

# Champaign County FY2010 BUDGET

## DEBT MANAGEMENT & CAPITAL PROJECTS FUNDS SECTION



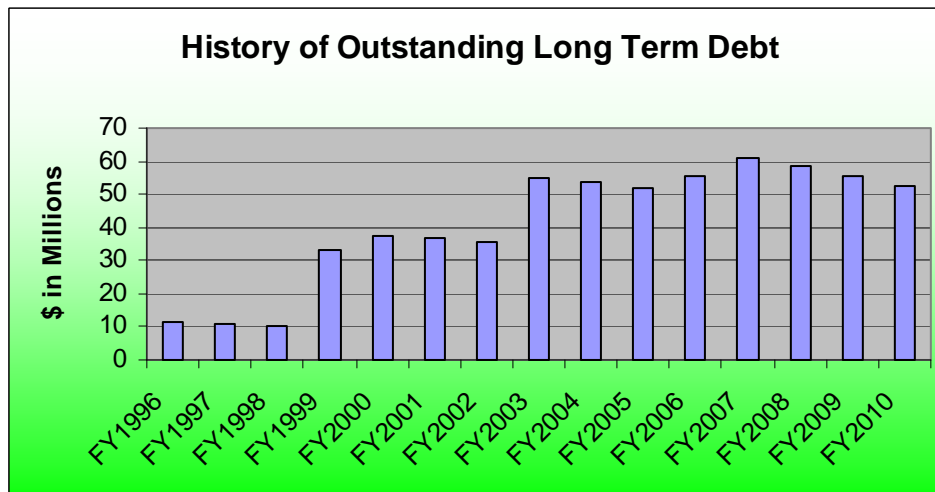
## DEBT MANAGEMENT

### Introduction

The County has issued debt over the last decade primarily for the rebuilding of its facility infrastructure. Issuance of debt is managed in compliance with the County's Debt Management Policy as documented in the Financial Policies section of this document.

### Debt Rating

The last bond issuance by the County Board was approved in October 2007. For both issues, the County maintained its Aa2 bond rating with Moody's Investor Services.



### Outstanding Debt

- \$10 million in 1995, for the construction of a satellite jail facility and remodeling of the downtown correctional center – The principal amount outstanding as of November 30, 2010 will be \$0.
  - \$4.78 million in 2004 refunding the 1995 bond issue – The principal amount outstanding as of November 30, 2010 will be \$0.
  
- \$23.8 million in 1999, for the construction and remodeling of the Champaign County Court Facility and for the construction of the Juvenile Detention Center – The principal amount outstanding as of November 30, 2010 will be \$4,850,000.
  - \$18.44 million in 2005 refunding the 1999 bond issue – The principal amount outstanding as of November 30, 2010 will be \$17,655,000.

## *Debt Management*

- \$5 million in 2000, for the additional funding for the construction and remodeling of the Champaign County Court Facility – The principal amount outstanding as of November 30, 2010 will be \$2,841,757.
  - \$1.5 million in 2004 refunding the 2000 bond issue – The principal amount outstanding as of November 30, 2010 will be \$1,405,000.
  
- \$19.9 million in 2003, for the construction of a new Champaign County Nursing Home – The principal amount outstanding as of November 30, 2010 will be \$6,265,000.
  - \$7.43 million in 2005 refunding the 2003 bond issue – The principal amount outstanding as of November 30, 2010 will be \$7,300,000.
  
- \$2.45 million in 2006, for the repayment to IMRF of an Early Retirement Incentive (ERI) obligation the County incurred in 2004 – The principal amount outstanding as of November 30, 2010 will be \$1,505,000.
  
- \$4 million in 2006, for the additional costs required to complete the new Champaign County Nursing Home construction project – the principal amount outstanding as of November 30, 2010 will be \$3,560,000.
  
- \$5.955 million in 2007, for the Courthouse Exterior Renovation and Clock and Bell Tower Restoration project – The principal amount outstanding as of November 30, 2010 will be \$5,545,000.
  
- \$1.48 million in 2007, for the General Corporate Fund and Highway Fund contribution to the Highway Fleet Maintenance Facility construction project – the principal amount outstanding as of November 30, 2010 will be \$1,195,000.

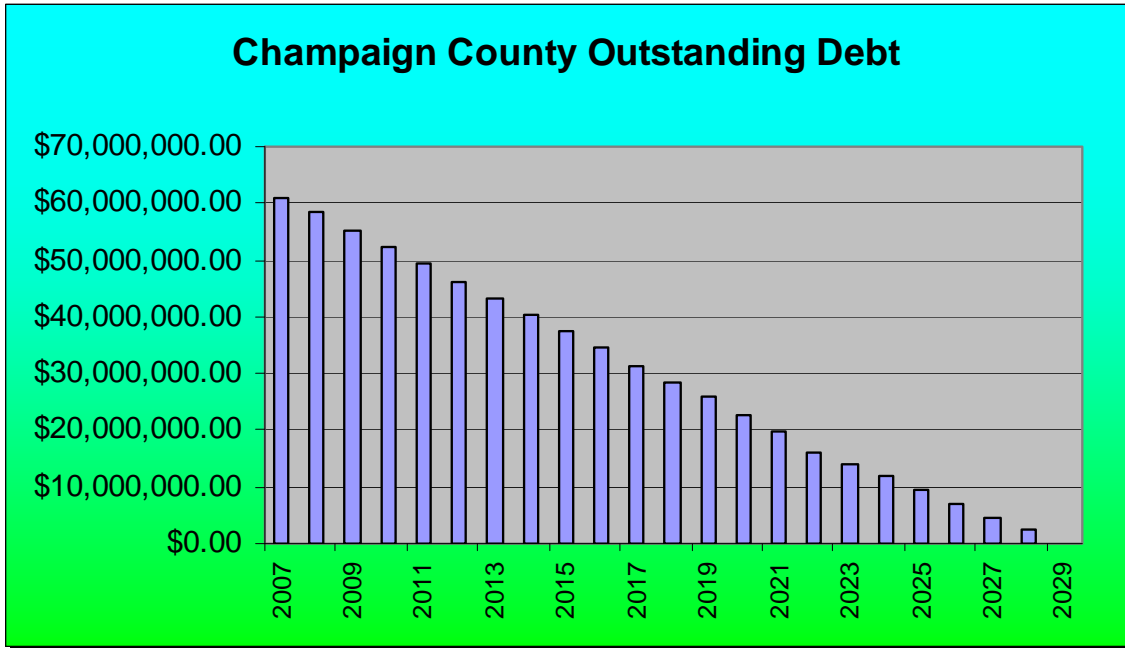
The County issued all of the above debt as general obligation bonds to achieve the lowest possible interest rates. However, with the exception of the \$19.9 million and subsequent refunding Nursing Home bond issues, all of the debt is repaid with dedicated revenues rather than property taxes. The bonds for the Jail, Courthouse and Juvenile Detention Center projects are being repaid with the County's ¼% Public Safety Sales Tax. The \$4 million bond issue for the additional costs for the completion of the Champaign County Nursing Home is repaid with the County's 1% county-wide sales tax within the General Corporate Fund, and both the \$2.4 million pension funding (ERI) obligation and \$1.5 million highway facility project funding are also backed by the County's general sales tax revenues.

The \$19.9 million and subsequent refunding issue for the Champaign County Nursing Home is paid with property tax, pursuant to referendum approved by the voters of Champaign County in November 2002.

## *Debt Management*

### **Debt Financing Plans**

At this time, the County does not have any plans for issuance of additional debt before FY2012. The following graph shows the County's current outstanding debt through the end of its term.



### **Intergovernmental Loans**

In 1995 a loan from the Regional Planning Commission to the County in the amount of \$1,050,000 for the purpose of buying and remodeling the Brookens Administrative Building was made. The loan is to be repaid over 20 years at 0% interest from June 1996 through June 2016, with annual payments of \$52,500. The loan is repaid out of the County's General Corporate Fund, and the balance outstanding on November 30, 2010 will be \$286,562.

### **Capital Leases**

The County does not currently have any capital lease obligations.

### **Debt Limitations**

Pursuant to 55 ILCS 5/5-1012, the County's debt limit is 5.75% of Assessed Valuation. The 2009 gross equalized assessed valuation for Champaign County is estimated to be \$3,597,912,930. By the statutory definition, the County's debt limit is \$206,879,993. The expected debt applicable to the debt limit at the end of FY2010 is:

*Debt Management*

General Obligation Bonds	\$52,121,757
Intergovernmental Loans	\$ 286,562
Capital Leases	\$ 0
<b><i>Total Outstanding Debt</i></b>	<b><i>\$52,408,319</i></b>

The legal debt margin is \$154,471,674 as of November 30, 2010.

*Jail Bond Debt Service Fund*

**JAIL BOND DEBT SERVICE FUND – 071-010**

This budget is for the repayment of \$10,000,000 in general obligation bonds issued in FY1995 for the purpose of financing the construction of a Satellite Jail and remodeling of Champaign County Correctional Center.

**FINANCIAL**

<u>Fund 071 Dept 010</u>	<u>2008</u> <u>Actual</u>	<u>2009</u> <u>Original</u>	<u>2009</u> <u>Projected</u>	<u>2010</u> <u>Budget</u>
MISCELLANEOUS	\$158	\$200	\$500	\$500
INTERFUND REVENUE	\$1,014,813	\$1,015,625	\$1,003,938	\$863,688
<b>REVENUE TOTALS</b>	<b>\$1,014,971</b>	<b>\$1,015,825</b>	<b>\$1,004,438</b>	<b>\$864,188</b>
DEBT	\$1,015,298	\$1,015,625	\$1,016,111	\$863,688
<b>EXPENDITURE TOTALS</b>	<b>\$1,015,298</b>	<b>\$1,015,625</b>	<b>\$1,016,111</b>	<b>\$863,688</b>

**FUND BALANCE**

<u>2008</u> <u>Actual</u>	<u>2009</u> <u>Projected</u>	<u>2010</u> <u>Budgeted</u>
\$7,288	-\$4,385	-\$3,885

**DEBT SERVICE SCHEDULE**

**ANALYSIS**

The County sold \$10,000,000 in General Obligation Bonds in June 1995. Pursuant to a voter approved referenda in November 1994, the debt was to be repaid from property taxes over a fifteen- year period.

In 2004, the County approved the advance refunding of \$4,780,000 of bonds due 2005 through 2010 to achieve savings from lower interest rates.

In 1998, the voters of Champaign County approved a referendum creating the ¼% Special Occupation Retailer’s Tax for Public Safety, and the County Board committed to repayment of the remaining jail bonds from the proceeds of that tax beginning with FY2000. Therefore, the County Board has abated the property tax each year since 2000, and transfers monies from the Pubic Safety Sales Tax Fund to pay this debt service.

*Jail Bond Debt Service Fund*

Debt service expenditures include principal and interest for the remaining outstanding bonds which were issued in 2004. The remaining debt service schedule is as follows:

<b>Bond Issue 2005B - Refunding 1995 Jail Construction Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$850,000	2.750%	\$11,688	\$861,688

*Nursing Home Debt Service Fund*

***NURSING HOME DEBT SERVICE FUND – 074-010***

This budget is for the repayment of \$19,925,000 in general obligation bonds issued in FY2003 for the purpose of financing the replacement of the current Champaign County Nursing Home.

***FINANCIAL***

<u>Fund 074 Dept 010</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>	<u>2010</u>
	<u>Actual</u>	<u>Original</u>	<u>Projected</u>	<u>Budget</u>
PROPERTY TAXES	\$1,594,493	\$1,594,722	\$1,594,722	\$1,593,047
MISCELLANEOUS	\$50,310	\$45,000	\$18,437	\$20,000
<b>REVENUE TOTALS</b>	<b>\$1,644,803</b>	<b>\$1,639,722</b>	<b>\$1,613,159</b>	<b>\$1,613,047</b>
DEBT	\$1,585,915	\$1,579,940	\$1,579,940	\$1,580,884
<b>EXPENDITURE TOTALS</b>	<b>\$1,585,915</b>	<b>\$1,579,940</b>	<b>\$1,579,940</b>	<b>\$1,580,884</b>

***FUND BALANCE***

<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Actual</u>	<u>Projected</u>	<u>Budgeted</u>
\$1,539,135	\$1,672,345	\$1,704,508

***DEBT SERVICE SCHEDULE***

**ANALYSIS**

The County sold \$19,925,000 in General Obligation Bonds in February 2003. Pursuant to a voter approved referenda in November 2002, the debt will be repaid from property taxes over a twenty- year period.

In 2005, the County approved the advance refunding of \$7,425,000 of bonds due 2013 through 2019 to achieve savings from lower interest rates.

Debt service expenditures include principal and interest for the 2008 payment of both issues. The debt service schedules for both bonds are as follows:

*Nursing Home Debt Service Fund*

<b>Bond Issue 2003 - Nursing Home Construction Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$905,000	3.500%	\$297,721	\$1,202,721
2011	\$935,000	3.750%	\$264,353	\$1,199,353
2012	\$975,000	3.875%	\$227,931	\$1,202,931
2013	\$0	4.800%	\$209,040	\$209,040
2014	\$0	4.800%	\$209,040	\$209,040
2015	\$0	4.800%	\$209,040	\$209,040
2016	\$0	4.800%	\$209,040	\$209,040
2017	\$0	4.800%	\$209,040	\$209,040
2018	\$0	4.800%	\$209,040	\$209,040
2019	\$0	4.800%	\$209,040	\$209,040
2020	\$1,385,000	4.800%	\$175,800	\$1,560,800
2021	\$1,450,000	4.800%	\$107,760	\$1,557,760
2022	\$1,520,000	4.800%	\$36,480	\$1,556,480
<b>TOTAL</b>	<b>\$7,170,000</b>		<b>\$2,573,324</b>	<b>\$9,743,324</b>

<b>Bond Issue 2005A - Refunding 2003 Nursing Home Construction Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$0	5.153%	\$376,163	\$376,163
2011	\$0	5.153%	\$376,163	\$376,163
2012	\$0	5.153%	\$376,163	\$376,163
2013	\$900,000	5.000%	\$353,663	\$1,253,663
2014	\$935,000	5.000%	\$307,788	\$1,242,788
2015	\$1,000,000	5.000%	\$259,413	\$1,259,413
2016	\$1,030,000	5.250%	\$207,375	\$1,237,375
2017	\$1,085,000	5.250%	\$151,856	\$1,236,856
2018	\$1,145,000	5.250%	\$93,319	\$1,238,319
2019	\$1,205,000	5.250%	\$31,631	\$1,236,631
<b>TOTALS</b>	<b>\$7,300,000</b>		<b>\$2,533,532</b>	<b>\$9,833,532</b>

*Highway Facility Debt Service Fund*

***HIGHWAY FACILITY DEBT SERVICE FUND – 350-010***

This budget is for the repayment of \$1,480,000 in general obligation bonds (alternate revenue source) issued in FY2007 for the purpose of financing a portion of the Highway Facility constructed in 2007/2008.

***FINANCIAL***

<u>Fund 350 Dept 010</u>	<u>2008 Actual</u>	<u>2009 Original</u>	<u>2009 Projected</u>	<u>2010 Budget</u>
MISCELLANEOUS	\$592	\$500	\$500	\$500
INTERFUND REVENUE	\$213,384	\$201,906	\$202,351	\$200,789
<b>REVENUE TOTALS</b>	<b>\$213,976</b>	<b>\$202,406</b>	<b>\$202,851</b>	<b>\$201,289</b>
DEBT	\$42,428	\$201,925	\$201,925	\$200,869
<b>EXPENDITURE TOTALS</b>	<b>\$42,428</b>	<b>\$201,925</b>	<b>\$201,925</b>	<b>\$200,869</b>

***FUND BALANCE***

<u>2008 Actual</u>	<u>2009 Projected</u>	<u>2010 Budgeted</u>
\$171,559	\$172,485	\$172,905

***DEBT SERVICE SCHEDULE***

**ANALYSIS**

The County sold \$1,480,000 in General Obligation Bonds (Alternate Revenue Source) in October 2007. \$780,000 of this issue is to be repaid by the Highway Fund for a portion of its financial obligation to the new Highway Fleet Maintenance Facility, and \$700,000 of this issue is to be repaid by the General Corporate Fund for the space dedicated to maintenance of the fleet of vehicles owned by General Corporate Fund departments.

*Highway Facility Debt Service Fund*

<b>Bond Issue 2007B - Highway Facility Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$145,000	4.25%	\$53,869	\$198,869
2011	\$150,000	4.25%	\$47,600	\$197,600
2012	\$155,000	4.25%	\$41,119	\$196,119
2013	\$165,000	4.25%	\$34,319	\$199,319
2014	\$170,000	4.25%	\$27,200	\$197,200
2015	\$175,000	4.25%	\$19,869	\$194,869
2016	\$185,000	4.25%	\$12,219	\$197,219
2017	\$195,000	4.25%	\$4,144	\$199,144
<b>TOTAL</b>	<b>\$1,340,000</b>		<b>\$240,338</b>	<b>\$1,580,338</b>

*General Corporate Fund Debt Service*

**GENERAL CORPORATE FUND DEBT SERVICE – 080-013**

This budget is for the repayment of two different bond issues.

The first is \$4,000,000 in general obligation bonds (general sales tax alternate revenue source) issued in FY2006 for the purpose of financing additional costs of the Nursing Home Construction Project. The alternate revenue source for repayment is the County’s 1% sales tax.

The second is \$700,000 in general obligation bonds (general sales tax alternate revenue source) issued in FY2007 for the purpose of financing a portion of the County Highway Fleet Maintenance Facility which is to be used for service for the fleet of vehicles owned by the General Corporate Fund. The alternate revenue source for repayment is the County ¼% sales tax.

**FINANCIAL**

<u>Fund 080 Dept 013</u>	<u>2008</u> <u>Actual</u>	<u>2009</u> <u>Original</u>	<u>2009</u> <u>Projected</u>	<u>2010</u> <u>Budget</u>
FEDERAL, STATE & LOCAL SHARED REVENUE	\$109,335	\$405,847	\$407,419	\$405,344
INTERFUND REVENUE	\$299,893	\$304,893	\$0	\$308,706
<b>REVENUE TOTALS</b>	<b>\$409,228</b>	<b>\$710,740</b>	<b>\$407,419</b>	<b>\$714,050</b>
INTERFUND EXPENDITURE	\$100,925	\$95,472	\$95,517	\$94,968
DEBT	\$306,306	\$304,893	\$304,893	\$310,706
<b>EXPENDITURE TOTALS</b>	<b>\$407,231</b>	<b>\$400,365</b>	<b>\$400,410</b>	<b>\$405,674</b>

**DEBT SERVICE SCHEDULE**

Maturity - January 1	Principal Amount	Interest Rate	FY Interest	Total - Principal + Interest
2010	\$155,000	4.125%	\$153,706	\$308,706
2011	\$160,000	4.125%	\$147,209	\$307,209
2012	\$165,000	4.125%	\$140,506	\$305,506
2013	\$170,000	4.125%	\$133,596	\$303,596
2014	\$180,000	4.125%	\$126,378	\$306,378
2015	\$185,000	5.500%	\$117,578	\$302,578
2016	\$195,000	5.500%	\$107,128	\$302,128
2017	\$210,000	3.950%	\$97,618	\$307,618
2018	\$215,000	3.950%	\$89,224	\$304,224
2019	\$225,000	4.000%	\$80,478	\$305,478
2020	\$235,000	4.000%	\$71,278	\$306,278
2021	\$245,000	4.050%	\$61,616	\$306,616

*General Corporate Fund Debt Service*

2022	\$255,000	4.100%	\$51,428	\$306,428
2023	\$265,000	4.125%	\$40,734	\$305,734
2024	\$275,000	4.125%	\$29,597	\$304,597
2025	\$285,000	4.125%	\$18,047	\$303,047
2026	\$295,000	4.125%	\$6,084	\$301,084
<b>TOTAL</b>	<b>\$3,715,000</b>		<b>\$1,472,201</b>	<b>\$5,187,201</b>

<b>Bond Issue 2007B - Highway Facility Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$145,000	4.25%	\$53,869	\$198,869
2011	\$150,000	4.25%	\$47,600	\$197,600
2012	\$155,000	4.25%	\$41,119	\$196,119
2013	\$165,000	4.25%	\$34,319	\$199,319
2014	\$170,000	4.25%	\$27,200	\$197,200
2015	\$175,000	4.25%	\$19,869	\$194,869
2016	\$185,000	4.25%	\$12,219	\$197,219
2017	\$195,000	4.25%	\$4,144	\$199,144
<b>TOTAL</b>	<b>\$1,340,000</b>		<b>\$240,338</b>	<b>\$1,580,338</b>

*\*Only 47% of the 2007B bond issue debt service is paid out of this budget. The remaining 53% is paid from the County Highway Fund.*

*ERI Debt Service*

***ERI DEBT SERVICE – 088-013***

This budget is for the repayment of \$2,450,000 in bonds issued in 2006 to repay an IMRF Early Retirement Incentive debt. The bonds were issued at a lower interest rate than if the County had structured the repayment of the debt with IMRF.

***FINANCIAL***

<u>Fund 088 Dept 013</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>	<u>2010</u>
	<u>Actual</u>	<u>Original</u>	<u>Projected</u>	<u>Budget</u>
PROPERTY TAXES	\$273,105	\$272,250	\$272,250	\$274,613
FEES AND FINES	\$150,118	\$149,942	\$150,119	\$151,244
<b>REVENUE TOTALS</b>	<b>\$423,223</b>	<b>\$422,192</b>	<b>\$422,369</b>	<b>\$425,857</b>
DEBT	\$415,604	\$416,940	\$415,604	\$416,023
<b>EXPENDITURE TOTALS</b>	<b>\$415,604</b>	<b>\$416,940</b>	<b>\$415,604</b>	<b>\$416,023</b>

***DEBT SERVICE SCHEDULE***

<b>Bond Issue 2006 - IMRF Early Retirement Incentive Debt</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$330,000	4.950%	\$84,023	\$414,023
2011	\$350,000	4.960%	\$67,176	\$417,176
2012	\$365,000	5.030%	\$49,316	\$414,316
2013	\$385,000	5.006%	\$30,396	\$415,396
2014	\$405,000	5.100%	\$10,328	\$415,328
<b>TOTAL</b>	<b>\$1,835,000</b>		<b>\$241,237</b>	<b>\$2,076,237</b>

*Public Safety Sales Tax – Debt Service*

***PUBLIC SAFETY SALES TAX FUND – DEBT SERVICE – 106-013***

The sales tax revenue required to be set aside for repayment of the \$28,797,290 in bonds issued for the construction/remodeling of the Courthouse and construction of the Juvenile Detention Center, and the \$5,955,000 in bonds issued for the Courthouse exterior masonry renovation and Clock and Bell Tower restoration projects are deposited in this budget. The corresponding annual bond payments are budgeted as expenditure in this budget.

***FINANCIAL***

<u>Fund 106 Dept 013</u>	<u>2008</u> <u>Actual</u>	<u>2009</u> <u>Original</u>	<u>2009</u> <u>Projected</u>	<u>2010</u> <u>Budget</u>
PROPERTY TAXES	\$2,343,870	\$2,404,386	\$2,404,386	\$2,552,783
<b>REVENUE TOTALS</b>	<b>\$2,343,870</b>	<b>\$2,404,386</b>	<b>\$2,404,386</b>	<b>\$2,552,783</b>
DEBT	\$1,934,962	\$2,293,815	\$2,293,815	\$2,389,339
<b>EXPENDITURE TOTALS</b>	<b>\$1,934,962</b>	<b>\$2,293,815</b>	<b>\$2,293,815</b>	<b>\$2,389,339</b>

***DEBT SERVICE SCHEDULE***

**ANALYSIS**

The County sold \$23,800,000 in General Obligation Bonds in June 1999 for the purpose of constructing a new Juvenile Detention Center, and for the construction of an addition and remodeling of the Champaign County Courthouse. The issued bonds were General Obligation – Public Safety Sales Tax Alternate Revenue Source Bonds.

The County sold additional bonds for the Courthouse construction/renovation project in February 2000 - \$1,370,000 General Obligation – Public Safety Sales Tax Alternate Revenue Source Bonds Issue 2000A; and \$3,627,290.25 General Obligation – Public Safety Sales Tax Alternate Revenue Source Bonds Issue 2000B (Capital Appreciation Bonds).

In 2004, the County approved the advance refunding of \$1,520,000 of the 2000 bonds due 2007 to 2012 to achieve savings from lower interest rates.

In 2005, the County approved the advance refunding of \$18,440,000 of the 1999 bonds due 2010 to 2029 to achieve savings from lower interest rates.

In 2007, the County sold additional bonds - \$5,955,000 General Obligation – Public Safety Sales Tax Alternate Revenue Source Bonds Issue 2007A - for the exterior renovation of the original Courthouse, and for the restoration of the Courthouse Clock and Bell Tower.

Public Safety Sales Tax – Debt Service

Debt service expenditures include principal and interest for the 2010 payment of the six bond issues. The debt service schedules for the bonds are as follows:

<b>Bond Issue 1999 - Courthouse and Juvenile Detention Center Facility Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$0	8.25%	\$400,125	\$400,125
2011	\$0	8.25%	\$400,125	\$400,125
2012	\$0	8.25%	\$400,125	\$400,125
2013	\$0	8.25%	\$400,125	\$400,125
2014	\$0	8.25%	\$400,125	\$400,125
2015	\$0	8.25%	\$400,125	\$400,125
2016	\$0	8.25%	\$400,125	\$400,125
2017	\$0	8.25%	\$400,125	\$400,125
2018	\$0	8.25%	\$400,125	\$400,125
2019	\$0	8.25%	\$400,125	\$400,125
2020	\$1,015,000	8.25%	\$358,256	\$1,373,256
2021	\$1,140,000	8.25%	\$269,363	\$1,409,363
2022	\$1,275,000	8.25%	\$169,744	\$1,444,744
2023	\$1,420,000	8.25%	\$58,575	\$1,478,575
<b>TOTAL</b>	<b>\$4,850,000</b>		<b>\$4,857,188</b>	<b>\$9,707,188</b>

<b>Bond Issue 2000 - Courthouse Facility Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$150,558	5.600%	\$109,442	\$260,000
2011	<i>Refunded with 2004B</i>			
2012	<i>Refunded with 2004B</i>			
2013	\$470,415	7.125%	\$689,585	\$1,160,000
2014	\$463,323	7.000%	\$741,678	\$1,205,000
2015	\$519,962	5.950%	\$725,038	\$1,245,000
2016	\$490,492	6.000%	\$764,508	\$1,255,000
2017	\$465,860	6.050%	\$809,141	\$1,275,000
2018	\$431,707	6.100%	\$833,293	\$1,265,000
<b>TOTAL</b>	<b>\$2,992,315</b>		<b>\$4,672,685</b>	<b>\$7,665,000</b>

*Public Safety Sales Tax – Debt Service*

<b>Bond Issue 2004B - Refunding 2000 Courthouse Facility Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$20,000	2.750%	\$47,575	\$67,575
2011	\$310,000	3.650%	\$42,128	\$352,128
2012	\$1,095,000	3.375%	\$18,478	\$1,113,478
<b>TOTAL</b>	<b>\$1,425,000</b>		<b>\$108,181</b>	<b>\$1,533,181</b>

<b>Bond Issue 2005B - Refunding 1999 Courthouse &amp; JDC Facility Bonds</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$375,000	3.750%	\$826,997	\$1,201,997
2011	\$450,000	3.700%	\$811,644	\$1,261,644
2012	\$485,000	3.750%	\$794,225	\$1,279,225
2013	\$535,000	3.750%	\$775,100	\$1,310,100
2014	\$595,000	3.875%	\$753,541	\$1,348,541
2015	\$650,000	4.000%	\$729,013	\$1,379,013
2016	\$715,000	4.250%	\$700,819	\$1,415,819
2017	\$785,000	5.250%	\$665,019	\$1,450,019
2018	\$865,000	5.250%	\$621,706	\$1,486,706
2019	\$950,000	5.250%	\$574,033	\$1,524,033
2020	\$0	4.724%	\$549,125	\$549,125
2021	\$0	4.724%	\$549,125	\$549,125
2022	\$0	4.724%	\$549,125	\$549,125
2023	\$0	4.724%	\$549,125	\$549,125
2024	\$1,605,000	5.000%	\$509,000	\$2,114,000
2025	\$1,730,000	5.000%	\$425,625	\$2,155,625
2026	\$1,865,000	5.000%	\$335,750	\$2,200,750
2027	\$2,005,000	5.950%	\$244,013	\$2,249,013
2028	\$2,140,000	4.500%	\$150,750	\$2,290,750
2029	\$2,280,000	4.500%	\$51,300	\$2,331,300
<b>TOTAL</b>	<b>\$18,030,000</b>		<b>\$11,165,033</b>	<b>\$29,195,033</b>

*Public Safety Sales Tax – Debt Service*

<b>Bond Issue 2007A - Courthouse Exterior Renovation &amp; Clock Tower Restoration</b>				
<b>Maturity - January 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>FY Interest</b>	<b>Total - Principal + Interest</b>
2010	\$210,000	5.000%	\$244,639	\$454,639
2011	\$220,000	5.000%	\$233,889	\$453,889
2012	\$230,000	5.000%	\$222,639	\$452,639
2013	\$245,000	5.000%	\$210,764	\$455,764
2014	\$255,000	5.000%	\$198,264	\$453,264
2015	\$270,000	5.000%	\$185,139	\$455,139
2016	\$285,000	5.000%	\$171,264	\$456,264
2017	\$300,000	5.000%	\$156,639	\$456,639
2018	\$310,000	3.800%	\$143,249	\$453,249
2019	\$325,000	3.875%	\$131,062	\$456,062
2020	\$335,000	3.900%	\$118,233	\$453,233
2021	\$350,000	3.950%	\$104,788	\$454,788
2022	\$365,000	4.000%	\$90,575	\$455,575
2023	\$380,000	4.000%	\$75,675	\$455,675
2024	\$395,000	4.000%	\$60,175	\$455,175
2025	\$410,000	4.050%	\$43,973	\$453,973
2026	\$425,000	4.100%	\$26,958	\$451,958
2027	\$445,000	4.100%	\$9,123	\$454,123
<b>TOTAL</b>	<b>\$5,755,000</b>		<b>\$2,427,043</b>	<b>\$8,182,043</b>

## **CAPITAL PURCHASES PROJECTS**

### **Summary**

The County FY2010 budget includes eighteen funds with Capital Equipment/Replacement or Improvement Projects/Purchases. One fund is specific to building projects within the County – the Courts Complex Construction Fund.

The General Corporate Fund includes some capital purchases – usually for squad cars for the Sheriff's Office, or specific capital building projects which were not budgeted through pre-planning in the Capital Equipment Replacement/Facilities Improvement Fund. In FY2010, the total capital purchase of \$6,590 out of the General Corporate Fund are for the State's Attorney Support Enforcement Department and the Coroner's Office, both funded through state grants or contracts..

The County Highway, County Bridge, and County Motor Fuel Tax Funds all pay for capital projects throughout the year. Additionally, there are numerous other Special Revenue Funds, and the Nursing Home Enterprise Fund which budget for capital purchases as well as operating expenses.

The Capital Asset Replacement Fund was established in 2000 to accumulate resources for the planned replacement of capital equipment for General Corporate Fund departments. In FY2005, the County Board expanded this fund to also include planned replacement of facility systems and major facility maintenance requirements. The County makes a large transfer from the General Corporate Fund to the Capital Asset Replacement Fund each year based on the amortized annual requirements for the items included in this Fund. The County also transfers from the Public Safety Sales Tax Fund and other appropriate funds to cover relevant expenses from the Capital Asset Replacement Fund. This Fund includes five year projections for all technology and equipment items, and ten-year projections for facility maintenance/improvement items. The County Board adopted a freeze on General Corporate Fund capital expenditures in FY2009, in an attempt to balance recurring revenues and expenditures, and in an attempt to replenish the General Corporate Fund balance. With the FY2010 budget, full funding for the amortized cost of technology and equipment is re-established, while funding for the facility maintenance/improvement requirements are not yet fully funded, because of the budget cuts required to balance the FY2010 General Corporate Fund budget.

### **Impact of Capital Expenditures on the Operating Budget**

#### ***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 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 \$210,000 annually for the purchase of new squad cars.

## *Capital Purchases Projects*

This enables the Sheriff to turn over his entire fleet every three years. However, the County has cut the Sheriff's squad car budget in four of the last seven fiscal years in order to accommodate revenue shortfalls. Currently, the FY2010 budget is presented with the Sheriff's squad car budget cut to \$0 instead of the \$210,000 budget goal. The Sheriff anticipates difficulty in future management of the fleet if the spending authority for vehicle purchases cannot be at least partially restored in FY2011. The County Board has adopted replacing at least \$100,000 of this funding in 2011 as one of the top priorities for budget growth, if revenues begin to improve.

The expansion of the County's facilities infrastructure from 1996-2008 has placed increased demand on the maintenance and physical plant operations. In 1995 the County's total facility square footage was 395,599 square feet for six buildings. By 2003, this square footage had increased by 52% to 599,533 square feet for ten buildings. The maintenance staff of the Physical Plant was increased with the FY2007 budget for the first time since 1995 with the addition of two maintenance workers – required because of the substantial increase in the County's facilities. The FY2008 budget also included the addition of two part-time custodian positions (one full-time-equivalent) to manage custodial services at the new Highway Fleet Maintenance Facility, and the new lease of space at the old Champaign County Nursing Home facility.

The County Board entered into a lease agreement with Illinois Law Enforcement Alarm Systems (ILEAS) whereby ILEAS leases the majority of space at 1701 East Main (the Champaign County Nursing Home facility that was vacated in February 2007 when the Nursing Home moved into its new facility). Pursuant to the lease, a substantial remodeling/renovation project was completed in the spring of 2008 at the facility. The total capital project budget for this remodeling/renovation was \$2,830,000.

It is a long-term goal of the County Board to implement a Capital Improvement Plan, documenting long term needs– both funded and unfunded – of the County's facilities infrastructure, including an assessment of the operational requirements created by each project.

### **Capital Purchases Projects Funds**

This section describes the source for each fund which includes capital projects/purchases in the FY2009 budget, and the amount of the FY2009 capital 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 Policy requires all purchases with an initial cost of \$1,000 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.

## *Capital Purchases Projects*

### **Capital Projects Funds**

***Courts Complex Construction Fund*** – Created to account for the construction of a new court facility and the remodeling of the old courthouse, financed through alternative revenue source bonds issued in 1999, 2000, and 2007, backed by a ¼% public safety sales tax approved by voters in November 1998. The FY2010 budget for capital is \$392,000.

### **General Fund -**

***General Corporate Fund*** – Principal operating fund of the County finances most 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 FY2010 budget for capital is \$6,590.

### **Special Revenue Funds -**

***Animal Control Fund*** – Fund created through fees collected for registration of dogs and cats, and fees for services provided to the municipalities within the County for animal control and animal impound services. The FY2010 budget for capital is \$30,000.

***Capital Asset Replacement Fund*** – Fund created through monies transferred from the General Corporate Fund, Public Safety Sales Tax Fund, and other special revenue funds to reserve for the current and future replacement of technology, equipment and facilities. The FY2010 budget for capital is \$455,449.

***Child Support Service Fund*** – Fund created through the collection of a fee assessed to the payors of child support. The FY2010 budget for capital is \$50,000.

***County Clerk Automation Fund*** – Fee for automating the County Clerk's vital records storage system. The FY2010 budget for capital is \$15,000.

***County Bridge Fund*** – Property tax for building and maintaining county bridges. The FY2010 budget for capital is \$900,000.

***County Highway Fund*** – Property tax for building and maintaining county highways. The FY2010 budget for capital is \$177,000.

***County Motor Fuel Tax Fund*** – State shared revenue from motor fuel taxes for construction and maintenance of county highways. The FY2010 budget for capital is \$6,185,000.

***County Treasurer Automation Fund*** – Fee generated on parcels sold at the annual tax sale, and on non-homeowner requests for duplicate bills. The FY2010 budget for capital is \$5,000.

## *Capital Purchases Projects*

***Court Document Storage Fund*** – Fee to defray the cost of establishing and maintaining a document storage system for county court records, administered by the Circuit Clerk. The FY2010 budget for capital is \$20,000.

***GIS*** – Fund created through a fee collected by the County Recorder for the County Board to create and maintain a county-wide map through a geographic information system. The FY2010 budget for capital is \$2,500.

***GIS Consortium Fund*** – Intergovernmental joint venture, funded through membership fees and services fees. The FY2010 budget for capital is \$7,500.

***Head Start Fund*** – Federally funded education and development program for low-income pre-school children and their families. The FY2010 budget for capital is \$319,000.

***Jail Commissary Fund*** – The Jail Commissary Fund is comprised of revenue from detainee utilization of the commissary, donations and gifts, and investment interest earnings to be used to provide detainees with items that are not supplied by the Jail. The FY2010 budget for capital is \$12,000.

***Mental Health Fund*** - Property tax to provide funding to mental health agencies. The FY2010 budget for capital is \$5,000.

***Recorder Automation Fund*** – Fee for automating records in the Recorder’s Office. The FY2010 budget for capital is \$55,000.

***Regional Planning Commission*** – 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. The FY2010 budget for capital purchases is \$271,000.

### **SUMMARY**

The total of all capital purchases budgeted in the FY2010 Champaign County Budget is \$8,908,039 – 8% of the total FY2010 budget.

*Nursing Home Construction Fund*

***NURSING HOME CONSTRUCTION FUND – 070-010***

This Fund was created in 2003 as the capital projects fund for the construction of a new Champaign County Nursing Home to replace the existing facility.

***FINANCIAL***

<u>Fund 070 Dept 010</u>	<u>2008 Actual</u>	<u>2009 Original</u>	<u>2009 Projected</u>	<u>2010 Budget</u>
MISCELLANEOUS	\$16,910	\$12,565	\$226,200	\$0
<b>REVENUE TOTALS</b>	<b>\$16,910</b>	<b>\$12,565</b>	<b>\$226,200</b>	<b>\$0</b>
COMMODITIES	\$1,103	\$0	\$0	\$0
SERVICES	\$196,615	\$89,499	\$390,000	\$0
CAPITAL	\$16,136	\$0	\$0	\$0
INTERFUND EXPENDITURE	\$299,893	\$304,893	\$0	\$0
DEBT	\$34,281	\$0	\$0	\$0
<b>EXPENDITURE TOTALS</b>	<b>\$548,028</b>	<b>\$394,392</b>	<b>\$390,000</b>	<b>\$0</b>

***FUND BALANCE***

<u>2008 Actual</u>	<u>2009 Projected</u>	<u>2010 Budgeted</u>
\$232,934	\$69,134	\$69,134

***ANALYSIS***

This fund was established to construct a new Champaign County Nursing Home facility.

The construction project was completed in December 2006. The FY2007, FY2008 and FY2009 budgets appropriate carry-over expenses, including payment to attorneys and professionals in connection with pending litigation the County has initiated against the architect/engineer and prime contractor for construction project errors and omissions arising out of this project. The transfers to the General Corporate Fund in FY2008 and FY2009 are to cover the debt service for an additional \$4 million bond issue that was required for this construction project, over the initial \$20 million bond issue.

*Nursing Home Construction Fund*

At the end of FY2009, litigation with the contractor remains pending. It is anticipated the fund will be closed upon the final outcome of that litigation.

*Courts Construction Fund*

**COURTS CONSTRUCTION FUND – 303-010**

This Fund was created in 1999 as the capital projects fund for the construction and remodeling of the Champaign County Courthouse and Courthouse Addition.

**FINANCIAL**

<u>Fund 303 Dept 010</u>	<u>2008 Actual</u>	<u>2009 Original</u>	<u>2009 Projected</u>	<u>2010 Budget</u>
MISCELLANEOUS	\$215,956	\$125,000	\$160,346	\$192,000
<b>REVENUE TOTALS</b>	<b>\$215,956</b>	<b>\$125,000</b>	<b>\$160,346</b>	<b>\$192,000</b>
COMMODITIES	\$1,320	\$0	\$519	\$0
SERVICES	\$301,451	\$224,450	\$137,541	\$0
CAPITAL	\$3,043,825	\$4,435,545	\$3,878,607	\$392,000
<b>EXPENDITURE TOTALS</b>	<b>\$3,346,596</b>	<b>\$4,659,995</b>	<b>\$4,016,667</b>	<b>\$392,000</b>

**FUND BALANCE**

<u>2008 Actual</u>	<u>2009 Projected</u>	<u>2010 Budgeted</u>
\$4,363,145	\$506,824	\$306,824

**ANALYSIS**

This fund was established to construct an addition to the Champaign County Courthouse and remodel the existing 100-year old Courthouse. Construction of the addition began in 1999 and was completed in 2001. The remodeling of the Courthouse began in 2001 and was completed in 2003.

In FY2007, the County Board approved a budget for an exterior renovation project of the 100-year old Courthouse, and an initiative to refurbish the Courthouse Clock and Bell Tower which is funded through private donations made to the Citizens Committee to Restore the Courthouse Clock and Bell Tower. The FY2007 Budget reflects the receipt of a \$6 million bond issue executed by the County Board in October 2007, to cover the costs of the completion of the exterior renovation.

The total project budget for the Exterior Renovation/Clock and Bell Tower Restoration Project is \$6,922,371. This budget is and has been spent over a three year period – encompassing fiscal years 2007-2009.

*Courts Construction Fund*

The appropriation in the FY2010 expenditure budget is the anticipated reserve funds still available in the Courts Construction Fund for ongoing repairs and maintenance that may be required for the building complex. The revenue in the FY2010 Gifts and Donations Line for this fund reflects continuing efforts by the Citizens Committee for the Restoration of the Clock and Bell Tower to raise the balance of private donations to cover the \$1.15 million expenditure for the Clock and Bell Tower restoration portion of the exterior renovation project.

*Highway Facility Construction Fund*

**HIGHWAY FACILITY CONSTRUCTION FUND – 304**

This Fund was created in 2006 as the capital projects fund for the construction of a new Champaign County Highway Fleet Maintenance and Office Facility.

**FINANCIAL**

<u>Fund 304 Summary</u>	<u>2008 Actual</u>	<u>2009 Original</u>	<u>2009 Projected</u>	<u>2010 Budget</u>
MISCELLANEOUS	\$100,536	\$300	\$5,000	\$0
INTERFUND REVENUE	\$645,000	\$0	\$417,349	\$0
<b>REVENUE TOTALS</b>	<b>\$745,536</b>	<b>\$300</b>	<b>\$422,349</b>	<b>\$0</b>
COMMODITIES	\$74,433	\$0	\$0	\$0
SERVICES	\$103,639	\$0	\$16,989	\$0
CAPITAL	\$1,706,903	\$250,000	\$185,601	\$0
<b>EXPENDITURE TOTALS</b>	<b>\$1,884,975</b>	<b>\$250,000</b>	<b>\$202,590</b>	<b>\$0</b>

**FUND BALANCE**

<u>2008 Actual</u>	<u>2009 Projected</u>	<u>2010 Budgeted</u>
-\$43,318	\$176,441	\$176,441

**ANALYSIS**

This fund was established to construct a new Champaign County Highway Fleet Maintenance and Office Facility. The primary revenue source is from funds in the Champaign County Motor Fuel Tax Fund in the amount of \$5,362,181; approximately \$1,000,000 in funds from the Champaign County Highway Fund; and \$1,480,000 in bond proceeds from a 2007 bond issue. The total project cost is anticipated at \$7,767,512. The General Corporate Fund will repay \$700,000 of the 2007 bond issue for the portion of the Champaign County Highway Maintenance Facility which will be used to maintain the fleet of vehicles owned by the General Corporate Fund. The balance of the bond issue will be repaid by the Champaign County Highway Fund for the office portion of the facility.

The facility was completed in June 2008, when the Highway Department moved in to the new facility. It is anticipated this construction fund will be fully closed out in FY2010, as all work associated with the project should be completed by the end of FY2009.

*Highway Facility Construction Fund*

<b><i>HIGHWAY FACILITY CONSTRUCTION FUND – 304-010</i></b>
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This Fund was created in 2006 as the capital projects fund for the construction of a new Champaign County Highway Maintenance and Office Facility. The portion of the fund budget reflected in the 304-010 budget is for construction of the portion of the facility that will be used for office space for the Highway Department, and fleet maintenance of General Corporate Fund vehicles – with revenue from the County Highway Fund and General Corporate Fund. The project was completed in 2008, with minimal final expenditures appropriated in FY2009. There is no future revenue or expenditure from this budget anticipated in FY2010.

<b><i>FINANCIAL</i></b>
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<u>Fund 304 Dept 010</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>	<u>2010</u>
	<u>Actual</u>	<u>Original</u>	<u>Projected</u>	<u>Budget</u>
MISCELLANEOUS	\$96,991	\$0	\$0	\$0
INTERFUND REVENUE	\$270,000	\$0	\$0	\$0
<b>REVENUE TOTALS</b>	<b>\$366,991</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
COMMODITIES	\$74,433	\$0	\$0	\$0
SERVICES	\$68,465	\$0	\$0	\$0
CAPITAL	\$758,271	\$0	\$23,227	\$0
<b>EXPENDITURE TOTALS</b>	<b>\$901,169</b>	<b>\$0</b>	<b>\$23,227</b>	<b>\$0</b>

Highway Facility Construction Fund

**HIGHWAY FACILITY CONSTRUCTION FUND – 304-061**

This Fund was created in 2006 as the capital projects fund for the construction of a new Champaign County Highway Maintenance and Office Facility. The portion of the fund 304-061 budget is for construction of County Highway fleet maintenance facility space, to be paid for from the County Motor Fuel Tax Fund. The facility was completed in 2008, with final payments related to the project made in 2009. It is anticipated there will be no additional expenditure or revenue for this budget in FY2010.

**FINANCIAL**

<b><u>Fund 304 Dept 061</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
	<b><u>Actual</u></b>	<b><u>Original</u></b>	<b><u>Projected</u></b>	<b><u>Budget</u></b>
MISCELLANEOUS	\$3,545	\$300	\$5,000	\$0
INTERFUND REVENUE	\$375,000	\$0	\$417,349	\$0
<b>REVENUE TOTALS</b>	<b>\$378,545</b>	<b>\$300</b>	<b>\$422,349</b>	<b>\$0</b>
SERVICES	\$35,174	\$0	\$16,989	\$0
CAPITAL	\$948,632	\$250,000	\$162,374	\$0
<b>EXPENDITURE TOTALS</b>	<b>\$983,806</b>	<b>\$250,000</b>	<b>\$179,363</b>	<b>\$0</b>