

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE

Thursday, May 8, 2008

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

7:00 p.m.

MEMBERS PRESENT: Doenitz, Gross, Jones, McGinty (Chair), Nudo, O'Connor, Richards, Weibel, Wysocki

MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Buffenbarger (Nursing Home Administrator), Deb Busey (County Administrator of Finance & HR Management), Tony Fabri (Auditor), Susan McGrath (Senior Assistant State's Attorney), Steve Moser (County Board member), Jenny Putman (County Board Member), Tiffany Talbott (Recording Secretary), Dan Welch (Treasurer), Belden Fields, Mike Lehman, Stuart Levy, Tara McCauley, Joyce Phares, Richard Reynolds

CALL TO ORDER

McGinty called the meeting to order at 7:00 p.m.

ROLL CALL

The Recording Secretary called the roll. Doenitz, Gross, Jones, McGinty, Nudo, O'Connor, Richards, Weibel, and Wysocki were present at the time of roll call.

APPROVAL OF AGENDA/ADDENDUM

MOTION by Doenitz to approve the agenda and addendum; seconded by O'Connor.

McGinty requested all items pertaining to the Nursing Home be moved to after public participation. The committee concurred.

Motion carried.

APPROVAL OF MINUTES

MOTION by Wysocki to approve the Finance Committee regular session minutes of April 10, 2008; seconded by Richards. **Motion carried.**

PUBLIC PARTICIPATION

McGinty stated public participation would be conducted first, then Buffenbarger will present a financial report on the Nursing Home, then the Treasurer would have comments on the Nursing Home's finances and what it means to the General Corporate Fund and the rest of the County, afterwards the committee will discuss the rest of the agenda. McGinty wanted to clarify that the County Board understands no one wants to sell or close the Nursing Home. He considers there to be a three-pronged approach to addressing the problems at the

Nursing Home. The first is to address all the current shortfalls at the Nursing Home. The next steps could be to put a referendum on the November ballot to ask for a tax increase to support the continued operations of the Nursing Home or looking for a buyer of the business in case the County Board is unable to turn it around. McGinty thought the County Board would be irresponsible as stewards of public money if they did not look at all of these options at the same time. He questioned what would happen if the County Board made all the changes it could to the Nursing Home and the Home still runs a deficit. The County Board could ask the public for more money in November, but a plan is needed if the referendum fails. No one wants to see the County sacrifice all the services it provides because one enterprise fails. The County Board would be shortsighted if they did not look at all of the options first and at the same time. The Nursing Home is losing money every month and the County Board needs to be responsible about it. Just because the County Board considers the option of selling the Nursing Home does not mean it will be sold. McGinty would like to fix the current operation and wanted to make it clear that the County Board was only considering the other options because it has to. If the Nursing Home is not fixed, it could break the County.

Mike Lehman introduced himself as the coordinator of the Living Wage campaign that was completed about 7 or 8 years ago. Most of those employees who benefited from the Living Wage campaign were employees at the Nursing Home. He stated a lot of people were concerned about the Living Wage, but it was not a large amount of money. Lehman said the Nursing Home referendum did not ask for an adequate amount and a referendum on the November ballot would simply be doing what the County Board should have done in the first place. He said the voters would support it. Lehman stated another thing that occurred was the retirement funds were shifted from the General Fund to the Nursing Home itself and no other County employees are in this position. He thinks the Nursing Home is an essential service of the County and suggested the County Board go back to the voters and ask for their help or there will be a political price to pay. Lehman asked how the Nursing Home could keep going when 27 employees had been laid off.

Tara McCauley, the AFSCME representative for the Nursing Home employees, said AFSCME has a lot of concerns, including the layoffs. She asked how the services will continue to be provided at the same level. She said AFSCME is concerned about the employees' stress at work and workloads. She said AFSCME is also concerned about the Nursing Home residents and how having stressed out and overworked employees would affect the level of care provided to the residents. McCauley encouraged the County Board to think about other ways to save money because AFSCME thinks the layoffs were the wrong way to go about it. The union recognizes there is a problem and are trying to brainstorm to come up with ideas to address the problem. She thinks the Nursing Home Board of Directors has not had enough time to work on internal control. The union thinks the County needs to increase the Nursing Home's funding because the state cut funding. She urged the County Board to seriously consider asking the voters to support the Nursing Home with more funding.

Belden Fields stated his mother lived the last three years of her life in the Nursing Home and he was very impressed with level of care that she received. He is familiar with a number of nursing homes in the area and has not seen anything comparable. He stated the discussion of selling the Nursing Home is premature. The voters made it clear they wanted the Nursing Home to be public and that they do not mind paying for it. He would work to get another referendum passed to support the Nursing Home and did not think it would be difficult to get people to vote for another referendum to increase taxes for the Nursing Home. On one hand, he can understand the point that if there is a possibility the County cannot sustain the Nursing Home, and then one has to consider other options. However, he knows people with family in the Nursing Home and they are very nervous about the publicity that has been given to the Nursing Home. He stated it would have been better if the understanding would have been reached with County Board members more quietly than it was. He hoped the layoffs would be temporary in order to continue to deliver the same level of services as before. He also hoped it is not an end run to contracting out the services. He felt there is an enormous amount of devotion to this institution and it means a lot to the people with family at the Nursing Home to keep it as a public institution. He had urged that the amount requested in 2002 be enough to give the Nursing Home a cushion, but this was

decided against. He felt this was a mistake and hoped the County Board will go to the public to ask them for more money.

Richard Reynolds said discussion on selling the Nursing Home is premature because the voters made it clear they want the Nursing Home to be a public home and they do not mind paying for it. He does not think the Nursing Home is to a point where it is unsalvageable, but the answer so far seems to have been to throw money at it. He thought the layoffs were not necessary. Reynolds stated he feels the real problem at the Nursing Home is the management because if the Nursing Home was run properly it would not be discussed at tonight's meeting. He claimed Buffenbarger admitted at a previous meeting that he has not been billing for diabetic supplies or oxygen checks. Billing for these items would add up to a significant amount of money. He questioned what other supplies and services have not been billed for at the Nursing Home and said this money has been given away. He did not feel Buffenbarger had the right to give away those supplies and services. Reynolds stated the biggest financial drain at the Nursing Home is not the employees, it is the temporary employees. He claimed the regular employees are being denied shifts they want to cover because they are told contract people are being called in instead. He does not believe the claims that there is a nursing shortage and asked why Champaign County seems to be the only county in the state that claims to have this problem. Reynolds suggested giving the regular employees a wage increase of 25% to recruit more employees and eliminate contract employees.

Joyce Phares asked for her typed comments to be read by someone else because she had a cold. Her comments as read stated that she does not have any direct experience with the Nursing Home, but she was impressed with the facility's staff and cleanliness when she toured the facility last fall when looking for a facility from her husband. They opted to go with the Adult Day Care Program and could speak well if it. She would not be at all opposed to additional tax to help out the current Nursing Home situation. She opposed selling the Home, particularly during a depressed market. She encouraged the County Board to have some innovative ideas to save the Nursing Home.

Stuart Levy spoke about the state's cut in Medicaid payments being comparable to the shortfall with the Nursing Home and it is unfair of the state to fail to fund its obligations. He said it was reasonable to put a question on ballot to levy a tax to cover the Nursing Home's shortfall.

BUDGET AMENDMENTS/TRANSFERS

Budget Amendment #08-00043

MOTION by Jones to recommend to the County Board approval of Budget Amendment #08-00043 from Fund 080 General Corporate – Department 042 Coroner for increased appropriations of \$1,513 for the Medical/Dental/Mental Health line with increased revenue of \$1,513 from the Court Fees and Charges line; seconded by Doenitz. **Motion carried.**

Budget Amendment #08-00046

MOTION by Doenitz to recommend to the County Board approval of Budget Amendment #08-00046 from Fund 080 General Corporate – Department 140 Correctional Center for increased appropriations of \$1,591 for the Waste Disposal & Recycling line with increased revenue of \$1,591 from the Other Miscellaneous Revenue line; seconded by Jones. **Motion carried.**

Budget Amendment #08-00047, Budget Amendment #08-00049, Budget Amendment #08-00050, Budget Amendment #08-00051, Budget Amendment #08-00052, Budget Amendment #08-00053, Budget Amendment #08-00054, Budget Amendment #08-00055, Budget Amendment #08-00056, and Budget Amendment #08-00057

MOTION by Wysocki to recommend to the County Board approval of

Budget Amendment #08-00047 from Fund 075 Regional Planning Commission – Department 817 Housing Advocacy-Even Year for increased appropriations of \$9,300 for the Regular Full-Time Employees line, \$100 for the Postage, UPS, Federal Express, \$100 for the Gasoline & Oil line, \$500 for the Job-Required Travel Expense line with increased revenue of \$10,000 from the DCFS-Housing Advocacy Grant line;

Budget Amendment #08-00049 from Fund 075 Regional Planning Commission – Department 640 Homeless Prevention-Even Year for increased appropriations of \$5,000 for the Regular Full-Time Employees and the \$40,000 for the Emergency Shelter/Utilities with increased revenue of \$45,000 from the IDHS-Homeless Prevention line;

Budget Amendment #08-00050 from Fund 075 Regional Planning Commission – Department 682 Economic Development District-Even Year for increased appropriations of \$25,000 for the Regular Full-Time Employees line with no increased revenue;

Budget Amendment #08-00051 from Fund 075 Regional Planning Commission – Department 689 Piatt County GIS Special Project for increased appropriations of \$8,000 for the Regular Full-Time Employees line and \$1,000 for the Temporary Salaries & Wages line with increased revenue of \$6,500 from the Piatt County line;

Budget Amendment #08-00052 from Fund 075 Regional Planning Commission – Department 709 Tenant Based Rental Assistance for increased appropriations of \$35,000 for the Emergency Shelter/Utilities line with increased revenue of \$35,000 from the HUD-H.O.M.E. Investment Partnership line;

Budget Amendment #08-00053 from Fund 075 Regional Planning Commission – Department 710 Ameren Customer Rate Relief for increased appropriations of \$15,250 for the Regular Full-Time Employees line and \$400,000 for the Energy Assistance line with increased revenue of \$415,250 from the Technical Service Contract line;

Budget Amendment #08-00054 from Fund 075 Regional Planning Commission – Department 893 Senior Repair Program-Odd Years for increased appropriations of \$6,950 for the Regular Full-Time Employees line with no increased revenue;

Budget Amendment #08-00055 from Fund 075 Regional Planning Commission – Department 897 Senior Services Case Management for increased appropriations of \$54,500 for the Regular Full-Time Employees line with increased revenue of \$50,000 from the Champaign County Public Health Board line;

Budget Amendment #08-00056 from Fund 075 Regional Planning Commission – Department 719 Travel Demand Model Development for increased appropriations of \$68,000 for the Regular Full-Time Employees line, \$5,000 for the Temporary Salaries & Wages line, \$2,500 for the Stationary & Printing line, \$1,500 for the Office Supplies line, \$500 for the Books, Periodicals, & Manuals line, \$500 for the Copier Supplies line, \$500 for the Postage, UPS, Fed Express line, \$500 for the Gasoline & Oil line, \$3,000 for the Equipment Less Than \$1,000 line, \$2,000 for the Job-Required Travel Expense line, \$1,500 for the Operational Supplies line, \$500 for the Computer Services line, \$250 for the Telephone Service line, \$250 for the Equipment Maintenance line, \$2,000 for the Legal Notices, Advertising line, and \$1,500 for the Photocopy Services line with increased revenue of \$90,000 from the University of Illinois line; and

Budget Amendment #08-00057 from Fund 075 Regional Planning Commission – Department 718 Safe Routes to School Program for increased appropriations of \$3,000 for the Regular Full-Time Employees line, \$5,000 for the Stationary & Printing line, \$250 for the Office Supplies line, \$200 for the Books, Periodicals, & Manuals line, \$250 for the Postage, UPS, Fed Express line, \$250 for the Gasoline & Oil line, \$1,000 for the Operational Supplies line, \$7,500 for the Professional Services line, \$300 for the Job-Required Travel Expense line, \$250 for the Computer Services line, \$1,500 for the Other Service by Contract line, \$5,000 for the Legal Notices, Advertising line, and \$1,000 for the Photocopy Services line with increased revenue of \$25,500 from the DOT-FHWA-Highway Planning line. Motion seconded by Jones.

Wysocki asked for more information about the planning grant in Budget Amendment #08-00056.

Busey did not have any more information other than what is in the description. It is state funding that just came up and know one from the Regional Planning Commission was present to answer.

Motion carried.

Budget Amendment #08-00048

MOTION by Gross to recommend to the County Board approval of Budget Amendment #08-00048 from Fund 080 General Corporate – Department 071 Public Properties for increased appropriations of \$557,000 for the 1701 Main Building Construction/Improvement line with no increased revenue; seconded by Richards.
Motion carried.

COUNTY ADMINISTRATOR

FY2008 Budget

General Corporate Fund FY2008 Revenue/Expenditure Projection Report

Busey distributed her reports to the committee. The report is some good news. The State of Illinois sent four payments through for salary reimbursement in the month of April. Busey believed the County might be able to anticipate receiving salary reimbursement as budgeted from the State. This is significant because salary reimbursement has been lacking and showing as a negative line item. The real estate transactions have slowed down and are shown in the Non-Business Licenses and Permits line. Sales taxes are stable and the quarter cent is a little over 3% ahead of where it was last year. The one cent is over 9% ahead of last year at this point in time. Income tax is meeting expectations. The other sales tax revenues are close to the budgeted figures. General Government Revenues, which is fees and fines, rebounded a little. Busey pointed out the \$300,000 in the Interfund Transfer line anticipates the committee will approve a resolution listed later on the agenda in regard to transferring funds from the Nursing Home Construction Fund to the General Corporate Fund to pay the Nursing Home's bond payment. If the committee does not approve the transfer, then the General Corporate Fund is \$300,000 worse than it looks now. The bottom line is 100% of revenue is projected to be received; about \$165,000 more than budgeted. On the expenditure side, Personnel expenditures are projected to come in a little under what is budgeted at 98%, which is typical. Under Commodities, the almost \$300,000 not spent on Purchase Document Stamps corresponds to the lack of revenue from real estate transactions. The utilities, Gas and Electric Service, continue to look close to \$400,000 under-budgeted which means this will be an additional expense this year. Busey added the over \$500,000 for ILEAS that the committee just added to re-encumber the budget. This an expenditure that was budgeted for last year and the revenue has been received, but is only now being spent this year. Under transfers, Busey anticipated not transferring \$203,829 to the Capital Improvement Fund for reserves for future replacement items. This was discussed last month. Busey has reviewed this with all of the department heads. The end result is spending a projected \$260,000 more than what is currently budgeted in the General Corporate Fund this year. This is basically 101% of the budget.

Busey projected the General Corporate Fund would have a negative year in the amount of \$317,118. The outstanding loans to the Nursing Home total \$714,000. This puts the FY2008 ending fund balance at \$2,254,382 or 6.65%. This is slightly better than last month because the revenues improved. Busey also provided details of the impact on the General Corporate Fund if another \$460,000 loan to the Nursing Home is approved. It would draw the projected General Corporate ending fund balance down to only \$1,794,382 or 5.25%. If the General Corporate Fund had never provided grants or loans to the Nursing Home, then the General Corporate Fund's FY2008 projected ending balance would be \$4,552,976 or 13.33%.

Jones inquired about the deferment of the Capital Improvement Fund transfer. Busey explained this concerned technology and items budgeted for facilities. Jones noted the budget condition is comparable to last month, but it has not worsened. Busey said money was added today and it is better than last month. The budget process resolution for 2009 is on the agenda for consideration.

Wysocki asked how Busey was going to work on the 2009 budget given the state of flux. Busey said that is mostly Buffenbarger's problem. She thought they would wait as long as they could on the budget for 2009. Something will need to be presented at the end of August.

General Corporate Fund Budget Change Report

Busey provided the report on changes to the budget to date.

Resolution Authorizing Expenditure from the Champaign County Nursing Home Construction Fund

Busey said this was firstly to authorize a transfer to the General Corporate Fund to pay the bond obligation for FY2008 and secondly to recommend that all remaining monies in the Nursing Home Construction Fund be frozen with the exception of paying expenses for attorneys.

MOTION by Jones to approve Resolution Authorizing Expenditure from the Champaign County Nursing Home Construction Fund; seconded by Gross.

McGinty stated Jones presented this as a concept. It has been discussed with the County Facilities Committee Chair, Steve Beckett, and he is fine with it. McGinty would rather have a pad in that fund for expenses. If the County is going to end up with more legal fees than what is in the fund then the County is going to have to pay for them out of the General Corporate Fund. Doenitz asked what the balance in the Nursing Home Construction Fund is. Busey answered it is \$684,000. McGinty added that Buffenbarger had spoken to Beckett and him about changes at the Nursing Home these funds could be used for and their answer was to not spend the money on those things now. Weibel stated the County is scheduled to arbitrate with Otto Baum in December of this year and Farnsworth would be later. Jones stated two years the County Board issued the extra \$4 million bonds and those bonds require a payment of \$300,000 this year. The General Corporate Fund needs the money now, hopefully by next year the County may have some settlement money.

Motion carried.

Report of Meetings with Department Heads Regarding FY2008 Budget Conservation Measures

Busey told the committee she did meet with every elected official and department head and all of them were helpful and understanding. They have agreed to not do the transfer for future replacement items. Great consideration will be given for operating issues and for good ideas for dealing with General Corporate Fund issues in the budget.

FY2008 GFOA Distinguished Budget Presentation Award and Reviewer Comments

Busey has learned that the County budget document received the GFOA Distinguished Budget Presentation Award and provided the comments from the three GFOA budget reviewers. She stated it helps when one knows what they are looking for. Champaign County is one of only four counties to win this year. Champaign County also received the GFOA award last year.

FY2009 Budget

General Corporate Fund Five Year Projection Report

Busey distributed early projections in a five-year projection report. The figures include the estimated budgets for FY2008 and FY2009. The FY2009 estimates are based on relatively conservative projections and looking at historical trends. The bottom line is a \$32 million budget which is a decrease because \$2 million in one-time money was received in FY2008. Busey went over the expenditure projections carefully, including

salaries and an aggressive allowance for health insurance. The Contractual has an increase over this year; the main things included in the contractual report are what the County may owe Carle Hospital in tax liability. Busey recommended appropriating the \$248,170, which is the amount the General Corporate Fund, is potentially liable to Carle, in the Contingent Line and using this money to replenish the General Corporate Fund balance if it does not have to be rebated. The last page included strategies for the budget, reducing expenditures, reviewing capital purchases, and requesting spending reduction proposals from departments. Busey did not think they would get the last item from departments unless it was requested. On the issue of increasing revenue, Busey has received the fee information from departments who have fees. The County will have to look at a reallocation of property tax revenues. There is willingness among department heads who have special revenue funds to look at cost sharing.

Nudo asked if the Personnel increase of \$1.4 million was in salary increases. Busey said it includes payroll and health insurance.

ADDENDUM

Closed Session Pursuant to 5 ILCS 120/2 (c) 2 to Consider Salary Schedules for One or More Classes of Employees

MOTION by Weibel to enter into closed session pursuant to 5 ILCS 120/2 (c) 2 to consider salary schedules for one or more classes of employees; seconded by Wysocki. Roll was called. **Motion carried with vote of 9 to 0.** Doenitz, Gross, Jones, McGinty, Nudo, O'Connor, Richards, Weibel, and Wysocki voted in favor of the motion. The committee entered closed session at 9:25 p.m. The committee resumed open session at 9:40 p.m.

Salary Administration Recommendation for Non-Bargaining Employees

MOTION by O'Connor to approve the salary administration recommendation for non-bargaining employees; seconded by Nudo. **Motion carried.**

Report of Potential Property Tax Liability to be Considered in FY2009 Budget Planning Process

The potential tax liability from the Treasurer was in the agenda packet and General Corporate Fund's share of that liability was discussed with the other FY2009 budget issues.

FY2009 Budget Process Resolution

MOTION by Weibel to approve the FY2009 Budget Process Resolution; seconded by Wysocki.

Weibel asked if the resolution differed much from last year's. Busey it was substantially the same.

Motion carried.

NURSING HOME

Financial Report on the Nursing Home

Buffenbarger distributed the financial information packet to the committee. The top document was a two-page memo that was emailed to the County Board members to describe the effect of the layoffs and which positions were included. The next document gave a final summary of the financial effect of the layoffs. Buffenbarger said it is important to note with these layoffs that the Nursing Home is only balancing its staffing levels to its resident population. The staffing levels in the old facility were designed to meet the needs of 210 residents. In the new facility, there are 170 residents, so over the course of the last year staff has been dwindled

to try to match staff to residents through attrition. This has been accelerated because of the cuts by the State. It is difficult to make this kind of a change all of a sudden, but the Nursing Home recognizes that it is something they have to do. Some departments will be reorganized to make this work. There are no layoffs to clinical positions so it will not result in any additional contract nursing expense. The net effect of the layoffs will be about \$62,000 a month for an estimated net effect this fiscal year of \$387,000 less in wage and benefit expense. The effect the next fiscal year if the staffing trend were to continue is a little over \$800,000.

Buffenbarger also provided a projected year-end income statement and a year-to-date income statement. These are the most recent financial documents the Nursing Home has completed and run through March 2008. The March income statement begins to show some of the problems with revenue. The March 2008 actual revenue was \$1.1 million and the Nursing Home had planned to receive \$1.2 million so they missed their budgeted revenue target by \$124,000. Most the missed revenue is in Medicaid. The net expenses were \$112,000 less than expected, so the Nursing Home has been making efforts and great strides to reduce their expense as its revenue has decreased, but expenses have not been reduced fast enough. Buffenbarger had planned on a March loss of \$72,000 and the actual March loss of \$84,000. The projected year-end income statement includes the effect of the layoffs. The projected year-end revenue is at \$14.2 million. Buffenbarger had originally budgeted for the Nursing Home to revenue \$15.7 million. However, the expenses are at \$14.6 million, where they had been projected at \$15.7 million. Buffenbarger believes the Nursing Home's year-end expenses will be about \$1 million less than originally budgeted. The final document is the year-to-date. The Nursing Home's net loss for this fiscal year as of March was \$556,000. Buffenbarger said he expects a net loss in the first part of the year before the property tax money start coming in. The loss was expected, but it is greater than expected because of the reduced Medicaid funding and because staffing had not yet matched the resident census.

The legal-sized papers distributed by Buffenbarger were a statement of cash flows. This statement of cash flows includes the infusion of \$460,000 in June from the General Corporate Fund to the Nursing Home. Buffenbarger stated this is the only additional money included. The cash balances are on Page 2 and show the cash balances will be negative into the rest of the fiscal year. This will be a challenge to the Nursing Home for the rest of the fiscal year. The reduction of \$62,000 a month is a step in the right direction in terms of finances, but it is not enough. Buffenbarger will rely on information from the operational audit, ideas from the Nursing Home Board of Directors, and brainstorming with his staff to try to make up the monthly loss by increased revenue or finding new ways to get rid of contract agency staff. Buffenbarger stated that nobody prefers to use contract nurses because they cost 30% more than a regular employee. The Nursing Home wants to use its own staff, so he is taking steps to reduce the use of contract nurses. Buffenbarger said he would return to the Finance Committee next month and ask for another \$460,000 to get the Nursing Home through the rest of the year. He recognizes the impact on the County. He believes the Nursing Home is in a position where its back is against and wall and the Home needs to have the money now. He believes there are plans in place that will respond to the reduced revenue and will get the Nursing Home back on track long-term. He emphasized this situation is solvable and the Nursing Home can be viable, but everyone needs to be flexible on how they think about long-term care and everyone in the Nursing Home needs to be understanding that they have to work together a little closer and harder if they want it to be a County-owned Nursing Home. Buffenbarger was willing to do this and everyone he has met with so far is willing to do this. Buffenbarger met with every laid off employee individually and they all understood.

Jones asked what would happen if the County Board does not give the Nursing Home an additional \$460,000 in June. Buffenbarger stated the Nursing Home would be unable to make its payroll at the end of July or the first part of August.

Richards asked what were some of the steps, which Buffenbarger alluded to, that the Nursing Home has taken to get rid of contract nursing in the last month. Buffenbarger said, following the brainstorming sessions with staff, they have been talking to folks on the floor about what would make it more attractive to work at the

Nursing Home. There are a number of things employees want to make it more attractive to work at the Home, including more flexible shifts and opening issues that are subject to collective bargaining. Buffenbarger will be talking with AFSCME about those issues. Buffenbarger could not go into the issues that are subject to collective bargaining.

Nudo asked if the cost of regular nurses working overtime would be equivalent to the cost of agency nursing, which is 30% more than regular nursing costs. Buffenbarger confirmed the cost was the same. Nudo said it is important to understand that eliminating agency nursing without proper staffing and going to overtime will not solve any problems and would lead to an overworked and overtired staff. Nudo said the union employees give quality care and he would like to see the unions come back to the table to work with the County Board now on these issues instead of waiting until November. It makes sense to have the unions at the table. Nudo knew the unions initially asked to not participate, but that is not the answer. Nudo strongly urged the unions to work with the County now to help decide these issues and to be a part of the process.

Putman said she knows the laid off bargaining unit employees have bumping rights. Buffenbarger confirmed bargaining unit employees who have been laid off have the ability to bump other positions through the beginning of next week. Putman asked if there was anyone under the Admissions/Marketing Director, who is a non-bargaining position. Buffenbarger said there will be no one staffing the Admissions/Marketing Department as of June 7th. Those duties will be rolled into his own duties and those of the Assistant Administrator. Putman asked about the Environmental Services Director. Buffenbarger said there is an Environmental Services Department. That Director position did not have an assistant and those duties will be rolled into the Maintenance Director. Putman asked about the Food Service Worker PRN and the Linen Service Worker PRN. Buffenbarger said the PRN means the employees are temporary and not regular staff in the bargaining unit.

O'Connor asked if the Admissions/Marketing Director who is being laid off was someone who would be helping fill the Nursing Home if the person was out drumming up business. Buffenbarger explained that is what that position does. O'Connor asked what will be done with that position. Buffenbarger said that position was laid off and those duties will be rolled into his duties and those of the Assistant Administrator. They will be going to the hospitals and doing some of that work. O'Connor said it looked that they were stepping on a dollar trying to save a nickel in laying this person off. Buffenbarger does not think they are because those duties will still be done, just not by that person. He said they would still yield the same performance, just from two other people instead of that one.

Wysocki asked how many residents the Nursing Home took in the past 30 days. Buffenbarger answered the Nursing Home takes is roughly 20 patients a month. Wysocki asked how many have left the Nursing Home. Buffenbarger said the average length of stay for the section that is doing this in and out is about 31 days averaged over the course of the fiscal year. If the Nursing Home brings in 20 patients, then typically 18 are sent home. Wysocki asked if the 18 include those who have died in the Nursing Home. Buffenbarger answered affirmatively. Buffenbarger said the census vacillates because the rehab is so fast-paced.

Putman asked about the 8 Food Service Worker positions that will go from full-time to part-time and what happens if they leave. Buffenbarger said any position would be filled the same way. The employees are notified internally that a position is available and if no one internally bids on them, the Home will advertise outside. Putman asked how many full-time Food Services Workers the Nursing Home now has. Buffenbarger could not say offhand.

Wysocki stated that at last month's County Board meeting a resolution was passed making a request of the union to come to the table early to talk about some of these issues. She asked if there has been a response. Buffenbarger said he has not received a response and that David DeThorne from the State's Attorney's Office sent the request.

McGinty suggested moving to a broader perspective of the impact of the Nursing Home on the rest of the County, the General Corporate Fund in particular. He asked the County Treasurer to address the committee. Welch spoke about the effect of the General Corporate Fund's diminishing fund balance. The ending fund balance represents what money is left over at the end of each year and carries forward for each subsequent year. It is the cushion that is needed to absorb any unexpected adjustments to revenue or expenditure that invariably occur each year after the budget is set. One could equate the fund balance to a savings account for the County. The budget is an educated and historical estimate of revenue and expenses for the coming year. Obviously, things can and do change, but the County tries to be conservative and realistic with its revenue projections. The County also asked County departments to hold the line on expenditures. It is not uncommon to ask departments to allow for no growth in department expenditures. It will not be a surprise to Welch if departments are asked to cut their budgets this year to ease the pressure on the General Corporate Fund. The General Corporate Fund needs a 12.5% fund balance of annual expenditures to be able to operate without borrowing prior to real estate tax money coming in during May and June. Annual expenditures this year are expected to be \$33.8 million, which means the General Corporate Fund needs a \$4,225,000 fund balance at the end of November 2008. If the projections are accurate, the General Corporate Fund is instead looking at a fund balance \$1,296,000 or 3.83% after another \$460,000 is transferred to the Nursing Home. This represents a drop of more than \$2 million from November 2007. For some perspective, Welch asked the committee to consider that the projected ending fund balance does not meet the payroll requirements for one month of the General Corporate Fund. Since December 2005, the General Corporate Fund has loans or transferred \$2,268,000 to the Nursing Home with an anticipated loan request in June for another \$460,000. The General Corporate Fund has also assumed the liability for the \$4 million debt service of the last Nursing Home Construction Bonds. This liability costs over \$300,000 a year and extends to 2026. The actual cost of the debt service will be \$5.9 million. The accumulated effect of subsidizing the Nursing Home over the last two and a half years coupled with an uneven economy and many other factors magnifies the need for a healthy fund balance. No one factor is more important than any other, but it is the accumulation of them at one time that causes so much concern. Welch looks at the cash balances for all of the County funds every morning to anticipate the cash needs for the weekly accounts payable and bimonthly payrolls as well as any other spending. The accounts payable varies week to week, but the average monthly accounts payable for the General Corporate Fund will be \$1.1 million. Welch must make do with whatever cash is in a bank and is experiencing a lot of worry over cash flow. At the end of April the State of Illinois was two months behind on income tax receipts, which amounts to \$600,000. The State came through and the County went from a crisis to an uneasy concern. Welch literally did not know if the County would have enough money to pay the end of April accounts payable and was very concerned about the May 9th payroll. The finances of the General Corporate Fund have historically not been a question of "Will we get the money we anticipate" but rather "Will it show up in a timely manner." The necessity of a healthy fund balance to carry us through the tough times is tremendously important. Welch compared the County's financial situation to that of a taxpayer. If a taxpayer's monthly income was \$3,000, this person would have \$125 dollars each month left for unexpected expenses. That same thin 4% margin is what the County is projected to have at the end of this fiscal year. Another example is a person who has put money aside in a savings account. So far the person's savings has allowed for unexpected bills to be paid and to help out some family members when needed. But what would happen if those family obligations continued on a regular basis and the savings were needed to support an increase in what has now become a part of your normal living expenses. How long could you continue to supplement your salary with savings until the savings are used up and what do you do when the savings are nearly gone? Reality tells all of us that we have two choices when our income does not support our spending: we have either cut back on our spending or find more income. There is no loan product at a bank titled "I need more money so I can spend more" and it is certainly not easy to tell your family members that you can no longer help them. This is where the General Corporate Fund finds itself. The savings account is dwindling and the borrowing opportunities are limited. Welch warned the committee to not forget that the cost of any future borrowing will be heavily influenced by the County's ability to demonstrate financial health. Welch stated that now is not the time to put more pressure on the General Corporate Fund, it is the time to set the course for a positive financial future. It is very obvious that the General Corporate Fund's current financial position will require up to eight months of borrowing on an annual basis for the near term. As recently as 2005, the General

Corporate Fund did not have to borrow at all. Since then, it has not been uncommon for borrowing to be necessary from March through June. It is Welch's belief that the County has reached the tipping point for the General Corporate Fund. Anymore unplanned or unbudgeted borrowing or transfers of cash are at best ill advised. To be clear, there is no way the County will be allowed to become bankrupt, but the General Corporate Fund cannot continue to do business as it has in the recent past. The health of the fund will require the vigilance of the County Board and will require the Board make tough decisions on future spending. The essential services the County has always provided, services that the citizens deserve and expect, will depend on it. Welch offered to answer any questions.

Jones asked, based on the projections, how could the County Board consider giving a \$460,000 loan to the Nursing Home when the General Corporate Fund already at half of what it needs before the loan. In a dire situation, how can the County Board make it worse by giving a half million dollars more to the Nursing Home. Jones did not see how the General Corporate Fund could make the loan to the Nursing Home without severely hampering the County operations. Welch said that is what he tried to convene to the County Board last month. The projections through 2011 that he and Busey presented to the County Board showed that the loan would cause the fund balance to end at a 3.83% fund balance when a 12.5% fund balance is needed. The County Board could make the loan, but they could see the effect on the General Corporate Fund. Welch's recommendation last month was that the County Board not make the loan to the Nursing Home. The reality is he does not see how the Board does not make the loan unless they are ready to make tough decisions at the Nursing Home.

Nudo asked about for the overall ballpark borrowings from the General Corporate Fund to the Nursing Home since the 2002 tax referendum. Welch answered in December 2001 the Nursing Home had experienced many months of positives balances in the \$2-3 million range. In December 2001, the Nursing Home also had a \$950,000 funded depreciation along with about a half million dollars in cash. At this point, the Nursing Home borrowed \$400,000 for operating expenses out of its depreciation fund. It took the Nursing Home a mere four months to go through the \$950,000. After that it took the Nursing Home though late 2002 to late 2005 until it came to the General Corporate Fund to ask for money. The Nursing Home asked the General Corporate Fund for \$160,000 in December 2005. Since December 2005, the General Corporate Fund has transferred \$2.2 million to the Nursing Home. This does not include the \$460,000 the Nursing Home is asking for in June.

Discussion Regarding Referendum for Increase in Operating Tax Levy on November 2008 Ballot

McGinty stated he knows there is support for such a levy from AFSCME and others in the community. He suggested discussing what such a levy would mean, including how much the levy would be for. McGinty and Nudo have had several discussions over the last couple of months and they agree on the fact that the extreme options of selling the Home or taxes cannot be considered in an informed way unless all of the other options first. Every operational thing that can be done to the Nursing Home should be analyzed first for the County Board can make an informed decision. McGinty opened the floor to discussion.

Weibel asked what the Nursing Home tax levy is right now and how much money it brings in. Busey stated the levy is currently 3 cents, which brings in \$800,085 a year. The maximum levy is 10 cents, which would generate \$2.9 million in this year's dollars. McGinty said every cent would approximately generate \$300,000.

Nudo said the extremes are bad to go into unless they research everything. A tax referendum without some internal mechanisms to run the Nursing Home like a business would be cheating the taxpayers. The County has already supported the Nursing Home with \$2.2 million. The referendum is really not really 3 cents, it's really 7 or eight cents when one factors in how much money the General Corporate Fund has given the Nursing Home in additional loans and transfers since 2005. Under the 10 cents referendum, the County Board would be going back to the public and it cannot do that anymore because 10 cents is the limit. The County

Board has to get its affairs in order and run it like a business. The reason he wants the union to come to the table now is so they can address this with everyone sitting at the table. Nudo said he could not possibly support a tax referendum after reading the newspaper several weeks ago showing family after family going through gas bills, health insurance problems, etc. The whole atmosphere is totally different than 2002 when the previous Nursing Home referendum passed by 70%. This is not a slam dunk. He said the Board needs to be realistic about this and get its affairs in order from management to the recent unfortunate layoffs.

Richards said he would be willing to consider some sort of referendum because he thinks it is important to keep the Nursing Home. He agreed with Nudo that a referendum cannot be a substitute for getting their house in order. The Board may want to look at setting this in a few years.

McGinty said he expressed a concern to McCauley in the last week that there will be a lot of asking for money on the ballot this year. The schools, the parks, and one of the townships will all likely be asking for more tax money. If this effort is something the Board wants to do, there needs to be concerted effort behind it and he worries about it being watered by so many different efforts going on.

Moser concurred there would probably be three other requests for more money on the ballot. He asked how the County Board was going to the Nursing Home bleed from draining our finances, when they would not be getting any money out of the referendum until June 2009, without finding a way to cut the expenses or generate more income. There would not be anything left by June 2009 at the rate they are going.

Jones agreed with Moser. He noted since 2002 the County has seen a once in a generation increase in property values that has escalated property tax bills and he thinks taxpayers are at a tipping point. He has talked to property owners who are irate with property taxes already and he could not imagine going before them with another County property tax increase. It is not good timing and all. He thinks the solution is to get the Nursing Home in order.

Doenitz agreed with Jones because not one of his constituents says anything good about a tax increase. Not one of his constituents has said they would support this tax increase. McGinty said where he lives it is almost exactly the opposite. Last night at the Policy, Personnel, & Appointments Committee, the school administrators and school board presidents were present to pitch a schools' facilities tax referendum.

Gross said her son, who is a hospital administrator at Northwestern in Chicago, was visiting and they talked about the Medicaid rate at the Nursing Home and the staff ratio. Her son calculated there is no way at the present ratio of staff to residents that the Nursing Home would come out ahead, even with the subsidy. He said the Nursing Home is overstaffed and no healthcare organization that he knows maintains their own laundry department; all others send it out to a more efficient laundry than what the Nursing Home probably has in-house. He also said the Nursing Home needs to contract out its food service, again because it will be cheaper. Gross noted the County Board gave the Nursing Home employees a Living Wage, which she supports in principle, and does not use contract employees. But she pointed out that the County Jail contracts with Aramark to provide its food service and the Board is not asking the Sheriff's Department to have employees to maintain its own food service. Gross said contract people are used all over the County, including for legal services, and yet the County Board somehow holds the Nursing Home to a higher standard. She thinks a part of the reason is because the Nursing Home is not mandated. The County Board is mandated to provide the courts system; it is not mandated to provide the Nursing Home. Gross wants to go back to the people and say the County Board has to have additional money to make the Nursing Home work. The Board also has to do some things that will not feel good to get its internal house in order by looking at efficiencies. Gross suggested looking at efficiencies via contracting out services and consider moving the entire Nursing Home accounting function into the Auditor's Office. She encouraged the Board to think out of the box to get the Nursing Home in order. She stated the County Board has to ask for a tax increase in November. She spoke about the school facilities sales tax that will be requested.

McGinty asked about the timeframe for asking for a referendum. If the County Board looks at everything operationally at the Nursing Home and it is still short, so the Board wants to ask the people for more tax money. McGrath thought the date is August 26, 2008, but she would have to check. McGinty questioned if the County Board could due its due diligence in that time. The Board needs to know if the referendum will be out on the ballot and how much of an increase will be asked for. McGrath said that is procedurally correct. The County Board could certify the question at any time; August is the drop dead date. Busey advised that there can only be three county-wide referenda on any ballot and it is known the schools will likely ask for one. Busey did not know if there were any other county-wide referendum out there, but if two others are placed on the ballot before August the County Board would not be able to add this referendum.

Wysocki asked how much it costs to do a county-wide referendum. Busey said it does not cost the County Board anything. A campaign committee has to be put together to support the referendum. The campaign committee is a private entity. McGrath said this question is exempt from the three-question limit on the ballot rule because it is a tax levy issue.

McGinty thought the County Board and constituents are split on supporting this issue in the general sense. He wanted to get as far down the road with data-gathering and the impact of the changes to make an informed decision.

Nudo stated the first meeting of the Nursing Home Board of Directors was held on Monday and Weibel did a wonderful job in selecting the Directors. Nudo praised the Board of Directors as having great experience in the healthcare, social services, and finance fields. It was noticed that the Nursing Home does not have a depreciation account and this will be taken out of general revenues as this building gets older. These are the kind of things that have to be factored in as the Board of Directors works on these issues. Nudo believes the consulting firm will be prepared to bring a proposal to the County Board on May 22nd on revenue enhancement and expense cutting. He believes the Directors will be up to speed and can make contributions quickly so they can see what can be done internally so a rational decision can be made. McCauley attended the first meeting and Nudo would like to see her be part of this.

Putman did not think Doenitz and Jones would support the referendum based on their statements made tonight. She hoped their negative feelings would not cause them to deny other voters in Champaign County the opportunity to campaign for yes votes to the referendum to tax themselves. She is mindful that the City of Champaign residents will be mindful of helping general assistance recipients get more money and the public school tax. She stated the public school tax is a tax to reduce property taxes and she thought people would want to vote for that to lower their property taxes. This might make them see a way for voting yes for more tax for the Nursing Home operational subsidy. There is a lot of support for the Nursing Home. She did not know if people would want to campaign has hard for a referendum if the Nursing Home did not have a laundry done by the Nursing Home's unionized employees. Putman spoke against contracting out laundry, housekeeping, or food services.

Doenitz said he does not want to see the Nursing Home fail, but he will not support a tax increase until the Nursing Home fiscal house is in order and it is a long way from it. Two months ago Buffenbarger gave the committee a comparison to other nursing homes within the Champaign County and every expense that was compared was double at the County Nursing Home versus the other homes. Doenitz said this was unacceptable and means the Home is not being managed. Doenitz said he could not run his business this way and anything he has a hand in will run in the black because that is the way it has to be. If the Nursing Home has done everything it can do by August and it is down to a manageable level, Doenitz might be willing to ask the voters for another 2 or 3 cents though he would definitely take a lot of heat about it. He will not do so until there are some drastic changes made at the Nursing Home. The County Board is the banker for the Nursing Home and should not be. As far as he knows, all the other nursing homes in Champaign County are not receiving outside help and he

asked someone to tell him if this was incorrect. In other nursing homes, the residents that go there pay for the home and Doenitz does not see why that cannot happen at the County Nursing Home. Doenitz said he was astonished that Nursing Home was not full because he does not understand how the Nursing Home is not better off if all the beds are full. He stated the Nursing Home needs to be run as a business just as his farm and the road district is. The Nursing Home residents need to be taken care of, but the Home cannot be run as it is right now. With the June subsidy the County Board will have given the Nursing Home \$3 million and he does not know of any other businesses that gets that kind of gift. He does not know of another nursing home in the County that receives a subsidy from the taxpayers to survive and it is not surviving. Doenitz said if the County Board has to contract out services to make the Nursing Home work, then that is what they will have to do. He wants the Nursing Home to survive, but not at any cost and he does not believe the taxpayers said "at any cost" in 2002 when they approved the additional tax for the Nursing Home.

Moser said the County Board put the quarter cent sales tax of the ballot in August 1998, but this Board was unified on both sides and went out to do everything they could to get the people to support it. The County Board had a plan and numbers that did not turn out to be exactly right, but it was organized. He advised that the Board cannot go into August and put something as controversial as this on the ballot without a unified County Board. He stated the County Board was not unified on this subject at all. He does not know how the Board could go into November gambling that it would get another yes vote only to have someone come back to the committee in August or September to say they need another \$460,000 because they cannot make payroll. The Nursing Home needs to get its house in order and get the expenses down to where the County Board could subsidize it to a point, but not at \$1.5 million each year. This has to be a definite answer, especially with a park referendum that got turned down in Urbana last year and the school tax referendum coming this year. The complaints are coming into the Board of Review left and right about taxes and assessed evaluation from taxpayers. Moser stated this would not be an easy sell in this economic climate and described the high cost of doing business for farmers. He said this would not go down well with his constituents.

McGinty asked if it was the committee's will to move forward with operational changes to the Nursing and put together a timeline of a getting a referendum question like this on the ballot for informational purposes. The Board needs to look at all the options and this is one option. Nudo said the committee needs to get back from the Board of Directors and Buffenbarger some level of confidence as to how much increased revenue and reduced expenses can be equated so a reasonable number can be asked on the referendum. The County Board is not representing anyone well by simply asking for the full amount possible. The committee concurred.

Discussion Regarding Steps Required to Pursue Sale or Lease of Champaign County Nursing Home

McGinty stated this item was on the agenda because if the Nursing Home operation cannot be fixed and if a referendum fails while the Nursing Home is still bleeding, this option has to be considered. McGinty would like nothing better than to turn down a buyer because the Nursing Home operation has been fixed. But he thinks the County Board would be shortsighted to not consider this if they are true to the fact that they want a Nursing Home. He suggested looking at the logistics of how the Home would be presented to a potential buyer. McGinty asked Buffenbarger who would be a potential buyer. Buffenbarger said he has not been through an acquisition before, although they are very common in the industry, so he does not have a lot of information. McGinty asked McGrath to give an overview of her memo that was distributed to the committee. McGrath said she did not fully outline the option of sale in her memo because it is a very complicated option. Her research of a potential sale thus far indicates it would take a two-thirds vote of the County Board, and then go to the voters because the Nursing Home is levy supported. The sale would also have to receive approval from the Health Facilities Planning Board because the County is required to show HFPB that the sale will not act as a detriment to the Nursing Home residents. McGrath will outline this more fully next month. The easier, more straightforward options that do not require intervention by HFPB are lease management or leasing the entire operation. The County Board could approve the lease management option without a voter referendum. It requires only a majority vote of the County Board to occur. The County would advertise for bids to do contract

management of the Nursing Home. McGinty asked for more explanation on the lease management mechanism. McGrath said the management can work in any way the Board decides is best for the Nursing Home. The bid process would be the Board's outline of how it wants that management contract to operate. The statute does not require the lease to keep the current employees, but the County Board has contract obligations as David DeThorne outlined last month that require the management company to use the contracted employees. McGinty asked what a management company would fix if the County still has the same operational expense. McGrath was not sure because it is contract driven, not statutorily driven. The second option is leasing the entire operation. This would be leasing the entire operation including the building and grounds, not just the management. McGrath said the County cannot do this because this is not a County of enough population to allow this unless it is leased to a township. McGinty clarified that the options are to either sell the Nursing Home with a two-thirds vote of the County Board to put a referendum on the ballot to ask the voters to sell or to hire a management company. McGrath confirmed these are the only two options.

Wysocki asked if the Nursing Home employees would still be County employees if the Board leased the management. McGrath said it would be dependent on what choice the Board decided to exercise with the management contract. The County is bound by some contractual obligations with the existing collective bargaining workforce. The contracts specifically state that the County cannot replace its collective bargaining employees with contracted employees unless there is a change in the contract.

Moser asked how the Ford County contract would work in the Champaign County situation. McGrath explained Moser gave her the Ford County contract to see if it would work. Ford County is different because they do not have the employment contracts in place that Champaign County does. Ford County did use the first option of leasing the management of its nursing home. Ford County also has a bit blended management situation. Moser asked if the nursing home employees in Ford County were county employees or employees of the management company. McGrath said she could not tell from the lease.

McGinty thought looking at a potential buyer is not a prudent option. He worries about getting all the way down the road and being out of money with the Nursing Home still bleeding after having exhausted all the options. He would only consider leasing or selling the Nursing Home if all other options were exhausted. He asked what the County would do if the situation becomes even direr and the County Board has waited to consider a referendum. McGinty was very worried at the Nursing Home's rate of burning through money and track record, along with what the Treasurer and County Administrator of Finance having been telling the Board about the County's financial status. McGinty asked if anyone had any ideas.

Doenitz said it is a huge red flag when the Treasurer talks about trouble with having the money to meet the General Corporate Fund payroll and not knowing if he will have enough money to cover expenses for a week. McGinty said he did not think there would be eighteen votes from County Board members to get a referendum on the ballot now. Doenitz asked what the County would do if a referendum does not pass.

Moser noted the County still has a \$24 million mortgage on the new Nursing Home facility that the taxpayers are paying for and he thought it would be suicide to not try to keep it open. Livingston County is in the process of trying to close their nursing home and it is a year-long process. The Nursing Home cannot just close down with employees or residents. There is a whole year of holes to think about before any possible money from a tax referendum would be available. Moser did not think there were any options other than leasing the Nursing Home or hiring someone to manage it.

McGinty stated it is very important to communicate to the County Board members who are not on the Finance Committee what these options are before a full Board meeting. He encouraged reaching out to other members to inform them about what is going on because the urgency to fix this now cannot be understated. McGinty appreciated the insight that Welch provided because it puts things in perspective with the County as a whole.

Doenitz stated the County Board should have been having these discussions twelve months ago. McGinty said that is water under the bridge. Wysocki stated, as she prefers to take action to solve problems and then move on, what she is catching tonight is that there are some big deadlines facing the County Board soon. While the Board probably should have been having these discussions a year ago, she is frustrated that the Board is moving is slow motion. When she asked earlier if there had been a response from the union, the response appeared to be that the union would be taking the full ten or fifteen days to get back to the County. While she realizes there are some issues the union has to work on, there is urgency here. Wysocki has been at the bargaining table as a union member and the lack of timely response from this union frustrates here. She also felt tonight's session should have been a County Board study session. McGinty agreed. Wysocki was aware that it is difficult for other Board members to rearrange their schedules to come to a Finance Committee meeting, but now the committee will have to reiterate the information to their colleagues to maybe reach a point to have a decision by May 22, 2008. The consultants hired by the Board are working as fast as they can, but they will not likely have information for the Board before the May 22nd meeting. Wysocki would appreciate it if the committee could do anything to prompt a recommendation sooner rather than later. She recommended scheduling meetings following the receipt of information and not simply waiting for the monthly County Board meetings to initiate action.

McGinty asked if it was safe to assume that the committee was encouraging the union to meet with the County as soon as possible. The committee concurred. Wysocki added that she did not think the solution to these economic issues should be born on the backs of the employees, be they union or non-union employees. There is enough responsibility to go around and it has got to be shared. Wysocki said it is not enough for people to talk about issues, the talks need to come quicker than she sees them happening because August is fast approaching. If they really believe in saving the Nursing Home, then they have to step up the pace.

Jones agreed with Wysocki's statements and asked if there could be items on the May Board agenda so the County Board could make decisions when it receives the consultant's report. He was very concerned about giving another half million dollars to the Nursing Home with the current state of the General Corporate Fund. He wants to take some action in May to improve the Nursing Home operations before giving it more money in June.

Weibel said he spoke to the Management Performance Associates consultant and they can look into it, but he thought it was unlikely because it will be tough enough to have something ready to present to the Board at the meeting. Nudo said he got the impression in talking with the MPA consultant that he was prepared to make some strong recommendations at the meeting. Weibel agreed the consultant would have something to say, but did not think he would have something before the meeting.

McGinty asked if there was anything that could be done at this point concerning the options of selling or leasing the Nursing Home. McGrath stated she has given the committee some basic information on those options. She would like to flesh out her memo in consultation with David DeThorne and Deb Busey to get a bigger memo to the full Board in time for the May Board meeting. The committee agreed to move on.

O'Connor asked if the Nursing Home Board of Directors could make a presentation to the full County Board and answer questions. Weibel noted the Directors have only met once and if they had something to say they could step forward. Wysocki asked when the next Nursing Home Board of Directors meeting was scheduled. Buffenbarger said there is a meeting on Monday. The next meeting after that will be a month later. Study sessions are being scheduled in the meantime. Wysocki asked about the Monday meeting. Buffenbarger said it would be a called meeting with a closed session that pertains to the Nursing Home, but not to the Nursing Home's finances. Busey said the Board of Directors has an orientation session scheduled for next Thursday. A schedule of meetings has been set; the Directors will meet the first Monday at 7:30 a.m. A study session has been set for the Tuesday after the third Monday at 7:00 p.m. She believes the Directors are flexible enough that

they will meet upon demand as issues come up, but they were just getting organized this past Monday. McGinty thanked everyone who came to the meeting and shared their thoughts.

TREASURER
Monthly Report

Welch reported the County is receiving tax from one hotel/motel business in the amount of \$1,000 a month.

MOTION by Doenitz to receive and place on file the Treasurer's April 2008 monthly report; seconded by Jones. **Motion carried.**

AUDITOR
Purchases Not Following Purchasing Policy

Fabri had left the meeting earlier. The list of purchases not following the Purchasing Policy was provided for information only.

CHAIR'S REPORT

There was no Chair's Report.

OTHER BUSINESS
ADDENDUM

First Renewal and Amendment of the Intergovernmental Agreement between the Department of Healthcare & Family Services and Champaign County

MOTION by Wysocki to approve the first renewal and amendment of the Intergovernmental Agreement between the Department of Healthcare & Family Services and Champaign County; seconded by Richards. **Motion carried.**

DESIGNATION OF ITEMS TO BE PLACED ON COUNTY BOARD CONSENT AGENDA

McGinty designated all budget amendments and agenda items VII A 3, VII B 2, and XII A from the addendum for the consent agenda.

McGinty asked if the committee wanted to cancel the July meeting. Doenitz said with the shape the Nursing Home is in, the committee does not need to be getting rid of a meeting. The committee agreed to hold a meeting in July.

ADJOURNMENT

Meeting adjourned at 9:41 p.m.

Respectfully submitted,

Kat Bork
Administrative Secretary