

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

LEGISLATIVE BUDGET HEARINGS

Monday, August 27, 2007

**Brookens Administrative Center, Lyle Shields Meeting Room
1776 E. Washington St., Urbana**

6:30 p.m.

MEMBERS PRESENT: Anderson, Beckett, Betz, Doenitz, Gladney, Gross, Hunt, James, Jones, Langenheim, McGinty, Melin, Moser, O'Connor, Richards, Schroeder, Tapley, Weibel, Wysocki

MEMBERS ABSENT: Bensyl, Carter, Cowart, Hogue, Jay, Knott, Putman, Sapp

OTHERS PRESENT: Jeff Blue (County Engineer), Kat Bork (Recording Secretary), Deb Busey (County Administrator of Finance & HR Management), Nancy Crawford (Mental Health Board), Susan McGrath (Senior Assistant State's Attorney), Elizabeth Murphy (RPC Chief Financial Officer), Peter Tracy (Mental Health Board Executive Director), John Peterson (Board of Health)

CALL TO ORDER

McGinty, as Finance Committee Chair, called the meeting to order at 6:31 p.m.

ROLL CALL

The Recording Secretary called the roll. Anderson, Beckett, Betz, Gladney, Gross, Hunt, James, Jones, McGinty, O'Connor, Richards, Schroeder, Tapley, Weibel, and Wysocki were present at the time of the roll call. McGinty declared a quorum and proceeded with the meeting.

APPROVAL OF AGENDA/ADDENDUM

MOTION by James to approve the agenda; seconded by Betz. **Motion carried.**

BUDGET PRESENTATIONS

Champaign County Board of Health

John Peterson, Champaign County Board of Health Treasurer, made the budget presentation. He distributed a supplemental handout of revenues and expenses. He reported that the Board of Health's budget came into balance more quickly this year than in previous years. FY2008 revenue is projected at \$839,000 and expenditures are projected at \$787,000. Peterson explained the funds that pass through the County Board of Health's budget that are collected on the County tax rate inside the Champaign-Urbana area. The Board of Health does not receive this funding, so it should not be considered part of their budget. The Board of Health's original FY2008 budget was \$50,000 of revenue in excess of expenditure. Peterson explained that Busey asked if the Board of Health could consider reducing its request for money from the County Board. To honor her request, the Board of Health is requesting \$50,000 less from the County Board in FY2008 for a total request of \$95,500 from the General Corporate Fund.

Melin entered the meeting at 6:34 p.m.

Peterson said the changes in the State budget are causing uncertainty. The full impact of the governor's vetoes is not yet known. The Board of Health may have to expend more money to cover lack of funding by the State later in the year.

Doenitz entered the meeting at 6:36 p.m.

Peterson reported the biggest single activity and expenditure is the food inspection permits. For the first time, the Champaign-Urbana Public Health District (CUPHD) really looked at the program with the Board of Health Budget Subcommittee. As a result, the Board of Health now has a much better idea of the activities and the actual revenue/expenses. The revenue from the major food inspections are in the neighborhood of \$90,000. The revenue from the well water and sewage inspections are \$140,000. Approximately 50% of the expenditures are covered with the fees being collected. The Board of Health did have the intention of paying for the inspection activities solely with fees, but that would have required raising the fees beyond the fees in comparable counties. The Board of Health declined to raise the fees this year because of the favorable budget position. The Illinois Department of Public Health line items are subject to reduction because these were targeted in the Governor's line item vetoes. CUPHD has taken the approach that any person who comes into their facility will receive care paid for by CUPHD even if the individual is a County, not Champaign-Urbana, resident. The Rantoul area remains the Board of Health's responsibility. This approach represents a change in philosophy at CUPHD with the new administration.

A change is being made from previous years regarding the Senior Wellness program. The Board of Health has been investigating this program for some time and CUPHD will not be providing the program again. The Regional Planning Commission has stepped up and will be operating a Senior Wellness program funded by the Board of Health at \$50,000. Peterson thinks the Board of Health should get more out of the new program and the Board is very excited about it. Mental health services for County residents will be implemented in this fiscal year with \$25,000 in collaboration with the Mental Health Board. By the Mental Health Board's own admission, services for County residents are a weakness, so the Board of Health is going to step up in an attempt to deliver more mental health services directly to County residents.

Peterson estimated the Board of Health contracts with CUPHD for \$600,000 worth of services. The dental access program continues to be slated for \$105,000 in funding. The Board will also continue to contract directly with County administration for support services budgeted at \$10,000. The items for investigation this year include Medicaid funding for services the County is delivering. The previous CUPHD administration had said the Medicaid amount was so small there was no reason to account for it. This is not accurate and the Medicaid effect on the Board of Health's program will be monitored.

Langenheim entered the meeting at 6:43 p.m.

Peterson stated the change of administration at CUPHD has meant a lot in terms of the working relationship with the County Board of Health. The Board is optimistic they will be working much more closely with CUPHD to develop programs than in the past. The relationship has improved with the new administration and the change has resulted in improvements and clarifications.

James asked if there were any plans to ask for an increase in the levy rate. Peterson answered the current Board's opinion is that any increase in the levy would likely be in conjunction with a change in the level of coordination with the city. The Board is not currently contemplating asking the voters for a levy increase. James asked if the Board of Health would return money to the General Corporate Fund if they receive more grants due to the grant writing position funded with the Mental Health Board. Peterson said he hopes so and this could be a first step. The County funding of the Board of Health was supposed to be temporary. Medicaid funding may be the item that helps accelerate that process. The Board of Health was quite proud that they could ask for \$50,000 less in funding from the General Corporate Fund.

Wysocki asked for elaboration on the expenditures for automobile maintenance and CUPHD administration. Peterson said the maintenance was for a van that is owned by the Board and used by CUPHD for County programs. The CUPHD administration covers the Executive Director, support staff, and budget personnel. The Board asked specifically that the item be broken out into full-time equivalents of the departments that service the County contracts. One of the explicit items is 10% of the CUPHD Administrator's salary. The Board of Health wanted to make it clear that the CUPHD Administrator will function as the Board of Health's Executive Director.

Moser entered the meeting at 6:51 p.m.

Anderson inquired about the \$50,000 expenditure for senior services with RPC. Peterson said a program had been designed for home visits to seniors and contracted through CUPHD. The quality and the extent of senior services being delivered by the previous administration were constantly under question by the Board of Health. Following a thorough review held this spring, the Board learned it was probably paying in the neighborhood of \$85,000 to treat 9 patients, including at most 2 visits a month. The Board found this unacceptable and undertook looking for alternatives. CUPHD decided to drop the program altogether, so the Board of Health has substituted it with a better designed program through RPC involving a coordination of volunteers and professional staff to monitor the health of County residents who do not have home health care services. This is an attempt to avoid nursing home placement whenever possible. Many services for seniors are offered through RPC. The Board is hopeful about the new program. Another new program is to replace the health check clinics with mobile unit services contracted through CUPHD. The mobile unit can provide a wide range of services. The Board has budgeted \$77,000 for this program in FY2008 and will receive a proposal from CUPHD. This program would look at areas of the County not accessible to other CUPHD services. A needs assessment will be conducted to design a visit schedule.

Tapley asked if the Board of Health could do without the \$50,000 cushion since its fund balance has grown 20% in 2 years. Peterson said the budget has uncertain areas because so much funding is from State grants and that money might not come through with the changes to the State budget. He said they could cut into the General Corporate Fund request if it is required. The Board of Health has come to the County Board each year with budgets that projected to use some of the fund balance, but each year the Board of Health has added to its fund balance. This happened because programs with CUPHD has not worked or gotten off the ground so expenditures that were budgeted end up not being spent. Peterson anticipates that all programs will be delivered this year. He said if the County Board said the funding amount absolutely had to be reduced, the Board of Health could take a hard look at its budget. He hoped there could be some give and take, but they would be willing to try. Tapley asked if the Governor's vetoes could result in money being taken from public health even though his stated intention was to give more funding to healthcare. Peterson said that was correct. Tapley appreciated Peterson's candor. He understands the idea of keeping a cushion, but it may be fair to see what the Governor does.

Putman asked what IBCCP stood for. Peterson explained it is the breast and cervical cancer program. The Board has been trying to learn more about these activities that provide screenings and treatment services to women with breast and cervical cancer. Putman asked about infectious disease prevention and management outside the Champaign-Urbana area. Peterson said an STD initiative continues in Rantoul and once the mobile unit is up and running, it will provide those services.

Weibel noted the dental access funding is the same amount as the previous year and inquired if increased funding was considered. Peterson said the Board of Health looks at that funding as flat. There was a request from CIDES to increase funding. The Board of Health not did choose to increase with funding with the uncertainty about other budget items. Any increase would take general operating funds because it is all funded by the County. McGinty thanked Peterson for his presentation.

MOTION by Betz to receive and place on file the Champaign County Board of Health budget presentation; seconded by Wysocki. **Motion carried.**

Champaign County Mental Health Board & Developmental Disabilities Board

Peter Tracy presented the Champaign County Mental Health Board and Developmental Disabilities Board budgets. Tracy supplied background on how the Mental Health Board and Developmental Disabilities Board are 2 separate boards under the same administrative in an effort to keep administrative costs as low as possible and to acknowledge the boards' overlapping responsibilities. The Mental Health Board is also now responsible for the Drug Court fee money and the Quarter Cent for Public Safety grants. Tracy reported the Governor's line items make the State budget situation look very ugly for mental health, developmental disabilities, and substance abuse treatment. They are looking at real cuts. All proposed cost of living increases were shot down and the system is underfunded for all disability areas. There is a high turnover rate for people providing direct services because of the disparity between the community staff's salaries and the salaries paid to State staff. Most of the cuts from the Governor's vetoes are on the community side rather than State programs. Tracy talked about the cuts and the fee for service conversion that will come into fruition in FY2008. The money for the conversion was slashed. An administrative service organization that the State shall select will make the community mental health system a managed care system. There will be major changes in the Medicaid rules that agencies will have to adjust to. FY2008 will be a difficult year and agencies will have problems. Tracy reported the Mental Health Board and Developmental Disabilities Board will be reviewing contracts closely in case additional programs are added to communities by the State to be aware of any cost shifting the State does. Tracy stated they would put every cent possible into contracts and grants. His staff is also looking at external funding opportunities, including submitting an application to Substance Abuse Mental Health Authority, particularly the children's initiative application. Tracy is also looking into seeking additional funding for Drug Court. Tracy thanked the County Board for their continued support.

James asked why the Drug Court was only requesting \$8,000 for FY2008. Tracy said there was grant money that is almost finished. James inquired how much revenue is projected to be received from the Drug Court fee. Tracy answered that he has heard between \$30,000 and \$40,000 is expected. The Mental Health Board currently provides the match to the federal grant of \$32,000. Judge Ford made a presentation to the Mental Health Board on Drug Court at the last meeting Drug Court will likely be a Mental Health Board funding initiative in the next funding cycle.

Putman asked about the zero amount budgeted for attorneys' fees.

Weibel and Gladney exited the meeting at 7:15 p.m.

Tracy said they have used Susan McGrath of the State's Attorney's Office for legal services.

Weibel reentered the meeting at 7:16 p.m. Doenitz exited the meeting at 7:16 p.m.

Wysocki was curious about the SAMHA grant because she remembered the Mental Health Board making an application for the grant a few years ago. Tracy said Mental Health has applied twice. The first time the State of Illinois hijacked their application, then screwed it up so the application was not even read. The second time the State said they would not sign off on it unless the State was the applicant. This means the local entity writes the grant and the State takes a cut of the money. McHenry County was successful with this grant so the staff is talking to McHenry County. Tracy is hopeful. Wysocki asked if the State would hijack the application again and what has been done internally to make us more attractive to SAMHA.

Gladney reentered the meeting at 7:19 p.m.

Tracy answered \$1.2 million has been invested in programs that relate to kids locally. These programs and the Quarter Cent grants have focused heavily on juvenile justice issues. The Mental Health Board has added money to supplement the Quarter Cent grants. He thinks they can show the federal government efforts towards using a system of care, which is what they are looking for. Tracy fully believes the State will hijack the County's application because the State is looking at local grants as a way to fund their own programs with their fiscal crisis. Tracy thinks \$200,000 of the grant will be taken by the State. This is the only way for the County to submit an application. He is asking for \$9.5 million over 6 years with the grant. Tracy thinks the Mental Health Board is doing many good things that will put them in a good position to receive the grant.

Tapley asked if the State budget cuts would jeopardize the extra Mental Health Board funding to the Juvenile Delinquency Grants. Tracy said it would not because that funding has already been appropriated and contracted. The State funding impacts the agencies the Mental Health Board and Developmental Disabilities also fund, so the decision will be what those boards pick up that the State does not. The State is mainly interested in adult service, so the County's focus on kids will not change. Only 10% of the community budget goes to children's mental health services. Tapley inquired about the fund balance numbers. Busey said there was a program error in the document. The Mental Health fund balance will be updated by the time the budget is next presented. Tracy said the fund balance is an artificial number at this point because the contracts are paid on a monthly basis, while revenue is received in May or June because of differing fiscal years. Tapley said it looked like the fund balance went up 65%. Tracy said that was incorrect and the boards have obligated as much money as they could without bottoming out.

McGinty commended Tracy on his budget packet, which is a good example of detailed performance indicators and objectives. Tracy thanked Busey for making him rewrite the budget document.

MOTION by Betz to receive and place on file the Champaign County Mental Health Board & Developmental Disabilities Board budget presentation; seconded by Wysocki. **Motion carried.**

RPC & Related Funds

Elizabeth Murphy, the RPC Chief Financial Officer, presented the RPC & Related Funds budget. She drew the Board members' attention to the chart of accounts about the 4 RPC funds: the Operating Fund, GIS Joint Venture Fund, Economic Development Fund, and Head Start Fund. There are 100 different departments and the potential disbursement is over \$20 million. Murphy reported that salaries and fringe benefit costs represent 3/5 of the RPC budget with a total of 165 FTEs. The actual agency head count in August was 181 staff. There are a number of duplicate departments because of overlapping grant years in the Operating Fund. There are expense only accounts in the administration section. The Operating Fund is projected to increase dramatically in FY2008 with increased State funding, Low Income Home Energy Assistance Program (LIHEAP), Weatherization Program, and other programs. Murphy anticipates continuation funding from the federal Economic Development Administration for the Economic Development District that covers a 6 county region. Murphy projected a positive year-end fund balance for RPC. She is looking for a way to reduce the fringe benefit rate, which has been under-recovered for the past several years primarily due to health insurance costs. RPC is looking at adding additional money per month in direct compensation to employees and asking for a like amount in increased employee contribution towards the health insurance premiums. Murphy reported RPC cannot afford to offer the no-cost employee health insurance program. RPC has a high overhead rate and a high fringe benefit rate, which makes them less competitive in the grant market place. Administrative costs represent 10-11% of the operating budget. Murphy provided detail of the various parts of the RPC budget. She expressed developing the performance indicators for the budget document was a useful exercise. Head start will continue to grow; they were informed last week that the second year funding for preschool would be granted. Head Start has applied for expansion funding to add two more classrooms. They were able to restore the full 52 week schedule this year. The Economic Development Fund has grown and the cash flow is healthy. For the first time in 20 years, RPC qualifies for an additional \$1 million to capitalize the revolving loan fund from the Department of Commerce and Economic Opportunity money because they are out of Community Development

Assistance Program money. This will allow RPC to continue to grow the revolving loans and small business loans. The default rate on the loans is about 2%. These are for loans that banks will not fully fund. The GIS Fund will experience modest growth. This program is now fully staffed and funding is in accordance with the GIS Policy Committee and the Intergovernmental Consortium Agreement. GIS has moved from data conversion to full product and application development. Murphy drew the Board's attention to the memorandum at the beginning of the budget document that shows the specific Champaign County funded RPC contracts: the planning contract, RPC membership dues, land resource management plan, the local match for CUUATS, senior services, special GIS projects, etc. Murphy shared information about the contracts with the Board.

McGinty asked if the City of Champaign contributes to CUUATS like the County and the City of Urbana does. Murphy said the City of Champaign does contribute, but they like to be billed on their fiscal year.

James asked if a clause could be added to the contract disallowing health insurance coverage for any employee covered by another plan, such as a spouse's. Busey stated the County has never excluded employees from health insurance who are covered under a spouse's insurance. Murphy said the RPC non-bargaining employees pay \$0 in health insurance premiums for the lowest 80/20 plan. The idea is to give the employees like compensation that the employees could choose to spend on health insurance or not. They are still working on the proposal. The escalating fringe benefit costs have been devastating to the budget.

Putman commended Murphy on the well-prepared budget document. She asked if Murphy had looked at the Governor's vetoes to learn how it affects RPC. Murphy said they are still in the process of reviewing the vetoes. The surprising news is that RPC stands to receive more money from the State in the form of a planning contract of over \$100,000.

Tapley asked how much of the RPC budget comes out of the General Corporate Fund. Murphy described various funding sources. The membership, land use, senior services, and planning contracts come from the General Corporate Fund. Of the RPC budget, 80% is federal and state funding. Tapley asked about the projected FY2007 and FY2008 fund balances. Busey explained there were problems with the program when the fund balance information was being calculated, but the correct information will be in the final document.

Schroeder asked if the additional \$100,000 planning contract could go into the County land use management resource plan. Murphy was not sure of the parameters because she did not write the application, but she agreed to get that information.

MOTION by Wysocki to receive and place on file the RPC & Related Funds budget presentation; seconded by James. **Motion carried.**

Champaign County Highway

Jeff Blue, the County Engineer, presented the Highway budget. Blue requested the Board focus on his budget document instead of the one prepared by Busey because Blue was more conservative regarding the grant amounts. There are a few discrepancies between fund balances due to the different projections. Blue stated that the Highway Department has 25 FTEs, of which 24 are currently filled. Blue expects to fill the Heavy Mechanic position once the department has moved to its new facility. The Auto Mechanic is very good and covering the maintenance of the heavy equipment for now. The Highway Department is funded out of 5 different sources: the County Highway Fund (used for personnel costs and utilities), the County Bridge Fund (utilized to match all the township bridge projects in Champaign County, County bridges, and matching federal grants for bridge replacement projects), Motor Fuel Tax Fund (money for the State of Illinois by tax on gas purchased), Federal Aid Matching Fund (a very small levy that is kept available to match federal aid projects), and Federal Highway Surface Transportation Program. Blue estimated the revenue for the funds at \$6 million. The County Highway Department handles the township and road districts' money and provides a lot of

engineering on the local projects. Highway administrators the Township Bridge Program and the Federal Bridge Replacement and Rehabilitation Program.

The County Highway Fund is projected to have a very low fund balance in FY2008 due to a lack of revenue. Previously, revenue was generated by renting equipment from the County Highway Fund by the County Motor Fuel Tax Fund. Blue reported a lot of work is being done at the building site so the amount road work is down. This means the rental fees for equipment are down. The bond amount for the Highway Facility was increased at the last County Board meeting from \$1.2 million to \$1.5 million due to the low projected revenue numbers. Blue spoke about the professional service projects that Highway is planning. Very little of the money for road improvement projects is coming out of the County Highway Fund. The County Highway Fund is being used to pay for employees, services, and heavy equipment. The County tends to rely on Motor Fuel Tax funds to build roads. The revenue and expenditures in the County Highway Fund will be very close over the next 5 years. There is planned replacement of certain vehicles. Blue reported the County has good relationships with township officials. Blue provided a 5-year expenditure and fund balance projection plan.

The major construction fund is the County Motor Fuel Tax Fund. Blue discussed the different aspects of this fund. The pavement management system has not yet been completely downloaded into the County's computers. Previous administrations did overlays on roads every fifteen years; Blue is trying to be more proactive. The goal is to stay on top of the road and bridge maintenance. Blue spoke about construction projects on Curtis Road, Monticello Road, Curtis Road, and Windsor Road. Blue reported the expenditures for these projects exceed the revenue. This trend is due to the cost of fringe road projects. The fringe road costs were listed separately, detailing the County's costs of the Champaign and Urbana projects. The Washington Street project was been requested, but not committed to, and Blue plans to speak with the City of Urbana about it. The division of fringe road money has 65% going to Champaign and 35% to Urbana. A decision will have to be made about the Curtis Road Phase 2 project financing. If this cost could be spread out over 2 years, the County Motor Fuel Tax Fund balance would be healthier. The Curtis Road Phase 3 project is projected 7 years out, so Blue warned these costs will likely increase. Savoy has not guaranteed that they will come up with their share of the money. Urbana may be asking for money to extent Philo Road. If the Motor Fuel Tax revenue does not increase, the County will have to reduce what projects it is doing. Blue has been focusing on getting grants for major road projects instead of relying on MFT money. The Federal Aid Matching Fund has a fund balance with the lowest tax levy possible. When the right federal aid project comes around, this will be used.

Langenheim asked about the Curtis Road underpass. Blue said Illinois Consumerism Commission funding is being sought for Phase 3, but this might not come through. Langenheim asked if Phase 3 could be delayed. Blue said it is possible, but a number of different entities would weigh in.

Putman asked about the number of overtime hours spent to remove snow and ice versus regular hours. Blue said the Highway Department runs double shifts and plows 24 hours a day during a snowstorm. He predicted that a major storm would require significant employee time.

Wysocki asked if the County is done with the big highway jobs when Curtis Road Phase 2 and some work on Windsor Road are complete. Blue stated that completes the ones to which the County is currently committed. Wysocki asked if there will be money available for new projects. Blue said the County is not doing major projects in 2011-2013, but the County is committed to spending large amounts in later years. The County needs to not do work some years to cover the later years. He has heard from contractors that they would like to see more of a regular level of work each year. There are 3 major contractors in Champaign County. Wysocki asked if Philo Road work might come up because Olympia Drive is dead. Blue said there are no monies for Olympia Drive for a long time because the County is committed to other projects, but he does not know if it is dead. There is no written agreement about Olympia Drive. The other projects on Blue's projection sheet, with the exception of the Washington Street project, have actual participation agreements.

Tapley requested an explanation of the fund balance differences. Blue stated that he prefers his revenue projections because they are more conservative. Busey clarified that the FY2006 fund balance is the audited number from the CAPR. More work will be done with the 2007 projected, budgeted numbers. The revenues and expenditures will be updated based on what Blue actually thinks will occur. Tapley said the numbers are scary. He asked if Highway is actually \$640,000 behind schedule with its vehicle replacements. He talked about shifting money from Board of Health to Highway because one of the sources of funding for public health was some road and bridge money. Given the Board of Health's large fund balance it might make sense to move \$50,000 to Highway to address their needs. Blue admitted the numbers scared him too. There is not enough money in the County Highway Fund to build roads. It is better to spread out equipment replacement money over several years evenly so 10 years later the County is not hit with a bigger replacement bill than usual. Tapley asked how many years it will take for the County to realize some tangible payoff from the pavement management study. Blue said it keeps our heads above water and realistically gives the County the ability to fund the 35% fringe road commitment that the County Board made to Champaign and Urbana. Without those numbers and doing maintenance upfront, Blue predicted the County would have a train wreck in 5 years. Tapley asked about grants. Blue said he applied for Highway Safety Improvement money and received \$1.5 million for Monticello Road. He expressed the County is spending major money on city and township roads, not County roads.

Schroeder stated Blue has done an excellent job in obtaining grant funding, though the FY2010 fund balance looks sad. He asked if north Prospect Avenue has a phase left. Blue did not think the City of Champaign and the County have an agreement for more work. Schroeder thought the City will ask for more money for Prospect and Savoy will start asking for County money.

MOTION by Betz to receive and place on file the Champaign County Highway budget presentation; seconded by Tapley. **Motion carried.**

ADJOURNMENT

Meeting was adjourned at 8:51 p.m.

Respectfully submitted,

Kat Bork
Administrative Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.