

**CHAMPAIGN COUNTY BOARD
BUDGET HEARING MINUTES**

LEGISLATIVE BUDGET HEARINGS

Monday, August 25, 2014

Brookens Administrative Center, Lyle Shields Meeting Room

1776 E. Washington St., Urbana

MEMBERS PRESENT: Christopher Alix, Aaron Esry, Josh Hartke, Stan James, John Jay, James McGuire, Diane Michaels, Max Mitchell, Patti Petrie, James Quisenberry, Michael Richards, Giraldo Rosales, Jon Schroeder, Rachel Schwartz, C. Alan Kurtz

MEMBERS ABSENT: Astrid Berkson, Lloyd Carter, Lorraine Cowart, Stan Harper, Jeff Kibler, Ralph Langenheim, Gary Maxwell

OTHERS PRESENT: Deb Busey (County Administrator), Van Anderson (Deputy County Administrator of Finance), Adelaide Aime (Children's Advocacy Center Director), Jeff Blue (County Highway Engineer), Stephanie Joos (Animal Control Director), Cameron Moore (Chief Officer RPC), Elizabeth Murphy (Chief Operating Officer RPC), Peter Tracy (MHB/DDB Director), Jane Quinlan (Regional Office of Education), John Peterson (Champaign County Board of Health), Tracy Parsons (ACCESS Initiative), Delores Henry, Sue Suter, Ginger Boas, Linda Lane (Administrative Assistant)

CALL TO ORDER

County Board Chair Kurtz called the hearing to order at 6:06 p.m.

ROLL CALL

Roll was taken with Alix, Hartke, James, Jay, McGuire, Michaels, Mitchell, Petrie, Quisenberry, Richards, Schroeder, Schwartz and Kurtz being present at the time of roll call establishing a quorum.
Esry and Rosales entered after roll call.

APPROVAL OF AGENDA/ADDENDUM

MOTION by Mr. Mitchell to approve the agenda; seconded by Mr. James. Upon vote, **MOTION CARRIED unanimously**.

BUDGET PRESENTATIONS

Ms. Busey stated that there were replacement pages for pages 5 and 6.

Champaign County Board of Health

Mr. Peterson explained this is an incremental budget and that many decisions made four years ago have been carried forward. He stated they contract with the Champaign-Urbana district to provide the majority of their services and the district is about 10% of their budget. He noted it has been recognized in the district they are a facility with a limited revenue stream. Mr. Peterson stated that the 10% brought to the table for them supplements their staff, fills in some holes, and makes for stronger activity. He acknowledged that Ms. Busey is very accurate in predicting revenues and it seems to come out in the Board of Health's favor. Mr. Peterson stated the property tax error they are taking is about \$460,000 with total budget activity at about \$850,000. He said the difference comes from state grants, participation in grant activities at the state and federal level, and the major revenue stream is from food establishment inspections. He noted that the budget includes money for dental activity which they have funded for eight years. Mr. Peterson said

they were able to add a bit to their carryover this time, putting them at a fully funded carryover. He indicated that they could be facing potential attacks on the budget with tuberculosis becoming more of a threat, which will cost significant revenues if they have to get involved in regulation enforcement. He stated the need to be able to respond to public emergencies, such as tornados, without wiping out their finances.

Ms. Petrie asked for details on professional services. Ms. Busey replied the drop in the number is a result of the 13-month budget in FY14 and is a contract with CUPHD for services that goes back to 12 months next year. Ms. Petrie asked for confirmation that this is money that the County Health Department gives to the Public Health Department. Mr. Peterson confirmed it was.

Mr. Schroeder noted that in performance indicators there is a huge jump in complaints investigated and asked why that was. Mr. Peterson surmised that it's an increase in activity related to the health care industry and surveillance in the district. **MOTION** by Mr. Schroeder to place on file; seconded by Mr. James. Upon vote, the **MOTION CARRIED unanimously**.

Regional Office of Education

Ms. Quinlan stated the county funding creates a stable base and supports 3.55 full-time employees responsible for the services the ROE is required by code to provide. She pointed out that the Champaign/Ford regional office is one of 44 in the state and is in the upper third according to population. She summarized many responsibilities of the ROE. She said they also administer a variety of grants to provide programs and services to schools, partner with other organizations to identify needs, facilitate cooperative efforts among districts, and distribute the County sales tax for school facilities. Ms. Quinlan stated the ROE is requesting stable funding consistent with budget direction provided by the County Administrator. She noted the overall increase is 2.025%, which includes a 2.5% increase for employees and no increase in commodities or contractuals. She explained that their total request is \$225,484, but that is divided between two counties based on proportion of EAV. She stated the request from Champaign County is a 1.777% increase from last year. Ms. Quinlan said that the counties provide 5% of the funding, with the remainder coming from state, federal and local sources. She summarized some of the changes taking place, one being that beginning next July there will be 35 offices instead of 44, but that the Champaign/Ford office will not be directly impacted.

Mr. Alix asked what % of increase they are asking for. Ms. Quinlan answered 1.777%. **MOTION** by Ms. Michaels to place on file; seconded by Mr. Mitchell. Upon vote, the **MOTION CARRIED unanimously**.

Extension Education

Ms. Boas explained that this is a four county unit; Champaign, Ford, Vermilion and Iroquois. She indicated that administrative functions have been streamlined to better serve the communities. She stated they brought educators into the unit and said that an advantage in Unit 13 is that they have 10 educators in eight areas, which is the highest in the state outside of Chicago. She said that those educators used to cover 23 counties and now cover 4. Ms. Boas said 40% of their funding comes from local funds, which is matched at about 85% from the state. She explained the remainder comes from a large federal grant, Smith-Lever funds, and some general state revenue funds. She noted that the budget is levied based on a referendum of 5%/EVA and they are at 2.1/EAV. She also noted that their funding request has been stable over the past several years.

Ms. Petrie stated that she went to their website and couldn't find any information about the budget. She felt it would be helpful if more details could be seen. Ms. Boas answered that she shares the budget with the council and the minutes are on the website. Mr. Kurtz said he felt Ms. Petrie was asking for more transparency. Ms. Boas stated it is hard to divide the information into four separate counties, but is willing to put more on the website. **MOTION** by Mr. James to place on file; seconded by Mr. Schroeder. Upon vote, the **MOTION CARRIED unanimously**.

Regional Planning Commission, Head Start, Workforce Development Services & USDA Funds

Mr. Moore noted the complexity of their budget and that it accommodates over 100 active departments and nine major program areas. He reported that they rely on state and federal grants, which represents 87% of their revenue.

He said that salary and fringe benefits represent about 65% of total operating expenses. He felt their staffing level should be maintained around 225. He commented that they must deal with uncertainty due to the reliance on state and federal money.

Mr. Moore said that their operating fund includes an increase in revenue for new programs or expansion of existing programs. He summarized some of those programs and funding. He stated that they continue to try to find ways to grow their fund balance. He anticipated the Early Childhood Fund to remain stable and reported they had applied for grant money for a new type of early head start delivery system. He explained the differences in the program. He didn't feel very optimistic it will get funded so it isn't included in the budget. Mr. Kurtz asked if the \$500,000 of reinstated sequester money includes the new program. Mr. Moore replied no. He indicated that they did get back the 5% that was lost under sequester.

Mr. Moore continued by stating that they have received money for the Workforce Development Fund for the past two years and they are the grant recipient fiscal agent serving a four county area. He noted that this money has been available for several years but the Workforce Investment Act will no longer exist after June 30, 2015. He said there is replacement legislation, the Workforce Innovation and Opportunity Act, which will change how they do business. He thought there would be more emphasis on on-the-job experience and summer youth employment programs. Ms. Michaels asked if this would be in place of or to enhance the program. Mr. Moore replied in place of.

Mr. Moore explained that the Economic Development Program is where all of their loan programs are. He expects 2015 loans to be lower, but feels as the economy gets better more people will be looking for these loans. He noted that USDA funds can only be used in rural areas and that they are starting to see some more demand for these loans.

Mr. Moore anticipates that administrative expenses will be around 8% of the operating budget, slightly higher than last year but well below the maximum established by their funding sources. He is also anticipating fringe benefit costs to go up, mainly driven by health insurance. He felt that FY15 will remain steady with possibly a slight increase in funding.

Ms. Murphy stated that county planning contract for professional services is a 2% increase. She said that the County portion of membership fees has increased 3.2 % based on a per capita and base fee utilizing 2010 census data. Ms. Schwartz stated the increase is 2% for a 12 month contract but wanted to know the actual increase. Mr. Moore answered \$2,500-\$3,000. Ms. Busey clarified that the FY14 number is annualized to 12 months. Ms. Schwartz asked if it is really 2% or more. Mr. Moore said he will have to look into it. Ms. Murphy stated the Senior Services matching funds are budgeted at a 1.5% increase. She said the County support for CUUATS is through the Highway Department and is a 5% increase. She said these matching funds support over \$700,000 in federal and state funding for transportation, engineering, planning, and research functions. Ms. Murphy noted that County support for the Court Diversion Project is budgeted from the public safety tax for the new youth assessment center, which now includes early intervention assessment for at-risk youth and has expanded evening and weekend hours. She reported that the MHB provides additional money to support the center. She reported that the police training grant is budgeted through the Sheriff's department budget, which is a 5% increase, and is used to leverage state funding for law enforcement.

Ms. Schwartz commented that it's not that the youth assessment center isn't important, but that if the sales tax revenues are expected to be going down and they want to increase this by 40%, then they need to increase the budget to fund drug court. She said they will need to make difficult choices because they have less revenues coming in. Ms. Busey stated that this program is apparently new. She said the FY15 number is based on anticipated 5% of what is expected to be collected this year and always lags one year behind. Ms. Busey explained that when budgeting for it, it is fairly stable. She said they had 13 months of revenue in FY13 and FY14, and they are going back to 12 months in FY15. She stated the taxes aren't going down, but are fairly stable or slightly increasing. She said the total projected for FY15 is less than FY14 so the total they have to work with is lower. Ms. Busey explained that the 5% for delinquency prevention funding is based on 5% of 12 months each fiscal year and has never been increased for 13 months. Ms. Schwartz stated that they still don't have 40% increase available and the Board is going to have to make tough allocation decisions because neither program is any less important. She also questioned why support from MHB isn't going up. Mr. Moore felt it had to do with the expansion of the court diversion services and the establishment of the youth assessment center. He also said that is the funding request they made.

Mr. Quisenberry asked about staffing, noting that GIS used to be part of RPC, and wanted to know if GIS was kept separate. Ms. Busey replied that it does not include GIS.

Mr. Alix noted that the youth assessment center contributions from the cities vary from year to year and asked how that was determined. Mr. Moore said they provide them with a budget and a request, but doesn't know how it's determined. Mr. Alix noted the significant head count increase over the past four years and asked where the bulk of those positions are. Mr. Moore answered that it is across the organization with some in Workforce Development, some in Head Start. Mr. Alix stated that FY15 doesn't include Head Start. Mr. Moore said there has been some increase in case management staff, some administrative staff on the fiscal side, some in transportation planning staff, and said it's been fairly evenly disbursed across RPC.

Mr. McGuire commented that as the County increases its funding for the youth assessment center, the cities are decreasing funding even though many kids are coming from the cities and sees that as problematic. He said that in regards to transportation he would like to see the Highway Department and Highway Committee have more input, especially regarding the 2040 study. Mr. Moore stated that it is a multi-jurisdictional plan where they take feedback from everybody and try to put it into a plan that everyone can support. **MOTION** by Mr. James to place on file; seconded by Mr. Rosales. Upon vote, the **MOTION CARRIED unanimously**.

Mental Health Board & Developmental Disabilities Funds & ACCESS Initiative

Mr. Tracy began with Developmental Disabilities Board because the other three areas fit together. He said most of the money is put in DDB due to statutory requirements. He noted they are working on an expansion of CILA which is community integrated living arrangements. He said there are many people in Champaign County who have awards from the state for CILA but no facilities are available in the county. Mr. Tracy stated they are working on aligning funding with the changes happening nationally, such as significant changes in statute, court decisions, and Medicaid rules. He noted that three states have discontinued sheltered workshops and any existing in Illinois will be phased out. He commented on the Ligas Consent Decree, which calls for CILA facilities with no more than four residents rather than the current 16. Mr. Tracy stated they have worked to eliminate any possibility of supplementation of Medicaid rates. He said they are also trying to improve fiscal accountability and are implementing a web-based billing system. He stated they want to make sure that they use what an agency does related to cultural competencies as a major consideration for whom and what they fund. Mr. Tracy provided a handout regarding upcoming changes in DDB.

He noted that the MHB and substance use disorder side is also seeing many changes but they aren't driven by same factors. He said the MHB changes are driven by changes in funding structure from the state and the change in Medicaid. He commented that the biggest change is in managed care and is confusing. He said the agencies primarily receiving funds in the past no longer are the only option in town. Mr. Tracy reminded everyone that MHB is still responsible for developmental and intellectual disabilities. He noted that they earmark a portion of MHB money to support DDB. He said that MHB is also a partner in the CILA expansion.

He said that ACCESS Initiative is undergoing changes as well with the co-op agreement ending September 30, 2015. He said they are working on a sustainability plan and how to transition to a post ACCESS period. Mr. Tracy noted that they see the youth assessment center as the responsibility of the entire community. He thought the community coalition would be working on how to sustain the assessment center. Mr. Tracy stated they are working on the issue of mental health and criminal justice, and that they send money to Community Elements to work with the jail. He feels there is a need for some sort of residential option rather than jail. Mr. Tracy commented that they also co-fund 211 with United Way. He said they monitor what is happening with the State and that if the state income tax is not extended he felt that mental health programs are going to be hit very hard. Mr. Tracy reported that all funding for delinquency prevention goes to the juvenile assessment center and they do not take an administrative cut for managing the money. He stated that many people are involved in the decision making process and are also part of the planning process for the ACCESS sustainability plan.

Mr. Tracy reported that ACCESS Initiative is in the process of scaling back and therefore has less money in the budget. He said they will continue youth and family organizations that have been created. He commented that Choices is a

managed care company focusing on youth with mental health issues that are also multi-system involved. He noted their pilot project is in four counties in Illinois and ACCESS has linked with them because their philosophy is the same.

Ms. Petrie asked why there was money for conferences and training in MHB and ACCESS but not in DDB. Mr. Tracy replied that DDB training would be covered under MHB. Ms. Petrie expressed her support of CILA and asked if there was any way to make sure only people from Champaign County received the benefit, not people moving here to take advantage of the housing. Mr. Tracy responded that it is clear in the RFP that it is only for people who have family here or originate from Champaign County. He said the only exception to that is if a person is moved from a state operated center back to the community. He explained the reason for that is the money that follows that person.

Mr. McGuire asked if the Times Center has a respite area for those with mental health issues. Mr. Tracy replied they do, but the structure of the Times Center doesn't currently allow for separation.

Ms. Michaels commented that with ACCESS going away two providers are not budgeted. She noted there are the same number of clients but less money and wondered what they are losing and why couldn't it be done before. Mr. Tracy answered that it is because of Choices. He also felt it had to do with their contract running from July 1 through June 30 and that they don't plan to continue the contract after June 30, 2015. Ms. Michaels suggested it was a six month budget then. Mr. Tracy said that was correct. Ms. Michaels said the expenditure item on contributions and grants is only slightly down and wanted to know if that was a six or 12 month budget. Mr. Tracy explained that the budget covers closeout through September 30. Ms. Michaels asked if salaries are included in that. Mr. Tracy said he isn't sure if it relates to money carried over from the previous year but will check into it.

Mr. Alix noted the narrative mentions funding from the MHB and wanted to know if that was the HHS grant and not MHB property tax money. Mr. Tracy replied that it's a combination. He explained that all money that comes through the grant goes through the MHB and is contracted out except for administrative support. He said they also have contracts directly funded by the MHB. Mr. Alix said he didn't see how they got \$1.2 million. Mr. Tracy said it's a combination of Parenting with Love and Limits, wrap-around support contracts, and a lot of match to support ACCESS. He said when the grant ends they will use money as part of the sustainability for what ACCESS has accomplished. Mr. Alix suggested the wording be changed. He said he is having trouble relating money to ACCESS. Mr. Tracy stated that with the federal money gone they have to rethink how they use the money appropriately. Mr. Alix questioned the ACCESS Initiative grant fund balance. Ms. Busey said she will check the fund balances. **MOTION** by Mr. Alix to place on file; seconded by Mr. Schroeder. Upon vote, the **MOTION CARRIED unanimously**.

Children's Advocacy Center

Adelaide Aime commented that the Children's Advocacy Center is the first point of contact and the only agency in Champaign County for children who have been sexually abused. She explained that all of their money is from grants and gifts with no direct tax dollars involved. She reported the numbers have remained relatively flat. Ms. Aime noted one change is that a gift received from the University of Illinois, which is funded by sanctions against Penn State, will be \$10,000 more than last year. She explained the money only comes one year at a time so there is no promise for the future. She said she added \$20,000 to the expenditures and revenues so no budget amendment will have to be done later if they get a grant they don't know about. **MOTION** by Mr. James to place on file; seconded by Mr. Rosales. Upon vote, the **MOTION CARRIED unanimously**.

Animal Control Funds

Stephanie Joos stated they are funded by registration fees for dogs and cats and intergovernmental agreements with 21 villages, the City of Champaign and the City of Urbana. She noted they saw revenue increase from the registration fee increase enacted in 2014. She said there is a 3% revenue increase from the City of Champaign intergovernmental agreement, but the other intergovernmental agreements haven't been renegotiated yet. Ms. Joos explained there were two major increases in the budget. She noted METCAD costs went up as well as budgeting for overtime for their officers. She stated that they were trying to cut back on comp time and increase overtime in order to better manage the time and provide the type of service they want to provide to the cities. She said she doesn't see any major purchases in 2015.

Mr. Rosales asked why she is projecting more overtime. Ms. Joos stated that they have always given comp time, but based on FY13 hours worked that is the cost it would be to pay them overtime. Mr. Rosales asked if they had changed operating hours. Ms. Joos replied they have not. She said that she had proposed closing the office on Saturdays but not closing the service. She stated she is still working to see the true cost savings of that.

Mr. James said there is no capital improvement increase but they have many things that could fail. He noted there isn't any leeway in the budget. Ms. Joos explained that she will be focusing on what the true cost of animal control services is. She commented that they haven't increased costs enough to accommodate capital expenses that will be coming in the future. She said she is developing what capital expenditures would be to replace the HVAC, vehicles, cages, etc. She said she hopes to have that plan in place for FY16 so they can charge the cities appropriately. Mr. James said that fees were raised and that the capital and equipment money is now gone, but there is still no 5-year outlay. He said he wouldn't want homeowners to get hit with another fee increase. He felt that when talking about overtime, they need to keep track of where most calls are coming from and what that is actually costing. Mr. Alix said he agrees with what Mr. James is saying, but that Ms. Joos came to them six month ago with a cost control proposal and was turned down. He said it's going to come down to the County Board being willing to dedicate more money to this.

Ms. Busey explained the overtime, stating that most calls come from Champaign. She said they need to pay it in order to show true costs to the City of Champaign. She said they need to give the cities and villages plenty of notice and their goal is to give what the real costs are this fall so they know what to expect when the contracts are renewed. Mr. Alix said that if they have been running at a loss they need to factor that into what they are trying to charge and hopefully make that up. Mr. Quisenberry commented that there is no room in the organizational chart for a business analyst. He felt that is the kind of work they are talking about and the Board needs to recognize that in some of the smaller operations they need to lend expertise of the County financially.

Mr. Schroeder said that capital expenses are small but they have vehicles that are depended upon. He asked if the vehicles were serviced at Highway. Ms. Joos replied that they were. Mr. Schroeder said he assumed that they are putting together a catalog with the new director and this building would part of that for maintenance, future maintenance, and current repairs, etc. He also said it was up to the County Board to make sure they have the money to keep the facilities up on the outside and inside. **MOTION** by Mr. Quisenberry to place on file; seconded by Mr. Mitchell. Upon vote, the **MOTION CARRIED unanimously**.

Highway Funds

Mr. Blue stated that there are roughly 200 miles of roadway and 87 bridges in Champaign County. He said he is also the engineer for the townships and any projects they have on their 1,559 miles of roads and 610 bridges. He listed all of the funds they utilize. Mr. Blue noted they have a township bridge program which is a state funded program they can use at 80% with Highway and the townships matching 10% each. He stated that the township road system is the third largest in the state behind Livingston and Iroquois counties.

Mr. Blue stated that the Highway Fund pays for 20 full-time employees. He indicated there are other revenue streams in addition to the property tax. He explained why they transfer MFT funds into Highway funds and they do get some money back for doing engineering for townships. Mr. Blue noted that their major expenses come out of the Highway Fund and is mostly personnel. He stated that gas and oil comes out of this fund as well as heavy equipment maintenance and heavy equipment capital purchases. Mr. Blue said for FY2015 they plan to purchase a new dump truck, two mowers and a mechanics truck. He stated there are two years left on the Highway Facilities Bond before the Highway Building is paid off. He said there is zero change in the fund balance from FY2014 to FY2015.

Mr. Blue summarized the performance indicators for projects. He said their performance indicators for roadways include about 50 miles each year for ditch grading and shoulder repair and noted that the PCI from the pavement management system is holding steady. He reported that the cold-in-place recycling is giving better roads that last longer and keeping PCI ratings higher for longer periods of time.

Mr. Blue moved to the County Bridge Fund and said this is for bridges on County roads and helps townships with bridges. He said this is a difficult fund because a project could begin one year and finish the next, or they don't know

when it will be paid. Mr. Blue thinks this is the only county south of I-80 with no posted bridges. He said they do bridge inspections every other year. He reported that they typically come very close to the estimated budget for bridge projects. He indicated it's hard to project township bridges because of not knowing when the townships will have the matching funds.

Mr. Blue next went to MFT Funds and explained that the Illinois Jobs Now money ends this year. He said this is money that is used to fund maintenance and construction of roadways. He noted that they completed some major projects in FY14 and said all the road improvement money in FY15 is going to the Dewey-Fisher Road project, the highest trafficked road in the County. He estimated that project to be \$7.7 million dollars. Mr. Blue said they have five different funding sources for this project. He explained the MFT funds source distribution and uses is a packet from IDOT showing where funds come from and how they are distributed. He noted the federal aid matching was re-instituted in FY14 and is a partial source for Dewey-Fisher.

Mr. Schroeder asked if the next biggest project after Dewey-Fisher is going to be with MFT funds and what that project was. Mr. Blue answered Dewey-Elliot road. He stated for Lincoln Avenue they have \$1.1 million in an agreement with Urbana in 2016.

Mr. Rosales asked what they do with retired vehicles. Mr. Blue replied that they may transfer some to Facilities, offer them to the townships, or put them on eBay. Ms. Petrie asked if bids were put out for heavy equipment or if it was purchased used so they didn't have to bid. Mr. Blue said the majority is purchased off of the State contract but it is a six month process. Ms. Petrie asked if heavy equipment maintenance charges are in house or outsourced. Mr. Blue said they don't outsource unless it's something their guys aren't capable of handling. He noted the charges she is questioning are mostly for parts.

Mr. Jay remarked that he has been concerned about MFT and asked Mr. Blue to give his scenario. Mr. Blue stated that in two to three years they will be hand-to-mouth unless the state changes the way they fund the motor fuel tax. He said they have some fringe road projects that haven't been funded yet. He indicated that the PCI is higher and they are able to get longer life out of the roads. Mr. Blue said it will get to the point where any cost overruns or unexpected projects are going to be very difficult to fund. Mr. Jay asked where they stand on the fringe road projects. Mr. Blue said they still have the Lincoln Avenue project, Curtis Road to First Street with the Village of Savoy, and Prospect Avenue to Olympian Drive. Mr. Rosales asked if they collected all the federal, state, and intergovernmental agreement funding for Olympian Dr. Mr. Blue said that project is being headed by the City of Urbana and no money is coming from the Highway budget for that project. Mr. Alix stated that there is cause for concern regarding MFT. He said other counties are facing the same issue because the state hasn't changed the MFT rate in 25 years and less money is coming in due to more economical vehicles. He felt they needed to expect Springfield to answer the question of how to maintain roadways when the MFT is being decreased every year by design. Mr. Blue said the increase in construction costs should also be considered, particularly oil. **MOTION** by Mr. Mitchell to place on file; seconded by Mr. McGuire. Upon vote, the **MOTION CARRIED unanimously**.

ADJOURNMENT

The hearing adjourned at 8:24 p.m.

Respectfully submitted,

Linda Lane
Administrative Assistant

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