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DFCM

IGG Report | October 18, 2017

DFCM

Report on Contingency and Project Reserve Funds

What are Contingency Reserve Funds?

Contingency reserve funds are used for change orders and unforeseen project costs. They are statutorily allocated and based on a sliding scale as a percentage of the construction cost.

Contingency Reserve Funds

	FY'13	FY'14	FY'15	FY'16	FY'17
Beginning Balance	\$7,056,523	\$7,422,352	\$4,194,921	\$6,340,997	\$11,338,781
Increases	\$4,526,739	\$7,384,959	\$10,104,706	\$12,744,751	\$11,803,807
Decreases	\$(4,078,610)	\$(7,612,390)	\$(6,458,630)	\$(7,746,967)	\$(9,616,586)
Legislative Transfers	\$(82,300)	\$(3,000,000)	\$(1,500,000)	-	\$(5,082,300)
Ending Balance	\$7,422,352	\$4,194,921	\$6,340,997	\$11,338,781	\$8,443,702

Contingency Fund Analysis

Agency	Description	% Complete	Authorized Contingency Amount	Draws From Contingency	Authorized Minus Draws	Projected Contingency Needs
Courts	Tooele HVAC Upgrade	0%	\$3,316	-	\$3,316	\$3,316
Health	Unified Lab exhaust return fan	0%	\$30,121	-	\$30,121	\$30,121
DOC	CUCF – Infrastructure metering	0%	\$55,499	-	\$55,499	\$55,499
Snow	Student Ctr. Re- Commissioning	100%	\$30,399	\$36,457	\$(6,058)	\$(6,058)
WSU	Wattis Bldg. Controls	97%	\$104,648	\$34,032	\$70,626	\$70,626
Projected Contingency Fund Needs						\$9,442,517
Contingency Reserve Fund Balance						\$8,443,702
Projected Excess or (Deficit) Contingency Reserve Fund						\$(998,815)

What are Project Reserve Funds?

Project Reserve Funds are accumulated through bid savings and project residuals. They may be used for the award of contracts in excess of a project's construction budget if the use is required to meet the intent of the project.

Project Reserve Funds

	FY'13	FY'14	FY'15	FY'16	FY'17
Beginning Balance	\$5,986,556	\$6,403,636	\$13,839,409	\$6,883,199	\$9,090,857
Increases	\$2,116,169	\$12,197,549	\$5,270,065	\$3,546,596	\$4,122,945
Decreases	\$(1,498,089)	\$(4,561,776)	\$(1,626,275)	\$(1,338,938)	\$(4,871,493)
Legislative Transfers	\$(200,000)	\$(200,000)	\$(9,600,000)	-	\$(1,225,000)
Ending Balance	\$6,404,636	\$13,839,409	\$6,883,199	\$9,090,857	\$7,117,309

2017 General Session SB002 Intent Language

The Legislature intends that any excess DFCM Project Reserve Funds or Contingency Reserve Funds, as determined by DFCM's analysis of current balances and projected needs, will be transferred to the Utah State Correctional Facility project before any other uses of these funds.

Project Reserve Funds

	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18 projected
Beginning Balance	\$5,986,556	\$6,403,636	\$13,839,409	\$6,883,199	\$9,090,857	\$7,117,309
Increases	\$2,116,169	\$12,197,549	\$5,270,065	\$3,546,596	\$4,122,945	\$5,118,486
Decreases	\$(1,698,089)	\$(4,761,776)	\$(12,226,275)	\$(1,338,938)	\$(6,096,493)	\$(501,065)
Legislative Transfers	\$(200,000)	\$(200,000)	\$(9,600,000)	-	\$(1,225,000)	\$(5,500,000)
Ending Balance	\$6,404,636	\$13,839,409	\$6,883,199	\$9,090,857	\$7,117,309	\$6,030,030

**Projected \$5,500,000 transfer to the
New Utah State Correctional Facility in FY'18**

DFCM

Tooele ATC Education &
Economic Development Land Bank



The Legislature in the 2016 General Session – appropriated \$525,000 for the Tooele ATC Education and Economic Development land acquisition that has not been expended.

The property is under contract and is expected to close in December 2017



Original Proposed Site

Tooele Technical College

Current Site

W 60 S

Millburn Dr

Tooele Blvd

S 1000 S

W 200 S

W 200 S

Tooele Blvd

W Hanger Rd

S 950 W

S 900 W

S 950 W

W 300 S

S 800 W

DFCM

Snow College Science Building



The Legislature in the 2016 General Session – appropriated a total of \$24.6M for this project – in June 2017, DFCM anticipated expending \$20.5M by FY2017 year-end, leaving a \$4.16M balance

The majority of the \$4.16M balance was for contractor payments and fixtures, furniture, and equipment (FF&E)

As of October 10, 2017, the project was 98% complete and the \$1.3M balance will be used to demolish the existing Science Building, site reconstruction, and relocate the greenhouse.

The projected project reserve transfer is less than \$100,000

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Questions