

PUBLIC WORKS FUND SUMMARY

The Public Works Fund records all costs related to Weld County road and bridge construction and maintenance. This fund is also utilized for allocation of monies to cities and towns for use in their road and street activities. The resources for 2015 total \$132,948,000, which includes a fund balance of \$59,635,000, in addition to the revenue shown in the budget. Property tax is set at \$16,500,000 up \$5,000,000. Specific ownership tax is estimated to be \$7,400,000, up \$100,000 from 2014, as vehicle sales recover. Total HUTF will be \$9,700,000 up \$150,000 from 2014. Permit revenues are budgeted at \$500,000. Motor vehicle registration fees are \$340,000, and grazing fees are \$70,000. Oil and gas revenues are \$16,000,000.

Federal mineral lease revenues are \$1,425,000 due to the creation of the Weld County Federal Mineral Lease District. The federal mineral lease revenue will flow through the new district and then Public Works will apply to the district for the funding of projects. In 2015, the district is funding \$1,425,000 in oil and gas haul route projects. PILT is budgeted at \$330,000 with the Federal Mineral Leasing District funding change.

Other revenues from project reimbursements total \$17,048,000, which are up \$7,909,765. Transportation impact fees are budgeted at \$1,500,000. There are Energy Impact Assistance grants of \$6,200,000 for HARP projects of \$4,000,000 and \$2,200,000 for CR 390. A HES grant for \$828,000 for the intersection of CR 44/49 is funded. There are state grants for \$1,200,000 for Bridge 68/59A, and \$320,000 for Bridge 26/25A. There are two FHWA flood project grants for Bridge 87/42.5A (\$1,000,000), and Bridge 53/58A (\$6,000,000). Severance tax is budgeted at \$4,000,000. In accordance with the policy adopted by the Board of County Commissioners in 2010, the severance tax revenue is budgeted at a five year leveling average due to the fluctuations of the revenue created by the price and production levels of oil and gas commodities.

The budgeted appropriations for Public Works in 2015 total \$84,449,304 up \$28,867,881. Municipal share back is funded at \$2,274,091. Budget reflects no increase in health insurance costs. 2015 salary increases are funds for step increases due employees in 2015 and a 3.0 percent cost of living salary adjustment is included in this budget for a total of \$525,530.

Other Public Works budget unit is budgeted at \$52,117,110 based on the Capital Improvement Plan (CIP). Purchased Services increased \$26,250,381 for the following: Contract Payments increased \$910,000 based on capital improvement projects for 2015. Strategic Roads decreased \$7,849,619 to fund only construction costs for capital improvement projects for a total of \$11,545,381, which include CR 49/CR44 intersection (\$4,545,381), flood project bridge CR 87/42.5A (\$1,000,000) and flood project bridge 53/58A (\$6,000,000). The Haul Route Program increased \$11,190,000 for a total of \$13,435,000 based on anticipated 2015 projects. Right-of-Way and Utility Purchases increased \$21,100,000 for a total of \$21,250,000 for right-of-way purchases for CR 47/SH 392 Ramp project (\$800,000), CR 74/SH 392 Ramp project (\$300,000), CR 49/47 south from US 34-CR 38 (\$4,000,000), CR 49/47 south from CR 38-I-76 (\$3,000,000), CR 47/49 north corridor CR 64-SH 392 (\$1,000,000). Utilities are budgeted for the CR 49 south corridor (\$10,000,000) and CR49/47 north corridor (\$2,000,000). Grants and Donations increased \$900,000 for a total of \$2,400,000 based on two bridge grant projects for Bridges 26/25A (\$850,000) and 68/59A (\$1,550,000).

Pavement Management is funded at an increased level of \$429,777 due to vehicle costs. The Trucking budget is up \$315,787 due to vehicle costs and adding six weeks onto the hauling contract (\$159,264). Mining operations are up \$108,047 with the addition of two additional positions to handle the 2015 mining workload. Seasonal staffing is up \$229,150 due to cost of living adjustment and staffing levels for the 2015 workload. Motor grader operations are up

\$472,364 primarily due to vehicle costs, and the transfer of the Property Accountability Specialist position from Administration to the Motor Grader Division. Bridge Construction is up \$489,849 primarily due to vehicle costs. Other operating budgets for road and bridge maintenance are funded at near the 2014 funding level. With some operational economies to offset some of the inflationary costs the current service level should be able to be maintained with the funding recommended.

While the growth in the County’s assessed value and economic stimulus of the energy industry in Weld County is positive, the downside is the County will have to add significant resources to the Public Works budget again in 2015 to accommodate heavy hauling traffic, address safety issues, and improve roads impacted by the oil and gas industry’s heavy hauling on county roads due to new exploration. A five-year Public Works Capital Improvement Plan will continue to be updated annually and will ensure a fair and reasonable determination of project priorities in accordance with the county’s overall transportation needs, especially in dealing with the impact of energy development in the county. A significant long term project will be the capital improvements to the WCR 49/47 Corridor South from SH 34 to I-76 and North from WCR 60.5 (SH 263) to SH 392 over the next five years requiring over \$25 million per year to fund the road improvements. To accomplish the project, a funding level of \$25 million per year for five years is required. Thus, added property tax resources will have to be included in the Public Works Fund in 2015-2019.

On May 20, 2014, the Board approved the design/build option for the WCR 47/49 Corridor at a total cost of \$125 million it would require a cash flow mechanism of advancing funds to the Public Works Fund in 2015-2016 from the Contingency Fund and Capital Expenditure Fund to be repaid in 2017-2018. Savings should be realized by design/build in three years reducing the \$125 million estimated costs. The schedule would be as follows with the WCR 47 North portion bid as an optional bid in the same package or an option to add onto the bid at the end of the construction:

CIP	2014	2015	2016	2017	2018	2019
CR 49 South						
US 34 to I-76 (20 miles)	Design/ROW	Design/ROW	Construction	Construction		
Optional Bid CR 47 North						
CR 60.5 - SH 392 (3.5 miles)		Design/ROW	Construction	Construction		

Cash Flow Requirement: 2015 Design portion of contract and 2016 Construction portion of contract for a total of \$125 million. **Cash Flow Sources:** 2015-2016 property tax and other revenues (\$50 million), Public Works fund balance (\$35 million), Contingency Fund advance (\$20 million), and Capital Expenditure advance (\$20 million). Total \$125 million. Repay advance to Capital Expenditure Fund in 2017 and Contingency Fund in 2018. Cash advance and repayment financial mechanism has zero net impact on the municipal share back amount over the period of 2015-2018.

The 2015 Public Works Capital Improvements Plan is available on the county web site at http://www.co.weld.co.us/departments/public_works/index.html.