

1 CHAMPAIGN COUNTY BOARD
2 **COMMITTEE MINUTES**
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5 **JOINT MEETING OF THE JUSTICE & SOCIAL SERVICES COMMITTEE AND THE POLICY,
6 PERSONNEL, & APPOINTMENTS COMMITTEE**

7 **Tuesday, September 11, 2007**

8 **Brookens Administrative Center, Lyle Shields Meeting Room**
9 **1776 E. Washington St., Urbana**

10
11 7:00 p.m.

12
13 **JUSTICE MEMBERS PRESENT:** Anderson, Carter, Gladney, Hogue, Hunt, Putman, Tapley

14
15 **POLICY MEMBERS PRESENT:** Betz, Hogue, Hunt, Knott, McGinty, Moser, Putman, Schroeder

16
17 **JUSTICE MEMBERS ABSENT:** James, Sapp

18
19 **POLICY MEMBERS ABSENT:** Gross

20
21 **OTHERS PRESENT:** Kat Bork (Recording Secretary), Andrew Buffenbarger (Nursing
22 Home Administrator), Deb Busey (County Administrator of Finance
23 & HR Management), David DeThorne (Senior Assistant State's
24 Attorney), Ralph Langenheim (County Board Member), Susan
25 McGrath (Senior Assistant State's Attorney), Carrie Melin (County
26 Board Member), C. Pius Weibel (County Board Chair), Barbara
27 Wysocki (County Board Member)

28
29 **CALL TO ORDER**

30
31 Betz called the meeting to order at 7:01 p.m. Betz stated he and Anderson would each conduct a
32 portion of the joint meeting.

33
34 **ROLL CALL**

35
36 The Recording Secretary called the roll. Anderson, Betz, Carter, Gladney, Hogue, Hunt, Knott,
37 McGinty, Putman, Schroeder, and Tapley were present at the time of the roll call. Betz declared a quorum of
38 both committees and proceeded with the meeting.

39
40 **APPROVAL OF AGENDA/ADDENDUM**

41
42 **MOTION** by Putman to approve the agenda; seconded by Hogue. Putman requested a friendly
43 amendment changing items V A and V B on the agenda to read "discussion of" instead of "recommendation
44 to." Hogue agreed to consider the amendment as friendly.

45
46 Knott asked if amending the agenda in that manner would prevent the committees from taking any
47 action. Betz said it would do so. Knott did not think it was wise to take the tool of possible action out of the
48 committees' hands prior to any discussion. He noted there has been discussion over these issues at other
49 times. Putman said the discussion began in October 2006 and she felt the committees are only at the
50 discussion point. McGinty said he would rather keep the potential for action on the table. The committees
51 do not have to take any action tonight if further discussion is needed. He added it has been quite a few
52 months since the operational audit of the Nursing Home. Tapley understood Putman's point of view, but he

53 did not see any point in tying the committees' hands before the meeting even starts because of that type of
54 concern. The committees can vote to defer either item if it is the consensus of the group. Gladney said he
55 was fine with just having discussion tonight because the committees received an amended version of the
56 materials in the agenda packet tonight. Knott requested a roll call vote. The committees continued to discuss
57 whether to hold a discussion or a discussion with possible action.

58
59 Moser entered the meeting at 7:15 p.m.

60
61 **Motion failed with a vote of 6 to 6.** Anderson, Betz, Carter, Gladney, Hogue, and Putman voted in
62 favor of the motion. Hunt, Knott, McGinty, Moser, Schroeder, and Tapley voted against the motion.

63
64 **MOTION** by Tapley to approve the original agenda; seconded by McGinty.

65
66 Anderson asked if both items could be discussed at the same time. Betz said the committees would
67 discuss both items simultaneously, but vote on them separately.

68
69 **Motion carried.**

70
71 **PUBLIC PARTICIPATION**

72
73 Kent Beauchamp, from AFSCME Council 31 that represents the Nursing Home union employees,
74 said that when other counties were closing their nursing homes Champaign County did the right thing by
75 issuing bonds to build a new nursing home facility and establishing a separate tax levy for the pensions of
76 Nursing Home employees. It seemed odd to him that some people are putting forth a separate governing
77 board for the Nursing Home or a private management firm. Beauchamp felt a change in the governance
78 structure would put a layer of insulation between the Nursing Home and the public. He stated the union is
79 very much against the idea of a private firm or a separate governing board for the Nursing Home. He asked
80 to distribute materials to the County Board members present. Betz allowed Beauchamp to do so.

81
82 Tony Fabri spoke about public accountability at the Nursing Home. He distributed and read a list of
83 questions about the possible governing board. Betz allowed Fabri to distribute his list of questions to the
84 committee.

85
86 **CHAMPAIGN COUNTY NURSING HOME**

87 **Recommendation to Adopt Bylaws Establishing a Governing Board for the Champaign County Nursing**
88 **Home and Recommendation to Adopt a System of Nursing Home Administrator Employment Through a**
89 **Management Consulting Service**

90
91 Buffenbarger made a presentation on the financial history of the Champaign County Nursing Home,
92 the financial problems that have occurred, and the importance of stability to ensure the continued survival of
93 the Nursing Home. He wanted to make it clear that it is not being suggested by anyone that any other than
94 Champaign County run the Nursing Home. He listed the elements of a successful governance structure. The
95 Nursing Home has traditionally lost large amounts of money for the last 14 years. Buffenbarger spoke about
96 how unstable the nursing home industry is due to market conditions. The caps placed on inpatient Medicare
97 reimbursement in FY1998 resulted in the Nursing Home losing \$452,000 in that fiscal year alone. In the
98 years of FY2004 to FY2007, with the new collective bargaining agreement that provided overtime after eight
99 hours and guaranteed wage increases for three years, the Nursing Home exhausted all of its resources and
100 lost \$3 million. Buffenbarger expressed that the job of an administrator in a public nursing home is very
101 different than in a private nursing home, so there is a huge learning curve when the facility changes
102 administrators. The Nursing Home has lost money with each administration change. There has been terribly
103 inconsistent and unpredictable financial performance and clinical performance over the last 14 years, partly

104 due to the administration transition and the instability of the marketplace. There is no one to step in and fill
105 in for Buffenbarger on his daily tasks if he has to address other issues that arise. This is one of the hazards of
106 having a standalone organization and is something Buffenbarger and Busey have discussed since his hiring.
107 Busey and Buffenbarger found another county nursing home in Illinois, DeKalb County, which does run
108 consistently in the black and with consistently positive clinical outcomes. There are only 28 county nursing
109 homes left. There is a lot of credence owed to the people of Champaign County to build a new nursing home
110 and keep that dedication to senior citizens. All of the other county nursing homes are operating in the red
111 except for DeKalb County. Buffenbarger and Busey visited with the DeKalb County Administrator to learn
112 what that county does differently. The DeKalb County Nursing Home has an operating board of local health
113 care professionals which meets openly each month with the Nursing Home Administrator and department
114 leaders to look over how the Nursing Home is operating. The operating board knows the nursing home
115 industry and the community very well. DeKalb County also hired a consulting firm, Management
116 Performance Associates. These two things combined provided the infrastructure and the local expertise to
117 make sure the county nursing home ran consistently well. Buffenbarger and Busey spoke with the DeKalb
118 County Nursing Home Administrator and toured the facility. Buffenbarger stated that DeKalb County has an
119 excellent nursing home. The DeKalb County Nursing Home Administrator validated everything the DeKalb
120 County Administrator had said about their nursing home. So Buffenbarger spoke to Management
121 Performance Associates about the DeKalb situation. Buffenbarger reported the DeKalb County Nursing
122 Home is about the same size as the Champaign County Nursing Home, it consistently lost money in the past,
123 it did not have consistent clinical outcomes, and that county had the same heart-wrenching discussion about
124 whether the county should be in the nursing home business. Since installing the operating board and MPA as
125 a management firm, DeKalb County has no property tax or county subsidies for its nursing home, they have
126 built a depreciation fund, they support the debt accrued when they built a new nursing home, built a \$4
127 million fund balance, and they have an outstanding survey history of care. Buffenbarger stated the operating
128 board meetings are open to the public and public records are kept. The meetings are held at 7:00 AM
129 because the board involves local professionals (plus 2 County Board members) who need to meet before
130 work. Buffenbarger stated Management Performance Associates, who performed the operational audit of the
131 Champaign County Nursing Home, never suggested that they come in and participate in management at
132 Champaign County. Buffenbarger went to MPA again after learning of their work with DeKalb County.
133 The operating board sets long-range and short-range goals for the DeKalb Nursing Home. Many actions
134 concerning the DeKalb Nursing Home still require County Board approval. The operating board cannot sell
135 or lease the nursing home or make any additions or changes to capital debt. The County Board approves the
136 annual nursing home budget and is responsible for signing the collective bargaining agreements.

137
138 Buffenbarger refreshed the committees' memory about Management Performance Associates, who
139 were hired by the County Board to perform the operational audit of the Champaign County Nursing Home.
140 The Nursing Home has implemented most of MPA's recommendations from the audit and refocused efforts
141 on dementia and rehabilitation care to grow revenue. Buffenbarger recommended the County Board adopt
142 the revised governance structure of an operating board of local industry experts to hold monthly meetings.
143 He recommended the County Board employ the Nursing Home Administrator through a consulting firm to
144 provide infrastructure. Buffenbarger gave the example of when the Nursing Home lost its entire Human
145 Resources Department right before the County switched over to the new Kronos payroll system. There were
146 3 employees in the HR Department and Nursing Home lost all of them. The Nursing Home Administrator
147 and the Comptroller had to become the new Human Resources Director and HR Clerk to manage human
148 resources to the exclusion of many other duties so employee could get paid. This is a major risk in a
149 standalone home. A management firm would provide a built-in support system where if such a situation
150 occurs, Buffenbarger could contact MPA and they would send a temporary HR staff. This would also
151 insulate the County against turnover of the Administrator position, which has been costly for the County in
152 the past. Buffenbarger stated that he and Busey jointly recommend moving forward with the governance
153 structure because they are convinced it will secure the long-term viability of the Nursing Home.

154 Putman asked how the DeKalb County Board got the money together to break ground on the new
155 nursing home facility. Buffenbarger said the DeKalb County Board did not, the DeKalb Nursing Home did.
156 The DeKalb County Board voted to approve bonds that were paid for by the DeKalb Nursing Home. Putman
157 said she did not know that the Champaign County Nursing Home lost their entire HR Department and asked
158 how a consulting firm could have an HR person on hand to relocate and serve Champaign County.
159 Buffenbarger said the firm would have someone to fill in as the Nursing Home Administrator while
160 Buffenbarger covered the HR Director position. This way Buffenbarger would ensure that person was
161 covering his daily duties while he made sure the employees got paid. Putman said the MPA associates made
162 a very favorable impression on her when they presented their proposal for the operational audit.
163

164 Gladney recalled that Mike Scavatto of MPA presented a change in the governance structure at the
165 Nursing Home as a possibility in the operational audit findings, but he did not recommend it as strongly as
166 other things and Gladney wondered why. Buffenbarger answered that MPA did not push the decision
167 because the governance structure is a specific decision to be made by the County Board and the Nursing
168 Home. A consultant is viewing the governance from the outside and that recommendation should be made
169 by someone very familiar with the organization, such as Buffenbarger. Gladney asked why other county
170 nursing homes were not adopting this governance structure if it is such a great solution. Buffenbarger said it
171 is a very progressively minded method of managing a county nursing home and not all counties are interested
172 in that degree of progressive management. Progressive management has built into it the flexibility needed to
173 respond to any operational challenges.
174

175 Knott asked if the nursing home industry is more complex today than it was 15 to 20 years ago.
176 Buffenbarger said yes, the industry is very different. Buffenbarger has been in the long-term care industry
177 for 17 years and there are a lot of new regulations, complexities with the payer systems, changes to the
178 Medicare system, and the heavier use of the Medicaid system. It is being found by the time seniors enter
179 nursing homes, they have spent down their assets in assisted living or elsewhere and are relying on the
180 Medicaid system. Nursing homes are seeing more clients who are poor and very, very sick without receiving
181 any additional money to balance that problem. Betz asked how this entity solves that demographic issue.
182 Buffenbarger said the management firm finds niche markets where a home can make a dime and survive.
183 The firm does market feasibility studies, they review other area nursing homes, and they find where that
184 money lies. Betz thought the County was doing this. Buffenbarger said the operational audit did this for one
185 point in time. Conditions in the market will change.
186

187 Moser asked if Buffenbarger talked with Vermilion County or Ford County about their county
188 nursing homes. Ford County went private with an operating company and Moser wondered how that has
189 worked. Buffenbarger said Ford County recently went private and Vermilion County is losing money, but he
190 does not know how those nursing homes are supported. Moser said Vermilion County is taking money out
191 of the general county fund to keep the nursing home open. Buffenbarger remarked that a lot of nursing
192 homes have exhausted their fund balances and have been forced to the point that that they to consider
193 closing, privatization, or more property taxes.
194

195 Betz asked for a projected cost to annually retain a management firm. Buffenbarger could not say
196 what it would cost for Champaign County; it would be subject to negotiation. Betz hypothesized that it
197 might be cheaper to hire MPA to perform a market survey each year like the operational audit. Buffenbarger
198 explained that what he is recommending is beyond even a continuous market feasibility study, it would
199 provide support infrastructure. He clarified that MPA would not be the manager of the nursing home. Betz
200 asked if the plan necessitated the hiring of an outside auditor. Buffenbarger said that was incorrect and there
201 would be no impact on the Auditor's Office or the workforce because the County Board retains the authority
202 to negotiate the bargaining unit contracts.
203

204 Putman pulled out the operational audit report and questioned Buffenbarger on each of the individual
205 recommendations made by MPA. Buffenbarger confirmed the Nursing Home has followed MPA's
206 recommendations in the areas of: renegotiating the contract with the physical therapy provider with an
207 extremely positive result, monthly Medicare revenue has increased substantially, setting aside an entire
208 neighborhood as a rehabilitation section, developing a stronger relationship with the local hospitals,
209 contracting with a new pharmacy provider, and the food costs are getting better thought it is not completely
210 under control. Putman inquired about staffing and labor management relations. Buffenbarger said the
211 relations are not as tense as they once were. The new collective bargain agreements are more reflective of
212 the true business. Buffenbarger will be requesting a new software system to best manage the
213 intergovernmental transfer program.

214
215 Betz noted that Buffenbarger submitted a budget presentation to the County Board at the Legislative
216 Budget Hearings in which he projected a balanced budget in FY2008 for the Nursing Home. Betz wondered
217 if that was still the case. Buffenbarger said the budget is balanced without budgeting for negotiating wages
218 that will reopen next month and without any depreciation fund. Right now the budget is at a small cash
219 positive position, but in terms of real accounting it has a deficit. There is momentum and the Nursing Home
220 is getting stronger. He thinks the Nursing Home is currently headed in the right direction, so it is the time to
221 set things in place for the long haul to ensure the Nursing Home can be stable for a long time.

222
223 Wysocki asked, should the County chose to not adopt the new governance structure, if the
224 anticipated results be achieved with the creation of an advisory committee to the Nursing Home made up of
225 healthcare professionals. Buffenbarger's answer was maybe, if the advisory board had some very clear
226 parameters and the members were carefully selected.

227
228 McGinty said a governing board would allow more nimbleness in the operation for Buffenbarger
229 rather than him having to come back to the County Board, which restricts his ability to have the operation
230 truly run as a business. McGinty and Tapley were involved in negotiating the Nursing Home collective
231 bargaining agreement for over a year. Both the County and the union pledged teamwork. He stated he
232 County Board did not get a wage freeze contrary to what Kent Beauchamp indicated during public
233 participation. He has a great deal of respect for Beauchamp and the union. Regarding the notion that an
234 operating board would add a layer to the Nursing Home structure, it would provide expertise in the nursing
235 home field that County Board members are unable to provide. He noted the Nursing Home has made great
236 strides financially, thanks largely due to Buffenbarger. McGinty felt the County Board needed to let
237 Buffenbarger do his job. The DeKalb County situation was compelling and the DeKalb County Board does
238 not have to pay close attention to their nursing home because it has been operating so well for so long under
239 the operating board structure. The key is the people appointed to the operating board. Concerning MPA,
240 McGinty does not know them well. He liked the results they produced so far and the idea of having a backup
241 team for the Nursing Home. The strides made in reducing the cost of contract nurses at the Nursing Home
242 were key from both a financial and employee moral standpoint. McGinty trusts Buffenbarger and supported
243 letting the professionals do their jobs.

244
245 Gladney stated he was curious how a 7-member operating board would be more nimble than a 27-
246 member County Board. Buffenbarger explained the operating board would have its fingers on the pulse of
247 the community and could make adjustments to operations as needed. The idea is to have a collection of
248 individuals that represent the different disciplines in a nursing home.

249
250 Putman said she wanted to mention the gorilla in the room, the fear that a change in governance
251 structure might result in outsourcing or privatizing the Nursing Home's laundry, kitchen, or housekeeping
252 services. Putman does not want this and is nervous about how an operating board might analyze the Nursing
253 Home's bottom line differently than she does. Buffenbarger said the operating board would be appointed by

254 the County Board and would be representative of both businesses and not-for-profits. The operating board
255 would not have the ability to outsource any of those departments according to the bylaws.
256

257 Tapley went over some of the questions presented by Fabri and AFSCME. It has been stated that the
258 operating board would be subject to the Open Meetings Act. He asked if the DeKalb County Board still
259 approved the major decisions regarding their nursing home. Buffenbarger answered yes and there were no
260 layoffs when DeKalb made the governance change. The goal is about finding more revenue than about
261 cutting expenses. Tapley admitted to not feeling qualified to run a nursing home; it is an enterprise that
262 needs a level of expertise like a governing board. The County Board would be able to remove operating
263 board members at will. He expressed that it is unfortunate the imagined bad things prevail over facts, even if
264 it is not intentional, on this issue. Tapley stated he has high respect for Beauchamp and knows the union
265 members care for the Nursing Home. An operating board could mean a smaller layer of bureaucracy instead
266 of an additional layer. Tapley narrowed it down one reason the operating board is a good idea: inertia. The
267 Nursing Home's performance has been inconsistent in the part because the home cannot operate as a
268 business since it is not set up that way. There is no long-term vision, nimbleness, or pro-activity in part
269 because any suggested change is met with a negative reaction. Tapley articulated that the Nursing Home
270 must be able to be proactive enough to makes changes and get ahead of the curves before something bad gets
271 worse. The current governance structure with the County Board has not worked in the past. He thought the
272 advisory board idea was interesting but does not go far enough. His biggest fear is that the County Board
273 might think the crisis is past and they do not have to change anything until the next crisis arises.
274

275 Langenheim observed the Nursing Home has been a rousing success in regards to services rendered
276 to residents. He said the home has a good reputation and this is in contrast to privately owned nursing
277 homes. Since Buffenbarger was hired, the picture has improved and this has occurred under the County
278 Board. He wondered how to avoid conflicts of interest with a governing board of local healthcare
279 professionals. Langenheim stated the Nursing Home's financial problems will always continue and
280 suggested strengthening the Nursing Home administration by giving Buffenbarger a couple of assistants as a
281 less expensive and less dangerous way to fulfill the basic functions. Langenheim remarked that consultants
282 are a dime a dozen and should not be hired unless for a specific need.
283

284 Weibel expressed that he had reservations, but thought the options merit consideration. He
285 suggested adding the mission statement of the Nursing Home to the bylaws of the operating board and
286 changing the bylaws to include language about the Nursing Home being economically viable. He stated that
287 everyone needs to be on board, including the Nursing Home workers for the change to occur. He asked
288 McGrath about Fabri's questions concerning Illinois law and a non-home rule county running a nursing
289 home. McGrath explained the revision of the bylaws was done by legal staff pertinent to Champaign
290 County. The only home rule county in Illinois is Cook County. There is no distraction between home rule
291 and non-home rule counties in the operation of the Nursing Home. The County Board could change the
292 powers given to the operating board anytime it sees fit and terminate the members at will, unlike a
293 management contract. An operating board would enable the County Board to receive professional advice for
294 free.
295

296 Wysocki appreciated all of Buffenbarger's and Busey's efforts to lay the groundwork to bring the
297 County Board to this point. She asked if he sees any downsides to this. Buffenbarger said on the surface he
298 does not see any downside.
299

300 Hogue asked why the privatization structure is being rushed through without a community debate.
301 Tapley said they were having a public debate right now. He remarked the sad reality is the Nursing Home is
302 a business and the County Board has to run it like one because it has lost millions and there comes an ending
303 point when the County cannot absorb those losses. He does not feel the County Board fixed the problems at
304 the Nursing Home. While the County Board did hire MPA to perform an operation audit, they did not do so

305 until there was a crisis. He does not think the County Board deserves the credit for the turnaround at the
306 Nursing Home. Tapley does not want to wait until the next crisis to address the issues. The discussion over
307 the Nursing Home continued.

308
309 **MOTION** by Putman to defer agenda item V A to a special joint meeting of the Justice & Social
310 Committee and the Policy, Personnel, & Appointments Committee in October before the October County
311 Board meeting; seconded by Gladney.

312
313 Tapley stated he was not opposed to the idea of a deferment, but wanted to hear argument why it
314 would do something more the delay the vote on the issue. He suggested holding a County Board study
315 session instead of a joint committee meeting.

316
317 **Putman and Gladney agreed to consider deferring to a County Board study session as a**
318 **friendly amendment to the motion.**

319
320 Betz stated he does not want to take action tonight because the issue is divided and people are not on
321 board. In his opinion, the DeKalb County Administrator gave a horrible presentation and the County Board
322 members were being suckered like fools. He did not like this proposal because the County Board is the
323 responsible party in the business of running the Nursing Home and should stay in the business of running the
324 Nursing Home. Betz stated it is a political nursing home created by the body politic. The Board is trying to
325 act like politics should have nothing to do with it when politics should affect it. He thought the Justice &
326 Social Services Committee members would give more time to the Nursing Home issues than the operating
327 board members would. Betz asked what makes people thinks bankers and other professionals will give
328 freely of their time and do such a great job. Buffenbarger was hired to do a job and Betz expects him to do
329 it. He wants the Nursing Home to operate for a full year in the new facility before making any decisions. He
330 said the County Board is rushing to radically change the structure without investing the community at all.
331 Betz said he is very angry because he thinks this has been handled in a manipulative way. Betz stated he
332 made the phone call to raise hell to say the meeting with the DeKalb County Administrator had to be a public
333 meeting. He accessed this of being a step towards privatization and said his constituents would never forgive
334 him if he votes for it.

335
336 Anderson acknowledged Knott to have the floor. Betz said he would entertain a motion to adjourn.
337 Knott appealed to Anderson. Betz attempted to call the motion on the floor for a vote. Knott requested to
338 ask his question. Tapley challenged the ruling of the Chair. Betz acknowledged Knott to have the floor.
339 Knott was willing to defer agenda item V A for a month or so to gather more information. He asked if
340 Putman would be willing to craft a motion concerning agenda item V B to issue an RFP for the purposes of
341 fact finding and gathering information. Knott wanted to see what type of interest there is from other
342 management firms besides MPA. Knott was not committing to employing a management consulting
343 services, just finding some more information.

344
345 **Putman and Gladney agreed to consider deferring agenda item V B as a friendly amendment**
346 **to the motion.** Putman was not in favor of issuing an RFP though she supported some fact finding about
347 item V B. For the committees' clarification, McGrath stated the motion on the floor was to defer agenda
348 items V A and B to a County Board study session and direct the County Administrator and the Nursing
349 Home Administrator to supply additional information regarding the possible scope of service and cost of
350 item X B.

351
352 Buffenbarger asked what information the County Board was looking for. Knott wanted the scope of
353 duties and what the Nursing Home Administrator working for a management company would mean.

354

355 Wysocki brought to the committees' attention that the Tuesday in October typically reserved for the
356 County Board study session has been reserved for the ELUC monthly meeting because of the Columbus Day
357 holiday. Busey stated Wednesday, October 10, 2007 has been reserved for the County Board study session.

358
359 **Motion carried as amended.**

360
361 **OTHER BUSINESS**

362
363 There was no other business.

364
365 **ADJOURNMENT**

366
367 Meeting adjourned at 9:18 p.m.

368
369 Respectfully submitted,

370
371 Kat Bork
372 Recording Secretary

373
374 *Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.*