

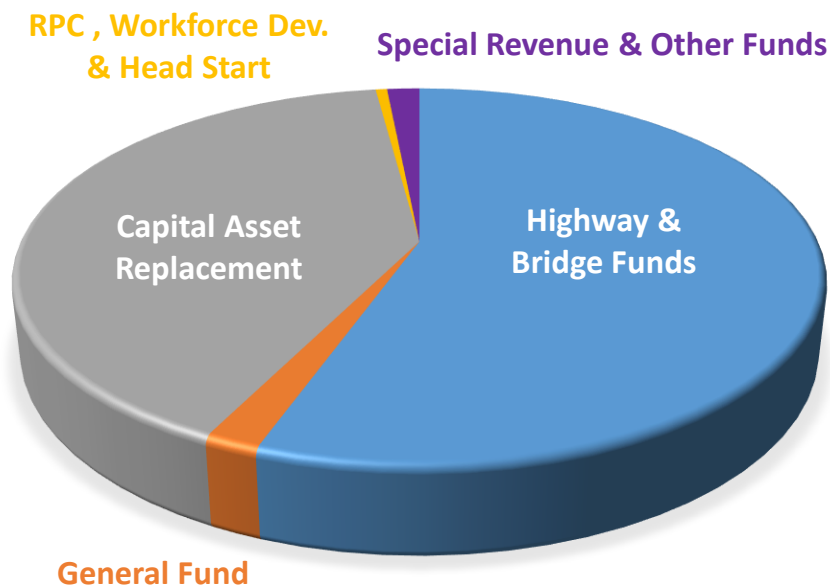
# CAPITAL PURCHASES AND PROJECTS SUMMARY

## OVERVIEW

The County’s FY2021 capital budget of \$12.3 million includes seventeen funds with facility projects and maintenance, capital equipment purchases and replacement, and improvement projects and/or purchases. An overview of the Champaign County Capital Expenditures appropriation, as distributed among the County’s funds is as follows:

Capital Budget by Funds	FY2021
RPC, Workforce Development & Head Start	\$66,500
General Fund	\$230,000
Highway & Bridge Funds	\$6,807,676
Capital Asset Replacement Fund (CARF)	\$4,973,735
Special Revenue & Other Funds	\$189,361
<b>TOTAL</b>	<b>\$12,267,272</b>

## FY2021 CAPITAL EXPENDITURE BUDGET BY FUND



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 (CARF), 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 FY2021, 56% of the total capital budget is in the Motor Fuel Tax, Highway, IDOT REBUILD, and Bridge Funds equaling \$6.8 million. These are scheduled bridge and road construction projects and replacement of capital equipment in the Highway Funds. 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, although in FY2021 funding substantially increases due to \$3.15 million appropriated from the IDOT REBUILD GRANT.

## **IMPACT OF CAPITAL EXPENDITURES ON OPERATING BUDGETS**

### **General Corporate Fund**

Predominantly, the County administers its capital improvement program through funds separate from the General Corporate Fund; therefore, most non-recurring capital project costs are segregated from the operating budget. 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 2021, 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. Unspent appropriations from other lines within the Sheriff's budget has been used to make additional squad car purchases above and beyond the original appropriation in some fiscal years when the budget allows.

The County Clerk's Operating budget for FY2021 includes \$85,000 for the purchase of some Voter Assist Terminals (VATs) for accessible voting. Due to budget constraints and the potential for future legislation regarding the required number of polling places, replacement was scaled back to early voting and high traffic polling locations.

The level of funding required in the Capital Asset Replacement Fund often impacts the General Fund, the County's main operating budget, as it is the predominant funding source for the CARF. For this reason, except for FY2019, the CARF has not been fully funded for many years as there is insufficient revenue within the General Fund to both balance the General Fund budget and fully fund the CARF. The Public Safety Sales Tax Fund is also a prominent source of CARF funding. Because approximately fifty percent of Public Safety Sales tax revenues are used to pay debt service payments, there are limited resources available for other public safety costs including capital.

### **Capital Asset Replacement Fund**

Capital expenditures within the Capital Asset Replacement fund, predominantly for facility improvements, comprise 41% of the FY2021 budget. Non-recurring expenditures budgeted within this fund for facility maintenance placed a greater demand on the operating budget beginning in 2019 due to the significant increase in facilities maintenance per the County's Facilities Capital Plan. Maintaining the level of funding required by the plan in future fiscal years could be challenging as operating expenditures increase, or if revenue streams decrease.

A copy of the County Facilities 10-Year Capital Plan is included near the end of the budget. 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. It also does not include the Sheriff's Office or downtown Correctional Center. In 2020, the County Facilities Committee continued discussions regarding the dilapidated Sheriff's facilities, which are also not ADA compliant; however, there has not been definitive direction at the time of this writing. The FY2021 budget includes \$220,086 for preliminary planning costs or ADA improvements at the Sheriff's Office and downtown Correctional Center.

In FY2020, the scheduled Satellite Jail improvements were deferred due to anticipated revenue declines as a result of the COVID-19 pandemic. Also, in 2020, multiple County buildings sustained hail damages to HVAC systems and roofs. Due to the deferral of projects in 2020, and the planned repairs from hail

damages in 2021, the County Facilities Committee will be updating the Capital Facilities Plan. The FY2021 CARF budget includes \$2.7 million for roof and HVAC system repairs, and \$2 for facility improvements.

**Highway Funds**

As previously stated, 56% of the capital expenditures in the FY2021 budget are for non-recurring capital expenditures within the highway funds. Major funding sources for highway projects include property tax levies, Motor Fuel Taxes (MFT), and grants. Highway buildings also sustained hail damages, which are scheduled to be repairs in FY2021, and budgeted in the Highway Building Capital budget. Specific projects scheduled include seven major bridge projects and eight to ten smaller County and Township projects, as well as a major road rebuild. 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.

**CAPITAL PURCHASES PROJECTS FUNDS**

This section describes the source and amount for each fund which includes capital projects/purchases in the FY2021 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.

<b>Fund</b>	<b>FY2021 Budget for Capital Projects</b>	<b>Funding Sources and Uses</b>
General Fund	\$230,000	The General Corporate Fund receives revenues from property taxes, sales taxes, state shared revenues, fees, fines, intergovernmental revenue, and inter-fund transfers. The budget for capital includes \$145,000 for the purchase of squad cars for the Sheriff’s Office, and \$85,000 for Voter Assist Terminals (VATs) for accessible voting.
Capital Asset Replacement	\$5 million	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 budget includes appropriation for facilities projects per the County Facilities 10-Year Capital Plan and \$2.7 million for hailstorm repairs to HVAC and roofs (funded largely through insurance claims).
County Highway	\$737,676	Property tax revenue source fund for building and maintaining county highways and purchasing highway equipment. In FY2021, \$637,676 is for hailstorm repairs (funded largely through insurance claims).
County Bridge	\$1.55 million	Property tax revenue source fund for building and maintaining county bridges and culverts.
County Motor Fuel Tax	\$1 million	State shared revenue from motor fuel taxes for construction and maintenance of county highways.

<b>Fund</b>	<b>FY2021 Budget for Capital Projects</b>	<b>Funding Sources and Uses</b>
Highway IDOT REBUILD Grant	\$3.15 million	IDOT Illinois REBUILD grant funding for transportation projects with an average useful life great or equal to thirteen years.
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.
Recorder Automation	\$55,600	Fee for automating records in the Recorder's Office.
Jail Commissary	\$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.
Courts Construction Fund	\$19,761	No current revenue sources. Upon depletion of the remaining balance, the fund will be closed.
Circuit Clerk E-Citations	\$20,000	Fee to be used to defray expenses related to the establishment and maintenance of electronic citations – the process of transmitting citations and law enforcement data via electronic means to the circuit court clerk.
Head Start	\$6,500	Federally funded education and development program for low-income pre-school children and their families.
Workforce Development	\$10,000	State funded grant program for job search, career development, educational assistance and business services in four counties.
Regional Planning Comm.	\$50,000	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.
Mental Health and Developmental Disabilities Boards CILA Facilities	\$14,000	Funding is a transfer from the Developmental Disabilities Board, rent from tenants, and interest income for maintenance of the CILA facilities.

### **SUMMARY**

The total of all capital appropriation budgeted is \$12.3 million, which is 9% of the total FY2021 budget.