

Approved 10/15/2013

CHAMPAIGN COUNTY BOARD
BUDGET HEARING MINUTES

LEGISLATIVE BUDGET HEARINGS

Monday, August 26, 2013

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

MEMBERS PRESENT: Christopher Alix, Astrid Berkson, Lloyd Carter, Lorraine Cowart, Aaron Esry, Stan Harper, Josh Hartke, Stan James, John Jay, Jeff Kibler, Gary Maxwell, James McGuire, Diane Michaels, Max Mitchell, Patsi Petrie, Michael Richards, Giraldo Rosales, Jon Schroeder, Rachel Schwartz, C. Alan Kurtz

MEMBERS ABSENT: Ralph Langenheim, James Quisenberry,

OTHERS PRESENT: Adelaide Aime (Children's Advocacy Center Director), Jeff Blue (County Highway Engineer), Deb Busey (County Administrator), Stephanie Joos (Animal Control Director), Cameron Moore (Chief Officer RPC), Elizabeth Murphy (Chief Operating Officer RPC), Peter Tracy (MHB/DDB Director), Linda Lane (Administrative Assistant), members of the public

CALL TO ORDER

County Board Chair Kurtz called the hearing to order at 6:00 p.m.

ROLL CALL

Lane called the roll. Alix, Berkson, Esry, Harper, Hartke, James, Jay, Maxwell, McGuire, Michaels, Petrie, Rosales, and Schwartz and Kurtz were present at the time of roll call establishing a quorum. Carter, Cowart, Kibler, Mitchell, Richards, and Schroeder entered after roll call.

APPROVAL OF AGENDA/ADDENDUM

MOTION by James to approve the agenda; seconded by Rosales. Kurtz noted that items A and B would be switched on the agenda, and that item E should be removed and will be moved to Wednesday night. **Motion carried with unanimous support.**

BUDGET PRESENTATIONS

Champaign County Board of Health

Busey said the BOH, in terms of revenue, has to deal with the issue of property tax. The property tax increases 3.6% though the levy is only going up 2.76%, due to a redistribution of levy value between areas inside and outside the public health district. Other revenues are projected to increase 8%. Other fees, permitting, and revenues come in on a monthly basis as expenditures go out. CUPHD has proposed a contract that reflects a decrease in overall spending from 2013. That directly correlates to the permitting activities and grants received by the board. The BOH agreed to continue to fund the smile healthy child dental program.

The fund balance is not at the BOH goal of 25%, but is at 19% for FY2014, and felt that is a healthy fund balance for the operations.

Maxwell asked if professional services are for personnel or for contract. Busey said the County BOH contracts with CUPHD to completely administer all aspects of public health programs outside of the Champaign-Urbana area.

Kibler asked why they went from 50 projected food establishment food safety education presentations to 244 and asked if it was a typo. Alix felt it might be a new program ramping up. Busey thinks it is and has to do with the restaurant inspection issue they are currently working on.

Schroeder asked how long the tobacco free grants are going to be last. James wasn't sure, but the amount received is because they are a dual board of health. Each one gets its own separate grant, allowing for extra money. They haven't been given a projected end date.

Maxwell noted that the projected inspections will be off 10% compared to 2013 and asked if that is a significant impact on safety. Busey felt the numbers were accurate for food establishments and there were going to be fewer inspections.

RPC, Head Start, WIA & USDA Loan Funds

Moore stated their budget covers five major planning commission funds; operating fund, early childhood fund, workforce development fund, economic development fund, and USDA economic development fund. RPC accommodates 127 active departments with nine major program areas. Federal and State Grants account for approximately 89% of revenue. Salaries and fringe benefits represent 65% of anticipated expenditures. Staffing is expected to be 200-225. Moore said there is uncertainty in their budget because they rely so heavily on State and Federal funding.

Moore stated that the operating fund is expected to be stable in 2014. They had a successful year in picking up transportation related funding and grants. They are projecting revenue at \$14.8 million and do expect a positive year-end fund balance. Cash flow needs, reimbursement rates, and time frames between when expend money and when receive money dictates what they feel the prudent fund balance level should be. RPC has seen significant delays in State reimbursements, an ongoing problem for the last few years.

Moore is projecting stable funding in the early childhood development fund. Sequestration funding reductions of 5.27% translates to \$258,000. Moore said they have no reason to believe that money is coming back and are looking at it as a permanent cut going forward.

Moore said RPC became the grant recipient fiscal agent for the Workforce Investment Act on October 1, 2012. He is projecting revenue and expenses of \$2.8 million. The funds are designed to help economically disadvantaged unemployed individuals who face serious barriers to employment to become productively employed. It improves quality of local workforce, should reduce welfare dependency, and improves productivity and competitiveness of area.

The Economic Development fund is primarily where the loan programs are. Moore doesn't see a lot of growth, but in last six months there is more demand in business financing. He is projecting a year-end fund balance of \$6.3 million, not as cash but as loans receivable of \$4.2 million, leaving about \$2 million available to lend.

USDA Economic Development fund is a relatively new program; a \$1 million loan fund (borrowed \$750,000 from USDA for 30 years at 1% and matched with \$250,000 of local funds). The first loan was made a few months ago and hoping to continue to make loans. Program is targeted only to rural areas. They can make loans in a six county region and in communities of 25,000 or less.

Moore anticipates they will maintain administrative expenses at 7% of operating budget for FY2014, which is well below Federal and State limits. They expect fringe benefit expenses will increase due to health insurance. Moore felt that RPC was in good shape. They write grants almost every week, which allows them to stay afloat and grow a little as they move forward. Moore turned over to Murphy.

Murphy identified the annualized and 13-month budgetary impacts specific to Champaign County contracts. The Champaign County planning contract for professional services has been budgeted at \$73,360, a 2% increase. Champaign County's portion of RPC membership dues for 2014 is budgeted at \$20,353.00, a 6% decrease due to a decrease in population in unincorporated portions of the County. Matching funds for senior services is budgeted at \$22,470, a 1% increase. Local matching funds leverage over \$100,000 in State and Federal funding for senior services programming. Champaign County support for CUUATS, through the highway department, totals \$28,978, a 5% increase. County support for the court diversion project is budgeted at \$164,500, a 2.2% increase. The police training budget through the Sheriff's department is budgeted at \$7,701, a 5% increase. Murphy opened the floor for questions.

Schwartz asked why court diversion has 0% increase from mental health. Murphy said they are in the planning stages of opening a community assessment center, utilizing public safety tax and \$26,000 from the Mental Health Board and from juvenile justice delinquency prevention, and they think they will be able to provide 24/7 service for juveniles in the County. Schwartz asked if they can do that without increase. Moore thinks they have the funding, it's a community effort, and the space is free; the only obligation is to provide staffing which they already do.

Alix asked who sets level of funding from MHB. Moore said they put in a request to the MHB, which determines what RPC will get. Alix asked if they requested more than \$26,000. Moore said a little bit more than that.

Kibler, in regards to early childhood, recommended that it would be good to indicate the cash reserves in the budget. Murphy thanked him for the suggestion.

Maxwell asked where senior services and membership services funds come from. Busey answered from the corporate fund.

Michaels saw money set aside for reserve for bad debt in the economic development fund, and asked what percentage of delinquency are they at, and do they foresee more coming. Moore thinks the amount is adequate this year as opposed to last. They worked hard to get very detailed in the loan portfolio and the number is reflective of loans they are pretty sure they won't get paid on.

Berkson asked if the \$161,000 was a new request from public safety task. Moore said no.

Kurtz thanked Moore and Murphy and moved to Mental Health.

Mental Health Board/DDB Funds, Delinquency Prevention Grants, & ACCESS Initiative

Peter Tracy introduced members of the Mental Health and Developmental Disabilities Boards and Access Initiative. He noted that they will be talking about five funds; Mental Health Board, Developmental

Disabilities Board, Delinquency Prevention (the ¼¢ for public safety), Access Initiative, and Drug Court. For the Mental Health Board (MHB), one thing they've been working hard on is the issues that have been raised concerning the people involved with the criminal justice system that also have mental health issues. They have been working to redirect some of the existing funding and they added an additional \$100,000, totaling almost \$600,000 that ties to addressing the issues of those people. Nothing is finalized, but ongoing negotiations are close to being finished.

They want to continue the Parenting with Love and Limits (PLL), which serves about 200 youth in the criminal justice system. They have worked with United Way for implementation of the 211 system, a combination of several informational and referral programs. The call information is tracked and sent to them.

This is the 5th year of the Access Initiative process, and they are looking at the sustainability as the program winds down and less money is received.

Tracy commented that much of what they do relates to intergovernmental agreements or memoranda of understanding between the MHB and Champaign County. They manage the delinquency prevention fund and the drug court fund, without any administration fee. Kurtz asked what the plans were for keeping drug court moving when the State funding ends in September. Tracy noted they have applied to use additional federal funding, which they anticipate getting, so they should be okay for the next year. Tracy noted there is money building in the fund and they can apply for funding from the MHB.

Kibler asked what the actual fund balance goal of the MHB is. Tracy said this is a point-in-time number, and could be as high as \$3 million and as low as \$400,000. Kibler asked for that to be added to the fund balance goal.

Carter said he is not hearing about facilities for mental health. Tracy asked if he meant criminal justice.

Kibler noted he is big on making sure the money being provided is going to the causes intended and what results come from them. He noted the PLL program has a maximum of 228 youth but doesn't indicate how many actually went through the system. He would like more clearly defined measurable goals and how the money truly impacts the lives of people receiving the programming. Tracy said each contract has a section, which include the percentage of clients that engage in the program, the percentage of clients that complete the program, and the functional behavioral improvement. Kibler recommended a note on the budget where further key performance indicators could be found. Tracy thanked him for the suggestion.

Michaels noted she is most concerned about getting the most bang for the buck to the youth and the people in need of the services. The performance indicator should be how much is spent per person and what are they getting. Tracy said that is difficult to do because there are different levels of intensity. Both Boards are interested in getting the most for the money and serving as many people as they can. Michaels noted that the delinquency program had no money and asked for an explanation. Tracy said delinquency prevention grants are \$164,000 and are given to RPC. They are in the process of amending that contract since the assessment center is opening. All the money they have will support the assessment center and delinquency prevention.

Petrie felt that the biggest bang for the buck is effectiveness. No current program has any data about effectiveness. True, valid, and reliable evaluations need to be built in. Tracy noted the PLL program has an independent researcher, and Access has an evaluation done by the U of I. Petrie noted that was part of getting the funds and isn't done voluntarily. Tracy said every contract has performance indicators and they look at efficacy of programs as well as how many people are served. Most of the programs use some sort of objective tool to measure the effectiveness of the program.

Schwartz noted that 2014 wasn't that much higher from 2013. She noted the revenues aren't 13 months, and it seemed that expenses were matched with revenue. She wanted to know that would work in terms of providing services for 13 months. Tracy said it does reflect 13 months and they are getting less money for both MHB and DDB.

Alix noted they are showing an increase in property tax revenue, but the expenditure totals are the same as the revenue totals. The revenue is received once so would expect to see decrease in fund balance to account for 13 months of services with only 12 months of income. Busey asked if the granting agencies were paid monthly. Tracy said mostly every month. Alix noted the need for determining accurately that budgets are properly accounting for timing of revenue and expenses in 12 months of income/13 months of expenses scenario. Busey confirmed there are 13 months of personnel expenses in the MHB budget.

Maxwell stated that both of these boards have their own tax levy, own appointed boards, set their budgets, the County Board adopts them, but how much say in process does the County Board have. Busey noted the Board extends the levy and approves it, they have to approve the budget presented by those boards because it is part of overall Champaign County budget, and the County Board also appoints the MHB and DDB boards.

Employment is going to be a huge focus this year for the Developmental Disabilities Board (DDB), moving away from sheltered workshops and towards competitive employment. Contracts are organized to address changes in laws as they come up. The other major area of emphasis is on self-determination and person centered planning, with funding following individuals instead of programs.

Concerning delinquency prevention, they are in the process of creating an assessment center, but it is not finalized. They will be reviewing a proposal from RPC.

Access Initiative is in the 5th year and ends after the 6th year. The major focus is going to be how to sustain the changes already made in the community. Health Care and Family Services (HCFS) is interested in doing a pilot project in four counties, showing interest in Access. Everything they want to do is what Access already does. This could be a way to sustain the project.

Tracy stated they manage the money for the drug court fund; most is contracted with Prairie Center who has an administrative team that sets criteria for how money can be used. Kibler asked what causes sudden drop off in the drug court program grant and what makes Tracy's team responsible for that budget. Tracy said most is associated with fees assessed from traffic fines. There is also the federal grant, which is going away, most of which was used to pay for a drug court coordinator. Other than working with Prairie Center and responding to questions, they don't have much to do with it. Most is done with Judge Ford's team. Kibler suggested highlighting in the budget the drop in federal funding.

Schwartz noted that there are matching requirements and asked what Access Initiative is obligated to match in the next few years. Tracy submitted a match plan as part of year 5 budget that was submitted to the State. The major components are \$1.2 million in contracts that support Access; \$750,000 goes to PLL, and \$500,000 in various contracts that support other programs tied to Access Initiative. There are also indirect matches approved for use with a number of contracts as part of WRAP process. Schwartz asked how much is the County obligated to pay for match and does it come from general corporate or mental health. Tracy said from the MHB, about \$1.2 million in direct contracts and \$800,000 in ancillary contracts. Schwartz stated that the levy is not going to change, but the matching will probably increase and asked if funds need to be diverted from the tax. Tracy said they are at the high point in match and it will actually go down.

Michaels asked how many employees are at access initiative. Tracy said all but one are employees of contract organizations. Michaels asked when looking at social and justice services for youth, are they looking to combine or move into different collaboration. Tracy said yes, the high fidelity wrap-around and PLL. What is likely to happen is they will use money put into a number of programs and plan for some level of wrap-around. He also felt the opportunity with HCFS would allow continuation and/or expansion of wrap-around.

Kibler asked if they are dropping 30% for Access Initiative, is the idea to pay less per program or have fewer contracts. Tracy thought there would just be less money and it's going to be a painful process.

Petrie asked if other programs don't come along to fill gaps, what amount of money is necessary when Access Initiative ends. Tracy said they won't sustain them at the current level; at \$1.3 million they will figure out how to reprogram and redirect. Petrie said instead of adding up what is overhead it would be nice to have a summary of what percentage goes to overhead. Tracy said 8.2%.

Kurtz thanked Tracy and moved to Children's Advocacy Center.

Children's Advocacy Center

Adelaide Aime noted that it looks as if revenue will be flat and expenses about the same. She reminded that they are totally grant funded. She commented they would be the recipient of some of the UofI Penn State settlement money, but didn't have enough information to include it in the budget. Kurtz asked what the amount from UofI is. Aime answered \$44,586. Kurtz asked when the money is expected. Aime said it was received last Friday. Alix asked Busey how that would that be accounted for; if it would be in FY2013 or FY2014. Busey answered they are waiting to determine if the revenue is only receded and the board doesn't plan to spend in this year's budget.

James asked what happened to Mr. Williams. Aime said he is working in Probation & Court Services, but he left a phenomenal program.

Kurtz thanked Aime and moved to Animal Control.

Animal Control Funds

Stephanie Joos said not much has changed for upcoming fiscal year. There will be an increase in revenue for pet registration, due to an increase in fees effective January 1, 2014. They register 11-12,000 dogs and about 5,000 cats per year. This is the second year they have divided the administrative part from the animal control and animal impound services. It is working very well and they can now see the true cost of each individual part of animal control, allowing them to charge the villages and cities accordingly. The contract with city of Champaign for animal control services was renewed and will renew the impound agreements for the city of Champaign and the city of Urbana in 2014. The animal impound services are about the same as every year. There was a decrease of about 100 dogs and 100 cats, and felt the aggressive spay and neutering program was helping them to have less animals come in. There is a small increase in professional services; they pay vets to issue tags at \$.50/tag and there has been an increase in the number of tags issued. The only other increase would be gasoline.

Schwartz commented that impound seems to be at 12 months as the amount is identical to FY13, and wanted to know if this is a typo. Busey said it will be looked at.

Kurtz thanked Joos and moved to highway.

Highway Funds

Busey noted there are two replacement pages for highway.

Jeff Blue said there are four budgets; county highway fund, county bridge fund, motor fuel tax fund, and the federal aid matching tax fund. There is a reduced staff in maintenance but others remained same. They are nowhere near the maximum rate on assessed valuation on any of the funds. All money is filtered through the highway department for township road districts. Programs are set up, administered and designed through Highway for the townships. The townships seem to be keeping up with bridges despite inadequate funds. The County has over 1,500 miles of township roads, one of largest in the state.

Berkson noted that Champaign and Urbana townships have gone down in value for four consecutive years and wanted to know why. Alix said it is because more and more have been annexed into the city. Blue said the document they receive from the clerk's office is used when townships ask for help on bridge projects; they have to make sure valuation is low enough that they can help them and the project has to be larger than .02% of valuation or county cannot help.

The county highway fund is the operational fund, which pays for personnel, lights, capital equipment needs, etc. and shows slight increase in proposed taxes; \$2.142 million in 2014. One of the largest other miscellaneous revenues is material and equipment, transferred from the MFT fund to rent equipment. They have some general corporate money to pay salary and benefits for a mechanic who takes care of general corporate vehicles.

Alix asked for clarification that there are 19 authorized maintenance work positions but only nine are filled. Blue said 11 are authorized, only nine are filled and it will remain at that number.

Personnel is about 2/3 of budget at \$1.7 million. There is a large increase for gas & oil. They have been doing a lot of seal coats and maintenance, which puts trucks on the road more often. Services are computers, gas, electric, water, etc. The biggest service is heavy equipment maintenance even though it's done in-house. 2013 was a bad year for capital equipment: three dumps trucks were taken out of service, a new one is coming, and they are looking at purchasing a used one for first time. They plan to purchase another truck next year. The expenditure totals are higher than revenue. The per capita is flat since 2010. They are doing well on performance indicators. Costs, based on design, are in good shape due to estimating efforts. The big roadway project this year was a cold in-place recycling with a thin asphalt layer over top. They are replacing a number of signs and are in the middle of a new sign management program, where they will have database with all signs showing age, reflectivity number, location, etc. The 2014 budget for sealcoat and patch is not quite as high as 2013. There were a few years they couldn't find the materials and have been making up for lost time. He said the PCI should be at 70 and are doing well.

Kibler asked how long a resurface lasts. Blue answered 14 years. Kibler asked if there was a way of measuring. Blue said they started measuring in 2008.

Schroeder asked to discuss the \$9 million balance they had in the MFT fund and asked if some money was for upkeep and maintenance from when feds gave up roads. Blue said they received the money in 2003 and it was spent. 80% of the money was spent when the road was rebuilt. Some was used to build the highway building. Schroeder asked about fringe road agreements and wanted to know how many more years are they paying for Curtis Road. Blue said one more payment of about \$650,000. Schroeder asked if there were any more. Blue said the Lincoln Avenue project in the future and noted that Olympian is a no-cost road for the county. Schroeder stated that the 3-year budget for bridges and culverts has three large projects. Blue ex-

plained where those three bridges are. Schroeder said he is concerned about some highways north of Sadoras and north of the Kaskaskia bridge that are in bad shape. Blue said that is fill issue, not bridge issue.

Petrie asked if the PCI had statistics on how well striping stays. Blue said they are not monitoring striping through PCI at this point. It depends on how much snow, salt, and scraping is done as to how long the striping lasts. Typically, striping is needed every other year. Petrie asked if new traffic signs have larger letters. Blue said no but the signs are much brighter. Petrie asked if the county had a contract rate for gas. Blue said no and they don't have a bulk fuel tank anymore. Petrie asked why. Blue said there was no significant saving and a tank has a huge environmental impact.

Berkson asked how cost and safety effective the reflectors put on striping are. Blue said they have on them Monticello road and are thinking about putting on Dewey Fisher, but doesn't know how long they last. They will use them with outside help but won't spend local dollars on them.

Blue moved to the County bridge fund. Property tax is up based on PTEL formula. A township bridge is about \$250,000 for the County; the County bridges are \$6-700,000 to replace. Alix asked the reason for the big increase in construction costs. Blue said material prices, fuel and labor costs all went up. County bridges are built better than they used to be and must be inspected every two or four years.

Blue said the County MFT fund is received on a monthly basis, so budget shows 13-month MFT receipt. There is miscellaneous revenue with money left in the building fund, which will be transferred back to MFT fund in 2014. The large engineering services are anticipated services for the Lincoln Avenue project. Road and bridge maintenance will be doing a lot of seal coat and crack sealing to keep ahead of deterioration. Right-of-way is a large number in 2014 due to anticipated purchases needed for the Dewey-Fisher road from St. Thomas Moore to 136. That project will most likely getting pushed to 2015. In 2014, they will do the road from Thomasboro to the Dewey-Fisher road, and Hensley Road from I-57 and Market Street to the Dewey-Fisher road. The total price tag for these is \$9 million, with money coming in from Highway Safety Improvement, TART money, and Federal dollars, but the MFT will be down to \$2 million.

Petrie asked if they should be expanding engineering services internally. Blue says he would rather hit peaks with outside resources than hire and lay off people. Basic road projects are in-house.

Harper asked if the downgrade with the MFT was why the road and bridge maintenance has dropped \$170,000. Blue said this year was a catch-up on seal coats because they had access to the materials again, but next year will be more typical.

Blue referenced the pavement mgt study on page 123. County Road 22 was done this year. County Road 23 will be done after Dewey-Fisher. Most orange roads are on the radar. They are doing the preventative maintenance more frequently than in the past. Page 130 shows 75.6% of the roads deteriorated, only 2.5% had no change, and about 22% showed improvement. The roads will show deterioration in the system if they change by one point out of 100.

Blue referred to a memo in the back of the report regarding federal aid matching funds, which is money used to match federal aid projects on the County highway system. Page 133 shows the high in federal aid matching tax was \$465,000-\$250,000 levied for that fund in any given year. That was cut in half in 1999, and in 2002 the levy was appropriated by the County Board to the public health initiatives. Since then it has been .002% levy. Blue would like to get money back into the fund to start building it back up. There are large federal dollars available and he doesn't want to lose the ability to get them because the County doesn't have matching funds. Federal dollar match is a minimum of 20% of local dollars. Blue is asking for \$75,000 at rate

of .0022% be put into the 2014 budget, and that it be allowed to grow with the calculations in the PTEL formula. Blue said he realizes there is no money.

Alix asked for confirmation that they can use MFT money to match federal dollars, but can use federal aid matching funds only for federal dollars. Blue confirmed.

Petrie asked for historic perspective as to why that decision was made. Blue deferred to Busey. Busey said she does not remember the reason for the decrease in 1999. The levy was cut to the bare minimum by the Board in November 2001 when they approved the 2002 budget. In November 2000, when the Republican Party was going out, one of the last actions they took was to cap the levy for public health at 3%. In November 2002, the democratic County Board took the money from the federal aid highway match levy and appropriated it for the use of public health.

Petrie asked why put Dewey-Fisher before some of the roads in red. Blue said it comes down to safety and Dewey-Fisher is on the IDOT top 5% list, which led to federal money. They need to weigh the amount of traffic on the roads also.

Petrie asked what steps need to be taken to move the levy up. Blue deferred to Busey, who said the only way is to take levy authority from another levy over which the Board has responsibility.

Kibler asked what was a good position to be in to obtain the maximum dollar amount available. Blue said at \$14 million per year over 8 years, \$400,000 is needed in match. He said that is not going to happen, but would like to start it growing again.

Alix stated that traffic counts are much higher on CR1 than they are north of 136. He stated that CR1 should be done as soon as possible because of the substantial amount of right-of-way acquisition, and with the appreciation in land prices, it will cost more in five years than now. He said sooner is better than later.

Kurtz thanked Blue and moved to Champaign County Board of Health.

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.