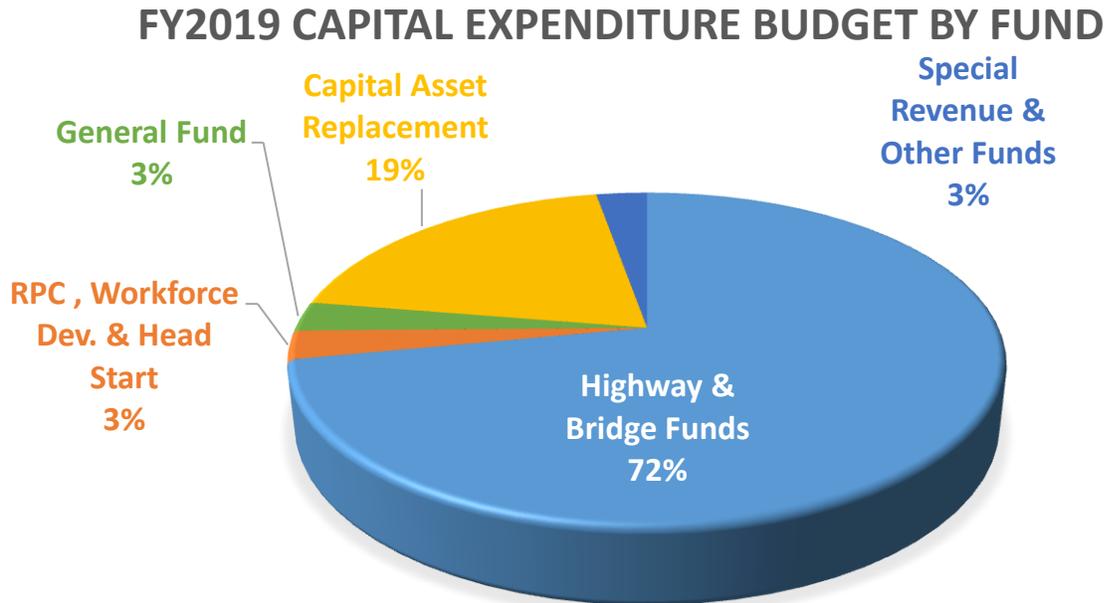


CAPITAL PURCHASES AND PROJECTS SUMMARY

OVERVIEW

The County’s FY2019 capital budget of \$7.16 million includes fifteen funds with capital equipment, replacement, or improvement projects and/or purchases. An overview of the FY2019 Champaign County Capital Expenditures Budget, as distributed among the County’s funds is as follows:

Capital Budget by Funds	FY2019
RPC, Workforce Development & Head Start	\$199,750
General Fund	\$204,490
Highway & Bridge Funds	\$5,152,648
Capital Asset Replacement Fund	\$1,408,441
Special Revenue & Other Funds	\$197,200
TOTAL	\$7,162,529



Through the County’s accounting system, established by the County Auditor, all purchases over \$5,000 are classified as capital expenditures. Therefore, purchases for technology, equipment, and vehicles – which are recurring expenses, are classified as part of the capital budget. This type of capital expenditure can be found in many of the special revenue fund budgets, the Capital Asset Replacement Fund, and the General Corporate Fund budgets.

Non-recurring capital expenditures are customarily tied to major capital projects, and are typically budgeted in the construction project budgets and/or highway funds. In FY2019, 72% of the capital budget is in the Motor Fuel Tax, Highway, and Bridge Funds – a total of \$5.15 million. These are scheduled bridge and road construction projects and replacement of capital equipment in the Highway Funds. In FY2019 a 10% funding match is budgeted for a \$2 million federally-funded countywide guardrail installation project. Although there are new and different bridge and road projects each year, the Motor Fuel Tax and Bridge Funds budgets for capital projects remain at fairly constant levels.

IMPACT OF CAPITAL EXPENDITURES ON THE OPERATING BUDGET

As previously stated, the majority of the capital expenditures in the FY2019 budget are for non-recurring capital expenditures within the highway funds. Specific projects include two major bridges, eight minor projects, County Road 9 reconstruction, and a countywide guardrail installation project. These capital expenditures are not expected to have any impact on the entity's current and future operating budgets; although the non-financial impact of the investment in roads, bridges and guardrails will improve public transportation and safety.

Non-recurring expenditures budgeted within the Capital Asset Replacement Fund in FY2019 for facility maintenance are expected to have minimal impact on the current operating budget. However, per the County's Facilities Capital Plan, the level of investment in County facilities increases by \$1 million in FY2020 and is essentially sustained at the \$2+ million level until FY2029. Because funding for the Capital Asset Replacement Fund predominantly comes from the General Fund and Public Safety Sales Tax Funds, reduced spending in those funds may be required in order for the County to appropriate the level of funding required by its capital plan in future fiscal years.

A copy of the County Facilities 10-Year Capital Plan is included near the end of the FY2019 Budget document. The plan prioritizes building envelopes, mechanicals, mechanical controls, business continuation/emergency preparedness, parking lot and sidewalk maintenance. It does not address interior maintenance needs such as paint and carpet replacement. The plan also does not include the Sheriff's Office or downtown Correctional Center. In 2019, the County Facilities Committee will resume discussions regarding a plan for the dilapidated facilities, which are also not ADA compliant. The FY2019 budget includes \$261,113 for preliminary planning costs related to the potential relocation of the Sheriff's Office and downtown Correctional Center.

General Corporate Fund

In general, the County administers its capital improvement program through funds separate from the General Corporate Fund. The County Board adopts the budget fund by fund, and because most non-recurring capital projects costs are segregated from the operating budget, changes in the capital projects do not directly impact the operating budget and vice versa. One exception to this is the purchase of squad cars for the Sheriff's Office. The General Corporate Fund goal is to include \$230,000 annually for the purchase of new squad cars. This enables the Sheriff to turn over his entire fleet every five years. In fiscal years 2017 through 2019, the appropriation for squad car replacement was \$145,000 due to financial constraints. There was no appropriation for squad car replacement in FY2016 due to budget cuts.

CAPITAL PURCHASES PROJECTS FUNDS

This section describes the source and amount for each fund which includes capital projects/purchases in the FY2019 budget. Purchases for these funds are subject to the County's Purchasing Policy and/or to state law regarding purchases by governmental entities. The County's accounting system establishes all purchases with an initial cost of \$5,000 or more be paid for from capital expenditure line items, which means that a substantial amount of the budgeted capital within the funds that include operations are for purchase and replacement of technology, furnishings and other special equipment needs.

GENERAL CORPORATE FUND – The principal operating fund for financing most of the County's capital activities for which there is no specific tax levy or user fee. The General Corporate Fund receives revenues from property taxes, sales taxes, state shared revenues, fees, fines, intergovernmental revenue, and inter-fund transfers. The FY2019 budget for capital includes \$145,000 for the purchase of squad cars for the Sheriff's Office, and \$59,490 for the purchase of election/voter registration equipment.

SPECIAL REVENUE AND OTHER FUNDS

Capital Asset Replacement Fund – Created through funds transferred from the General Corporate, Public Safety Sales Tax, and special revenue funds to establish a reserve for the current and future replacement of technology, equipment and facilities. The FY2019 budget for capital is \$1.4 million and includes a \$1.12 million appropriation for facilities projects. In FY2019, the County Facilities 10-Year Capital Plan required an increased investment of \$587,739 over the FY2018 investment of \$532,261. In future fiscal years, the investment in facilities per the plan will require an additional \$1 million, with funding in future fiscal years ranging from \$1.9 million to \$2.3 million.

Probation Services \$35,000 – Fee revenue used to fund a variety of programs, services and operational expenses for clients, the Court Services department and Champaign County.

County Bridge Fund \$1.135 million – Property tax revenue source fund for building and maintaining county bridges and culverts.

County Highway Fund \$617,648 – Property tax revenue source fund for building and maintaining county highways and purchasing highway equipment.

County Motor Fuel Tax Fund \$3.4 million – State shared revenue from motor fuel taxes for construction and maintenance of county highways.

County Treasurer Automation Fund \$5,000 – Fee generated on parcels sold at the annual tax sale, and on non-homeowner requests for duplicate bills.

Recorder Automation Fund \$52,200 – Fee for automating records in the Recorder’s Office.

GIS Consortium Fund \$14,000 – Intergovernmental joint venture, funded through membership fees and services fees.

Head Start Fund \$16,500 – Federally funded education and development program for low-income pre-school children and their families.

Workforce Development Fund \$30,750 – State funded grant program for job search, career development, educational assistance and business services in four counties.

Jail Commissary Fund \$45,000 – The Jail Commissary Fund is comprised of revenue from detainee utilization of the commissary, donations and gifts, and investment interest earnings to be used for the benefit of detainees.

Regional Planning Commission \$152,500 – The fund includes federal and state grants for economic development, community services, senior services, transportation engineering and police training, plus local contracts for planning and other technical assistance.

SUMMARY

The total of all capital purchases budgeted in the FY2019 Champaign County Budget is \$7.16 million, which is 5.8% of the total FY2019 budget.