee will continue discussions regarding a plan for these facilities. In FY2019, \$33,500 was spent on a Public Safety Facility Plan update, and in FY2020 the remaining \$227,613 will be re-appropriated.

FY2020 Funding

Since 2008, the unavailability of revenues in the General Corporate Fund and Public Safety Sales Tax Fund have resulted in cuts in funding for future reserve items in the Capital Asset Replacement Fund. The CARF budget is initially prepared with full funding for items scheduled for replacement in the budget fiscal year, and reserve funding for items scheduled for replacement in future fiscal years. Due to the lack of available revenue, for many years the budget has been revised to include current funding only. In FY2019, the County was able to fund current items scheduled for replacement as well as provide reserve funding for future items scheduled for replacement. Due to additional funding required for technology and facilities in FY2020, funding will be current only. The table below shows the difference between full funding and current only funding, excluding facilities, for FY2020.

FY2020 CARF Funding (excluding Facilities funding)	Full Funding	Current Only Funding	Difference
General Corporate	\$801,600	\$592,129	\$209,471
Public Safety Sales Tax	\$797,222	\$675,946	\$121,276
Total	\$1,598,822	\$1,268,075	\$330,747

Other funding sources include \$135,000 from the Probation Services Fund to contribute towards the replacement of the Juvenile Detention Center's Video and Surveillance Security System, \$36,783 from the Court Automation Fund for the AS/400 lease, and \$2.2 million from the Physical Plant budget for facilities maintenance.

In FY2020, the budgeted increase in CARF expenditures is predominantly the result of appropriating for new technology and an increased investment in facilities.

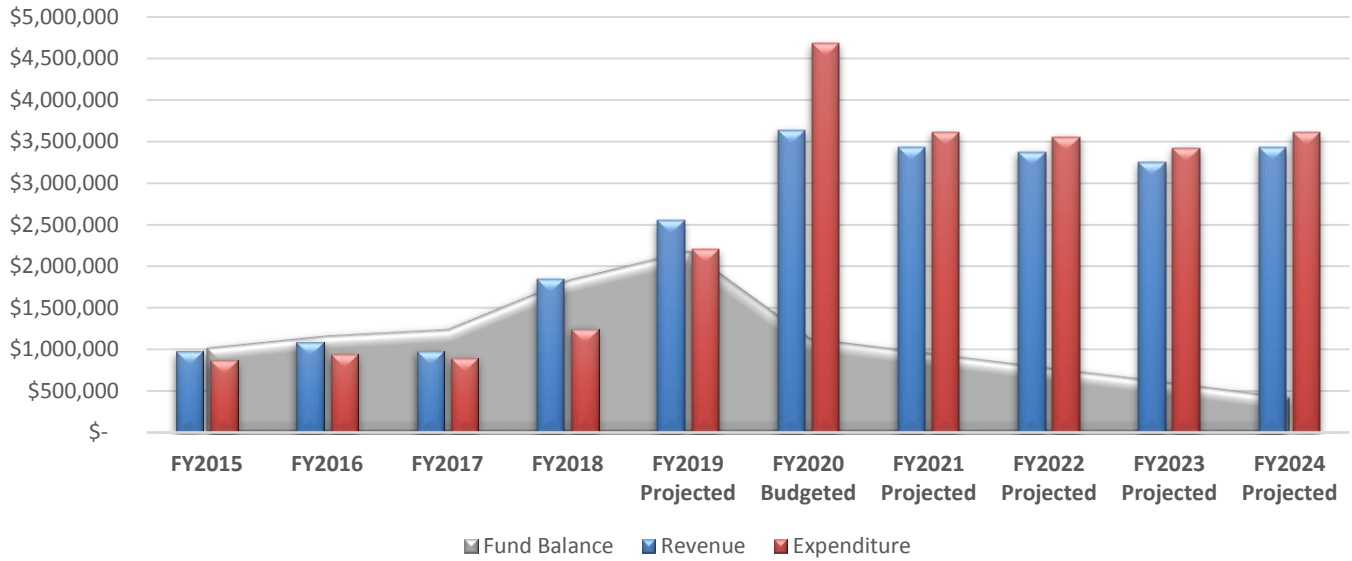
Funding Future Fiscal Years

Because most items are on a 5 to 7-year replacement cycle, the continued practice of using reserve funding without restoring it will diminish the fund balance, which is reflected in the chart on the following page. If the County is unable to reserve funding for future fiscal years, there will be an increased reliance on the transfers from General and Public Safety Sales Tax funds to pay for CARF expenditures. Because departments are cognizant of the County's fiscal challenges, some items scheduled for replacement are deferred beyond their scheduled replacement. This deferral helps preserve the fund balance to some extent.

The following table reflects an estimate of CARF appropriations required for the next four fiscal years. These estimates will be influenced if items scheduled for replacement in FY2020 are deferred until future fiscal years, thereby increasing the amount of appropriation required in order to allow departments to replace those items with reserve funds.

Fiscal Year	FY2021	FY2022	FY2023	FY2024
Projected CARF Appropriation (including Facilities)	\$3,615,929	\$3,553,020	\$3,420,978	\$3,608,965

Capital Asset Replacement Fund



FINANCIAL

Fund 105 Summary			2018 Actual	2019 Original	2019 Projected	2020 Budget
361	10	INVESTMENT INTEREST	\$8,399	\$8,500	\$15,000	\$10,000
369	90	OTHER MISC. REVENUE	\$6,956	\$0	\$0	\$0
		MISCELLANEOUS	\$15,355	\$8,500	\$15,000	\$10,000
371	6	FROM PUB SAF SALES TAX FD	\$1,039,875	\$658,761	\$639,975	\$675,946
371	13	FROM COURT AUTOMTN FND613	\$0	\$36,783	\$36,783	\$36,782
371	18	FROM PROB SERV FUND 618	\$10,000	\$10,000	\$10,000	\$135,000
371	80	FROM GENERAL CORP FND 080	\$775,985	\$1,880,948	\$1,847,948	\$2,642,129
		INTERFUND REVENUE	\$1,825,860	\$2,586,492	\$2,534,706	\$3,489,857
REVENUE TOTALS			\$1,841,215	\$2,594,992	\$2,549,706	\$3,499,857
522	44	EQUIPMENT LESS THAN \$5000	\$498,348	\$745,321	\$224,954	\$655,613
522	45	VEH EQUIP LESS THAN \$5000	\$172,287	\$0	\$0	\$0
522	90	ARSENAL & POLICE SUPPLIES	\$3,393	\$0	\$0	\$0
		COMMODITIES	\$674,028	\$745,321	\$224,954	\$655,613
533	2	ARCHITECT SERVICES	\$10,904	\$261,113	\$123,128	\$227,613
533	4	ENGINEERING SERVICES	\$39,797	\$0	\$0	\$65,000
533	29	COMPUTER/INF TCH SERVICES	\$25,213	\$688,657	\$451,512	\$1,012,030
533	42	EQUIPMENT MAINTENANCE	\$60,180	\$120,733	\$93,466	\$9,901
533	44	MAIN ST JAIL REPAIR-MAINT	\$20,704	\$0	\$11,343	\$0
533	46	1905 E MAIN REPAIR-MAINT	\$2,058	\$0	\$0	\$0
533	47	JUV DET CTR REPAIR-MAINT	\$0	\$0	\$9,110	\$0
533	61	1701 E MAIN REPAIR-MAINT	\$1,898	\$0	\$0	\$0
533	86	NURS HOME BLDG REPAIR/MNT	\$17,903	\$0	\$0	\$0

534	70	BROOKNS BLDG REPAIR-MAINT	\$20,392	\$0	\$0	\$0
534	72	SATELLITE JAIL REPAIR-MNT SERVICES	\$17,872	\$0	\$0	\$0
			\$216,921	\$1,070,503	\$688,559	\$1,314,544
544	16	COURTS FACILITY CONST/IMP	\$0	\$0	\$89,201	\$0
544	17	SATELLITE JAIL CONST/IMPR	\$156,805	\$75,000	\$0	\$975,000
544	18	BROOKNS BLDG CONST/IMPROV	\$0	\$175,000	\$209,400	\$575,000
544	23	JUV DET CTR CONST/IMPROVE	\$0	\$5,000	\$291,050	\$0
544	25	1905 E MAIN CONST/IMPROVE	\$0	\$565,000	\$194,453	\$580,000
544	30	AUTOMOBILES, VEHICLES	\$39,760	\$186,625	\$122,272	\$58,000
544	31	RADIO EQUIPMENT	\$0	\$0	\$0	\$6,568
544	33	OFFICE EQUIPMENT & FURNIS	\$30,302	\$81,816	\$118,683	\$455,517
544	34	MAINTENANCE EQUIPMENT	\$19,250	\$20,000	\$0	\$36,471
544	41	PARKING LOT/SIDEWLK CONST CAPITAL	\$73,175	\$300,000	\$225,815	\$0
			\$319,292	\$1,408,441	\$1,250,874	\$2,686,556
581	3	CAPITAL LEASE PRINC PMTS	\$35,140	\$35,822	\$35,822	\$30,383
582	3	INTEREST ON CAPITAL LEASE DEBT	\$1,642	\$961	\$961	\$269
			\$36,782	\$36,783	\$36,783	\$30,652
		EXPENDITURE TOTALS	\$1,247,023	\$3,261,048	\$2,201,170	\$4,687,365

FUND BALANCE

FY2018 Actual	FY2019 Projected	FY2020 Budgeted
\$1,834,100	\$2,182,636	\$995,128

The Fund balance goal is \$1,000,000. The greater than 10% fund balance increase in FY2019 is due to unspent appropriation for items or projects that were deferred. The greater than 10% fund balance decrease in FY2020 is the result of appropriating to spend reserves from prior fiscal years for items scheduled to be replaced in that fiscal year.