FINAL FY 2017-18 BUDGET SUMMARY

RECOMMENDED CHANGES FOR THE FY 2017-18 FINAL BUDGET

The total recommended Final Budget for all Governmental Funds for FY 2017-18 is $568.7 million, which is $19.7 million (3.6%) more than the FY 2016-17 Adopted Budget of $549 million, and represents an increase of $32.1 million from the FY 2017-18 Recommended Budget.

The General Fund Net County Cost across the four primary function group areas is recommended at $152.1 million, a $13.9 million increase from the Recommended Budget. As is discussed in the following pages, the majority of the increase in appropriations is tied to increased General Fund balance and increased revenue projections, with the majority of these additional funds recommended to be placed in reserves. The charts at the end of this summary report compare total appropriations by expenditure class and by functional group.

UPDATED GENERAL FUND REVENUES & FUND BALANCE

General Fund Revenues

The Recommended Budget that was approved in June reflected an increase of $3.7 million (3.1%) in General Fund major revenue sources. The budget for three of the general revenue sources, as discussed below, is recommended to be increased by a combined total of $1,657,897. The remaining revenue sources are not anticipated to vary significantly from the estimates included in the Recommended Budget. Of note, Sales Tax continues to be estimated at a 2% increase.

<u>Property Tax, Current Secured</u>:

Property Tax (Current Secured) revenue was originally budgeted to increase by 4.5%, or $2.75 million. Based on the final assessed value, this estimate has been increased to 5%, resulting in an increase in Property Tax revenue of $500,026.

<u>Property Tax In-Lieu VLF</u>:

As a part of the State Budget Act of 2004, the Legislature cut the Vehicle License Fee (VLF) allocations to counties and in return gave counties additional property tax revenue. Fiscal Year FY 2004-05 served as the base year of the VLF swap. Revenue and Taxation Code Section (c)(1)(B)(i) specifies that starting with FY 2005-06, the VLF Adjustment Amount (applied to the FY 2004-05 base amount) for each city and county is to grow in proportion to the growth of gross assessed valuation in that jurisdiction from the prior year. That is, from FY 2005-06 and on, the Property Tax in Lieu of VLF will have no more relationship to actual VLF revenues, but will instead be tied to the growth in property tax revenues.

The budgeted revenue for Property Tax In-Lieu of VLF is recommended to be increased by $941,903. The recommended budget for VLF revenue assumed no increase over the FY 2016-17 Adopted Budget, and is being adjusted with this recommendation based on the prior year increase in secured property tax.

Hotel / Motel Tax (Transient Occupancy Tax):

The County General Fund share of Transient Occupancy Tax (TOT) is recommended to be increased by $215,968. This increase is influenced by the year-end total receipts of $3,670,984. Total TOT receipts, countywide, for FY 2017-18 are conservatively estimated at $3,431,019. This represents an increase from the prior year budget, although not as great as was experienced in FY 2016-17, in consideration of anticipated weather changes as compared to the prior winter, which could affect the volume of visitor travel to the County, and therefore the TOT revenue.

TOT revenue is distributed to three different departments/budget units within the County: The General Fund, the Treasurer-Tax Collector, and the Veteran's Commission. By agreement and past-practice, the County's TOT revenue each year is allocated by the following formula:

Department	Allocation Basis
Treasurer-Tax Collector	10% of Total Current Year TOT Receipts (Transferred Quarterly)
Veteran's House Cmte.	5% of Prior Year Actual General Fund TOT Revenue (after 10%)
Economic Development	NCC Set at 51% of Current Year General Fund TOT Budget (after 10%)

The budgets for these three departments/transfers have been updated in the Final Budget recommendation to reflect the revised TOT revenue estimate.

Carryover Fund Balance

Carryover Fund Balance represents funds that are anticipated to be available at the end of FY 2016-17 as a result of operations and unspent appropriations designated for capital project work, and which are recommended to be available for use in the following budget year.

The Recommended Budget included $26,312,000 in Fund Balance carryover, which represented $16,420,000 anticipated to be available as a result of County departmental operations and actual general revenues, and $9,892,666 attributed to unspent capital project funds (designated for the Accumulative Capital Outlay fund). The estimates that are included each year in the Recommended Budget are based on reports from County departments, generally developed at the Mid-Year Budget Review and updated as information is available.

Based on the final results of County operations in FY 2016-17, the final Fund Balance available from County departmental operations and changes in general revenues has been increased by $12,816,141, and unspent capital project funding has increased by $660,645. Due to the significant increase in final operational fund balance available as compared to the original estimates, a comparison by department is provided (Exhibit 3 to this summary report).

USE OF FUNDS – GENERAL FUND RESERVES/DESIGNATIONS

Description	Recommended Budget	Final Budget	Total
Increase to General Reserve	$ 162,700		$ 162,700
Capital Projects	$ 5,000,000		$ 5,000,000
Public Safety Payment Reserve	$ 220,000		$ 220,000
Emergency Road Repairs		$ 3,500,000	$ 3,500,000
TOT Special Projects		$ 804,764	$ 804,764
Future CalPERS Increases		$ 5,735,601	$ 5,735,601
OPEB & CalPERS Prefunding Trust		$ 1,884,139	$ 1,884,139
TOTALS	$ 5,382,700	$ 11,924,504	$ 17,307,204

The Final Budget recommendation proposes to use the majority of the additional operations fund balance to establish General Fund reserves. These reserves are recommended to provide funding for known priorities, such as repairing County roads damaged during the winter storms; begin to build funds for existing long-term obligations, such as OPEB (Other Post-Employment Benefits) liabilities; and set funds aside to help offset known cost increases in future budget years, such as anticipated increases in CalPERS payments due to recent administrative actions by the CalPERS Board of Directors (funds are not recommended to be set aside to cover the normal cost of CalPERS retirement plans).

Emergency Road Repairs

County roadways experienced unprecedented damage during the winter storms of 2017. Several emergency repair projects are currently planned or are underway to ensure safe roadways prior to the onset of the next winter/rain season. The cost of these repairs has been estimated at $20,770,076 (total including Federal/FEMA and State funding, and County Road Fund matching funds). While funding from FEMA is anticipated help cover the cost of these emergency repairs, in addition to current and anticipated Road funding, FEMA has yet to approve funding for many of the projects. It is recommended that $3.5 million be set aside in the event that FEMA funding is not secured to help cover the cost of these necessary repairs.

TOT Special Projects

Each year, a majority of the County's General Fund Transient Occupancy Tax (TOT) revenue is designated for use on County promotional and economic development activities. Accordingly, the Economic Development budget is set each year to equal 51% of the budgeted TOT revenue. Typically, the Economic Development budget experiences some savings during the fiscal year, leaving residual funding available, in concept, in the General Fund at year end. (It is important to note that no funds are actually transferred to Economic Development; TOT funds are budgeted as General Fund General Revenues, with the Economic Development Net County Cost simply equal to 51% of the budgeted revenue amount.) Additionally, in good seasons, the actual TOT revenue received exceeds that which was budgeted; again, leaving funding available, in concept, in the General Fund at year end. It has been proposed that remaining unspent Economic Development budget funding and additional unanticipated TOT revenues, totaling $804,764 at the end of FY 2016-17, be set aside and designated to be used to fund future Economic Development projects. Two suggested projects are: Broadband implementation and Business Development Incentives.

It should be noted that the amount of remaining funding is relatively high due to staff vacancies during FY 2016-17 and an unanticipated large increase in TOT receipts during FY 2016-17, likely related to snow travel.

Future CalPERS Increases (Reduced Rate of Return)

As discussed in the Recommended Budget Summary, recently, the CalPERS Board adopted a reduction in the plan's long-term assumed rate of return, lowering that rate from 7.5 percent to 7 percent. Because the resultant cost increases to its member public agencies would be so great and so sudden, the Board approved phasing in this change over a three year period, beginning with FY 2018-19. Staff previously informed the Board of Supervisors that, based on a recent analysis, the estimated impact to El Dorado County in the first year of implementation of the new assumption would likely be an increase of $4.4 million to the total employer cost, with similar increases to likely follow in FY 2019-20 and FY 2020-21. This cost increase is anticipated to be in addition to the natural increase in costs.

Industry professionals speculate that the CalPERS Board will likely consider a further reduction in the assumed rate of return in future years, possibly bringing that rate to 6 percent. Such a reduction would trigger even greater increases to public agencies.

It is important to note that these are costs that the County cannot avoid or elect to not pay. Similar to long-term debt, providing for the payment of these costs will take precedence in future years' budgets. In an effort to prepare for the anticipated costs and attempt to avoid significant budget reductions in future years, staff has consistently recommended that any available fund balance available following the close of the County's accounting books in September, and which is in additional to that which is already relied upon to balance the budget, be placed in a designated reserve fund to be drawn down in future years to help offset the impact to the budget.

Counties recently received the Plan Valuation Reports for FY 2018-19. The annual Plan Valuations, produced by CalPERS actuaries, provide the required contributions for the coming fiscal year as well as estimates of the contributions that will be required for the following two fiscal years. While we recognize that these are only estimates at this time, the impact of the anticipated cost increases have been estimated for the General Fund. The impact to the General Fund for Fiscal Years 2018-19 and 2019-20 is currently estimated at $2,745,883 and $2,989,718, respectively.

It is recommended that the Board adopt a budgeting philosophy of establishing and funding a reserve equal to the General Fund's two-year estimated required additional contribution. It is further recommended that this reserve serve as a revolving fund, with funds being drawn down in the immediate budget year's Recommended Budget based on the budgeted General Fund cost increase, and subsequently replenished in the same year, once the carry-forward fund balance amount is known, and based on the updated 2-year estimated cost. Establishing this reserve, and using funds to help cover the increase in CalPERS costs in each budget year, will ensure the County's ability to fund those required contributions in future years.

OPEB & CalPERS Section 115 Pre-Funding Trusts

Should the Board approve establishing the reserve funds as described above, a balance of $1,884,139 would remain to be appropriated. There are three additional priority options which have previously been discussed: establishing an OPEB Pre-Funding Trust, a CalPERS Pre-funding (Rate Stabilization) Trust, or increasing the amount set aside for Capital Projects/Deferred Facility Maintenance. This section addresses the two pre-funding options, both allowed under IRS Section 115, for the Board's consideration. Should the Board wish to proceed with one or both of these options, staff will return at a later meeting with additional details and an outline of required next steps.

<u>Pre-Funding OPEB Liabilities</u>: OPEB (Other Post-Employment Benefits) liabilities stem from benefits that are provided to retired employees and which continue to generate a cost, or financial liability, to the County. Board Budget Policy #10, Other Post-Employment Benefits (OPEB), states that the County shall continue the "pay as you go" approach to funding the County's OPEB liability and allocate OPEB costs to the respective County departments based on a State –approved allocation formula. The policy provides that the Board may choose to allocate un-appropriated discretionary resources to fund the OPEB liability based on actuarial analysis. Funding OPEB liabilities based on an actuarial analysis would require the County transition to a method of "pre-funding" the OPEB liability based on the actuarially determined value of the future benefits. Pre-funding OPEB liabilities is accomplished by establishing what is known as an IRS Section 115 Trust. Moving to the pre-funding approach will also require that funds be available within the County budget to apply to the Trust.

<u>CalPERS Rate Stabilization Trust</u>: Separately, several agencies that are under contract with CalPERS for employee retirement benefits have opted to participate in a different option for pre-funding CalPERS contributions. Establishing a separate trust in which funds can be deposited, at the Board's discretion, may generate higher rates of return, also determined at the Board's discretions, and can be used to not only fund current required CalPERS contributions, but may be used to pre-pay those required contributions. This is also an IRS Section 115 Trust, also known as a CalPERS Rate Stabilization Program. As with the OPEB pre-funding trust, establishing such a funding program will require that funds be available in the budget to begin funding the plan.

USE OF FUNDS – BOARD POLICIES & FUNDED PRIORITIES

The Board of Supervisors adopted ten budget policies in 2015. Budget Policies numbers seven, eight and nine establish targets for funding the General Fund Appropriation for Contingency and critical Reserve funds. The recommended Final Budget maintains funding for these policies, with changes as detailed below.

General Fund Contingency fully funded at $5.63 million.

- ***Final Budget – Recommends increase of $231,626.***

The General Fund Appropriation for Contingency is recommended at $5.635 million, an increase of $231,626 over the Recommended Budget. Board Budget Policy #7 directs that the Contingency be set at a minimum of 3% of the adjusted General Fund appropriations. This funding is a set aside to provide resources in the event of unforeseen fiscal issues throughout the year. The net increase in funding is a result of reduction of $125,000 for funds previously set aside to augment Human Resources Department staffing levels (those funds are now reflected in the Human Resources budget), and increases to reinstate Contingency funds drawn down to fund the Senior Legal Program and to provide for additional possible funding needs that are not currently included in the Final Budget due to remaining uncertainty (for example, funding for Federal Lobbyist contract).

General Reserve fully funded at $8.47 million.

- ***Final Budget – Maintains same funding level***

The General Fund General Reserve remains as originally recommended, at $8,469,708. Board Budget Policy #8 directs that the General Reserve be set at an amount equivalent to approximately 5% of the adjust General Fund appropriations. The General Reserve is established to provide for additional resources in the event of significant emergency situations where additional funds are required, and functions as a cash flow reserve during the year.

Contribution to Capital Reserves fully funded at $5 million.

- ***Final Budget – Maintains same funding level***

The Recommended Budget included, and the Final Budget maintains, an increase to the General Fund Designation for Capital Projects in the amount of $5 million. Board Budget Policy #9 directs that, once General Reserves and General Fund Contingency equal 8% of adjusted General Fund appropriations, the Board may transfer remaining discretionary resources to the Designation for Capital Projects. The $5 million that is reflected in Board policy and recommended to be set aside each year is approximately 2% of the estimated replacement value of the County's buildings as of 2013. As the value of County facilities increases, the target annual set-aside should be reconsidered and potentially increased. Additionally, as noted in the discussion regarding additional reserves, the Board may opt to use a portion of additional fund balance to increase the Capital Projects reserve in FY 2017-18 beyond the current $5 million.

BUDGET PRESSURES & POLICY CONSIDERATIONS

The Summary of the Recommended Budget provided a discussion regarding future budget pressures and policy considerations. The Summary included discussion of a number of issues which have had a significant impact on the Recommended Budget or which have the potential to impact the County budget in the near-term, focused on CalPERS Retirement Plan Changes and Cost Increase, Elimination of IHSS Maintenance of Effort, Transfer of Cost to Counties, and the County's on-going need to focus on and provide funding for County Facilities. Additionally, several departments have identified pending issues and policy considerations. Policy matters that are unique to individual departments are outlined in the respective department budget summaries.

There are no significant changes to that discussion and the recommendations contained in the Summary of the Recommended Budget.

USE OF FUNDS – GENERAL FUND CONTRIBUTIONS AND TRANSFERS

The chart below outlines the changes to General Fund contributions and transfers that are included in the final budget recommendation. Increases are funded by the additional fund balance and revenues detailed above. These changes are discussed in the attached Summary of Department Final Budget Changes.

Description	Recommended Budget	Final Budget	Total
Accumulative Capital Outlay (Carry-over)	$ 17,341,355	$ 758,273	$ 18,099,628
GF to HHSA Community Services	$ 2,311,273	$ (25,823)	$ 2,285,450
GF to Dept. of Transportation (SEC JPA)	$ 52,126	$ 101,159	$ 153,285
Re-budget of GF to Parks (ACO)	$ -	$ 320,000	$ 320,000
Community Funding Options	$ -	$ 70,000	$ 70,000
Veteran's TOT Funding	$ 153,553	$ 11,641	$ 165,194
District Attorney Facility (Set Aside)	$ -	$ 210,000	$ 210,000
Contribution Fish & Game Projects	$ -	$ 15,000	$ 15,000
Contribution Veteran's House Committee	$ -	$ 15,000	$ 15,000
Budget Balancer (Operating Transfers)	$ -	$ 2,672	$ 2,672
TOTALS	$ 19,858,307	$ 1,477,922	$ 21,336,229

USE OF FUNDS – DEPARTMENTAL NET COUNTY COST CHANGES

The chart on the following page outlines the changes to Net County Cost for departments that are funded, either entirely or in part, within the General Fund. These changes are included in the final budget recommendation. Net County Cost increases are funded by the additional fund balance and revenues detailed above.

The majority of the overall increase in Net County Cost is related the re-budget of appropriations, representing costs for purchases or contracts that received prior approval and are in progress, yet not completed in time to be fully expensed in FY 2016-17. The Board previously approved an increase of $496,144 for the Information Technologies Department related to pre-payment of a three-year contract. The combined increase related to new requests and other adjustments to Net County Cost total $64,709.

Departmental budget changes are discussed further in the attached Summary of Department Final Budget Changes (Exhibit 1 to this summary report).

Department	Final Budget Change to Net County Cost
CAO - Economic Development	$104,207
Treasurer - Tax Collector	$ 41,998
Human Resources	$ 162,350
Information Technologies	$ 614,520
District Attorney	$ (19,693)
Sheriff	$ 632,110
Probation	$ 67,006
Agricultural Commissioner	$ (5,000)
DOT - County Engineer	$ (22,056)
Planning & Building	$ (195,508)
HHSA - Health (Animal Control)	$ 69,500
HHSA - Administration	$ (15,186)
HHSA - Human Services	$ 34,473
Library	$ 20,000
Total Net County Cost Increase	**$1,488,721**
Re-budgeted Expenses from FY 2016-17	***$927,868***
Previously Approved Increase (IT only)	***$496,144***
Net Changes & New Requests	***$64,709***

UPDATED SUMMARY CHARTS

Final Net County Cost by Functional Group

Functional Group	FY 2016-17 Adopted	FY 2017-18 Recommended	FY 2017-18 Final Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
General Gov't	46,094,596	42,297,720	55,582,649	13,284,929	31.4%
Law & Justice	73,397,436	75,166,692	75,846,061	679,369	0.9%
Land/Dev Svc	6,038,424	4,955,203	4,732,639	-222,564	-4.5%
Health/Human Svc	15,871,875	15,788,826	15,963,325	174,499	-1.1%
Total	**$141,602,331**	**$138,208,541**	**$152,124,233**	**$13,916,233**	10.1%

Total Appropriations by Expenditure Class

Expenditure Class	FY 2016-17 Adopted	FY 2017-18 Recommended	FY 2017-18 Final Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
Salaries & Benefits	208,202,545	209,714,817	210,135,992	421,175	0.2%
Services, Supplies & Other Charges	162,469,138	163,846,115	172,297,375	8,451,260	5.2%
Fixed Assets	33,108,664	31,379,183	33,487,057	2,107,874	6.4%
Transfers	105,478,281	102,799,376	104,916,670	2,117,294	2.0%
Contingencies	17,556,841	19,907,856	26,773,335	6,865,479	39.1%
Reserves/Designations	22,157,269	8,977,459	21,142,872	12,165,413	54.9%
Appropriations	**$548,972,738**	**$536,624,806**	**$568,753,301**	**$32,128,495**	**6.0%**

AMENDED POSITION ALLOCATION & STAFFING CHANGES

The FY 2017-18 Recommended Budget included funding for 1,857.92 full-time equivalent positions (FTEs). The FY 2017-18 Position Allocation Schedule was adopted by Resolution #109-2017 on June 27, 2017.

The following chart summarizes the changes to the adopted Position Allocation Schedule that are recommended with this Final Budget. An amendment to the adopted Resolution will be presented to the Board for adoption on September 26, 2017, with the adoption of the Final Budget Resolution.

Department	Addition	Deletion	Total
District Attorney (Limited Term)	2.00		2.00
Health & Human Services Agency	32.00	(32.00)	0.00
Human Resources	5.00	(3.50)	1.50
Risk Management		(0.50)	(0.50)
Sheriff (Limited Term)	1.00		1.00
Totals			**4.00**

ADDITIONS & CHANGES TO THE FIXED ASSET LIST

The FY 2017-18 Recommended Budget included a Fixed Asset listing. An update to the original listing, representing re-budgeted items from FY 2016-17 as well as new requested items, is attached to this summary report (Exhibit 2). It is recommended that the updated listing be approved along with the Final Budget Resolution on September 26, 2017.

UPDATED 5-YEAR GENERAL FUND BUDGET PROJECTION

The 5-Year Budget Projection has been updated to reflect the actual FY 2016-17 revenues and expenses, and is presented on the following page. As has been reported with prior budgets, this projection indicates on-going potential deficits based on a set of conservative revenue and expense assumptions, considering known fiscal conditions and Board policy.

It is anticipated that appropriations will continue to increase at a higher rate than revenues. The straight-line projection results in a budgetary deficit in out-years. Property Tax revenue is projected at an average increase of 5% annually, Sales and Use Tax remains projected to increase at 2% annually (this will be monitored for possible changes), and all other discretionary revenues are projected to remain flat. Salary and Benefit expenditures are projected to increase by 5% (previously projected at 4.5% annual growth), considering an increase of 2-4% in annual CalPERS costs for the next five years.

The projection also assumes that the County fully funds the Appropriation for Contingency, the General Reserve, and sets aside $5 million each year in the Designation for Capital Projects. It should be noted that there remains much uncertainty in regards to State actions. Through strategic decision making the County will need to continue to constrain growth, reduce operating costs where possible, including identifying means of increasing operational efficiencies, and work to strategically target the use of one-time funds, as the County continues to manage the projected annual budgetary deficit.

5-YEAR GENERAL FUND BUDGET PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues					
Property Tax	$66,749,796	$70,211,726	$73,717,335	$77,398,174	$81,263,005
Other Local Taxes	$40,753,642	$42,184,345	$43,764,475	$45,416,087	$47,142,608
Licenses/Permits/Franchises	$10,843,567	$10,928,762	$11,056,860	$11,188,725	$11,324,941
Fines/Forfeitures/Penalties	$832,324	$837,647	$843,024	$848,454	$853,938
Use of Funds/Property	$347,550	$347,826	$348,104	$348,385	$348,669
Intergovernmental Revenue	$57,351,842	$70,251,844	$70,724,963	$71,223,479	$71,788,940
Charges for Service	$21,639,756	$13,930,733	$14,181,730	$14,463,483	$14,754,044
Other Revenue	$11,500,688	$6,696,422	$6,719,377	$6,742,561	$6,765,977
Transfers from Other Funds	$41,336,940	$41,539,301	$42,831,018	$44,141,333	$5,453,374
Total Current Revenues	$251,356,105	$256,928,605	$264,186,885	$271,770,682	$279,695,497
Appropriation from Fund Balance*	$45,625,952	$15,000,000	$15,000,000	$15,000,000	$15,000,000
Total Revenues	**$296,982,057**	**$271,928,605**	**$279,186,885**	**$286,770,682**	**$294,695,497**
Appropriations (Object)					
Salaries/Benefits	$170,408,261	$178,229,217	$186,410,097	$194,967,496	$203,918,778
Operating Expenses	$74,620,886	$74,620,886	$74,620,886	$74,620,886	$74,620,886
Fixed Assets	$2,833,767	$2,833,767	$2,833,767	$2,833,767	$2,833,767
Transfer to Other Funds	$26,185,313	$12,937,769	$15,335,015	$15,517,579	$15,859,946
Increase to Reserves	$17,307,204	$5,382,700	$5,382,700	$5,382,700	$5,220,000
Appropriation for Contingency	$5,626,626	$5,675,000	$5,890,000	$6,100,000	$6,320,000
Total Appropriations	**$296,982,057**	**$279,679,339**	**$290,472,465**	**$299,422,428**	**$308,773,377**
Revenue Surplus/(Shortfall)					
	$0	$(7,750,734)	$(11,285,580)	$(12,651,746)	$(14,077,880)
Less funds needed to reach 5% General Reserve	$0	$(609,700)	$(724,313)	$(750,367)	$(398,093)
Total Revenue Surplus/Shortfall	**$0**	**$ (8,360,433)**	**$(12,009,893)**	**$(13,402,113)**	**$(14,475,973)**
General Reserve	$8,469,708	$8,867,492	$9,369,971	$10,120,338	$10,518,431
Designated for Capital Projects	$5,000,000	$10,000,000	$15,000,000	$20,000,000	$25,000,000
Emergency Road Repair Reserve	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000
CalPERS/OPEB Trust Reserves	$7,619,740	$7,619,740	$7,619,740	$7,619,740	$7,619,740
TOT Special Projects Reserve	$804,764	$804,764	$804,764	$804,764	$804,764
Audit Reserve	$240,000	$240,000	$240,000	$240,000	$240,000
Public Safety Facility Reserve	$440,000	$660,000	$880,000	$1,100,000	$1,320,000