

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

LEGISLATIVE BUDGET HEARINGS

Monday, August 25, 2008

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

6:30 p.m.

MEMBERS PRESENT: Steve Beckett, Tom Betz, Chris Doenitz, Matthew Gladney, Claudia Gross, Stan James, John Jay, Brad Jones, Greg Knott, Ralph Langenheim, Brendan McGinty, Jenny Putman, Jonathan Schroeder, C. Pius Weibel, Barbara Wysocki

MEMBERS ABSENT: Carol Ammons, Jan Anderson, Ron Bensyl, Lloyd Carter, Lorraine Cowart, Kevin Hunt, Carrie Melin, Steve Moser, Alan Nudo, Steve O'Connor, Michael Richards, Larry Sapp

OTHERS PRESENT: Jeff Blue (County Engineer), Kat Bork (Administrative Secretary), Deb Busey (County Administrator of Finance & HR Management), Nancy Crawford (Mental Health Board Comptroller), Joyce Dill (Developmental Disabilities Board), Denny Inman (County Administrator of Facilities & Procurement), Cameron Moore (RPC Executive Director), Elizabeth Murphy (RPC Chief Financial Officer), Peter Tracy (Mental Health Board Executive Director), John Peterson (Board of Health), Deborah Townsend (Mental Health Board)

CALL TO ORDER

McGinty, as Finance Committee Chair, called the meeting to order at 6:30 p.m.

ROLL CALL

The Recording Secretary called the roll. Beckett, Betz, Doenitz, Gladney, James, Jay, Jones, Knott, McGinty, Schroeder, 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 Beckett to approve the agenda; seconded by Wysocki. **Motion carried.**

BUDGET PRESENTATIONS

Champaign County Board of Health

John Peterson, Champaign County Board of Health Treasurer, made the budget presentation. Peterson provided a summary of the budget that he prepared. The Board of Health FY2009 budget,

including the Champaign-Urbana Public Health District FY2009 budget included was distributed to the County Board members present. The Board of Health Budget Subcommittee consisted of Peterson and Stan James, who is the County Board liaison on the Board of Health. Peterson asked James to serve on the subcommittee to ensure close coordination with the County Board on this year's budget. The Budget Subcommittee's goal was to truly prepare an incremental budget.

Gross and Langenheim entered at the meeting at 6:33 p.m.

Peterson presented that the Board of Health will have the same programs in FY2009 as it does in FY2008. The Board of Health fell easily within its allotted revenues. The major piece of the Board's activities as a public health department is the core programs: Environmental Health and Communicable Diseases. The Board of Health is required to provide these services under state and federal law. Environmental Health includes restaurant inspections, sewer permits, and water permits. The Board of Health also helps fund non-core programs for County citizens, including the Illinois Breast and Cervical Cancer Program and the Maternal and Child Health Program. Other programs are completely funded by state and federal grants, namely Bioterrorism, West Nile, and smoking cessation programs. The Board of Health also funded a new mobile unit program to improve outreach in rural communities. The mobile unit program will continue in the next fiscal year with funding at \$77,000. The Board of Health is funding a Senior Wellness Program through the Regional Planning Commission at the same level of \$50,000 as the previous year. The Board is also jointly funding a program with the Mental Health Board at the level of \$50,000 with each board putting in \$25,000. The program being funded is a Crisis Nursery program attempting to identify and address maternal depression. The CIDES dental program is again being funded at \$130,000.

On the revenue side, the Board of Health receives \$373,000 in property taxes for being a public health department. The Board of Health levy has not been increased. Peterson was surprised at the increased revenue from property taxes because of the housing market. The State of Illinois provides \$125,000 to the County for the sake of being a public health department. The Board of Health also receives revenue of \$140,000 through the permit fees for restaurant, well water, and sewage inspections. The remainder of the budget is a portion of the state and federal grants given the Champaign-Urbana Public Health District (CUPHD) that apply to County residents. With its current programs, the Board of Health's incremental budget for FY2009 was balanced if it received the current level of subsidy of \$95,000 from the General Corporate Fund. However, the Board of Health recognizes that the County Board is not in the best financial shape, so it was agreed the Board of Health would request a smaller subsidy of \$45,000. The shortfall in the budget will come out of the Board of Health's fund balance. The fund balance has done well due to increased property tax valuations. The \$50,000 reduction in the General Corporate Fund will take the Board of Health fund balance to \$458,000.

The Board of Health plans to address the restaurant inspection fees this year. The ordinance currently does not allow the Board of Health to assess fines to business who fail inspections and require additional inspections. The Board of Health has proposed to develop a fine structure against failed inspections in coordination with CUPHD. This will also require a change to the Public Health Ordinance. This is an effort to make up a portion of costs for one of the most expensive programs. The restaurant inspection program has a shortfall of \$185,000 that the Board of Health covers each year with general operating funds. They have surveyed similar counties in central and northern Illinois

and learned Champaign County is in line with their fees structures, so no increase in fees is being proposed.

Beckett commented on the Champaign County Nursing Home's experience with re-inspections and fines and how at the state level there seems to be an incentive to find defects in operations or conditions to support the claim of a fine to increase revenue. Beckett would hate to see inspectors look for faults in an effort to generate revenue. He agrees the revenue ought to support the activity and since it significantly does not, he understands where the Board of Health is coming from.

Jones asked how the public apprised of the restaurant inspection information. Peterson explained CUPHD, who performs the inspections, does not post the inspection information on a website. He guessed obtaining that information would require a Freedom of Information Act request. Jones asked why the inspection information is not made public. Peterson had no objection to making it public and saw the benefit. He suggested Jones speak to Susan McGrath, the County's legal counsel, to determine whether the inspection information could be posted. If it can be made public, the Board of Health could incorporate posting the information in its contract with CUPHD. James said Julie Pryde, the CUPHD Acting Administrator, could answer those questions better. James explained the Board of Health is not recouping the actual costs when inspectors have to re-inspect a restaurant that failed the initial inspection. The Board of Health is not looking to run anyone out of business, they just want businesses to comply with the health codes. James has visited some restaurants that drastically need better cleaning and sanitation work. He has discussed his concerns with Pryde. He was very impressed with the Board's direction in outreach for County residents. The Board used an extra grant it received this year to fund equipment for fire stations and teen pregnancy materials for the schools. Schroeder asked about the Illinois Public Health General Revenue Grant in amount of \$52,632. Peterson stated that is the one-time grant James spoke about. The grant was spent to purchase portable defibrillators and carbon monoxide detectors for County fire departments, mobile restorative dental equipment for CIDES, comprehensive, age-appropriate sexuality education curriculum for distribution to local schools, and infant/toddler car seats for donation at car seat inspection stations.

Putman entered the meeting at 6:47 p.m.

Schroeder asked how the Board of Health has been affected by state cuts. Peterson said they have experienced minimal state cuts so far, but there have been a lot of delayed checks from the state by three to four months. Reductions of about 6% in some grants have taken place. The major impact of state legislation on the Board of Health's budget is the expansion of the Illinois Breast and Cervical Cancer Program. The state passed down an unfunded mandate by expanding eligibility in this program to all uninsured women regardless of income. The Board of Health has been covering budget shortfalls in this program each year to continue providing screenings and diagnostic services to women even when the state money runs during the year. Two surrounding counties this program simply cut off services when the state funds run out. The impact of the unfunded mandate is not yet known.

Jay asked if there would be a timeframe for restaurants to correct deficiencies after restaurant inspections. Peterson suggested there would be an assessment on the expense of the re-inspections. There is no suggestion to alter the amount of time a restaurant has been given to correct deficiencies. The proposal has not been formulated yet.

Doenitz asked if it was necessary to recoup the inspection costs considering the size of the Board of Health's fund balance. Peterson noted that fund balances do not last forever and restaurants

complying with the inspections requirements are paying same fee as those that are not. Those businesses who are not passing inspections should expect to pay some sort of penalty to recoup some of the costs incurred when public health is forced to perform extra inspections of these premises. Peterson acknowledged the Board is projecting to spend \$50,000 of its fund balance in FY2009. He did approach Deb Busey about loaning some money to the County Board, but that did not appear to be legal. Peterson projected the Board of Health will be at a minimum fund balance level for an organization of this size within four budget cycles. The fund balance is necessary to cover the shortfalls caused by delays in state grant payments and reductions from the state. About half of the budget is comprised of state and federal grants, so significant delays in payments from those sources cause problems. Weibel asked if the Board of Health was looking at a flat inspection fee. Peterson thought so, but it has not been formulated yet and will be done in conjunction with CUPHD.

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

Champaign County Mental Health Board & Developmental Disabilities Board

Peter Tracy, Deborah Townsend, Joyce Dill, and Nancy Crawford were present to represent the Mental Health Board and the Developmental Disabilities Board. The budget materials for the boards were distributed to the County Board members. Tracy highlighted that both boards strongly believe in intergovernmental cooperation. The Mental Health Board has two memorandums of understanding in place with the County Board, one for the administration of the Quarter Cent for Public Safety Juvenile Delinquency Grants and another to manage the Drug Court Fee Fund. The Mental Health Board contributes money to help these programs operate, including giving almost a quarter million dollars to Drug Court and \$110,000 into the Juvenile Delinquency Grants to help ensure integration of services. In administering the Juvenile Delinquency Grants, Mental Health Board staff has worked closely with Connie Kaiser, Joe Gordon, and Julia Rietz in an effort to make sure these programs meet the juvenile justice system's needs. The Mental Health Board and the Developmental Disabilities Board have an agreement to share administrative staff in order to reduce costs and further integrate services. Tracy acknowledged how the State of Illinois's budget problems have affected local services, including the Prairie Center losing \$900,000 in funding and a cut to developmental disabilities in an amount that is not yet determined. It is felt that disabilities funding is not a priority of the General Assembly or the Governor. The boards have switched to a fee for service arrangement because there are no more grants coming from the state. Tracy reported the fee for service system is cumbersome and removes any flexibility for community agencies. The other major changes are a move to a greater reliance on federal Medicaid funding for services and mental health providers have to request permission from Springfield or Chicago to treat patients under the Value Options contract. Tracy expressed his displeasure with these changes to the community mental health system. On the developmental disabilities side, there has been more centralization of information to decide how the money is spent. Tracy worries about the philosophical change resulting in programs moving away from community control and how Champaign County could potentially lose money to counties with higher populations. He further remarked the state contracting is more onerous every year with unfunded mandates and slow payments. One agency asked for an advance from the Mental Health Board because the State of Illinois's slowness in making payments contributed to the agency being unable to meet its payroll. This creates a huge burden on local agencies. This system also results in local agencies becoming more competitive for funding instead of working collaboratively. The private, not-for-profit agencies are finding themselves in competition with government entities, such as libraries and schools, for

fundraising efforts. Tracy learned the City of Champaign may eliminate its social services grants. The mental health, developmental disabilities, and substance abuse treatment system is a fragile system with agencies experiencing serious problems. The staff and boards continue to do everything they can to maximize what they can put forth into the community. The staff is going to keep an eye on what the state government is doing because they do not want to see money taken away from Champaign County in favor of other counties who do not put local money into their systems.

In the next fiscal year, the Mental Health and Developmental Disability Boards are planning to put as much money as they can into services. Their fund balances are healthy enough to maintain cash flow. A major area they will be looking into is moving towards an evidence-based system of clinical practice for the juvenile justice system and continuing the working relationship with Gordon and Rietz. The boards are also working on various anti-stigma efforts, such as the second annual Developmental Disability Expo at Lincoln Square Mall, being part of an alliance to fund a film at the Roger Ebert Film Festival, and exploring external funding possibilities. Tracy reported they are still waiting to hear on whether their Substance Abuse and Mental Health Services Administration (SAMHSA) Grant application was chosen for funding to build a system of care. Tracy thanked the County Board for its willingness to collaborate with the boards.

Wysocki inquired about the outlook for Drug Court after the Prairie Center lost funding and staff. Tracy stated the Mental Health Board would be able to continue administering the Drug Court Fee Fund. The federal money essentially replaced with Mental Health Board dollars and he hopes some state funding will be restored. The Mental Health Board supports Drug Court with money and by managing the fee revenue, but the Drug Court fee has collected less money than what was initially anticipated when the fee was implemented.

Wysocki asked if Tracy could provide a sense of the cost to move an individual through the Drug Court program. She has attended the Drug Court graduation and thought the testimonies from graduates about the program were very powerful. She realizes the program is labor intensive for staff. Tracy explained the exact cost is a tough question. Tracy estimated that the Drug Court program costs \$500,000 per year to operate. That amount does not cover all expenses, such as the time Court Services staff expends for the program and the cost of drug testing. Drug Court was the Mental Health Board's #1 spending priority the last year. Tracy stated it is a great program with identified goals and a graduation rate of 34% of program participates.

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

RPC & Related Funds

Cameron Moore and Betty Murphy were present to represent the Regional Planning Commission and distributed the RPC budget document. Moore noted that RPC is responsible for a variety of services, including regional planning, social services, police training services, and its services are not limited to Champaign County. The services RPC provides are discretionary and not supported by Champaign County general revenue. Inside the budget presentation manual is a chart of accounts to provide an overview of the major RPC accounts. RPC consists of four major funds: Operating, Head Start, Economic Development, and Geographic Information System (GIS). RPC's proposed FY2009 budget accommodates the potential receipt and disbursement of over \$22 million in

over 100 departments across 10 major program areas. Federal and state grants account for approximately 80% of RPC's overall budget and Champaign County accounts for 3.5% of RPC's budget. RPC has become very entrepreneurial at seeking out other funding sources. The salaries and fringe benefit costs for the 177 full-time RPC staff positions represent about 60% of RPC's total operating expenses after factoring out transfer payments and direct client assistance. Moore described the four major funds for the benefit of County Board members. He explained the operating budget in FY2009 has increased by over \$4.3 million with programs added in FY2007 and FY2008. These programs include LIHEAP, weatherization, Ameren rate relief, safe route to schools, travel demand modeling, economic development districts, and the revival of the HOME program. The Operating Fund revenue is estimated at about \$13.3 million for FY2009, a level which allows enough flexibility to accommodate additional work that might be picked up during the year and a 4% cost of living adjustment for non-bargaining staff. The bargaining unit staff are in the Head Start program and their COLA increase will be determined by the federal government.

The Head Start Fund is budgeted for FY2009 at about \$7.5 million with new anticipated revenue from an infant and toddler full-day program. All Head Start services are free and RPC has received approval from the regional Head Start Office in Chicago to implement some fees for the daycare portion of Head Start. Many of the people who would use those services are eligible to have those fees paid by another program. This was a way to generate additional revenue in Head Start to offset the growing costs. The additional \$200,000 this daycare program is expected to generate will enable the Head Start budget to be balanced.

Gross inquired about the \$3 million difference in the original and projected FY2008 revenue totals listed on Page 145 of the RPC budget presentation manual. Murphy explained because RPC has so many different grants with different fiscal years, she has to budget liberally to accommodate staff charges to all of the different programs. She does this to maximize flexibility and minimize the amount of times RPC has to bring budget amendments before the County Board. The amount in the final analysis will be closer to \$5.7 million, lower than what is budgeted.

Moore stated the Economic Development Fund's cash flow should remain healthy with federal funding for operation of the six-county economic development district. This fund will focus on putting more loans out on the street and it is anticipated \$1.5 million in loans will be issued in FY2009. Moore hopes to track a significant infusion of new CDAP money, but it will not be known until next spring. Betz asked for the default rate on the economic development loans. Moore answered the default rate has been 2-3%. Moore spoke about the modest growth in the GIS Fund by picking up supplemental contracts for various GIS services.

In summary, the FY2009 administration expenses should be about 13% of RPC's operating budget. This places this expense portion below the state (20%) and federal (15%) maximums and demonstrates that costs are being kept low even with increasing administrative costs. In order to keep the percentage low, RPC has transferred administrative staff time to programs. Moore pointed out that everything the programs managers are doing in the upcoming year is based on performance-based budgets with clearly defined goals and objectives. Moore indicated RPC is in pretty good shape, though it is heavily dependent on state and federal funding, which is difficult to predict. RPC hoping to see a growth in traditional planning functions. RPC is looking at several projects that involve providing valuable assistance to local governments in need of good physical impact statements and technical assistance and support on sustainability issues.

Murphy directed the County Board members' attention to the spreadsheet identifying differences in the costs of the RPC contracts with Champaign County from FY2008 to FY2009. The Planning Contract expense budget increased because of the employees' salary increase. All other line items were frozen at the FY2008 levels for the long-range planning work. The Land Use Plan is a three-year project on its second year. Murphy reported that significant process has been made with the Land Use Plan and it will help the eventual development of a comprehensive plan. The RPC membership dues are budgeted at 3.4% based on a base fee and a per capita. Senior Services is budgeted at \$24,720 and has not received an increase for three years. The Mental Health Board also provides \$26,026 to support Senior Services and leverage other senior programs, such as the rural rider program. The support for CUUATS comes from the Highway Department in the amount of \$23,840 and supports over \$350,000 in federal and state funding from IDOT and the Federal Highway and Transit Administration. The Court Diversion Program is funded by the Mental Health Board in the amount of \$45,540 and received no increase this year. Champaign County is the primary financing agent for the GIS Consortium derived through Recorder's Office fees in the base amount of \$214,245 and has remained unchanged for three years. Any special GIS projects and assessment mapping for the County are independent of the GIS Consortium directives and objectives. The last item was the police training match of \$6,033 derived from the Sheriff's Office, which leverages over \$350,000 in state funding for law enforcement training.

Putman asked if RPC was worried about the state budget problems mentioned by Peter Tracy. Moore stated he was concerned but not very worried because the programs that provide an amount of RPC's funding have not been subject of discussion. Murphy reported RPC is seeing significant cash flow issues with the state, including delays of 120 days in state payments.

MOTION by Betz to receive and place on file the Champaign County Regional Planning Commission budget presentation; seconded by Langenheim. **Motion carried.**

Champaign County Highway

Jeff Blue distributed the Champaign County Highway budget presentation manual to the County Board members. The budget presentation manual included the Highway Department's mission statement, goals, organization chart, and a list of the 22 full-time department employees. Blue provided an overview of the Highway Department's responsibilities, which include maintaining the County's 87 bridges and 200 miles of roads along with helping the township road commissions. The Highway Department consists of four major funds: the County Highway Fund, County Bridge Fund, County Motor Fuel Tax Fund, and the Federal-Aid Matching Tax Fund. The County Highway Fund's FY2009 levy is set at \$1.8 million or about half of the maximum rate allowed by state statute. The County Bridge levy is set at \$939,000 or about half of the maximum rate allowed by state statute. The County Motor Fuel Tax is received through the State of Illinois and revenue is anticipated at \$2.9 million in FY2009. The Federal Aid Matching Tax levy is set at the lowest rate of .002% to keep the fund in use for projects. This fund is primarily used for matching federal aid projects and is anticipated to collect \$7,000 in revenue. The Federal Highway Surface Transportation Program provides \$602,000 per year that accumulates in the fund to pay for a major project. The Ivesdale to Sadorus road is this year's project. Blue reviewed the department's other sources of revenue and work with township road commissions. The Highway Department is a member agency of CUUATS and gains money through CUUATS to pay for urban transportation needs within Champaign, Urbana, and

Savoy. About \$1.1 million per year is allotted for the Champaign-Urbana urbanized area transportation study. This money is used on large projects, such as Windsor Road and Curtis Road.

The County Highway Fund is used as the department's operating fund. This fund pays for personnel and purchases necessary to run the department. This fund is not typically used for construction or major maintenance items. The County Highway Fund balance on December 1, 2007 was \$639,005 and the projected fund balance as of November 30, 2008 is \$434,685. Blue would like to see a fund balance in the range of \$800,000-\$900,000. The only positions not currently filled in the department are for an Engineer and a second Mechanic. The FY2009 budgeted tax levy is \$1,847,879 and this marks the third and final year of the receipt of \$260,000 in reimbursement from the City of Urbana for the Lierman Avenue project. The Material & Equipment Use line projects a large revenue increase by projecting the fleet maintenance that the Highway Department will be undertaking in its new facility from other County departments. Blue estimated the Highway Department will be maintaining about 150 vehicles in its new facility. The County Highway Fund has a revenue total of \$2,567,879 and Personnel line expense of \$1,554,597 in FY2009. Blue noted the price of gasoline and oil has risen substantially. He is looking into obtaining new engineering surveying equipment to perform better surveys with less manpower. The ongoing maintenance for the new fleet maintenance building has been budgeted at \$10,000 per year. Another \$20,000 has been budgeted for landscaping at the new facility in FY2009. Blue explained the capital equipment replacement schedule is on a 15-year rotation for the big equipment and an 8-10 year rotation for the smaller equipment. The annualized replacement cost is about \$200,000. The County Highway Fund has a transfer of \$106,000 to pay for the bonds used to construct the new fleet maintenance facility. Blue projected about \$65,000 will be added to the projected fund balance in FY2009. He expressed concern about the actual roadway project award costs coming in at 15% over the engineering estimates due to the inflationary factors of asphalt. On the maintenance side, overtime due to snow removal has been hard on the budget. Blue reported the price of road salt will be at a premium in FY2009, so he may consider other options for snow and ice removal this winter to keep costs at a minimum. The fund balance projections through FY2011 show the fund balance steadily declining. Maintenance and construction prices have increased by 25%-50%, making it difficult for the fund to keep up with costs even when the assessed valuation grows in Champaign County. Blue advised that future budgets will have to be examined and a reduction in services considered to defray growing costs.

Wysocki asked about the replacement schedule for roads and bridges based on the pavement management study. Blue stated the pavement management study is still in an infant stage and is not in the program book. The IT Department is trying to move the pavement management system to the new server. The projects funded through the Motor Fuel Tax money are scheduled for the next several years with a majority of the money being spent on the urbanized Champaign-Urbana area. Wysocki inquired if the County will spend money on road improvements in Royal based on the rumors of possible construction. Blue explained the County spent substantial money on improving County Road 22 from Penfield to Royal based on the theory that an ethanol plant would be built. The Highway Department is also in the midst of constructing a couple of bridges on this road. When the State of Illinois learned the ethanol plant would not be built, they pulled the funding for the bridges, which had been let but not built. The bridges would have been rebuilt in next 5-10 years, so the schedule has been adjusted to take into account that fact that those bridges jumped ahead of other projects.

Beckett questioned whether the price of gasoline would affect the Motor Fuel Tax revenue. Blue explained that Americans drove 5% less when gasoline prices rose over \$4 per gallon. It worries

Blue to see the Motor Fuel Tax revenues in decline. The MFT rate is a flat rate 19 cents per gallon in Illinois, not a percentage of the total fuel cost. Urbanized driving appears to be holding steady, but rural driving lessened with the high cost of fuel.

Langenheim asked how the snow removal figures are derived. Blue stated he uses an average from a 10-20 year period. Last winter was harsh and required extra maintenance on the roads. James addressed the importance of building maintenance and hoped the engineering firm gave the department an overall maintenance plan to maintain the new facility. Putman raised the question of whether the Highway Department would offer fleet maintenance services to other units of local government. Blue replied there have been discussions with the City of Urbana who are satisfied with their current program, which the County Highway Department is using as a model to develop its vehicle maintenance system. The Highway Department has plenty of fleet maintenance work to keep its mechanics busy. Beckett was operating under the impression that the fleet maintenance facility was designed so space could be added if an intergovernmental agreement supplied funding for the addition. Blue confirmed that was accurate. Weibel stated he spoke to Urbana Mayor Laurel Prussing about a year ago with the estimated cost of \$1 million to add two more bays onto the building. He has not heard back from the City of Urbana.

Wysocki queried about the repair/replacement of traffic signs under performance indicators because the County Board had been told the department would produce its own signs in the new facility. Blue stated the facility has space set aside for a sign shop, but the department needs to purchase equipment to make it happen. Blue plans to perform a sign inventory and might apply for a federal grant next year to upgrade the signs. A software program exists for manufacturing signs, therefore the Highway Department would be able make more non-standard signs. A number of signs in Champaign County are aging and a minimum reflectivity mandate for signs is expected within the next seven years. Weibel asked, in response to a complaint from a citizen, whether the County approves the townships' budgets. Blue confirmed the townships' budgets are set by township highway commissioners, not by the County.

Blue described the mission of the County Bridge Fund. This fund is used primarily to pay for 50% of joint projects with townships. The fund balance was drawn down significantly by the replacement of two bridges on County Highway 22 in anticipation of the ethanol plant that was not built. He continues to work with townships on bridge projects. Blue would like to see the County Bridge Fund balance remain above \$500,000 to be able to cover any unanticipated costs arising from an unexpected bridge replacement or repair. The bridges are scheduled for repair based on inspections, but urgent repairs can develop. He noted the bridge repair/replacement costs have increased significantly.

Blue reported the County Motor Fuel Tax Fund (MFT) is used to fund a majority of the roadway capital expenditures and the fringe road agreement with Urbana and Champaign. The MFT Fund has a healthy fund balance that will be drawn down significantly over the next five years due to the commitments made regarding the fringe roads. The MFT Fund pays items such as the engineering fees on construction jobs, seal coating, crack sealing, and shouldering. Blue projected that the Monticello Road project might occur in FY2009, plus the Windsor Road and Curtis Road projects will begin. Blue provided a MFT Fund five-year expense plan in the budget presentation manual and described some of the upcoming project expenses. The Curtis Road payments are spread over four years to avoid decimating the MFT Fund. By FY2013, the County will have put more money into the

fringe road projects than the agreement had allocated, so the County will not fund any fringe road projects from 2013-2015. Instead, the money will be used to fund rural construction projects. Blue also provided a flow chart outlines the distribution of the Illinois Motor Fuel Tax Fund.

The Federal Aid Matching Fund will continue to slowly build a fund balance for future projects. Blue will keep this fund viable because it can be used for projects that cannot be funded by the County Highway Fund.

Schroeder was concerned about the projected fund balances, which in five years will be half of what they are now. He asked if diverting County highway projects to cover fringe road projects and increasing costs was hampering Blue's schedule for upgrading the rural roads. Blue answered that the pavement management study shows different scenarios based on the amount budgeted. The County can improve its roadway system if it is funded at \$3 million per year and gets behind in maintenance very quickly if it is only funded at \$1 million per year. Over next five years, the County has only budgeted to spend \$1 to \$1.5 million on road construction. Once the roads decline to a certain point, the repairs cost significantly more to restore the road to its original condition. One positive aspect is that people are starting to use green aspects to build roads, including recycling and finding ways to better use aggregate resources. Schroeder acknowledged the townships should be feeling the pinch with the high construction costs. Blue stated a township receives approximately \$1,300 per mile of road from the Illinois Motor Fuel Tax Fund. He confirmed roads could not be maintained for \$1,300 per mile, especially considering the heavy trucks driving on the roads.

Gross questioned if the townships reimburse the County Highway Department for the full cost of services provided to them. Blue explained the townships pay the County 4% of their overall township motor fuel tax revenues to manage the program. Blue does not charge the townships when the County Highway Department designs a roadway for the township. If outside consultants are required for a bridge project, the County and township split the costs.

Jay appreciated the explanation on Page 44 of the budget presentation manual about how the Federal Aid Matching levy reduction has affected the fund. Jay indicated this levy authority was given back to the County because the General Corporate Fund needed some additional levy power. This is money that could have been used to fund fringe road projects if it had remained with the Highway Department.

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

ADJOURNMENT

Meeting was adjourned at 8:30 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.