

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

The largest appropriations within this fund are for software and facilities. Software costs include a new Enterprise Resource Planning (ERP) system, Microsoft licensing, jail management and civil processing/business office software, real estate tax cycle software, cloud backup services, and Information Security Operations Center support.

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. In FY2020, facility projects not already started were placed on hold due to an anticipated revenue decline as a result of the COVID-19 pandemic. The FY2021 facilities budget was initially reduced from the scheduled \$2.19 million to \$1.58 million in order to balance the budget, and later increased by \$400,000 to reflect receipt in 2020 of a pledge made in 2006 from Jack C. Richmond and Marjorie Laird Richmond (accepted by County Resolution No. 5396).

In FY2020, there were significant hail damages incurred to roofs and HVAC systems. Insurance claims reimbursement will be received in 2020 and 2021, with \$2.7 million in repairs appropriated in 2021. Also, in FY2021, \$220,086 is 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.

FY2021 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. The table below shows the difference between full funding and FY2021 funding, excluding facilities.

FY2021 CARF Funding (excluding Facilities funding)	Full Funding	FY2021 Funding	Difference
General Corporate	\$1,224,983	\$952,506	\$272,477
Public Safety Sales Tax	\$319,279	\$240,437	\$78,842
Total	\$1,544,262	\$1,192,943	\$351,319

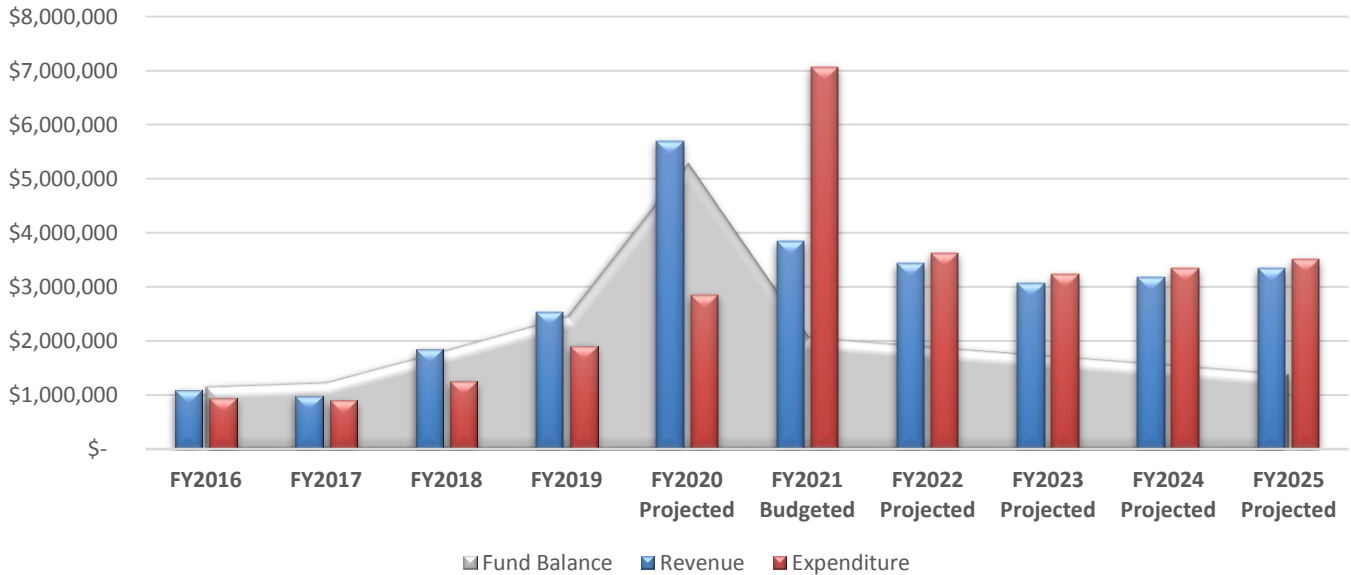
Funding Future Fiscal Years

Because most items are on a 5 to 7-year replacement cycle, using reserve funding without restoring it will diminish the fund balance, which is reflected in the following chart. 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 are deferred until future fiscal years.

Fiscal Year	FY2022	FY2023	FY2024	FY2025
Projected CARF Appropriation (including Facilities)	\$3,622,486	\$3,239,715	\$3,338,741	\$3,516,402

Capital Asset Replacement Fund



FINANCIAL

Fund 105 Summary			2019 Actual	2020 Original	2020 Projected	2021 Budget
332	38	CURE PROGRAM	\$0	\$0	\$100,000	\$0
		FEDERAL, STATE & LOCAL SHARED REVENUE	\$0	\$0	\$100,000	\$0
361	10	INVESTMENT INTEREST	\$16,515	\$10,000	\$8,000	\$4,000
369	80	INSURANCE CLAIMS REIMB	\$0	\$0	\$1,956,843	\$662,150
369	90	OTHER MISC. REVENUE	\$0	\$0	\$407,951	\$0
		MISCELLANEOUS	\$16,515	\$10,000	\$2,372,794	\$666,150
371	3	FROM FED AID MATCH FND103	\$0	\$0	\$0	\$1,748
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371	6	FROM PUB SAF SALES TAX FD	\$639,975	\$675,946	\$675,946	\$240,437
371	11	FROM GIS CONSORTIUM 850	\$0	\$0	\$0	\$8,750
371	13	FROM COURT AUTOMTN FND613	\$36,782	\$36,782	\$36,782	\$0
371	18	FROM PROB SERV FUND 618	\$10,000	\$135,000	\$135,000	\$10,000
371	33	FROM COURTS CONST FND 303	\$0	\$0	\$231,817	\$0
371	75	FROM REG PLAN COMM FND075	\$0	\$0	\$0	\$272,000
371	80	FROM GENERAL CORP FND 080	\$1,820,948	\$2,642,129	\$2,142,129	\$2,527,006
371	83	FROM CNTY HIGHWAY FND 083	\$0	\$0	\$0	\$42,071
371	84	FROM COUNTY BRIDGE FND084	\$0	\$0	\$0	\$7,007
371	89	FROM PUBLIC HLTH FUND 089	\$0	\$0	\$0	\$12,000
371	90	FROM MENTAL HEALTH FND090	\$0	\$0	\$0	\$52,370
371	91	FROM ANIM CONTROL FND 091	\$0	\$0	\$0	\$5,318
		INTERFUND REVENUE	\$2,507,705	\$3,489,857	\$3,221,674	\$3,178,707
		REVENUE TOTALS	\$2,524,220	\$3,499,857	\$5,694,468	\$3,844,857
522	44	EQUIPMENT LESS THAN \$5000 COMMODITIES	\$229,515 \$229,515	\$655,613 \$655,613	\$119,512 \$119,512	\$341,842 \$341,842
533	2	ARCHITECT SERVICES	\$131,941	\$227,613	\$20,000	\$220,086
533	4	ENGINEERING SERVICES	\$53,713	\$65,000	\$65,000	\$50,000
533	29	COMPUTER/INF TCH SERVICES	\$345,461	\$1,012,030	\$805,355	\$1,452,267
533	42	EQUIPMENT MAINTENANCE	\$104,509	\$9,901	\$18,435	\$28,995
533	44	MAIN ST JAIL REPAIR-MAINT	\$11,342	\$0	\$0	\$0
533	47	JUV DET CTR REPAIR-MAINT SERVICES	\$10,124 \$657,090	\$0 \$1,314,544	\$0 \$908,790	\$0 \$1,751,348
544	13	202 ART BARTELL BLDG CNST	\$0	\$0	\$0	\$691,913
544	14	ANIM SERV BLDG CONST/IMPR	\$0	\$0	\$0	\$52,097
544	16	COURTS FACILITY CONST/IMP	\$40,451	\$0	\$500,000	\$710,957
544	17	SATELLITE JAIL CONST/IMPR	\$0	\$975,000	\$0	\$1,250,000
544	18	BROOKNS BLDG CONST/IMPROV	\$183,531	\$575,000	\$72,134	\$856,538
544	23	JUV DET CTR CONST/IMPROVE	\$302,720	\$0	\$0	\$229,623
544	25	1905 E MAIN CONST/IMPROVE	\$12,375	\$580,000	\$800,000	\$435,559
544	30	AUTOMOBILES, VEHICLES	\$71,480	\$58,000	\$0	\$108,697
544	31	RADIO EQUIPMENT	\$0	\$6,568	\$0	\$169,066
544	33	OFFICE EQUIPMENT & FURNIS	\$140,504	\$455,517	\$311,171	\$107,480
544	34	MAINTENANCE EQUIPMENT	\$0	\$36,471	\$10,609	\$0
544	41	PARKING LOT/SIDEWLK CONST	\$229,683	\$0	\$0	\$0
544	46	1701 MAIN OUTBLDGS CONST	\$0	\$0	\$0	\$93,480
544	47	1701 MAIN BLDG CONST/IMPR CAPITAL	\$0 \$980,744	\$0 \$2,686,556	\$100,000 \$1,793,914	\$268,325 \$4,973,735
581	3	CAPITAL LEASE PRINC PMTS	\$35,821	\$30,383	\$30,383	\$0
582	3	INTEREST ON CAPITAL LEASE DEBT	\$961 \$36,782	\$269 \$30,652	\$269 \$30,652	\$0 \$0
		EXPENDITURE TOTALS	\$1,904,131	\$4,687,365	\$2,852,868	\$7,066,925

FUND BALANCE

FY2019 Actual	FY2020 Projected	FY2021 Budgeted
\$2,454,189	\$5,295,789	\$2,073,721

The Fund balance goal will fluctuate based on the reserve required for full funding for items scheduled for replacement in future fiscal years; however, should not be less than \$1 million. The greater than 10% fund balance increase in FY2020 is due to unspent appropriation for items or projects that were deferred, receipt of a \$400,000 pledge, anticipated receipt of CURE program funding for some costs related to COVID-19 response, and insurance reimbursement for hail damage claims. The greater than 10% fund balance decrease in FY2021 is the result of appropriating to spend reserves from prior fiscal years for items scheduled to be replaced in that fiscal year, and hail damages to facilities scheduled for repair in 2021.