



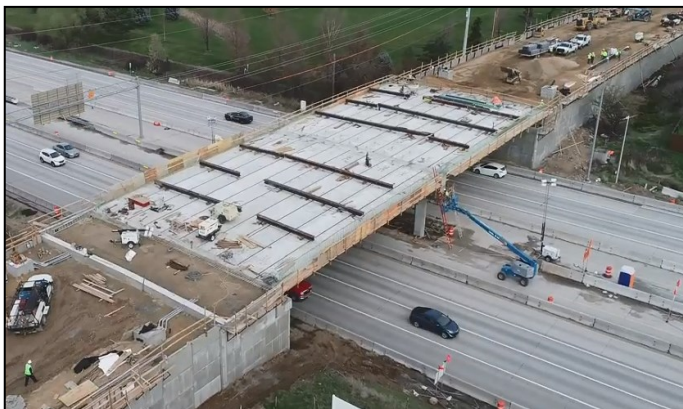
Committed to Service

Ada County Highway District

State St and Collister Dr Intersection



Cole Rd and Franklin Rd Intersection



Cloverdale Rd, Overland Rd/Franklin Rd —including Overpass

Fiscal Year 2020 Annual Budget
October 1, 2019—September 30, 2020

Ada County Highway District's FY 2020 (October 1, 2019 - September 30, 2020)
Budget was adopted by ACHD Commissioners on August 21, 2019

Ada County Highway District
3775 Adams Street
Garden City, Idaho 83714
208-387-6100
<http://www.achdidaho.org>

Commissioners

Rebecca Arnold	President
Mary May	1 st Vice President
Sara Baker	2 nd Vice President
Kent Goldthorpe	Commissioner
Jim D. Hansen	Commissioner

<u>Deputy / Sr. Manager</u>	<u>Division / Department</u>	<u>Phone</u>
Bruce Wong	Director	387-6110
Paul Daigle	Chief of Staff	387-6122
Steven Price	Legal	387-6113
Shari Knauss	Human Resources	387-6105
Nicole DuBois	Communications	387-6107
David Wallace	Planning & Projects	387-6119
Tim Nicholson, P.E.	Maintenance	387-6319
Gary Inselman	Development & Technical Svcs	387-6180

Prepared by ACHD Budget Coordinator
For questions, please call Christine Tannler at 387-6123

Supplemental Data

Idaho: When Congress created Idaho Territory in 1863, the new territory sprawled across an area one-quarter larger than Texas. Today's state is smaller, but Idaho is still as large as all six New England states combined with New Jersey, Maryland, and Delaware. Consequently, to travel from Bonner's Ferry in the north to Montpelier in the southeast encompasses a trip of nearly 800 miles, only slightly less than traveling from New York City to Chicago. The major industries in Idaho are Manufacturing, Agriculture, Food Processing, Mining, Timber, Health Care and Tourism.

Idaho Facts:

State Flower:	Syringa	State Bird:	Mountain Bluebird
State Vegetable:	Potato	State Fruit:	Wild Huckleberry
State Tree:	Western White Pine	State Gem:	Star Garnet
State Horse:	Appaloosa	State Fish:	Cutthroat Trout

Population 2016:	1,754,208
Land area:	82,643 sq. mi.
Average age of residents:	35.7
Median household income:	\$50,985
Household units:	609,124
Persons per square mile:	19
Highest Point:	Mount Borah- 12,662 ft.
Lowest Point:	Lewiston- 738 ft.



Ada County: Ada County, created in 1865, is located in the southwestern region of Idaho and is part of the region known as the "Treasure Valley". It includes the cities of Boise, Garden City, Meridian, Eagle, Kuna, Star and unincorporated areas of Ada County. H.C. Riggs induced the Idaho Territorial Legislature to make Boise the permanent capital of Idaho, effective December 24, 1864. Ada County is Idaho's largest urban and regional center of government and industry. The Ada County Highway District's main offices are located in the heart of the county in Garden City.

The geological forces that created the area resulted in foothills that sweep up from the city to mountains 7,600 feet in altitude. The majority of the county is in the plains, which is at 2,842 feet in elevation. A large concentration of geothermal wells, springs, and hot springs are located throughout the area.

Ada County Facts:

Population 2017:	469,966
Land area:	1,052.58 sq. mi.
Average age of residents:	36.4
Median household income:	\$50,151
Household units:	164,389
Average commute time to work:	20.4 minutes
Persons per square mile:	372.8
Average annual low temperature:	41.3° F
Average annual high temperature:	63.7° F
Average annual precipitation:	11.66"
Average annual snow fall:	19"



Ada County Highway District:

Established in 1972 as an independent government entity, the Ada County Highway District (ACHD) is responsible for all short and long-range planning, construction, maintenance, operation, rehabilitation and improvements to Ada County's urban streets, rural roadways (excluding state highways) and bridges and Stormwater monitoring. Geographically, the Districts jurisdiction includes Boise, Eagle, Garden City, Kuna, Meridian, Star and the unincorporated areas of Ada County. It is the largest highway district and the only consolidated countywide highway district in the State of Idaho and the nation.

ACHD maintains and operates over 2,300 miles of roads and streets in Ada County with an estimated value of \$3 billion. Elements of ACHD's infrastructure include multi-lane arterials, collector and local roadways, farm-to-market roadways, sidewalks and bike lanes and bikeways, along with a state-of-the-art computerized signal system to improve traffic flow. The District also purchases rights-of-way necessary for future infrastructure improvements.

ACHD, Ada County, and the six cities work together monitoring growth and ensuring infrastructure and transportation improvements meet the needs of the county.

Ada County Highway District Facts (2019):

Roads & Streets	2,394
Bridges:	783
Traffic Signals:	440
School flashing beacons:	244
Sidewalks repaired/replaced:	2,510 ln ft.
Miles chip sealed:	418 lm
Miles crack sealed:	252.75
Miles fog sealed:	418 lm
Potholes patched:	2,591
Adopt-a-Highway Program:	88 participants / 108 miles in program



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Rebecca W. Arnold, President
Mary May, 1st Vice President
Sara M. Baker, 2nd Vice President
Jim D. Hansen, Commissioner
Kent Goldthorpe, Commissioner

Dear Ada County Taxpayers

With the continued growth and its associated challenges facing Idaho and Ada County, ACHD's 2019 Capital Projects investment and proactive / preventative maintenance operations strategies, and our constant focus on investing in safe transportation infrastructure for all users set a new execution record in ACHD's history. And as in previous years, the voters and our 490,000 customers continue to reap the tremendous benefits from their insightful decision to establish the Ada County Highway District in the early 1970s to take better care of the local roads at a lower and more effective cost. This successfully experiment restructured local government and continues to pay great dividends and returns on taxpayer investments with an effective and efficient regional and locally focused infrastructure strategy and execution. An innovation born of frustration and distrust, the District successfully continues its mission of providing the safe, effective, and efficient operation for all users of Idaho's largest county road network while keeping taxes and fees as low as possible to meet our customers' growing needs. It continues to be a very tall order – a challenge I am pleased to say ACHD met in 2019 despite the historic construction efforts, with a focus on seven key measures for success, four clear priorities, and a lean budget. As such, I am proud to announce that once again, ACHD's road infrastructure continues to be rated as the best in the Northwest to include Portland, Seattle, Reno, Coeur d'Alene, Spokane, and Vancouver, and rated as in the top echelons across the County for Urban / Rural roads. As important, your ACHD was awarded its 10th consecutive Federal recognition for budgeting and accounting excellence. As we have in the past, we are committed to assuring the best for Ada County and we look forward to expanding and enhancing that success in Fiscal Year 2020!

Our \$123.7 million budget for FY2020 represents an aggressive capital projects construction effort and provides for the responsible, cost-effective operation, maintenance, and expansion of the county's growing infrastructure. Our Commission's intent and our commitment to our customers remains the same for 2020 as it was for 2019 – Maintain the taxpayers asset base by:

- Keep ACHD's roads at an average "Very Good" pavement condition index (PCI) assessment level
- Execute the annual budget = / > 92%
- Keep 99% of ACHD bridges in good or better condition
- Maintain the fleet in service rate at or better than 99% for the heavy vehicles and 100% for the light vehicles in service rate
- Maintain an average of 85% or better for principle arterials at Level of Service (LOS) E or better
- Maintain traffic signal operational rates at 99% or better
- Attain / maintain a 25 work day turnaround for all complete development applications that do not require Traffic Impact Studies or special requirements

This represents great teamwork from the ACHD Commission, our dedicated Budget Committee and District staff, who have found the efficiencies and forward-thinking ideas that accomplish our task without unduly increasing the financial burden on Ada County taxpayers. Once again, the Commission did not elect to recover past “foregone” property tax increases, effectively leaving over \$11 million in taxpayer pockets where it belongs and can do the most good! Besides keeping property taxes low, ACHD continues to encourage private investment with a Commission decision to keep impact fees very competitive. As a matter of fact, Ada County fees are still approximately 17% below the Northwest average and have declined between 20-27% over the last four years, encouraging economic investment in Ada County. The fact that ACHD can practically keep two of our main revenue sources at a very modest increase compared to other jurisdictions and cap overhead at 8 percent, is a testament to this organization’s ability to stretch the taxpayer dollar putting it at the right place, at the right time, for the right reasons.

ACHD’s vision, mission and priorities have guided our spending plan:

Vision: Leading transportation innovation- Investing in communities.

Mission: We drive quality transportation for all Ada County- Anytime, Anywhere!

Priorities:

1. Our People- our competitive edge in the work place is the source of our strength.
2. Effective and efficient execution.
3. Leaders in technology, design, and innovation.
4. Safety throughout the District for its employees and citizens.

Ultimately, what that all means is our desire to achieve excellence in all we do – from the manner and efficiency in which projects are designed and executed to the customer support that you can expect each time you contact us with an issue.

This spending plan prioritizes our resources to maintain, improve, and rebuild – in that order – our transportation infrastructure to safeguard our citizens’ \$3 billion and growing investment. Accordingly, the largest portion of our budget, 52 percent, goes toward maintaining and operating the county’s 5,121 and growing-total lane mile road network. Nonetheless, ACHD plans to spend 48 percent of our budget on capital projects, the needed road, intersection, bike, pedestrian, and bridge improvements that will make it easier for people to travel the county.

Budget Summary

The total budget is responsive to the county’s needs as identified in ACHD’s Integrated Five-Year Work Plan and the Capital Improvements Plan, our short and long-term infrastructure improvement programs. Some of the major highlights and trends:

- The operating budget is \$60.5 million, approximately \$2.3 million increase from last year. This budget portion covers the annual cost of operating and maintaining our road network and obtaining heavy equipment and materials. Operating the road system

includes adjusting the timing of signals from our Traffic Management Center (TMC) to address traffic from incidents and special events to other activities, modernizing the TMC, and now integrating permissive left turn signals with pedestrian crossing signals and putting down reflective pavement markers – initiatives that has garnered huge customer appreciation in mitigating congestion, improve both pedestrian and bicycle safety, and will continue to help drivers better locate their lanes in snow and rain. On the maintenance side, ACHD will continue to fill potholes within 24 hours of notice (4,200 in FY19), remove snow and chip seal roads (455 miles in FY19), and continuing to explore new technologies to tell when it makes sense to repair or replace asphalt and when to put down deicer or sand for storms—all focused on increasing the taxpayer’s return on investment.

- The capital projects budget is \$60.2 million, which is a 17.8 percent decrease from last year (details below). We forecast nearly \$20 million in Impact Fees, which are assessed on new structures to pay for needed infrastructure improvements.
 - Community Projects is a category within the capital budget that accounts for approximately \$5.9 million of the capital budget, nearly 10 percent. These funds are programmed for 34 projects providing safe routes to school, bike lane additions and neighborhood enhancements. These are the types of projects the voters approved with the Vehicle Registration Fee in 2008, and the District continues to deliver on this important commitment.
- Overhead departments account for 8 percent with personnel salary costs account for 27 percent of the overall budget, totaling \$33.8 million. Total labor costs will see a 7 percent rise over the prior year (\$31.7 million), reflecting great progress as the District aligns the number of employees to fill critical gaps in our operation of the county’s growing road system and increasing federal regulatory requirements. Each new position must be approved by the Commissioners, must for focused on improved operations, and each position is evaluated for its ability to offset existing costs, such as overtime and temporary labor.
- The portion of the budget devoted to daily operations, excluding labor, is \$26.7 million, nearly unchanged compared to last year. Throughout FY2019, the District will continue to emphasize employee training so ACHD will be better equipped to operate more efficiently, safely and innovatively. ACHD continues to enjoy the largest number of Road Master and Road Scholar graduates in Idaho. We have also expanded our leadership training opportunities while consistently focuses on all professional accreditation requirements. ACHD also enjoys a very robust student intern program that enhances academic / operations strategies. Moreover, by adopting a self – insurance program in 2014 and continuing to focus on Wellness / preventative health / safety / and health screening programs, we have saved over \$2,500,000 in premium and pay out costs which we have been able to put back into operations and projects. Also included are equipment purchases to reduce the age of the District’s vehicle fleet and improve reliability on the roads. These investments in people and equipment result in better service to our customers and decreased life-cycle equipment operations costs.

Some of the major projects planned for construction in FY2020 are:

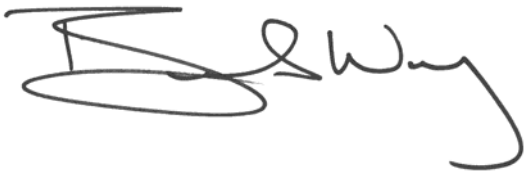
- **Cole Rd and Victory Rd Intersection – and Cole Rd, Victory Rd / McGlochlin Rd:** Widen intersection to 7 lanes in all directions with median U-turns as per the 2016 CIP. Includes Cole, McGlochlin/Victory widening, an enhanced crossing at Diamond, and bridge #1261
- **Ten Mile Rd, Ustick Rd / Chinden Blvd (US20/26):** This is a combination of two miles of Ten Mile Rd that will be completed in FY2020. The project between Ustick Rd and McMillan Rd will widen Ten Mile Rd to 5 lanes with curb, gutter, sidewalk and bike lanes as per the 2016 CIP. Includes bridges #1103 and #2204 and enhanced crossings at Tesino and the pedestrian path south of Vicenza. The project between McMillan Rd and Chinden Blvd (US20/26) will widen Ten Mile Rd to 5 lanes with curb, gutter, sidewalk and bike lanes as per the 2016 CIP. Includes an enhanced pedestrian crossing at Malta. In-house design. To be built by development under a STARS agreement
- **Meridian Rd, Cherry Ln / Ustick Rd:** Widen to 5 lanes with curb, gutter, sidewalk, and bike lanes as per the 2016 CIP. Includes bridges #2045 and #126X and enhanced crossings at James and Woodbury.

Conclusion

Overseeing the evolving roadway needs for all users of ACHD's 490,000 plus customers presents a challenge – one our customers consistently tell us ACHD is successfully meeting. We will continue to aggressively engage and partner with the public to assure we are meeting their expectations in service, safety, connectivity, community support, collaborative strategies, and enhanced economic development to assure the county has the absolute best road system in Idaho.

This spending plan reflects our unwavering commitment to meet our customer's needs through innovation and fiscal responsibility so we can continue to give our customers the best road infrastructure in Idaho, enhance commerce, and to validate the trust that voters gave more than four decades ago.

Very respectfully
submitted,

A handwritten signature in black ink, appearing to read "Bruce S. Wong". The signature is fluid and cursive, with a large loop at the end of the last name.

Bruce S. Wong, Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Ada County Highway District
Idaho**

For the Fiscal Year Beginning

October 1, 2018

Christopher P. Morill

Executive Director

Budget Summary

This section provides a summary of ACHD's revenue, expenditures, personnel and organizational chart. More detailed information is provided in later sections. Below are the Revenue and Expenditure Charts for the FY2020 Budget.

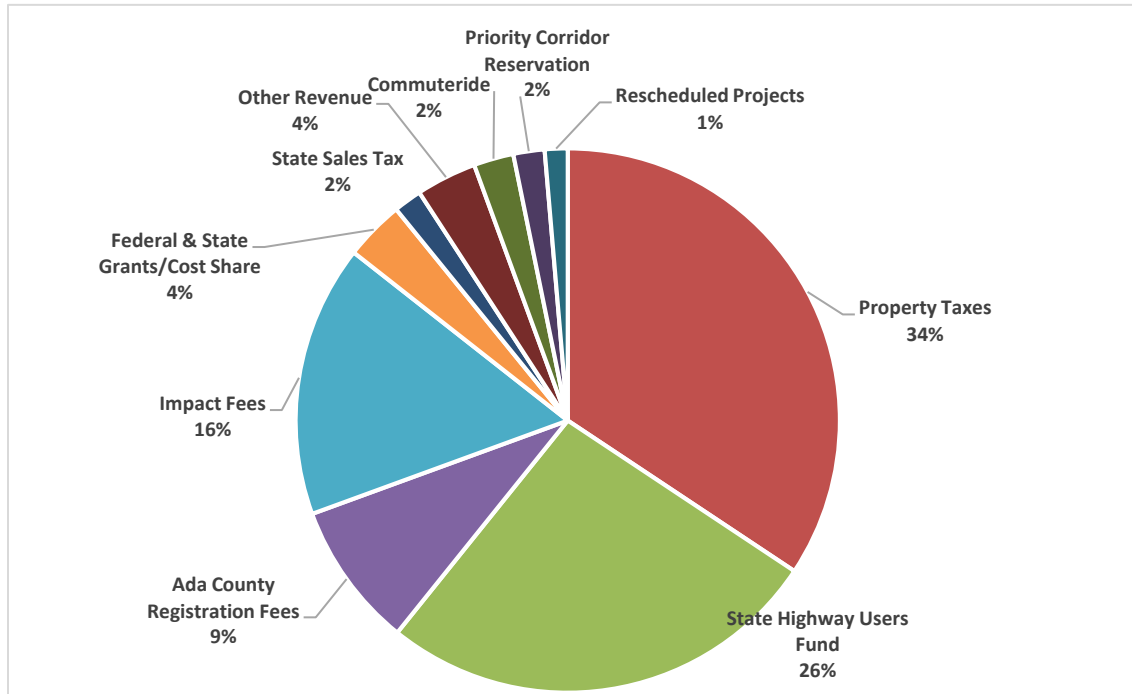


Chart 1

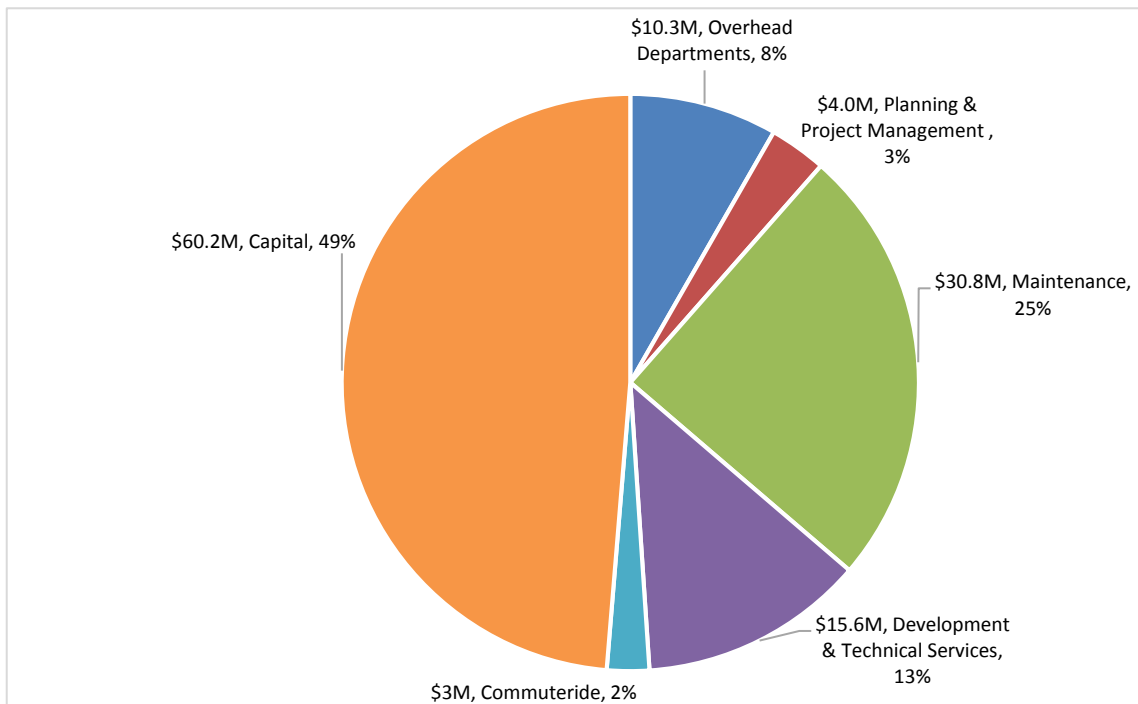


Chart 2

Revenue & Expenditure Summary Table

This is a summary of ACHD's revenues and expenditures that comprise the budget.

Ada County Highway District Budget Summary	FY 2018 Actuals	FY 2019 Budget	FY 2020 Budget	Inc/ Dec	FY 2021 Budget	Inc/ Dec
Revenues						
Property Taxes	\$ 37,383,599	\$ 39,560,000	\$ 42,460,000	7.3%	\$ 45,040,000	6.1%
State Highway Users Fund	\$ 32,659,232	\$ 32,400,000	\$ 32,700,000	0.9%	\$ 33,000,000	0.9%
Ada County Registration Fees	\$ 10,926,863	\$ 10,400,000	\$ 10,700,000	2.9%	\$ 11,000,000	2.8%
Impact Fees	\$ 20,506,919	\$ 19,300,000	\$ 20,000,000	3.6%	\$ 20,000,000	0.0%
Federal & State Grants	\$ 4,958,375	\$ 2,588,100	\$ 1,730,000	-33.2%	\$ 748,000	-56.8%
Cost Sharing Payments	\$ 460,397	\$ 500,000	\$ 500,000	0.0%	\$ 500,000	0.0%
Cost Sharing Payments- Jobs	\$ 3,550,033	\$ 2,366,800	\$ 2,155,000	-8.9%	\$ -	-100.0%
State Sales Tax	\$ 2,120,518	\$ 2,010,000	\$ 2,070,000	3.0%	\$ 2,130,000	2.9%
Fees and Services	\$ 2,742,048	\$ 2,869,000	\$ 2,826,000	-1.5%	\$ 2,894,000	2.4%
Other	\$ 3,266,073	\$ 2,425,000	\$ 1,625,500	-33.0%	\$ 1,636,500	0.7%
Commuteride	\$ 2,002,888	\$ 2,977,500	\$ 2,931,400	-1.5%	\$ 3,035,400	3.5%
Carryover/Other Funds	\$ -	\$ 3,614,000		-100.0%		0.0%
Cash Reserves		\$ 7,196,900		-100.0%		0.0%
Reservation Utilization	\$ -	\$ 2,300,000	\$ 2,293,700	-0.3%	\$ 1,533,000	-33.2%
Rescheduled Projects	\$ -	\$ 3,911,000	\$ 1,679,600	-57.1%	\$ -	-100.0%
Total Revenue	\$ 120,576,945	\$ 134,418,300	\$ 123,671,200	-8.0%	\$ 121,516,900	-1.7%
Expenditures						
Commission	242,680	216,400	\$ 230,900	6.7%	246,000	6.5%
Director	680,676	670,300	\$ 692,800	3.4%	714,800	3.2%
Administration	6,139,502	2,468,650	\$ 2,398,300	-2.8%	2,538,200	5.8%
Information Technology	-	4,398,975	\$ 3,724,200		3,814,400	2.4%
Legal	898,239	953,975	\$ 1,371,500	43.8%	1,004,100	-26.8%
Human Resources	961,565	1,089,050	\$ 1,092,900	0.4%	1,134,600	3.8%
Communications	808,781	770,975	\$ 734,300	-4.8%	761,300	3.7%
Commuteride	2,515,277	2,977,500	\$ 2,931,400	-1.5%	3,035,400	3.5%
Planning & Project Mgmt	3,536,791	3,608,100	\$ 3,960,600	9.8%	3,932,900	-0.7%
Maintenance	27,205,852	29,238,300	\$ 30,660,900	4.9%	31,723,500	3.5%
Development & Technical Svcs	13,769,710	14,799,875	\$ 15,657,100	5.8%	16,230,700	3.7%
Capital Projects	65,454,998	73,226,200	\$ 60,216,300	-17.8%	56,381,000	-6.4%
Total Expenditures	\$ 122,214,071	\$ 134,418,300	\$ 123,671,200	-8.0%	\$ 121,516,900	-1.7%

Table 1

Personnel Summary

This chart provides a summary of the Full Time Equivalent (FTE) positions by Division.

Personnel Summary	FY2018	FY2019	FY2020	FY2021
Divisions	Actuals	Budget	Budget	Budget
Overhead Departments	58	61	62	63
Planning & Project Management Division	31	33	33	34
Maintenance Division	132	138	140	143
Development & Technical Services Division	124.5	128.5	132.5	132.5
TOTAL	345.5	360.5	367.5	372.5

Table 2

Summary Organizational Chart

A summary organization chart is provided below.

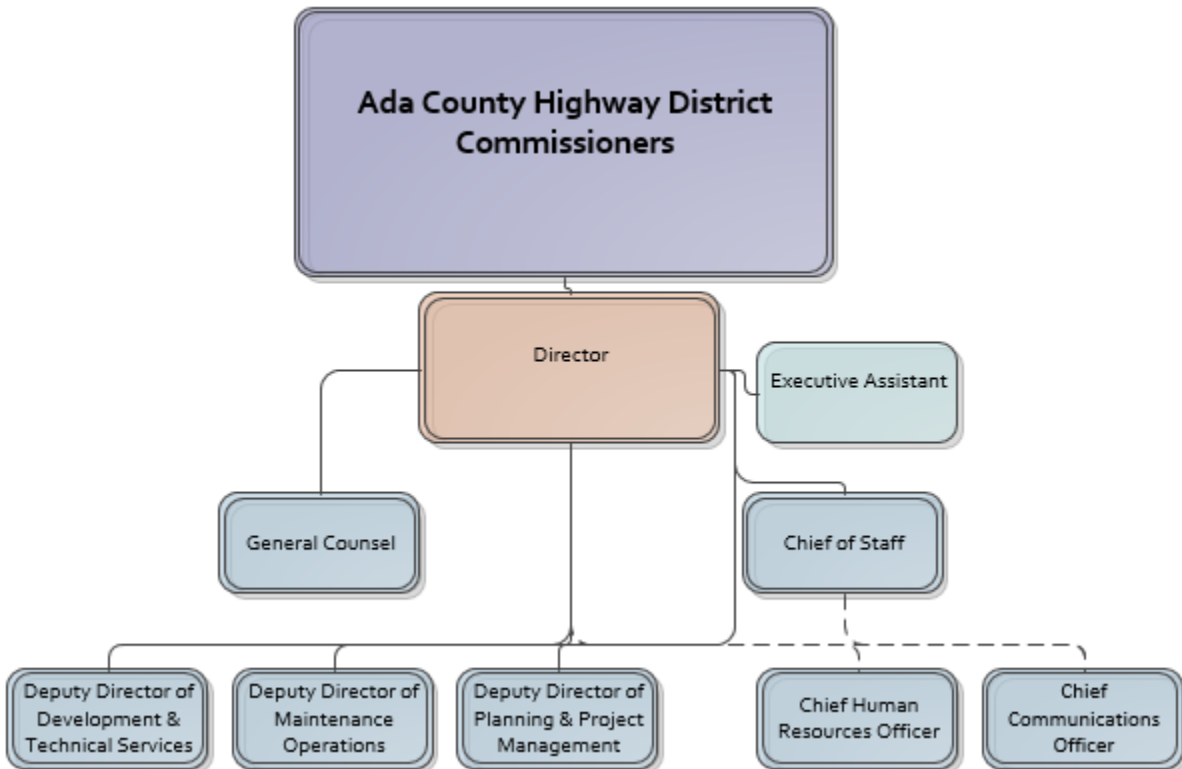


Figure 1

History

Ada County's street and road maintenance was initially the responsibility of each city or, in the unincorporated parts of the county, the Board of County Commissioners. Faced with widely differing levels of service, road maintenance and taxation, a growing number of citizens expressed dissatisfaction with the county's transportation system. Ada County voters decided to consolidate the county's individual street and road departments into one administrative and governmental district, the Ada County Highway District (ACHD).

ACHD was established by referendum on May 25, 1971 and commenced operations on January 1, 1972. It is a separate and independent unit of local government responsible for the planning, construction, maintenance, operations, rehabilitation, and improvements of all rural roads, urban streets, bridges and public rights-of-way within Ada County, except those designated as part of the State or Federal Highway System. It is currently the only countywide highway district in the State of Idaho and operates pursuant to Chapter 14, Title 40 of the Idaho Code.

Ada County Highway District Commission

A five-member Commission governs the Ada County Highway District. Each Commissioner is elected to office and represents a sub-district as equal in population as practical. The term of office for each Commissioner is four years and is based on a rotating schedule designated by Idaho Code 40-1404. The Board of Commissioners meets in formal session weekly. The authority and responsibilities of the Commissioners are established by Idaho Code and confirmed by Ada County voters.

ACHD Commissioners have authority over and responsibility for all local (apart from the state or federal systems) roads, bridges, streets and alleys in Ada County. Commissioners manage and conduct the business affairs of the ACHD; make and execute all necessary contracts; employ such agents, officers, attorneys and employees as may be required; prescribe employee duties; and fix employee compensation.

The current Commissioners are:

Commissioner	Jim Hansen	Sub-District 1
President	Rebecca Arnold	Sub-District 2
1 st Vice President	Mary May	Sub-District 3
Commissioner	Kent Goldthorpe	Sub-District 4
2 nd Vice President	Sara Baker	Sub-District 5



Commissioner
Hansen



Commissioner
Arnold



Commissioner
May



Commissioner
Goldthorpe



Commissioner
Baker

**Ada County Highway District
Commissioner District Boundaries**
Adopted April 25, 2012



Legend	
	District 1 - Hansen
	District 2 - Arnold
	District 3 - May
	District 4 - Goldthorpe
	District 5 - Baker

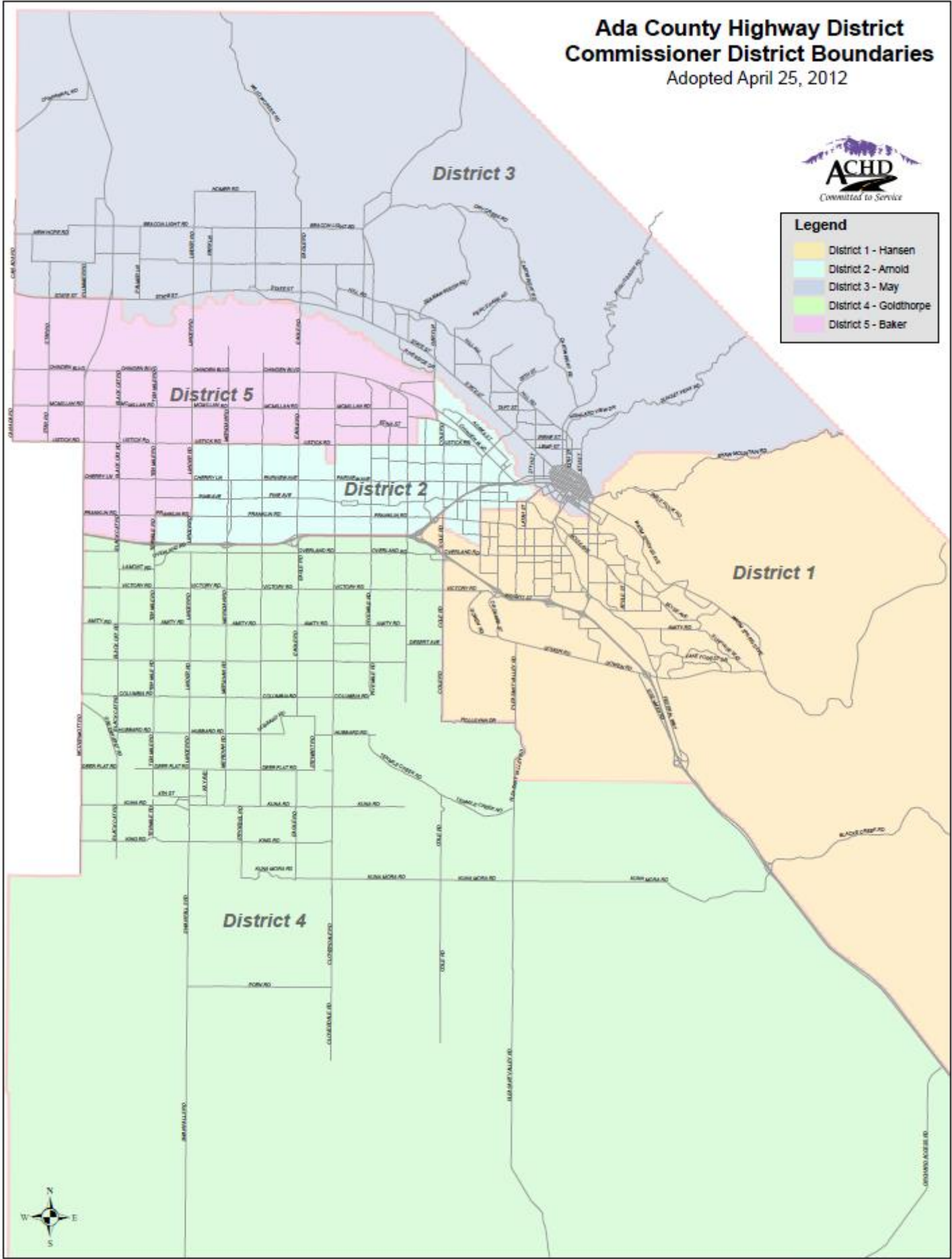


Figure 2

Strategic Planning

The ACHD Strategic Plan:

- Supports ACHD’s Vision, Mission and Priorities and acts as the umbrella under which ACHD operates.
- Informs and guides the 20-year Capital Improvement Plan (CIP), the Integrated Five-Year Work Plan (IFYWP) and the annual budget.
- Memorializes ACHD’s commitment to asset management.
- Highlights unique opportunities and areas of concern facing ACHD.
- Establishes clear actions to help ACHD determine the best way to allocate its resources over the next 20 years.

The ACHD Strategic Plan is a guidance document that allows the Commission to provide broad direction to staff. The Plan is implemented through more specific documents such as the ACHD CIP, Integrated Five Year Work Plan and Annual Budget. The Plan will be updated on a four-year cycle in conjunction with Communities in Motion (the region’s long-range transportation plan) and the ACHD Capital Improvements Plan.

Vision:

Leading transportation innovation - Investing in communities.

Mission:

We drive quality transportation for all Ada County- Anytime, Anywhere!

Priorities:

1. Our People- our competitive edge in the work place is the source of our strength.
2. Effective and efficient execution.
3. Leaders in technology, design, and innovation.
4. Safety throughout the District for its employees and citizens.

Performance Metrics

The District designed a set of performance metrics in order to better report both internally and externally on how we are doing on a variety of different aspects. The metrics will be posted monthly and quarterly to help gauge productivity, efficiency and commitment. The external metrics will be posted on our web site for the public to view, and the internal metrics on our internal sites for the employees to view. They will also be included in the budget document as a measure of performance and commitment.

Performance Measurements

The Director has established the following performance goals for the Division Deputies and Department Managers.

- Expend 100 percent of the Capital Projects Budget, including encumbrances; with a goal of reducing encumbrances in the future. We are committed to deliver to our customers what we promise. Anything less does not fulfill “excellence in all we do.”
- Each department will be held accountable for expending 100 percent of their Operational Budget, including encumbrances; with a goal of reducing encumbrances in the future.

- Resources will be reallocated to services needing funding versus not expending the funds.
- The FY2018 Audit Report states that, including encumbrances, 99.7 percent of both the Capital and Operational Budget was expended or under contract.

Long Range Financial Planning

Ada County Highway District is required by statute to present and adopt a balanced biennial budget - current fiscal year plus one. There is also an adopted Integrated Five-Year Work Plan that begins with the 2 current budgeted years and extends 5 years, plus projects that are unfunded, a Strategic Plan and a CIP that are both 20-year plans. The strategic goals, our mission and vision are entwined in all documents.

Budget Purpose

A detailed budget is important to ACHD because it serves multiple functions: it is a policy document, a financial process, an operations guide and a communications device. The budget informs the public about the mission, priorities, goals and objectives of the District. This document details the services the District will provide during this budget year and provides a look ahead at projects and programs planned in the future.

The budget details the revenue projections and expenditures associated with completing the policy goals.

After the budget is adopted, it becomes an operational guide for the departments. Each division budget section includes a description of the division's function, its goals/objectives, authorized positions, and performance measurements.

Budget Policies

ACHD establishes a budget pursuant to Idaho Code 31-1602 and provides the Commissioners and public with a clear picture of the services that the District provides as well as the costs associated with those services. It also provides District management with a financial and operating plan

The following are the budget policies:

- *Fiscal Year:* ACHD's budget is prepared on a fiscal year cycle which begins on October 1 and ends on September 30 of the next year. (Idaho Code 40-1330)
- *Balanced Budget:* The budget is established by balancing planned revenues and expenditures in a fiscally responsible manner, thereby assuring the District's long-term financial health and accomplishing our mission.
- *Public Hearing:* The Commissioners, Director, and staff prepare an annual budget document, which is made available for public inspection and provides public notice of the budget hearing according to Idaho Code 40-1326. After public comment, the Commission certifies the ad valorem (property) tax levy and adopts the budget for the ensuing fiscal year. (Idaho Code 40-1325)
- *Monitor:* The budget is monitored regularly to ensure expenditure levels are within anticipated revenues based on Commission policies. Commission action is required to for any adjustments increasing/decreasing the total authorized annual spending level.

Financial Policies

ACHD has an important responsibility to its citizens to carefully account for the public funds, manage finances wisely, and plan adequate funding for services, facilities, and infrastructure necessary to meet the county's present and future needs. The financial policies are intended to serve as a blueprint to achieve the fiscal stability required to accomplish the District's policies, goals, and objectives.

Accounting/Budget

- ACHD's accounting system is operated and maintained in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) requirements.
- The District utilizes the *modified accrual basis* for accounting purposes, and *cash basis* for budgeting purposes. For modified accrual, revenues are recognized in the fiscal year in which they are earned, and expenditures are recognized in the fiscal year in which they are incurred. For cash basis budgeting, revenues are recognized when cash is expected to be received and expenditures and encumbrances are recognized in the fiscal year in which they are expected to be paid.
- ACHD policy is to use restricted resources first, then unrestricted resources as needed.
 - An independent public accounting firm performs an annual audit, issuing an official opinion on the annual financial statements, along with a management letter detailing areas that need improvement, if necessary (Idaho Code 40-1317). Full disclosure is provided in the annual financial statements. The final audit report is submitted to the Commission for approval, and a copy is forwarded to the Idaho Legislative Auditor's Office and the Federal Single Audit Clearinghouse. A statement of the District's financial condition is filed at the District and published according to Idaho Code.
- A Highway District Finance Report is completed each year, approved by the Ada County Highway District Commission, published, and submitted to the State Auditor's Office.
- The District follows cost accounting methodology. Costs are attributed to a project or process and recorded on employee time sheets, material use forms, and purchase orders.

Revenue

- The District estimates annual revenues through an objective and analytical process, using historical trend data combined with current economic conditions
- Established user charges and fees are at a level related to the cost of providing the services and are reviewed annually.
- One-time revenues are used for one-time expenditures, thereby avoiding the use of temporary revenues to fund mainstream activities/services.

Investment

- Idaho Statute authorizes the Highway District to invest in a variety of options.
- The Treasurer ensures that all surplus cash is prudently invested in accordance with the investment policy adopted by the Commission.

Debt

- Capital improvements, equipment and facility projects are classified into “pay-as-you-go” and “debt financing” classifications. Pay-as-you-go capital items are \$5,000 or less with short lives (less than four years), or replacement of existing equipment where depreciation has been paid to a sinking fund. Debt financing is used for major, non-recurring items with a minimum useful life of at least four years.
- The total amount of bonds the District has issued and outstanding at any time should not exceed two percent of the total assessed market value of all the taxable property in the District.
- The District restricts long-term borrowing to capital projects that cannot be financed from current revenues and does not finance for a period that would exceed the expected useful life of the project.
- Currently the District does not have any outstanding debt aside from the Capital Leases on Maintenance Equipment (detailed under the ‘Expenditure’ portion of the budget book).

Reserve

- Reserves are funds that have been isolated to meet legal requirements and/or have been set aside at the discretion of the Commission, such as Impact Fees and Encumbrances.
- The District currently designates funds for impact fee projects, right-of-way acquisitions for future construction projects on roadways and bridges, for self-insurance, priority corridors and a future needs fund for anticipated facility needs.

Capital Assets

- Capital assets, which include property, plant, and equipment, are assets with an initial, individual cost or estimate of more than \$5,000 and an estimated useful life greater than two years. Such assets are recorded at historical cost or estimated fair market value if donated or constructed in-house, they are then depreciated accordingly.
- Infrastructure Capital assets consisting of roads, ponds, bridges, curbs and gutters, sidewalks, drainage systems, signal systems, and easements are valued at historical costs.
- Capital assets are systematically identified and periodically audited.

Risk Management

- The District maintains a risk management program to provide protection against loss and a reduction in exposure to liability.
- The District performs cash flow analysis monthly, to ensure optimum cash availability.
- The District is involved in various litigations, from the ordinary course of business operations, the outcome of which cannot be easily determined. The goal of management is to resolve all outstanding litigation and claims without materially affecting the financial status of the District.
- The District purchases liability, medical, and disability insurance through a commercial insurance carrier. Workers compensation insurance is maintained through the State Insurance Fund.

ACHD Fund Structure

The District uses a fund structure accounting system in order to keep track of specific sources of funding and spending for purposes. Some of the funds are required by State law and by bond covenants. The District also establishes other funds to control and manage money for a particular purpose. The District has three kinds of funds and all use the modified accrual basis of accounting.

- *Governmental funds* - The main operating fund for the District, the General Fund, is a major fund of the District and is used to finance the Highway District's programs, such as traffic control maintenance, roadway maintenance, and infrastructure improvements. Property taxes, highway user's funds, development impact fees and Ada County Registration fees finance most of these activities.
- *Proprietary funds* - Commuteride is reported in this major fund to account for operations financed and operated in a manner like a private business enterprise. The principle operating revenues are user charges to customers to cover the vanpool services provided.
- *Fiduciary funds* - The District is the trustee, or fiduciary, for its Road Trust Fund deposits. They are responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District does not budget for Road Trust funds separately. The Road Trust Fund reimburses the General Fund after expenses are incurred.

The figure below illustrates ACHD's fund structure organization.

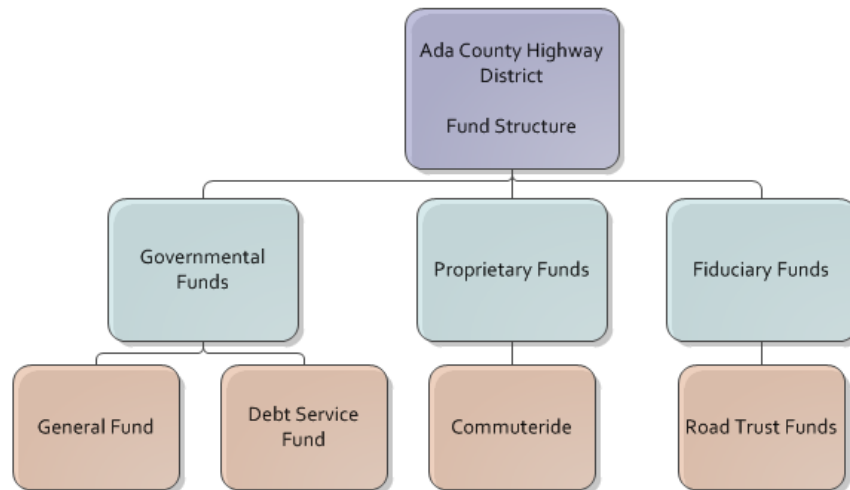


Figure 3

Summary Fund Balance

- ACHD works to maintain the undesignated fund balance of no less than 2 months of operating revenues or expenditures (whichever is greater) of the General Fund Budget, in conformance with Government Finance Officers Association (GFOA) recommendations, to provide for unanticipated expenditures of a non-recurring nature, or to meet unexpected increases in service costs.

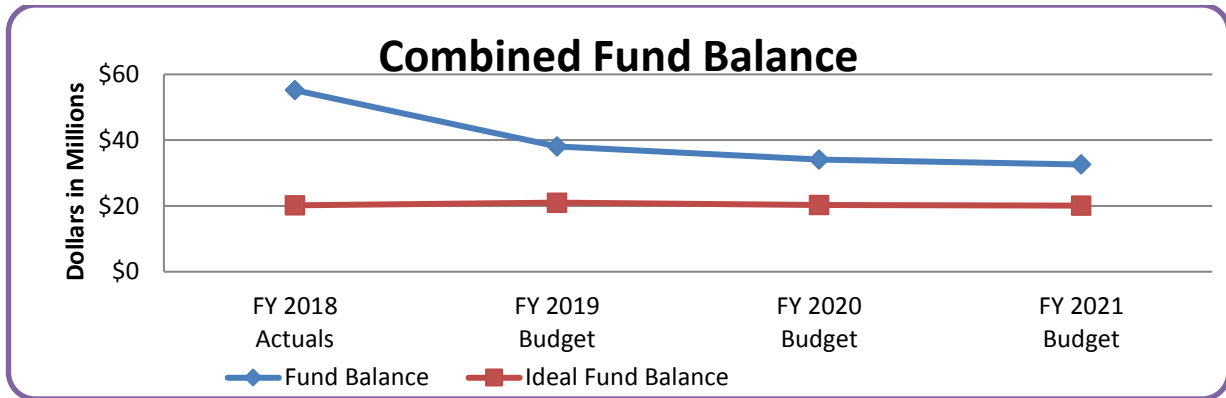


Chart 3

Ada County Highway District	FY2018	FY2019	FY2020	FY2021
Combined Fund Statement	Actuals	Budget	Budget	Budget
Beginning Fund Balance	\$ 56,813,718	\$ 55,176,592	\$ 38,154,692	\$ 34,181,392
Revenues				
Taxes	80,969,694	82,360,000	85,860,000	89,040,000
Fees and services	2,742,048	2,869,000	2,826,000	2,894,000
Dev Impact Fees	20,506,919	19,300,000	20,000,000	20,000,000
Other	14,355,396	9,889,900	8,080,500	5,014,500
Commuteride	2,002,888	2,977,500	2,931,400	3,035,400
Total	120,576,945	117,396,400	119,697,900	119,983,900
Expenditures				
Overhead Departments	9,731,443	10,568,325	10,244,900	10,213,400
Planning & Project Management	3,536,791	3,608,100	3,960,600	3,932,900
Maintenance	27,205,852	29,238,300	30,660,900	31,723,500
Development & Technical Svcs	13,769,710	14,799,875	15,657,100	16,230,700
Capital Projects	65,454,998	73,226,200	60,216,300	56,381,000
Commuteride	2,515,277	2,977,500	2,931,400	3,035,400
Total	122,214,071	134,418,300	123,671,200	121,516,900
Net Increase / (Decrease)	(1,637,126)	(17,021,900)	(3,973,300)	(1,533,000)
Ending Fund Balance	\$ 55,176,592	\$ 38,154,692	\$ 34,181,392	\$ 32,648,392

Table 3

Budget Planning

The District's Budget planning process is integrated with our short-range plan outlined in our Integrated Five-Year Work Plan (IFYWP) and a long-range plan as reflected in our Strategic Plan as well as our Capital Improvements Plan, Pedestrian & Bicycle Transition Plan, and other documents. The IFYWP evolves with the annual budget and is adopted annually, shortly after the budget.

The budget office prepares a forecast for the next two years revenues and expenditures and makes recommendations to the Budget Committee, Executive Team and Commission regarding the available funds. Divisions/Departments examine operational and capital needs for the next two fiscal years and annotate these needs in the budget software. The operational and capital expenditures are reviewed to ensure that identified priorities are followed and financial and budgeting goals are achieved. The impacts of capital projects on the operational budget are also reviewed; as the type of capital project determines how much additional maintenance (operational budget) will be needed in the future. The resulting spending plan is then analyzed, balanced, and the proposed budget is developed for presentation to the Commission for adoption.

Budget Process

The District's budget process is ongoing and includes the phases of development, proposal, adoption, and monitoring. Various levels of the organization are included in the budget process during budget meetings, committee meetings, and budget work sessions throughout the year. The District uses a combination of line-item budgeting for the operational budget and project/program budgeting for the capital budget.

As it grows incrementally each year, ACHD's roadway system incurs more maintenance costs than the past. This is mainly the result of expanding the roadway system in favorable economic times, and an aging roadway system. New roads require subsequent maintenance, which impacts the operational budget (maintenance). The type of the road/bridge makes a difference in the cost to the operational budget, because a capital maintenance project (road overlay) would not require as much additional maintenance as a new road section might (additional signals/lane miles to upkeep), which is all taken into consideration during the budget process.

The budget development process starts in April with initial information gathering as well as instruction distribution. In May, initial budgets are submitted from each department. The process concludes in August with a public hearing, and adoption of the final fiscal year budget. Departments request their budgets based on planned services and capital needs. All department budget requests are compiled into a proposed budget document. This document is reviewed by the Budget Committee, Executive Team, and the Commission, all of which contribute suggestions and recommendations for a balanced budget suitable for adoption and public inspection.

Budget Process Flowchart

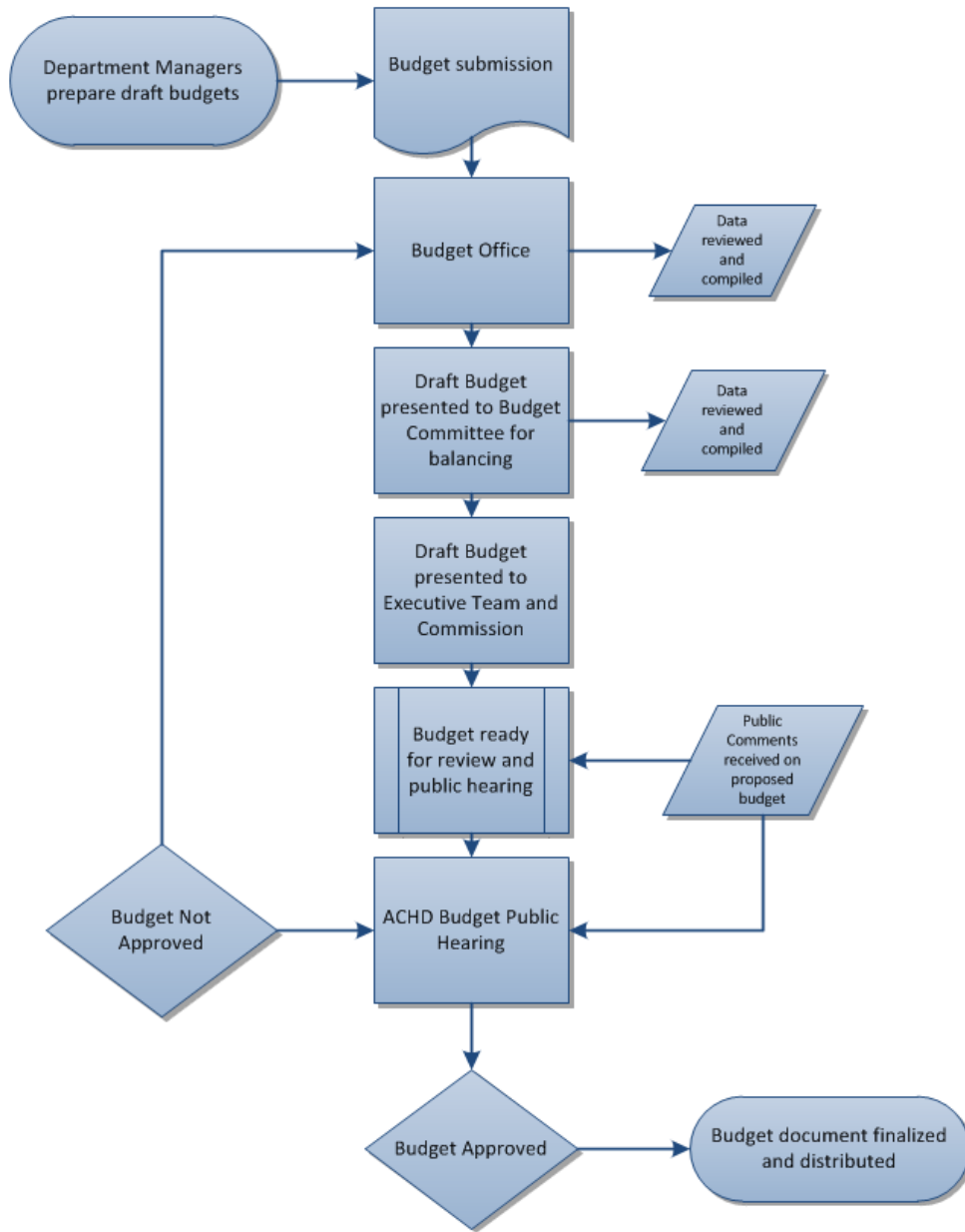


Figure 4

The proposed budget is advertised in early August in accordance with Idaho Statutes and is available for public inspection. The public has an opportunity to comment and provide testimony prior to and during the public hearing. Afterwards, a final budget document is approved, prepared, and published near in October for the ensuing year. In addition, the property tax levy certification is completed during the public hearing and submitted to the Ada County Assessor for certification.

Once the budget is adopted, it is reviewed and can be amended twice during the fiscal year to meet the needs of the District and ensure adequate funding of programs and services. Managers review and submit budget adjustments to the Budget Coordinator. The requests are compiled and reviewed by the Budget Committee and Executive Team prior to proposing to the Commission. The Commissioners review the adjustments and adopts them based on current policies and procedures. These adjustments are updated in the current accounting system for reporting and trend analysis purposes.

Budget Process Timeline

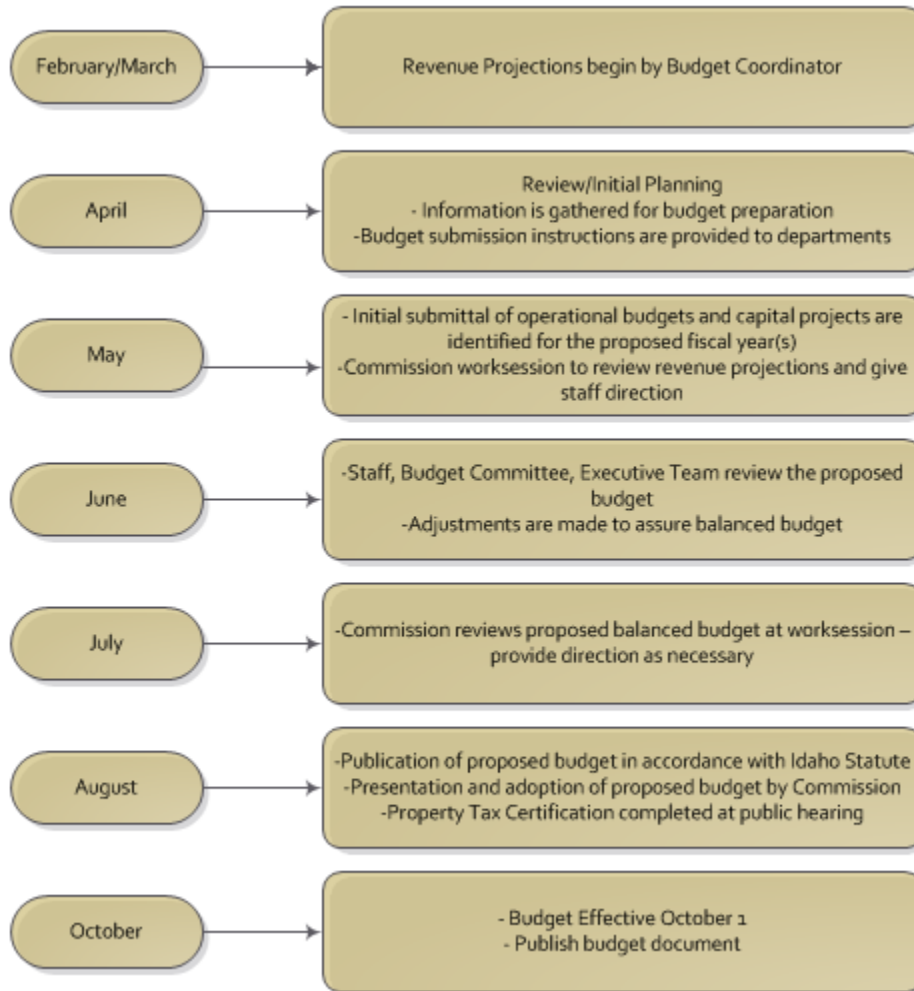


Figure 5

Economic Trend

The U.S. economy continues to grow and is working to stabilize. Idaho is following suit as with the rest of the country. FY2020 general fund revenue receipts are expected to be above FY2019.

Budget Highlights

ACHD's FY2020 budget is \$123.7 million; a decrease from FY2019's adjusted budget, and includes:

- The operating budget is nearly \$63.5 million, a 4 percent increase from FY2019 adjusted budget.
- The capital projects budget is \$60.2 million, an 18 percent decrease from FY2019 adjusted budget. The capital budget reflects nearly \$34 million programmed in Roadway and Intersection projects. The main reason for the large decrease from FY2019 is related to the district utilizing cash reserves to build the emergency Cloverdale Road, Overland / Franklin Rd overpass approaches in conjunction with Idaho Transportation Department.