

Committee of the Whole

*Items to be Distributed
May 9, 2017*

IV. Approval of the Minutes

A. April 11, 2017

VIII. Finance

B. Auditor

2. Additional Information - Champaign County Nursing Home Accounts Payable Update

C. Nursing Home

1. Monthly Financial Report

F. County Administrator

1. FY2017 General Corporate Fund Budget Projection Report
2. Updated Resolution Adopting Champaign County Financial Policies
4. Updated RFI 2017-004 for Property Brokerage and Consulting Services for the Sale or Transfer of the Champaign County Nursing Home
5. RFP 2017-005 for Management and Consulting Services for Champaign County Nursing Home

1 **CHAMPAIGN COUNTY BOARD**
2 **COMMITTEE OF THE WHOLE MINUTES**
3

4 **Finance; Policy, Personnel, & Appointments; Justice & Social Services**
5 **Tuesday, April 11, 2017**
6 **Lyle Shields Meeting Room**

7 **MEMBERS PRESENT:** Christopher Alix, Jack Anderson, Lorraine Cowart, Shana Crews,
8 Aaron Esry, Jim Goss, Stan Harper, Josh Hartke, Matt Hiser,
9 Robert King, Jim McGuire, Diane Michaels, Max Mitchell, Kyle
10 Patterson, Patti Petrie, Jon Rector, Giraldo Rosales, Stephen
11 Summers, James Tinsley, C. Pius Weibel
12

13 **MEMBERS ABSENT:** Brad Clemmons
14

15 **OTHERS PRESENT:** John Farney (Auditor), Tami Ogden (Deputy County
16 Administrator/Finance), Kay Rhodes (Administrative Assistant),
17 Rick Snider (County Administrator), Dan Welch (Treasurer)
18

19 **CALL TO ORDER**
20

21 Weibel called the meeting to order at 6:30 p.m.
22

23 **ROLL CALL**
24

25 Rhodes called the roll. Alix, Anderson, Cowart, Crews, Esry, Goss, Harper, Hartke, Hiser,
26 King, McGuire, Michaels, Mitchell, Patterson, Petrie, Rector, Rosales, Summers, Tinsley, and
27 Weibel were present at the time of roll call, establishing the presence of a quorum.
28

29 **APPROVAL OF AGENDA/ADDENDA**
30

31 **MOTION** by Esry to approve the Agenda/Addenda; seconded by Petrie. Weibel removed
32 the Closed Session from the agenda. **Motion carried with unanimous support.**
33

34 **APPROVAL OF MINUTES**
35

36 **MOTION** by Goss to approve the minutes of March 14, 2017; seconded by Esry. **Motion**
37 **carried with unanimous support.**
38

39 **PUBLIC PARTICIPATION**
40

41 The following citizens all spoke regarding the Champaign County Nursing Home: Steve
42 Moser, former County Board Chair; Jennifer Putman and Scott Tapley both former members of
43 the Champaign County Board; Champaign County Nursing Home employees Evelyn Thomas,
44 Dorothy Johnson, and Tee Jones; Richard Kruidenier; David Laker; Jeff Suits; Steven Herriott;
45 Jim Clayton; Dee Giuliani; Belden Fields; Dottie Vura-Weiss; Patch Adams M.D.; Spencer
46 Haydary; George Hardelede; Danielle Chynoweth; Stephanie Fortado; Adani Sanchez; Bobbie
47 Trist; and Laura Haber.

48 **COMMUNICATIONS**

49
50 Goss read District 1 constituents statements regarding the Champaign County Nursing
51 Home: David Parsons and Chris Doenitz, a former County Board member, both supported the
52 sale of the nursing home.

53
54 Cowart announced funeral arrangements for former County Board member Lloyd Carter.
55 Mitchell reviewed highlights from recently released Visit Champaign County report and noted
56 that the full report was sent to all committee members via email.

57
58 **JUSTICE & SOCIAL SERVICES**

59 **Racial Justice Task Force Update**

60
61 Ryan Hughes, recording secretary for the task force, updated the committee on the
62 progress of the Racial Justice Task Force. The task force held community events last summer to
63 receive feedback from the public on their concerns.

64
65 As a result, the following subcommittees were created: Legal Processes; Police Practices;
66 Community Engagement; Juvenile Justice; Restorative Justice; and Structure (housing, education,
67 employment). The task force has also worked closely with an urban planning class at the
68 University of Illinois. The students developed three different mock data portals using real data
69 that the task force collected from the local court system and police departments.

70
71 The task force is utilizing these data portals to build a foundation for what the task force
72 hopes to be a strong, open, collaborative, easily accessible community justice data portal. As a
73 citizen group, the greatest challenge has been the consistency of data across the criminal justice
74 system. The task force has also teamed up with two different student groups to perform statistical
75 analysis on the data.

76
77 Hughes noted that the task force was not allotted a budget. The task force may approach
78 the County Board to discuss a small budget for items such as printing costs and community event
79 expenses. He noted that the task force members were concerned that they may not have enough
80 time to finalize their report to the County Board by the end of the term, which is July 31, 2017.
81 The task force may need an extension of three months to complete their charge and present a final
82 report to the board later in the year.

83
84 **Monthly Reports**

85
86 All reports were received and placed on file.

87
88 **Other Business**

89
90 There was no other business.

91
92 **Chair's Report**

93
94 There was no Chair's report.

95 **POLICY, PERSONNEL, & APPOINTMENTS**

96 **Appointments/Reappointments**

97

98 **MOTION** by Weibel to recommend County Board approval of a resolution appointing
99 Brooks Marsh as a County Board member from District 1 to replace John Jay, term ending
100 11/30/2018; seconded by Michaels. **Motion carried with unanimous support.**

101

102 **OMNIBUS MOTION** by Weibel to recommend County Board approval of resolutions
103 appointing the following to their respective Fire Protection Districts, terms 5/1/2017-4/30/2020:
104 Broadlands-Longview – Brian Thode; Eastern Prairie – Linda Kates; Edge-Scott – Jeremy
105 Delanty; Ivesdale – Denny Jayne; Ludlow - Rodney Loschen; Ogden-Royal – James Vickers;
106 Philo – Kevin Chalmers; St. Joseph-Stanton – Howard Marsh; Sangamon Valley – David Bright;
107 Thomasboro – William Kurth; Windsor Park – Ruth Mitchell; Scott – J. Chris Karr; Sadorus –
108 William Eckerty; Tolono – Ann M. Jack Haluzak; seconded by Hartke. **Motion carried with**
109 **unanimous support.**

110

111 **County Board of Health**

112 **Ordinance Amending Fees**

113

114 **MOTION** by Petrie to defer item until the Committee of the Whole meeting on May 9,
115 2017; seconded by Goss. **Motion carried.**

116

117 **Sheriff**

118

119 **MOTION** by Rector to recommend County Board approval of a resolution designating
120 the week of May 7th as National Correctional Officer Week; seconded by Anderson. **Motion**
121 **carried with unanimous support.**

122

123 **MOTION** by Anderson to recommend County Board approval of a resolution designating
124 the week of May 14th as National Police Week; seconded by Summers. **Motion carried with**
125 **unanimous support.**

126

127 **County Clerk**

128

129 The March 2017 report was received and placed on file.

130

131 **County Administrator**

132 **Monthly HR Report**

133

134 The March report was received and placed on file.

135

136 **Other Business**

137

138 **MOTION** by Weibel to recommend County Board approval of a resolution appointing
139 Jon Rector to the County Facilities Committee to replace Jim Goss; seconded by Esry. **Motion**
140 **carried with unanimous support.**

141

142 Chair's Report

143

144 There was no Chair's report.

145

146 Designation of Items to be Placed on the Consent Agenda

147

148 Items A2; C1-2; F1 were designated for the Consent Agenda.

149

150 **FINANCE**

151 Treasurer

152

153 Welch stated that the real estate tax bills would be mailed on time for the fifteenth year in
154 a row. He thanked the members of the Tax Cycle Committee: the Board of Review; the Supervisor
155 of Assessments; Township Assessors; County Clerk; Information Technology and the Treasurer's
156 office. The Treasurer's report of March 2017 was received and placed on file.

157

158 **MOTION** by Goss to recommend County Board approval of a resolution authorizing the
159 County Board Chair to Assign Mobile Home Tax Sale Certificate of Purchase, Permanent Parcel
160 14-023-0094; seconded by Rosales. **Motion carried with unanimous support.**

161

162 **OMNIBUS MOTION** by Cowart to recommend County Board Approval of resolutions
163 authorizing the execution of deeds of conveyance of the County's interest or cancellation of the
164 appropriate Certificates of Purchase on real estate, permanent parcel numbers: 30-21-03-304-014,
165 015; 91-21-10-382-029; and 92-21-16-329-002; seconded by Hartke. **Motion carried with**
166 **unanimous support.**

167

168 Auditor

169 Report and Update Concerning CCNH Accounts Payable

170

171 The Auditor's report of March 2017 was received and placed on file.

172

173 Farney discussed his memo to the committee concerning the Champaign County Nursing
174 Home's accounts payable. As of March 31, 2017, the nursing home owes a total of \$2,883,797.67
175 to vendors. This is a reduction of \$34,086.53 from February 28, 2017.

176

177 The nursing home is also obligated in the form of a loan from the General Corporate Fund
178 for \$226,802. This loan was used for boiler repair/replacement. This amount is reduced from the
179 February report due to receipt of a State grant of \$56,000 to assist in purchasing energy efficient
180 equipment. These funds were applied to the loan during March. The nursing home has not made
181 its FY2016 debt service reimbursement to the General Corporate Fund for \$262,114.

182

183 This brings the total obligation of the nursing home due Champaign County to
184 \$947,970.50. This total is a decrease of \$20,953.69 from February 28, 2017. If the nursing home
185 had not received the State grant money, it would have increased its debt to the County by
186 \$35,046.31.

187

Committee of the Whole

Finance; Policy, Personnel, & Appointments; Justice & Social Services

Tuesday, April 11, 2017

Page 5

188 Due to receipt of an IGT payment of \$181,753, received March 15, 2017, the nursing
189 home did not require access to funds authorized as a loan from the General Corporate Fund to the
190 Home (Resolution 9892), nor did it access funds offered by the County Treasurer in advance of
191 the normal tax distribution.

192
193 The nursing home's cash balance, following payroll, on March 31, 2017, was
194 \$157,259.37. Had it not been for the unexpected payment from the State, the nursing home would
195 have required loaned monies to meet payroll obligations.

196
197 The Auditor, Treasurer and County Administrator continue to meet on a regular basis to
198 monitor the nursing home's financial situation. Procedures recommended by the County
199 Administrator at the March Committee of the Whole meeting to review the accounts payable
200 transactions have been implemented.

201
202 Anderson was concerned that if vendors cease doing business with the nursing home it
203 would ultimately affect the quality of care and the ability to provide services to the residents. He
204 asked if there was a sense of the vendor's willingness to continue the business relationship.

205
206 Farney stated that while he was not aware of any pending lawsuits, there were certainly
207 vendors that the County no longer orders from because the debt limit has been over extended. He
208 could not predict the tipping point at which any formal actions would be taken against the County.
209 Farney noted that the MPA contract for management of the nursing home ends June 30, 2017 and
210 it is of great concern that at this point there is no one in place who has a relationship with the
211 vendors. Anderson agreed and said that steps need to be taken to have someone in place as soon
212 as possible for a smooth transition.

213 214 Nursing Home 215 Financial Report

216
217 The Nursing Home monthly financial report was received and placed on file.

218
219 Snider noted that the census had dropped from the date of the report. The census had been
220 155 at the end of February and it is now 147. He explained that the numbers reflected lower
221 admissions. Separations were still high, but not at extraordinary rate. He also stated that the
222 accounts payable had risen by approximately \$600,000 to date.

223
224 Petrie noted a contradiction in the staffing level between what is being reported by MPA
225 and what family members and residents are reporting. Snider stated that inspectors from the
226 Illinois Department of Public Health have not found any violations in staffing levels.

227
228 McGuire inquired about the percentage of Medicaid residents. Snider reported that it was
229 currently at approximately 75%. King inquired about the star rating error, in which the State of
230 Illinois had inaccurately listed the nursing home with a one-star rating when it should have been
231 a three-star rating. Snider answered that the State had apologized for the error and corrected it,
232 but there would not be a special report issued.

233

Committee of the Whole

Finance; Policy, Personnel, & Appointments; Justice & Social Services

Tuesday, April 11, 2017

Page 6

234 Snider explained the CMS star rating is a combination of a facility's health inspection
235 rating, which can then be increased by a high rating on quality measures and/or staffing levels.
236

237 Discussion of Action Plan
238

239 Snider gave a presentation on the necessary actions moving forward for the Champaign
240 County Nursing Home. As a result, of the vote, the County does not have any additional revenue
241 to support nursing home operations and the County Board has the authority to decide on the
242 disposition of the nursing home and how best to approach it.
243

244 Hartke left the meeting at 8:45 p.m.
245

246 There are two critical items that need to be decided upon as soon as possible: 1)
247 Stabilization of the nursing home finances and management; 2) Disposition evaluation and
248 approval of process.
249

250 The immediate challenges are cash flow-\$100,000/month Medicaid shortfall; accounts
251 payable increasing; declining census impacting revenue; consolidation and wing closure almost
252 complete (all except six); and employee and resident uncertainty. The stabilization issues are
253 Financial-business operations and Management-compliance, patient services, and employee
254 assistance (crisis management). MPA is willing to continue after June 30, 2017 to provide
255 compliance services for the nursing home.
256

257 Snider announced that he had identified an individual who could assist in the management
258 of the nursing home on a short-term basis. This individual is a licensed nursing home
259 administrator with experience in management of distressed nursing home properties. Alix asked
260 if this individual would be on-site. Snider affirmed that this individual would work full-time at
261 the nursing home.
262

263 Welch presented a financial history of the nursing home to committee members. He began
264 with an explanation of the property tax to be collected in 2017. The nursing home has a 3-cent
265 levy, which will raise an estimated \$1,212,067, and the nursing home has already borrowed 85%
266 (\$1,021,757) through Tax Anticipation Warrants (TAW). The warrants were received on
267 December 17, 2016. Today, the County advanced another \$150,000 for anticipated payroll
268 shortages. The remainder is approximately \$30,000 before reaching the full amount of the 2017
269 levy (\$1,212,067). The TAW is paid back to the County over a five-month period beginning in
270 late May 2017 as the first real estate tax distribution is made.
271

272 Welch explained the current financial situation of the nursing home. He stated that as of
273 April 11, 2017 the cash balance was \$315,775, which includes the TAW and the \$150,000
274 advance. Monthly payroll for the nursing home is \$480,000. The nursing home's outstanding bills
275 as of April 10, 2017 total \$2,927,756. The State of Illinois owes the nursing home approximately
276 \$1,100,000 in pending payments for current residents.
277

278 MPA reported today that nineteen Medicaid applications have been approved, but the
279 money has not yet started to flow. Each approved application is equal to \$4,000 per month or in
280 this case \$76,000.

Committee of the Whole

Finance; Policy, Personnel, & Appointments; Justice & Social Services

Tuesday, April 11, 2017

Page 7

281 Hiser asked if the accounts payable would continue to increase if the State of Illinois paid
282 what is due the nursing home. Welch indicated that there might be a slight improvement, but he
283 estimated that overall the situation would remain the same.
284

285 Welch indicated that while the nursing home cash flow is not part of the Treasurer's focus,
286 he did perform a simple analysis. There are three figures to note when trying to understand the
287 nursing home's cash flow: 1) Monthly Payroll - \$480,000; 2) Estimated Monthly Accounts
288 Payable - \$470,000; 3) Estimated Monthly Revenue - \$875,000. Obviously, the result is a deficit.
289 Welch extended his projection through to December 2017, creating an estimated deficit of
290 -\$750,000. He noted that there were many variances effecting this projection and cash flow
291 analysis is a snapshot.
292

293 Alix asked if MPA included the IGT in their monthly accounts payable estimate. Welch
294 said he entered \$100,000 every quarter into his cash flow analysis. Snider would contact Mr.
295 Gima for clarification.
296

297 Welch continued that as of today, the nursing home owes the County General Fund
298 \$262,114-Debt Service payment; \$226,802 – nursing home boilers; \$447,137 – unpaid bills, for
299 a total of \$936,053.
300

301 Welch noted that there are only two ways per statute 50 ILCS 420/2 for the nursing home
302 to borrow money. The first is TAW - borrow up to 85% of tax levy, which must be repaid with
303 current real estate tax collections. This marks the ninth year of borrowing. The amount borrowed
304 this year is \$1,021,757 and the interest rate is 1.45%. The interest expenses over the last eight
305 years total \$50,085.14. The TAW is normally used to make debt service payment and/or help with
306 cash flow. The 2016 TAW was used to repay the County for \$1,027,000 in pension and social
307 security payments on behalf of the nursing home.
308

309 Welch discussed the nursing home debt service of 2015, 2011, and 2005. The 2015
310 nursing home construction bonds were issued for \$2,543,388 (18 semi-annual payments). An
311 interest payment of \$21,335 is due June 15, 2017 and a principal payment of \$261,335 is due
312 December 15, 2017. These are paid by the General Corporate Fund and then reimbursed by the
313 nursing home.
314

315 The 2011 nursing home construction bonds were refinanced and the total was \$4,940,200
316 (10 semi-annual payments). These are paid from the nursing home debt service fund (Champaign
317 County Tax Levy). Lastly, the 2005A nursing home construction bonds totaled \$2,536,632 (4
318 semi-annual payments) and are paid from the nursing home debt service fund as well. Discussion
319 followed.
320

321 Welch reviewed the General Corporate Fund (GCF) balance for the committee members.
322 He explained that the County Board set the fund balance goal at 12.5% of the expenditure budget,
323 approximately \$4,500,000. The fund balance should be enough money to make it from January 1
324 to May 31, when real estate money starts to flow. The General Fund typically needs to borrow up
325 to \$1,500,000 from the Public Safety Sales Tax Fund in April and it has not been necessary yet.
326 Any money transferred or loaned to the nursing home comes from the General Corporate Fund
327 and if not repaid, it creates a hole and lowers the GCF for next year. The GCF cash balance as of

Committee of the Whole

Finance; Policy, Personnel, & Appointments; Justice & Social Services

Tuesday, April 11, 2017

Page 8

328 today is \$1,813,009 and the GCF monthly payroll expense is \$1,700,000. Esry recalled that it had
329 been suggested in the past that the GCF goal should be set at 15%.

330

331 Harper left the meeting at 9:21 p.m.

332

333 Cowart asked how much the County would pay MPA to stay on at the nursing home.
334 Snider clarified that MPA would only provide compliance services and that number had not been
335 negotiated yet.

336

337 Welch continued that from 2005-2007 the County Board approved transfers of \$1,583,000
338 to the nursing home, only \$100,000 was repaid and the County Board decided that any further aid
339 to the nursing home would be in the form of loans. From 2007-2008 the County Board loaned
340 \$2,108,000 and received only \$775,000 in reimbursement. In 2009, the County received a
341 \$1,000,000 from legal settlement with a contractor over a mold issue at the nursing home and the
342 funds were placed in the GCF. The grand total from 2005-2009 of loans/transfers/settlements
343 comes to \$1,816,000 of funds given to the nursing home, which were never repaid and eventually
344 formally forgiven by the County Board.

345

346 The loans and transfers to the nursing home wiped out the GCF balance and created the
347 necessity for loans to the GCF: 2007 - \$1,150,000; 2008 - \$2,625,000; 2009 - \$3,765,000,
348 borrowed from various County departments in order to keep the GCF operating.

349

350 Welch pointed out that from 1999 – 2005, the nursing home had a depreciation fund,
351 starting at \$863,962, which dwindled down to \$25,983 in 2005 and from 2006 to present, the fund
352 no longer exists. Hiser pointed out that the necessity for loans to the GCF was not solely due to
353 the financial assistance given to the nursing home. Welch agreed, and added that during this
354 period the County also faced a great recession. Discussion followed.

355

356 Snider continued with his presentation on the nursing home action plan. He explained the
357 steps needed in order to sell the nursing home: issue an RFP/RFI for broker; an evaluation process
358 for bids received, which would also require defined objectives and employee involvement; not-
359 for-profit option; may need debt issuance to finance wind-down; sale conclusion approximately
360 9-12 months.

361

362 Goss asked if the potential interim nursing home administrator had gone through a sales
363 process. Snider would discuss this with the candidate later this week when he visits the nursing
364 home.

365

366 Snider continued that the estimated valuation if the nursing home were sold is \$9.9 million
367 to \$12.7 million. The proceeds would be used to pay \$3 million in accounts payable; \$500,000-
368 \$1million-IMRF/FICA; \$250,000-employee benefits; \$6.6 million principal (construction bond);
369 \$2.5 million principal (remediation bond); and the broker's commission. Snider surmised that the
370 County would not have any excess revenue from the sale of the nursing home.

371

372 McGuire, Michaels, and Goss agreed that it was very important to release and RFP/RFI
373 as soon as possible, because this will not be an easy or fast process. King was concerned with the

374 message it would send to the nursing home employees and the impact on the residents. Snider
375 met with nursing home department heads last week and will meet with employees next week.

376

377 Anderson felt that delays would only cause employees uneasiness because they do not
378 know what will happen. If an RFP/RFI is released the County can begin to get some answers for
379 the employees and residents.

380

381 Rector left the meeting at 9:40 p.m. and Tinsley left the meeting at 9:48 p.m.

382

383 Alix summarized that 9% of the voters chose to support the nursing home through
384 increased taxes, 11% chose to support the sale of the nursing home, and 80% of the Champaign
385 County voters did not participate. The rural vote and urban vote were almost diametrically
386 opposed on the issue. However, the County does not have additional revenue to work with and
387 probably will not for a very long time. The County does have the authority to look at other
388 operating models. We need to serve the interest of the County and the taxpayers as well as create
389 a plan that will be approved by at least 15 members of the County Board. The County Board must
390 work together for an agreeable resolution.

391

392 County Administrator

393 Five-Year Financial Forecast for General Corporate & Public Safety Sales Tax Funds

394

395 The presentation was deferred due to the late hour until the County Board meeting on
396 April 20, 2017.

397

398 Cable/Video Service Provider Fee

399

400 **MOTION** by Esry to recommend County Board approval of an ordinance establishing a
401 cable/video service provider fee; seconded by Anderson. **Motion carried with unanimous**
402 **support.**

403

404 Cowart left the meeting at 10:20 p.m.

405

406 Resolution Abating Taxes

407

408 **MOTION** by Michaels to recommend County Board approval of a resolution abating
409 taxes on file for refunded and retired bonds; seconded by Goss. **Motion carried with unanimous**
410 **support.**

411

412 Other Business

413

414 There was no other business.

415

416 Chair's Report

417

418 There was no Chair's report.

419

420

421 Designation of Items for the Consent Agenda

422

423 Items A2-5; D2-3; were designated for the Consent Agenda.

424

425 OTHER BUSINESS

426

427 **MOTION** by Esry to approve the Closed Session minutes of March 14, 2017 as amended;
428 seconded by Rosales. **Motion carried with unanimous support.**

429

430 Item X-B., Closed Session pursuant to 5 ILCS 120/2©11 to consider litigation which is
431 pending on behalf of Champaign County was removed from the agenda.

432

433 ADJOURNMENT

434

435 Chair Weibel adjourned the meeting at 10:25 p.m.

436

437 Respectfully submitted,

438

439

440 Kay Rhodes,

441 Administrative Assistant

442 *Please note the minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.*

JOHN FARNEY
COUNTY AUDITOR



1776 EAST WASHINGTON
URBANA, ILLINOIS 61802
TELEPHONE (217) 384-3763
FAX (217) 384-1285

OFFICE OF THE AUDITOR
CHAMPAIGN COUNTY, ILLINOIS

TO: Christopher Alix, Deputy Chair, Champaign County Board Finance Committee
Members of the Champaign County Board
Dan Welch, County Treasurer
Rick Snider, County Administrator

FROM: John Farney, County Auditor

DATE: May 9, 2017

RE: Champaign County Nursing Home Accounts Payable Update

Champaign County Nursing Home (CCNH) continues to struggle to meet its Accounts Payable obligations. I am pleased to provide the following updated information.

As of May 5, 2017, the Home owes a total of \$2,916,969.49 to its vendors. This is an increase of \$33,171.82 from March 31, 2017.

Champaign County is owed the greatest amount of funds by CCNH. The Home's current Accounts Payable obligations to the County include (March 31, 2017 amount in parenthesis):

General Corporate Fund	\$211,652.14	(\$210,905.07)
Highway Fund	\$ 1,737.38	(\$ 1,638.86)
IMRF Fund	\$166,455.16	(\$112,432.19)
Social Security Fund	\$160,711.22	(\$109,107.01)
Self-Funded Insurance Fund	\$ 31,316.99	(\$ 24,971.37)

Additionally, CCNH is obligated in the form of a loan from the General Corporate Fund for \$226,802. This loan was used for boiler repair/replacement. Finally, CCNH has not made its FY2016 debt service reimbursement to the General Corporate Fund for \$262,114.

This brings the total obligation to Champaign County from the Home to \$1,060,788.89. This total is a increase of \$112,818.39 from March 31, 2017.

As you can see, debt to the County is of grave concern. The Home's debt to the County has surpassed \$1 million. By comparison, at the end of November 2016, CCNH's obligation to the County, including nearly a full year of IMRF and Social Security expenses, was \$1,346,531.98.

The Home continues to struggle to meet its obligations to private vendors as well. The following vendors are owed at least \$100,000. They include (March 31, 2017 amount in parenthesis):

HealthPro Rehab Services (rehabilitation services)	\$433,261.55	(\$435,031.53)
Uvanta Pharmacy (resident pharmaceuticals)	\$439,370.70	(\$419,049.61)
Professional Medical Supply (operational supplies)	\$297,744.82	(\$297,744.82)
HFS/Bureau of Operations (State bed tax, fees)	\$197,637.00	(\$160,832.00)
Medical Staffing Services (contract nursing)	\$188,338.61	(\$188,338.61)
Diamond Brothers (liability insurance)	\$133,877.68	(\$127,312.18)
Health Care Services Group (dietary)	\$172,890.91	(\$112,055.43)

An IGT payment of \$181,753 was received March 15, 2017, allowing the Home some additional flexibility in cash flow that month. During the month of April, 2017, no further IGT funds were received.

The County Auditor, County Treasurer and County Administrator continue to meet on a regular basis to monitor the Home's financial situation

The County Auditor's Office will continue to monitor and report to the County Board on the status of Champaign County Nursing Home's financial obligations and debt. Should you have any questions, please don't hesitate to contact me.

To: Nursing Home Board of Directors
Champaign County Nursing Home

From: Scott Gima
Manager

Date: May 4, 2017

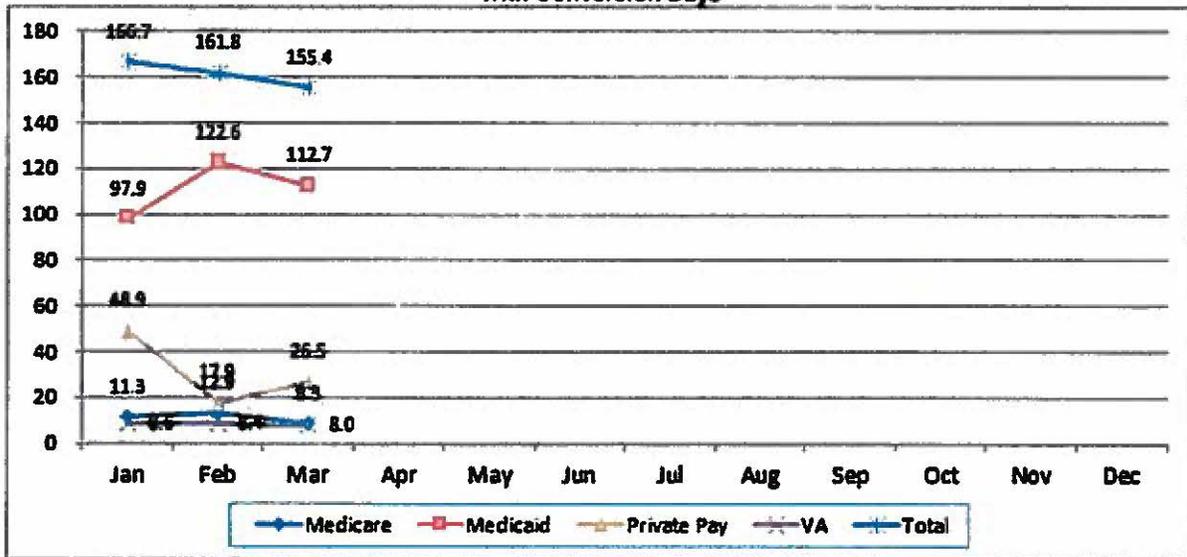
Re: March 2017 Financial Management Report

The March financials are reviewed below.

Statistics

The census fell between February and March from 161.8 to 155.4. Medicare was 8.3 and VA was 8.0. Medicaid, including Medicaid pending is 109.3. There were 494 Medicaid conversion days.

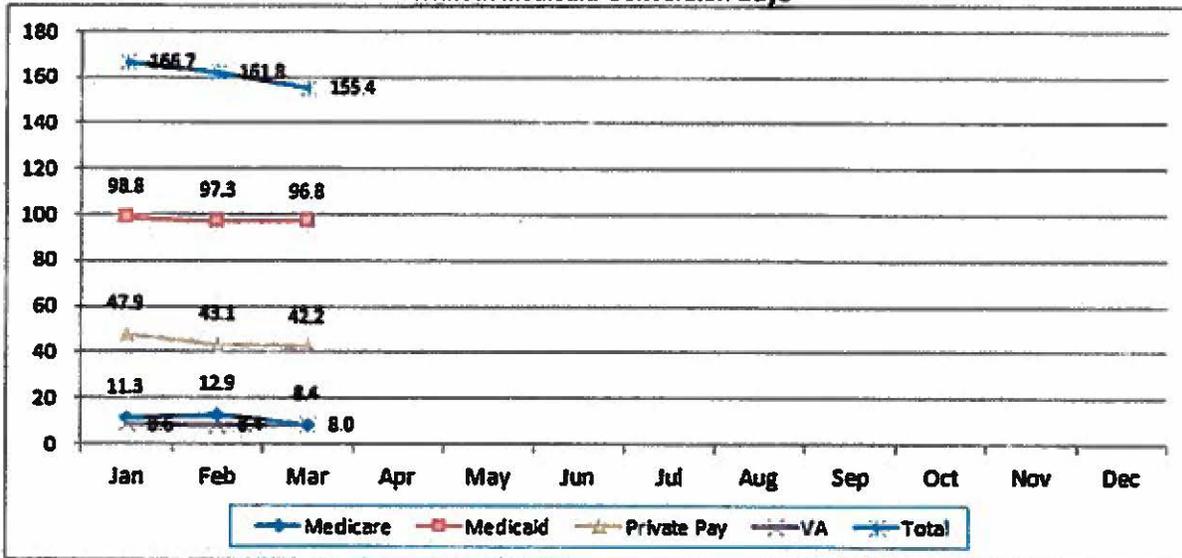
**Average Daily Census by Payor – FY2017
With Conversion Days**



The census in April shows a continuing decline in census with an average of 141.1, with 6.7 Medicare and 7.1 VA. Medicaid, including pendings total 100.6.

The table below summaries the census without the Medicaid conversion days.

**Average Daily Census by Payor – FY2017
Without Medicaid Conversion Days**

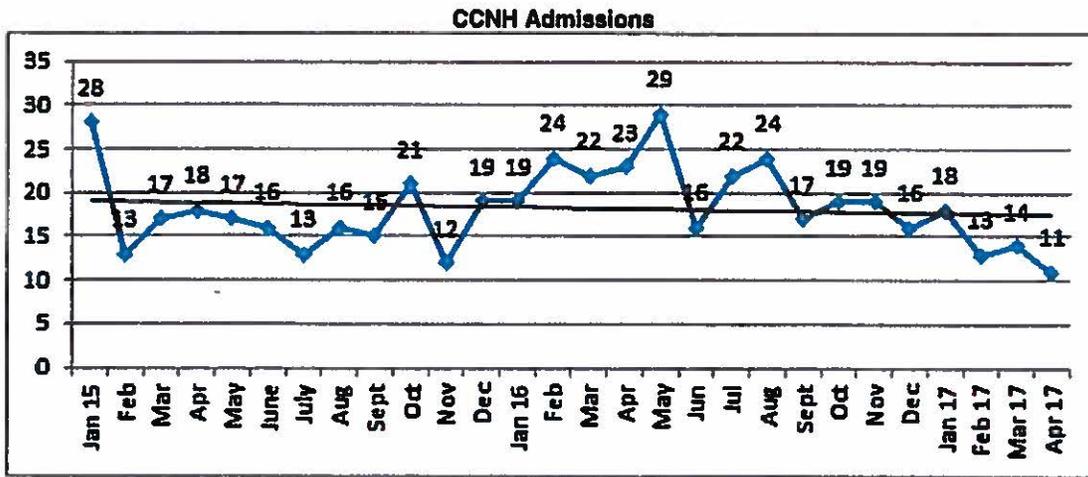


The patterns seen over the past two months is a high number of separations (more than 20) with a decline in non-Medicare admissions. April Medicare admissions increased between March and April. But non-Medicare admissions have decreased with only 2 in April.

**Admissions and Discharges
January 2016 to March 2017**

	Medicare Admits	Non-Medicare Admits	Total Admits	Discharges	Expirations	Total Discharges/Expirations
Jan 16	12	7	19	15	7	22
Feb	18	6	24	13	6	19
Mar	10	12	22	18	8	26
Apr	12	11	23	20	4	24
May	19	10	29	11	8	19
June	8	8	16	15	5	20
July	7	15	22	17	6	23
Aug	13	11	24	10	7	17
Sept	5	12	17	12	7	19
Oct	9	10	19	18	6	24
Nov	11	8	19	14	5	19
Dec	10	6	16	11	10	21
Jan	9	9	18	15	6	21
Feb	8	5	13	12	6	18
Mar	5	9	14	15	10	25
April	9	2	11	9	15	24

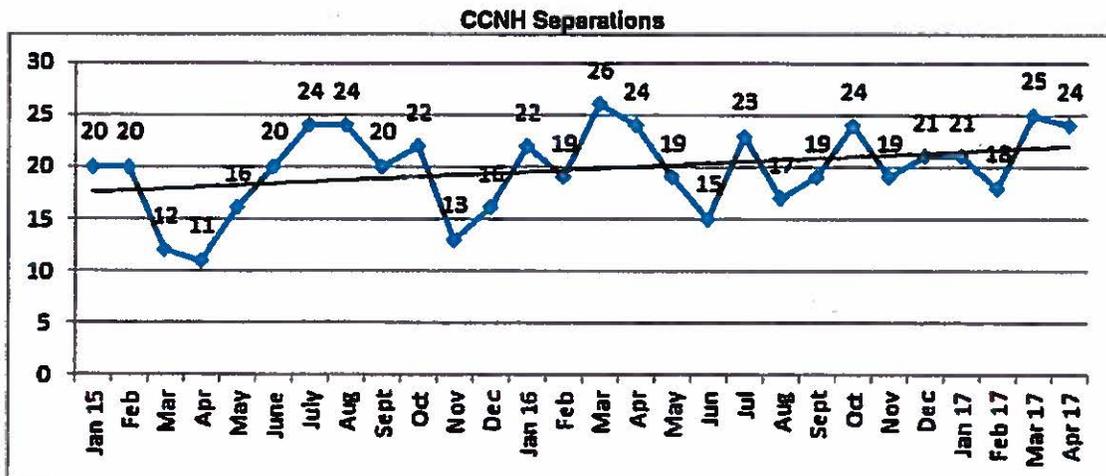
The chart below summarizes the monthly admissions. 2016 admissions improved over 2015. The 2015 average is 16.4. The 2016 average is 20.8. In 2017 so far, the monthly average is 14.



The table below summarizes the average number of admissions per month since 2012.

Admissions per Month	
Year	Average Monthly Admissions
2012	22.2
2013	25.5
2014	22.9
2015	16.4
2016	20.8
2017 YTD	14.0

The next chart summarizes separations. The 2015 average was 17.6. For 2016, the annual average is 19.8. In 2017, the monthly average is 22.0 through April.

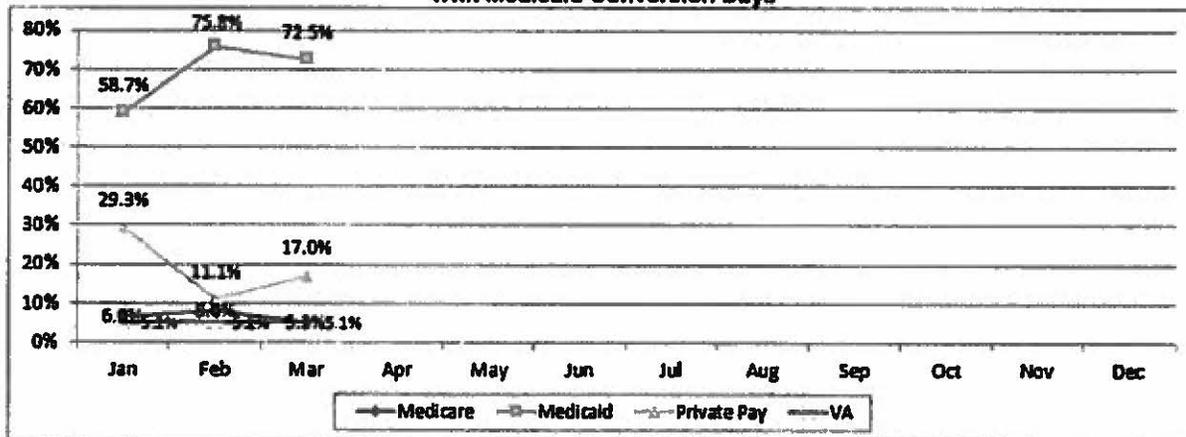


The table below summarizes the average number of discharges per month since 2012.

Discharges per Month	
Year	Average Monthly Admissions
2012	23.5
2013	28.1
2014	23.4
2015	17.6
2016	20.7
2017 YTD	22.0

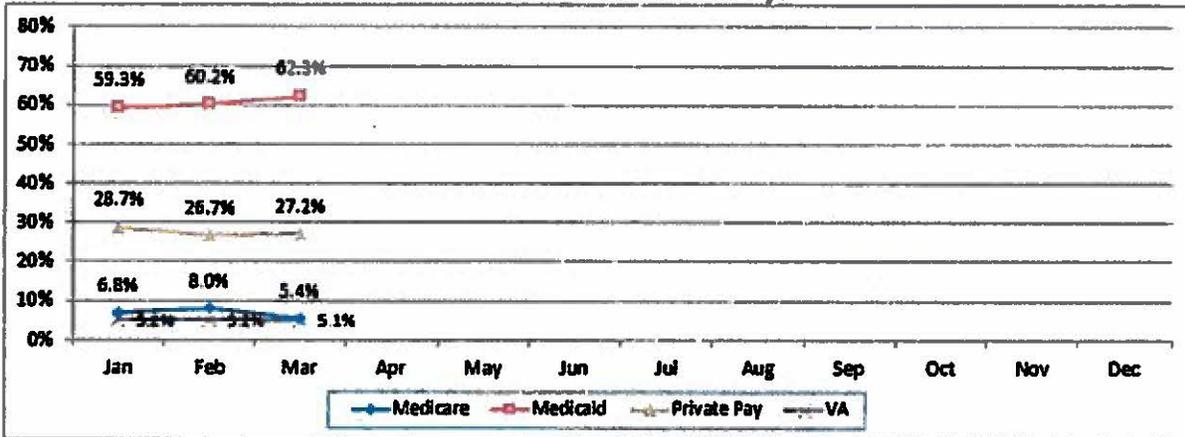
The FY2013 payor mix was Medicare – 8.7%, Medicaid – 56.3% and Private pay 35.0%. The 2014 payor mix for the year was Medicare – 7.5%, Medicaid – 58.3%, Private pay – 32.8%, and VA – 1.3%. For 2015, the 12 month payor mix is Medicare – 6.1%, Medicaid – 70.1%, Private pay – 22.8%, and VA – 1.0%. The 2016 payor mix is Medicare – 7.1%, Medicaid – 65.8%, Private pay – 23.7%, and VA – 3.4%.

Payor Mix by Resident Days – FY2017
With Medicaid Conversion Days



The 2015 payor mix without conversion days is Medicare – 6.1%, Medicaid – 57.2%, Private pay – 35.8% and VA – 1.0%. The 2016 payor mix is Medicare – 7.2%, Medicaid – 57.4%, Private pay – 32.0% and VA – 3.4%.

**Payor Mix by Resident Days – FY2017
Without Medicaid Conversion Days**



Net Income/(Loss) & Cash from Operations

The March income statement shows a net loss of -\$54,991 and a small cash gain of \$9,787. On a year-to-date basis, there is a net loss of -\$531,208 and a cash loss of -\$39,773

Revenues

- Operating revenues increased slightly from \$952,820 to \$960,115 between February and March. Medicare revenue dropped from \$205,010 to \$145,345.

Expenses

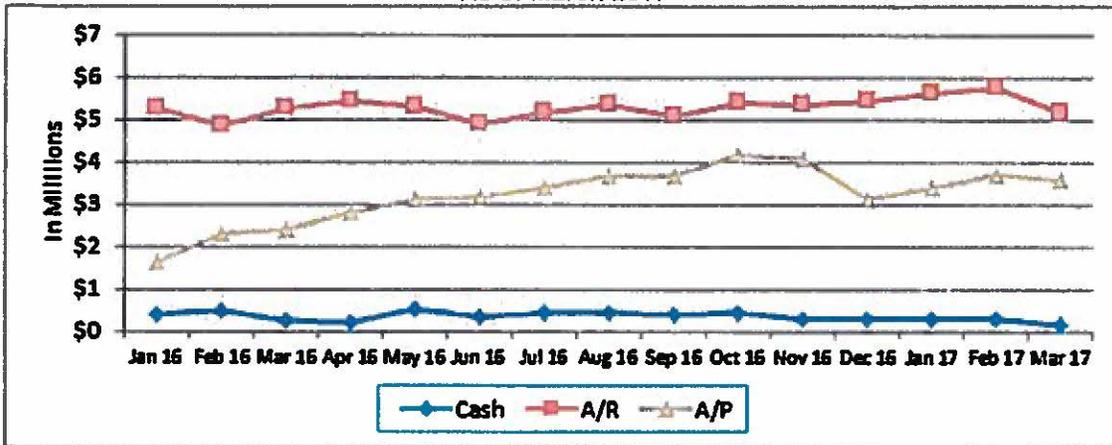
- Expenses increased from \$1,105,491 to \$1,115,871 between February and March.
- Wages increased from \$458,902 in February to \$505,145 in March. Wages per day increased from \$97.83 to \$104.87.
- Non-labor expenses decreased \$491,593 in February to \$463,107. Non-labor costs per day decreased from \$104.79 to \$96.14.

Cash Position

The month ending cash balance in March was \$157,074. Accounts receivable decreased from \$5,747,128 in February to \$5,149,002 in March. The decrease reflects bad debt write-offs which are discussed below.

Accounts payable decreased slightly from \$3,683,065 in February to \$3,584,774 in March.

**Cash, Accounts Receivable & Accounts Payable
As of March 2017**



Cash Projection

The following is a cash summary for February and March, plus projected cash summaries for the months of April, May and June.

The following are the assumptions used for payroll, vendor payments (accounts payable) and cash receipts). All of the projected figures are approximate or average figures. Note that the assumptions have been adjusted due to declining census and reductions seen in expenses.

- Payroll was previously estimated at \$480,000 per month. Payroll is now projected at \$450,000;
- Payable was previously projected at \$555,000 per month and has been adjusted to \$480,000 in June;
- Cash in was previously projected at \$955,000 per month. It is now being estimated at \$830,000 to reflect the drop in census - 26 residents between February and April.

The projected cash receipts are based on current payment levels. There is no adjustment for quarterly IGT payments or payments on approved Medicaid Pending accounts. Approval of the Pending Accounts would add \$103,000 per month to the Homes cash flow. Full payment on Pending Accounts in arrears would bring in over \$950,000 in cash. Due to the unpredictability, any projection of additional cash receipts for Pending Accounts is not warranted.

HFS has been making quarterly IGT payments. In 2015, \$461,116 was received. The average was \$115,267 a quarter, ranging from \$24,089 to \$176,267. In 2016, \$385,816 was paid, with an average was \$96,454 a quarter, ranging from \$87,652 to \$117,245. In March, \$181,753 was paid. The payments are unpredictable and no advance notice a payment amount is provided.

February

Beginning Cash				\$300,604
November	Cash In (Includes Boiler Loan)		\$932,777	
	Cash Out			
	Payroll	\$489,520		
	Accounts payable	\$408,336		
			(\$897,856)	\$34,921
Ending Cash				\$335,525

March reflects an IGT receipt of \$181,753. In addition to three payrolls during the month, funds totaling \$123,693 were used to pay invoices held in February, taking our \$550,000 estimate to \$673,693

March

Beginning Cash				\$335,525
January	Cash In		\$1,178,676	
	Cash Out			
	Payroll	\$683,748		
	Accounts payable	\$673,693		
			(\$1,357,441)	(\$178,765)
Ending Cash				\$156,760

April includes a \$150,000 advance from the county on property taxes receipts due to CCNH. Several April receivables due were paid, or will be paid in the first part of May. We have already received \$75,000 in payments from Medicare and the VA. An additional \$100,000 will be received from VA, Private Pay and Molina Medicaid.

April (Projected)

Beginning Cash				\$156,760
February	Cash In		\$814,815	
	Cash Out			
	Payroll	\$451,501		
	Accounts payable	\$440,301		
			(\$891,802)	(\$76,987)
Ending Cash				\$79,773

In the projections for May and June, cash out exceed cash in. Two variables will impact these projections: 1) additional cash receipts from Pending Accounts or an IGT payment in June, or 2) a reduction in accounts payable paid to conserve cash for payroll.

May (Projected)

Beginning Cash				\$79,773
December	Cash In		\$830,000	
	Cash Out			
	Payroll	\$450,000		
	Accounts payable	\$550,000		
			(\$1,000,000)	(\$170,000)
Ending Cash				(\$90,227)

June (Projected)

Beginning Cash				(\$90,227)
December	Cash In		\$830,000	
	Cash Out			
	Payroll	\$450,000		
	Accounts payable	\$480,000		
			(\$930,000)	(\$100,000)
Ending Cash				(\$190,227)

Bad Debt

The table below summarizes the write-off's made going back to 2012. The most pressing issue impacting bad debt this year is the Medicaid application. \$382,405 is being written off in 2016.

**Bad Debt Breakdown
2012 - 2016**

Fiscal Year	Total Amount	Med A/B	Co-Insurance	Private Pay or Resident Liability	Medicaid Applications
2012	\$292,660	\$135k	\$59k	\$99k	
2013	\$346,000	\$179	\$61k	\$106k	
2014	\$311,679	\$113k	\$76k	\$36k	\$88k
2015	\$355,500	\$58.5k	\$92k	\$75k	\$130k
2016	\$464,282	\$0	\$6,319	\$75,558	382,405

Impact of Medicaid Applications and Redeterminations

The issues with Medicaid applications is well –known. The delays in processing applications have also resulted in an increase in denied applications. In many cases, applications are being denied for failure to submit financial information in a timely fashion. The only option for the

families is to reapply for Medicaid, but the new application will retroactively cover services 90 days prior to the date of the reapplication. In some cases, there is a gap between the original Medicaid application coverage period and the reapplication coverage period. Federal regulations prevent the second application to retroactively cover more than 90 days.

The other issue has been Medicaid redeterminations denials. Federal regulations require an annual review of income and assets for all active Medicaid recipients. The State of Illinois had not been completing reapplications in recent years. Starting in 2014, the state restarted the redetermination process which is a process that occurs between the State and the resident/families. Facilities were not provided information of residents undergoing redeterminations which meant that the nursing home could not follow-up with families to ensure the reapplication form was completed and submitted with financial documentation. The redetermination process allows families 22 calendar days to submit the documentation. If the 22 day deadline passes, Medicaid payments to the facility will cease. Families have an additional 90 days to submit the form and financial documentation before an entirely new Medicaid application will be required. Representatives from the Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Human Services (DHS), who jointly manage the redetermination program have publicly stated that by not informing facilities of residents undergoing redeterminations have led to problems including non-payment and loss of Medicaid coverage. Nonetheless, there are cases where redeterminations have been denied for failure to submit information timely resulting in a payment gap period.

The \$382,405 write off covers both Medicaid applications and redeterminations that have resulted in lost payments.

History

When MPA was hired, the primary issue in 2008 was the accuracy of the monthly financial statements and problems with the financial software system in place. It was a mess. The Comptroller was literally creating the financial statements manually using a very complicated Excel spreadsheet that could not be understood by anyone other than the Comptroller. The Comptroller position was eliminated in 2010 and MPA took over the financial statement responsibilities. At the same time, a new clinical and financial software system was put into place. Considerable time and effort was spent in 2010 and into 2011 to get the financial statements to where they are today. Prior to the implementation of the new software system, it took well over 30 days to close the books for the previous month. It now takes two weeks and the accuracy of the statements has significantly improved. The new software also transitioned the aging receivables reports, eliminating another manual process and increased the accuracy of receivables.

Gary Winschel with MPA has focused his efforts to improve all functions and responsibilities in the business office including billing/receivables. Cash flow and accounts payable were also issues being addressed during this period. We have seen significant improvements in the business office, but working the receivables is a steady, systematic process. The concept is simple but a time-consuming process when dealing with Medicare Part A, Medicare Part B, Medicare Advantage plans, multiple Medicare supplemental insurance plans, Medicaid, and private pay.

New claims are billed each month. On average, 80% of the new claims are paid within 30 days. The business office now must review every one of the unpaid claims going back a minimum of 12 months. If these open claims are reviewed every month and re billed when the reason for non-payment has been identified.

Medicare Part A requires a coinsurance of \$164.50 per day that starts on day 21. This equates to about \$5,000 per resident per month. A few years ago, Illinois Medicaid stopped paying the coinsurance. A portion of this Medicaid bad debt is recaptured in the Medicare Cost Report, but Medicare is now phasing out repayment of all Medicaid bad debt. The facility can collect from a Medicare supplemental plan, if the resident has one.

The same occurs with Medicaid coverage of Medicare Part B claims. Medicare pays 80% and the resident covers 20%. With Medicaid residents, the 20% will be written off except in instances where there is a Medicare supplemental insurance policy.

For private pay and resident income (social security or pension payments), procedures are in place to follow-up on delinquent accounts.

Champaign County
General Corporate Fund FY2017 Revenue Report

FY2017 - April	FY2016 Actual	FY2017 Budget	FY2017 Projected	Budget Variance	
Local Taxes					
Property Taxes	\$10,413,681	\$11,327,775	\$ 10,816,434	-\$511,341	-4.5% 1
Back Taxes	\$5,962	\$5,000	\$ 5,000	\$0	0.0%
Mobile Home Tax	\$9,020	\$8,500	\$ 8,500	\$0	0.0%
Payment in Lieu of Tax	\$7,114	\$6,000	\$ 6,000	\$0	0.0%
Hotel Motel Tax	\$23,268	\$28,000	\$ 18,354	-\$9,646	-34.4%
Auto Rental Tax	\$32,165	\$30,000	\$ 31,571	\$1,571	5.2%
Penalties on Taxes	\$647,557	\$634,000	\$ 647,557	\$13,557	2.1%
Licenses & Permits					
Business Licenses & Permits	\$32,411	\$36,500	\$ 36,500	\$0	0.0%
Non-Business Licenses & Permits	\$1,578,398	\$1,428,110	\$ 1,578,398	\$150,288	10.5%
Grants					
Federal Grants	\$445,643	\$455,279	\$ 455,279	\$0	0.0%
State Grants	\$195,791	\$182,552	\$ 182,552	\$0	0.0%
State Shared Revenue					
Corporate Personal Property Repl. Tax	\$806,043	\$798,271	\$ 953,477	\$155,206	19.4% 2
1% Sales Tax	\$1,146,921	\$1,100,900	\$ 1,255,335	\$154,435	14.0%
1/4% Sales Tax	\$5,473,500	\$5,582,500	\$ 5,474,138	-\$108,362	-1.9%
Use Tax	\$769,750	\$814,289	\$ 871,678	\$57,389	7.0%
State Reimbursement	\$1,153,238	\$1,946,106	\$ 1,946,106	\$0	0.0% 3
State Salary Reimbursement	\$304,157	\$307,682	\$ 307,682	\$0	0.0%
State Revenue Salary Stipends	\$45,500	\$45,500	\$ 45,500	\$0	0.0%
Income Tax	\$3,139,832	\$3,354,520	\$ 3,225,500	-\$129,020	-3.8% 2
Charitable Games License/Tax	\$69,886	\$77,000	\$ 70,000	-\$7,000	-9.1%
Off-Track Betting	\$3,117	\$0	\$ -	\$0	
Local Gov. Revenue & Reimbursement					
Local Government Revenue	\$747,420	\$666,784	\$ 703,281	\$36,497	5.5%
Local Government Reimbursement	\$618,872	\$611,740	\$ 618,872	\$7,132	1.2%
Fees, Fines & Forfeitures					
General Government - Fees	\$4,094,088	\$4,104,383	\$ 3,914,818	-\$189,565	-4.6%
Fines (Bond Forfeitures, DUI Fines, Traffic)	\$713,775	\$921,000	\$ 609,611	-\$311,389	-33.8% 4
Forfeitures	\$9,361	\$13,500	\$ 27,167	\$13,667	101.2%
Miscellaneous Revenue					
Interest Earnings	\$17,456	\$8,950	\$ 17,456	\$8,506	95.0%
Rents & Royalties	\$847,855	\$1,090,000	\$ 1,015,000	-\$75,000	-6.9% 5
Gifts & Donations	\$23,260	\$13,800	\$ 13,800	\$0	0.0%
Sale of Fixed Assets	\$2,650	\$0	\$ -	\$0	
Miscellaneous Revenue	\$635,111	\$115,115	\$ 129,973	\$14,858	12.9%
Interfund/Interdepartment					
Interfund Transfers	\$684,195	\$700,710	\$ 700,710	\$0	0.0%
Interfund Reimbursements	\$131,665	\$365,914	\$ 83,244	-\$282,670	-77.3% 6
Interdepartment Revenue	\$1,480	\$1,027	\$ 1,027	\$0	0.0%
TOTAL	\$34,830,142	\$36,781,407	\$ 35,770,521	-\$1,010,886	-2.7%

1 - County will not receive additional budgeted property tax revenue associated with the hospital property tax exemption case.

2 - New accounting software and corrected distribution formulas have led to continued volatility in CPPRT and Income Tax.

3 - State Salary Reimb. now reflects a 9-month lag. Although funding is expected to be received, timing of revenue receipt continues to be an issue.

4 - Fine collections continue to decline (-15% YTD).

5 - Anticipated loss of rent revenue from ILEAS due to a reduction in leased square footage because of mold contamination.

6 - Debt Service Reimbursement from the Nursing Home is not anticipated to occur in FY2017.

Champaign County
General Corporate Fund FY2017 Expenditure Report

FY2017 - April	FY2016 Actual	FY2017 Budget	FY2017 Projected	Budget Variance	
Personnel					
Regular Salaries & Wages	\$15,103,656	\$ 15,154,796	\$15,310,577	\$155,781	3.3%
SLEP Salaries	\$6,460,079	\$ 6,538,611	\$6,483,741	-\$54,870	-2.9%
SLEP Overtime	\$356,902	\$ 493,220	\$493,220	\$0	0.0%
Fringe Benefits	\$2,845,321	\$ 3,268,464	\$3,081,392	-\$187,072	-18.2%
Total Personnel	\$24,765,958	\$ 25,455,091	\$25,368,931	-\$86,160	-1.1%
Commodities					
Postage	\$211,387	\$ 245,891	\$230,663	-\$15,228	-15.0%
Purchase Document Stamps	\$960,000	\$ 884,000	\$960,000	\$76,000	31.7%
Gasoline & Oil	\$139,110	\$ 190,685	\$190,685	\$0	0.0%
All Other Commodities	\$792,745	\$ 727,862	\$651,946	-\$75,916	-29.7%
Total Commodities	\$2,103,242	\$ 2,048,438	\$2,033,294	-\$15,144	-2.4%
Services					
Gas Service	\$245,308	\$ 386,011	\$215,093	-\$170,918	-44.3%
Electric Service	\$839,308	\$ 830,000	\$1,021,534	\$191,534	23.1%
Medical Services	\$855,365	\$ 864,318	\$864,318	\$0	0.0%
All Other Services	\$4,875,577	\$ 5,221,218	\$4,954,218	-\$267,000	-5.1%
Total Services	\$6,815,558	\$ 7,301,547	\$7,055,163	-\$246,384	-3.4%
Capital					
Vehicles	\$171,373	\$ 145,000	\$145,000	\$0	0.0%
All Other Capital	\$94,162	\$ 127,500	\$201,823	\$74,323	58.3%
Transfers					
To Capital Improvement Fund	\$818,272	\$ 742,180	\$742,180	\$0	0.0%
To All Other Funds	\$233,420	\$ 123,250	\$123,250	\$0	0.0%
Debt Repayment					
	\$497,646	\$ 477,060	\$477,060	\$0	0.0%
TOTAL	\$35,499,631	\$36,420,066	\$36,146,701	-\$273,365	-0.8%

Champaign County
General Corporate Fund FY2017 Summary

FUND BALANCE 12/31/16	\$4,596,112	
Beginning Fund Balance % OF BUDGET	12.6%	
	<i>Budgeted</i>	<i>Actual</i>
FY2017 REVENUE	\$36,781,407 *	\$35,770,521
FY2017 EXPENDITURE	\$36,420,066	\$36,146,701
Revenue to Expenditure Difference	\$361,341	-\$376,181
FUND BALANCE PROJECTION - 12/31/17	\$4,957,453 *	\$4,219,931
% OF 2017 Expenditure Budget	13.6%	11.7%

Fund Balance Projection with Nursing Home Debt Service Reimbursement

\$ 4,502,601
12.5%

*FY2017 Revenue includes \$511,341 in additional revenue associated with preparing the property tax levy to capture new growth associated with a potential ruling in the hospital property tax exemption case. It was determined in March 2017 that the county would not received any additional property tax revenue in FY2017.

Establishing a separate fund for the Foreclosure Mediation program will have a projected fund balance impact of -\$52,000. A budget amendment establishing the fund is expected to come to the County Board next week, and a subsequent amendment will go to COW in June in order to move the funds. The impact of this transfer of funds will bring the projected fund balance down to 11.5%.



CHAMPAIGN COUNTY ADMINISTRATIVE SERVICES

1776 East Washington Street, Urbana, Illinois 61802-4581

MEMORANDUM

To: Chris Alix, Deputy Chair – Finance Committee of the Whole
From: Tami Ogden, Deputy County Administrator of Finance
Rick Snider, County Administrator
Re: Resolution Revising Champaign County Financial Policies
Date: May 9, 2017

Administration has reviewed Champaign County's Financial Policies and recommends formatting enhancements as well as revisions to some policies. Noteworthy changes and recommended policy revisions are summarized below.

Introduction

The addition of an introduction section identifies the purpose of the financial policies and refers to other relevant policies.

Financial Reserves and Surplus

Implementation of a fund balance target for the General Corporate Fund of two months or 16.7% of operating expenditures is recommended. The Government Finance Officers Association (GFOA) best practice is no less than two months of operating expenditures. Additionally, the county's 2014 Moody's report indicated that the county's fund balance of \$6 million in 2013 was "somewhat narrow relative to comparably rated entities."

Budgeting Policies

Clarification is provided regarding the basis of budgeting, which is a modified accrual basis. The prior policy indicated that the budget policies complied with generally accepted accounting principles (GAAP); however, the budget is not entirely consistent with GAAP because proprietary fund budgets are not on a full accrual basis.

During the last GFOA budget review, it was recommended that the county revise its definition of a balanced budget. The recommended definition allows for revenues to exceed total appropriations within an individual fund; whereas the current definition indicates that revenues and expenditures must be "equal" in order for the budget to be balanced, and does specify that the balanced budget requirement applies to individual funds. The proposed definition reads, "A budget is balanced when total appropriations do not exceed total revenues and appropriated fund balance within an individual fund."

Capital Asset Replacement Fund (CARF)

The county has been unable to fund future reserves since 2008. While it is important to recognize the diminishing fund balance and identify the county's inability to fully fund the CARF, the lack of reserve funding makes it even more essential for the county to identify required appropriations for future fiscal years. In lieu of the current policy which requires reserves for replacement to be appropriated, it is recommended that full funding for reserves be estimated

and documented, and a five-year forecast for capital asset replacement be developed and updated annually.

Prior policy allowed for no more than 3% of the total General Fund appropriations to be appropriated to the CARF. Illinois statute allows for no more than 3% of the equalized assessed value of property subject to taxation by the county to be accumulated in a separate fund for capital improvements. With the county's need for investment in technology and facilities we recommend the policy mirror the state statute.

Accounting, Auditing and Investment

The County Treasurer is authorized to make short-term Interfund loans with County Board approval. While currently policy specifies that such loans are to be paid back with interest, the Treasurer indicated that this is not required by state statute, is not present practice, and has never been done to his knowledge. Our recommendation is removal of the interest requirement.

RECOMMENDED ACTION

The Finance Committee of the Whole approves the Resolution adopting Champaign County Financial Policies.

RESOLUTION NO.

RESOLUTION ADOPTING THE CHAMPAIGN COUNTY FINANCIAL POLICIES

WHEREAS, the Champaign County Board has adopted its Financial Policies with Resolution No. 9617 on May 19, 2016; and

WHEREAS, the Champaign County Board has identified the need to amend its Financial Policies as documented in the Attachment to this Resolution;

NOW, THEREFORE BE IT RESOLVED by the County Board of Champaign County that the Financial Policies as documented in the Attachment to this Resolution are hereby approved; and

BE IT FURTHER RESOLVED by the County Board of Champaign County that Resolution No. 9617 is hereby rescinded.

PRESENTED, ADOPTED, APPROVED and RECORDED this 18th day of May, A.D. 2017.

C. Pius Weibel, Chair
Champaign County Board

ATTEST:

Gordy Hulten, Champaign County Clerk and
Ex-Officio Clerk of the County Board



Champaign County Financial Policies

Introduction

Champaign County has several relevant financial policies in order to preserve and enhance its fiscal health, identify acceptable and unacceptable courses of action, and provide a standard to evaluate the government's fiscal performance. Besides the county's Financial Policies and Annual Budget Process Resolution, other policies that are central to a strategic, long-term approach to financial management are posted on the county website <http://www.co.champaign.il.us/HeaderMenu/generalinfo.php>.

- Purchasing Policy (including Capital Asset Management and Replacement)
- Grant Application/Approval Policy
- Personnel Policy (including Salary Administration Guidelines)
- Treasurer's Investment Policy <http://www.co.champaign.il.us/treasurer/PDFS/InvestmentPolicy.pdf>

Budgeting Policies

1. The County's fiscal year is January 1 – December 31.
2. All County funds are appropriated in the "Official Budget," which is approved by the County Board. Appropriations are considered the maximum authorization to incur obligations and not a mandate to spend.
3. The County is committed to producing a balanced budget in a timely manner. The County will pay for current expenditures with current revenues, avoiding procedures that balance budgets by postponing needed expenditures, realizing future revenues early, or rolling over short-term debt. A budget is balanced when total appropriations do not exceed total revenues and appropriated fund balance within an individual fund.
4. The budgets for all governmental funds and proprietary funds are presented on a modified accrual basis.
5. The final Budget document must include:
 - a. A statement of financial information including prior year revenue and expenditure totals, and current and ensuing year revenue and expenditure projections; and
 - b. A statement of all moneys in the county treasury unexpended at the termination of the last fiscal year; and
 - c. A statement of all outstanding obligations or liabilities of the county incurred in any preceding fiscal year; and
 - d. Additional information required by state law.
6. The budget may be amended through a Budget Amendment or Budget Transfer which require a 2/3rd majority vote (15) of the County Board. Department heads may authorize transfers between non-personnel budget lines in their department budget as long as they do not exceed the total combined appropriation for non-personnel categories; and transfers between personnel lines as long as they do not exceed the total combined appropriation for personnel categories.
7. A General Corporate Fund contingency appropriation will be designated for emergency purchases during the fiscal year. The contingency appropriation goal is 1% of the total anticipated expenditure for the General Corporate Fund. No more than 5% of the total General Corporate Fund Appropriation may be appropriated to contingencies. Money appropriated for contingencies may be used for contingent, incidental, miscellaneous, or general county purposes, but no part of the amounts so appropriated shall be used for

purposes for which other appropriations are made in the budget unless a transfer of funds is authorized by a 2/3rd majority vote (15) of the County Board.

8. On an annual basis, the County will prepare a Financial Forecast to include expenditure projections for the current year and the next four (4) fiscal years.

Revenue Policies

1. The County will strive to maintain diversified and stable revenue sources to shelter it from unforeseeable short-run fluctuations in any one revenue source.
2. The County will estimate its annual revenues by an objective, analytical process. On an annual basis, and in conjunction with expenditure projections, the County will prepare revenue projections for the current year and the next four (4) fiscal years. Each existing and potential revenue source will be re-examined annually.
3. The property tax rates for each levy shall be calculated in accordance with the Property Tax Extension Limitation Law (PTELL).
4. The County charges user fees for items and services, which benefit a specific user more than the general public. State law or an indirect cost study determine the parameters for user fees. The County shall review all fees assessed in its annual budget preparation process to determine the appropriate level of fees for services and recommend any proposed changes to the fees collected to be implemented in the ensuing budget year.
5. To the extent feasible, one-time revenues will be applied toward one-time expenditures and will not be used to finance ongoing programs. Ongoing revenues should be equal to or exceed ongoing expenditures.
6. The Champaign County Board supports efforts to pursue grant revenues to provide or enhance County mandated and non-mandated services and capital needs. Activities which are, or will be, recurring shall be initiated with grant funds only if one of the following conditions are met:
 - a. The activity or service can be terminated in the event the grant revenues are discontinued; or
 - b. The activity should, or could, be assumed by the County's General and recurring operating fund or another identified fund. Departments are encouraged to seek additional sources of revenue to support the services prior to expiration of grant funding. Grant approval shall be subject to the terms and conditions of County Ordinance Number 635, and Ordinance amendments 903 and 920.

Fund Policies

1. The County's financial structure begins with funds. A fund is a self-balancing accounting entity with revenues and expenditures which are segregated for the purpose of carrying out specific programs in accordance with County policies and certain applicable State and Federal laws. Each fund has at least one Department Budget, which is a group of expenditures that provide for the accomplishment of a specific program or purpose.
2. A major fund is a budgeted fund where revenues or expenditures represent more than 10% of the total appropriated revenues or expenditures.
3. All county funds are included in the Annual Budget Document except the fiduciary funds described below.
 - a. Private Purpose Trust Funds in which the County Engineer acts in a trustee capacity on behalf of townships to use state funding to maintain township roads and township bridges, which resources are not available to support the County's own programs.
 - b. Agency Funds held in a custodial capacity for external individuals, organizations and governments for the purpose of reporting resources, such as property taxes and circuit court fees and fines.

4. **Governmental funds account for traditional governmental operations that are financed through taxes and other fixed or restricted revenue sources.**
 - a. **The General Corporate Fund is available for any authorized purpose, and is used to account for all financial resources except those required to be accounted for in another fund. A summary is prepared which lists the amount of General Corporate Fund appropriation for all affected departments. The General Corporate Fund is a Major Fund.**
 - b. **Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted to expenditures for a specific purpose.**
 - i. **Included in the Special Revenue Funds are Debt Service Funds utilized to account for the payment of interest, principal and related costs on the County's general long-term debt. (In addition to Debt Service Funds, the County also has debt service budgets included in other funds as appropriation based on the purpose of the fund.)**
 - ii. **Also included in Special Revenue Funds are Capital Project Funds used to account for all expenditures and revenues associated with the acquisition, construction or maintenance of major facilities that are not financed through proprietary funds or funds being held for other governments.**
 - c. **Proprietary Funds account for certain "business-type" activities of governments that are operated so that costs incurred can be recovered by charging fees to the specific users of these services.**
 - i. **An enterprise fund is used to account for operations that are financed primarily by User charges. The Nursing Home Fund is the county's only enterprise fund.**
 - ii. **An Internal Service Fund is established to account for the financing of goods and services provided to the County and other agencies on a cost reimbursement basis. The activities of the Self-Funded Insurance Fund and Employee Health Insurance Fund are budgeted and appropriated through the use of Internal Service Funds.**
5. **A Fund Statement is presented for each fund, which summarizes past and projected financial activity for the fund as follows:**
 - a. **Revenues presented in line item detail within revenue categories; and**
 - b. **Expenditures presented in line item detail within major categories – e.g., personnel, commodities, services; and**
 - c. **Fund Balance including the actual or estimated funds remaining at the end of the fiscal year.**

Financial Reserves and Surplus

1. **The fund balance for each fund shall be reviewed annually, and recommendations for financial reserves and a plan for the use of surplus funds shall be documented.**
2. **For cash flow purposes due to the timing of property tax revenues and fluctuations in the receipt of state shared revenues, and in order to allow flexibility to respond to unexpected circumstances, the minimum fund balance requirement for the General Corporate Fund is 45-days or 12.5% of operating expenditures. A plan will be developed to increase the fund balance in instances where an ending audited fund balance is below the 45-day minimum requirement. The fund balance target for the General Corporate Fund is two months or 16.7% of operating expenditures.**
3. **It is the intent of the County to use all surpluses generated to accomplish three goals: meet reserve policies, avoid future debt and reduce outstanding debt.**

Capital Asset Management and Replacement

1. The Capital Asset Replacement Plan includes a multi-year plan for vehicles, computers, technology, furnishings and office equipment. It will be updated for the General Corporate Fund departments during the annual budget process. Expenditures will be appropriately amortized and reserves for replacement will be estimated. If the county is unable to appropriate full funding for future reserves, this will be documented in Capital Asset Replacement budget. A five-year forecast for capital asset management and replacement will be developed and updated annually.
2. The Capital Asset Replacement Plan also includes a multi-year plan for the facilities owned and maintained by the County. The County will strive to maintain all assets at a level adequate to protect the County's capital interest and to minimize future maintenance and replacement costs.
3. The County will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted and included in the Capital Asset Replacement Fund plan.
4. The Deputy County Administrator of Finance will review all expenditures from the Capital Asset Replacement Fund and the County Administrator is authorized to approve all expenditures from the Capital Asset Replacement Fund in compliance with the multi-year plan and policies established by the County Board. No more than 3% of the equalized assessed value of property subject to taxation by the county may be accumulated in a separate fund for the purpose of making specified capital improvements.
5. The Auditor maintains a fixed asset inventory of furniture, equipment, buildings, and improvements with a value of greater than \$5,000 and a useful life of one year or more.

Debt Management

1. When applicable, the County shall review its outstanding debt for the purpose of determining if the financial marketplace will afford the County the opportunity to refund an issue and lessen its debt service costs. In order to consider the possible refunding of an issue a Present Value savings of three percent over the life of the respective issue, at a minimum, must be attainable.
2. The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
3. When the county finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the estimated useful life of the project.
4. The County will strive to have the final maturity of general obligation bonds at, or below, thirty years.
5. Whenever possible, the County will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed.
6. The County will not use long-term debt for current operations.
7. The County will maintain good communications with bond rating agencies regarding its financial condition. The County will follow a policy of full disclosure on every financial report and borrowing prospectus.

Accounting, Auditing and Investment

1. The County follows Generally Accepted Accounting Principles (GAAP).
2. State statutes require an annual audit by independent certified public accountants. A comprehensive annual financial report shall be prepared to the standards set by the government finance Officers Association (GFOA).
3. The County uses an accounts receivable system to accrue revenues when they are available and measurable for governmental fund types. Departments should bill appropriate parties for amounts owed to Champaign County, review aging reports, complete follow-up information about the account, and monitor all accounts receivables.
4. The County Treasurer is responsible for investment of all Champaign County funds. With County Board approval, the Treasurer may make a short term loan of idle monies from one fund to another, subject to the following criteria:
 - a. Such loan does not conflict with any restrictions on use of the source fund; and
 - b. Such loan is to be repaid to the source fund within the current fiscal year.

Purchasing and Encumbrances

1. An encumbrance system is maintained to account for commitments resulting from purchase orders and contracts. Every effort will be made to ensure that these commitments will not extend from one fiscal year to the next. Any emergency encumbrances, which do extend into the next fiscal year, shall be subject to appropriation in the next year's budget. Encumbrances at year - end do not constitute expenditures or liabilities in the financial statements for budgeting purposes.
2. All items with an expected value of \$30,000 or more must be competitively bid with exceptions for professional services (other than engineering, architectural or land surveying services). Additional competitive bid requirements may apply by statute or as a condition of using funds from an outside source.
3. All purchases over the respective limit of \$30,000, which require the use of either formal bids or requests for proposals, must be approved by the full Champaign County Board.
4. The Champaign County Purchasing Policy Ordinances Number 897 and 902, establish the procedures to be followed in all purchasing activities.

Risk Management

1. In order to forecast expenditures for its self-funded insurance program for workers compensation and liability, the county hires an actuarial consulting firm to review loss history and recommend funding taking into consideration claims, fixed costs, fund reserves, and national trends.
2. The County strives to maintain the actuary recommended fund balance.

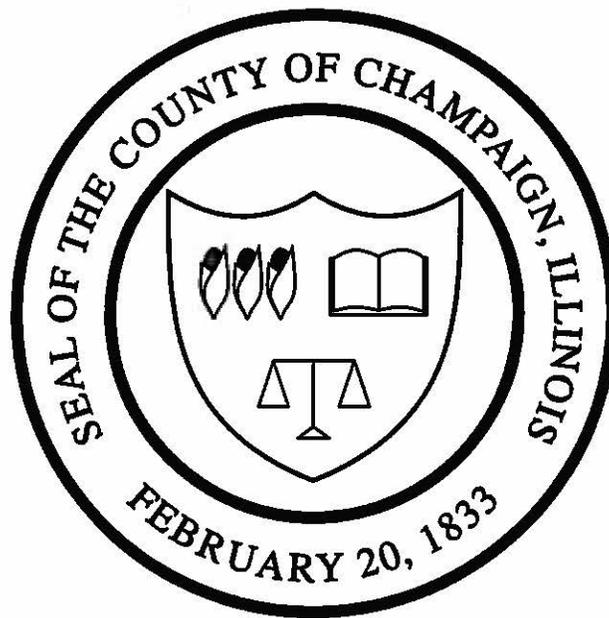
Salary Administration

1. The County Personnel Policy, adopted by Ordinance Number 960, includes Salary Administration Guidelines.
2. The County Administrator is responsible for computing salaries and fringe benefits costs for all departments.
3. Increases for non-bargaining employees will be established by the Finance Committee at the beginning of the budget cycle and forwarded to the County Board for inclusion in the annual budget.

Request for Information

Property Brokerage and Consulting Services
for the Sale or Transfer of the
Champaign County Nursing Home

RFI 2017-004



Issue Date: May 10, 2017

REQUEST FOR INFORMATION (RFI 2017-004)
PROPERTY CONSULTING AND BROKERAGE SERVICES

May 10, 2017

Per the direction of the Champaign County Board, the County of Champaign invites you to submit information in accordance with the requirements documented within this Request for Information. You must carefully read the attached documents and follow the procedures as outlined in order to be considered for selection as a service provider to the County.

Sealed Proposals: All proposals are to be submitted as outlined; Proposers will deliver one (1) original and six (6) hard copies, and one electronic copy (Microsoft Office or PDF format) to the following address:

Richard S. Snider, County Administrator
Champaign County Administrative Services
Brookens Administrative Center
1776 East Washington Street
Urbana, Illinois 61802
E-mail: countyadmin@co.champaign.il.us

Proposals are due by 1:30pm on Wednesday, May 31, 2017. All proposals shall be delivered in a sealed envelope clearly marked "SEALED PROPOSAL - RFI 2017-004 - Property Brokerage and Consulting Services".

The proposal shall include the entire response to this Request for Information document and any amendments which may subsequently be issued. Proposals received after the above stated time will be considered a late and will be disqualified from further consideration.

Please direct questions regarding the proposal package to Rick Snider, County Administrator, at countyadmin@co.champaign.il.us or by phone at (217) 384-3776.

Sincerely,



Richard S. Snider
County Administrator

I. INTRODUCTION

The County of Champaign is requesting information from professional institutional property advisors and brokers with experience in the marketing and sale of long-term care and rehabilitation facilities. The County will be reviewing information to select a licensed qualified Broker (individual or firm) to provide specified services related to the marketing of the Champaign County Nursing Home including the physical property and business operation, negotiation of a sale transaction, and preparation of related documents and issuance of notifications as required by law.

The Champaign County Nursing Home is a 220-bed long-term care and rehabilitation facility and is an important community asset. The Broker chosen for this project will be required to educate, advise, and perform services on behalf of the County to achieve the objectives established by the County Board for the transfer of the Champaign County Nursing Home out of County ownership.

II. INSTRUCTIONS TO PROPOSERS

1. All proposals must be submitted to:

Richard S. Snider
County Administrator
Brookens Administrative Center
1776 East Washington
Urbana, IL 61802

All questions regarding the proposal shall be directed in writing to the County Administrator at the above-listed address or via e-mail at:
countyadmin@co.champaign.il.us.

2. All responses to this RFI must be delivered in a sealed envelope clearly labeled "RFI 2017-004 - Property Consulting and Brokerage Services". All proposals must be received by 1:30pm on Wednesday, May 31, 2017. One (1) original and six (6) hard copies of your response, and one digital/electronic copy of your response to this RFI must be submitted. Proposals arriving after the deadline will not be accepted.
3. Proposals should provide a concise and accurate description of provider capabilities to satisfy the requirements of the RFI. Emphasis should be on completeness and clarity of content.
4. An authorized representative of the proposer must complete and sign the proposal.
5. The County Administrator or designee will notify appropriate Brokers if the County selects them as a finalist. Finalists will be invited to make a public presentation

before the County Board at the June 13, 2017 Committee of the Whole Meeting at the Brookens Administrative Center, Urbana, IL.

6. Failure to comply with any part of the RFI may result in rejection of the proposal as non-responsive.
7. In submitting information, it is understood by the undersigned that the right is reserved by the County of Champaign to accept any submissions, to reject any and all submissions, and to waive any irregularities or informalities which are in the best interest of the County of Champaign.

III. MINIMUM QUALIFICATIONS

The County of Champaign invites submissions from any person or entity meeting the following minimum qualifications: (verification of these qualifications is attested through completion of this RFI.)

1. Licensed to market and/or sell real property in the State of Illinois.
2. Three years of experience working with public and/or not-for-profit entities.
3. Prior experience with the sale and/or transfer of long-term care or rehabilitation facilities.
4. Upon request, provide proof of insurance coverage for General Liability, Employers Liability, Workers' Compensation and Errors and Omissions.

IV. TERMS AND CONDITIONS

1. The County reserves the right, at its sole discretion, to terminate this process at any time, or reject any and all proposals without penalty, prior to the execution of a contract acceptable to the County. Final selection will be based on the proposal which best meets the requirements set forth in the RFI and are in the best interest of Champaign County.
2. The County reserves the right to request clarification of information submitted and to request additional information of one or more applicants.
3. Any proposal may be withdrawn up until the date and time set above for the opening of proposals. Any proposal not so withdrawn shall constitute an irrevocable offer, for a period of 90 days, to provide the County the services set forth in the attached specifications, or until one or more of the proposals have been approved by the County, whichever occurs first.
4. Any agreement or contract resulting from the acceptance of a proposal shall be on forms either supplied or approved by the County and shall contain, at a minimum, all applicable provisions of the RFI. The County reserves the right to

reject any agreement that does not conform to the RFI and any County requirements for agreements and contracts.

5. The County shall not be responsible for any costs incurred by the firm in preparing, submitting, or presenting its response to the request for qualifications.
6. The successful Proposer will be required to provide evidence of insurance for General Liability, Employers Liability, and Errors and Omissions Insurance. The firm will also be required to provide workers' compensation insurance in accordance with Illinois State Law.
7. *This invitation to submit a response to the Request for Information is not an authorization to solicit sales offers on behalf of the county. The County specifically directs that no contact or solicitation of sales proposals or bids be made on behalf of the County. Failure to comply with this condition will be grounds for disqualification.*

V. SELECTION CRITERIA

A committee of County representatives will review each submission and rate it using several evaluation criteria.

1. **Responsiveness:** The County will consider the material submitted by the proposer to determine whether the proposer is in compliance with the RFI.
2. **Responsibility:** The County will consider the material submitted by the proposer and other evidence it may obtain to determine the firm's demonstrated ability to market and negotiate a transaction for the disposition of a long-term care facility.
3. The qualifications, experience, and familiarity with local government risk management issues.
4. Satisfactory local government experience and references.
5. The fee proposal for providing the requested services.
6. The availability of other related support services.
7. Any other information provided that the County deems valuable.

VI. BACKGROUND INFORMATION

The County of Champaign has a population of 201,082 according to the 2010 U.S. Census. Urbana is the county seat and is part of the Champaign-Urbana Metropolitan Statistical Area

that includes Champaign, Ford, and Piatt Counties in Illinois. The MSA population is 231,891 as of the 2010 U.S. Census.

Since approximately the mid-1860s, the people of Champaign County have supported facilities to provide social services for the elderly and indigent. Today, the County operates a 132,000-square foot long-term care and rehabilitation facility located in Urbana, Illinois on county-owned property. Constructed in 2005, the Champaign County Nursing Home has approximately 140 residents as of April 2017, and is configured to serve up to 220 patients with a maximum certification of 243 Medicare/Medicaid-eligible beds. The facility offers adult day care, rehabilitation-to-home services, and long-term care services. It has approximately 220 employees.

Over the past 15 years, the County has experienced financial and management challenges associated with the operation of the nursing home. The County lacks the financial and management capacity to continue operating the home in its current model and will be seeking qualified operators of long-term care facilities to submit proposals for disposition of the home. Prospective entities to take over the home include but are not limited to for-profit, not-for-profit, and/or consortia. A successful proposer to this Request for Information will be expected to seek alternatives within these categories or others with the intent to continue the mission of service offered by the home to the residents of Champaign County.

VII. SCOPE OF SERVICES DESIRED

The County of Champaign desires the following services:

1. Collection of necessary data and information for potential buyers.
2. Development of marketing collateral that accurately describes the home and property to potential buyers. Said collateral shall include but is not limited to the following information:
 - a. Pricing and financial analysis information;
 - b. Property description;
 - c. A listing of recent comparable sales of similar homes;
 - d. A market survey of competitive properties showing resident rates by payer category (i.e. private pay, Medicaid, Medicare, VA, etc.); and
 - e. Demographic information relevant to the nursing home.
3. Develop strategies in cooperation with the County Board for the sale or transfer or other disposition of the subject property and business to a for-profit, not-for-profit, consortium, or other qualified entity. Strategies shall include a proposed timeline with milestones indicated to provide guidance for operational considerations of the nursing home.
4. Solicitation of proposals that meet the qualifications as established by the County in consultation with the Broker.

5. **Qualification of bidders submitting proposals for the offering of the subject property and business.**
6. **Evaluation of submissions in accordance with criteria established by the County in consultation with the Broker.**
7. **Negotiation of the transaction, including all necessary communication and coordination with the Champaign County State's Attorney's Office.**
8. **Provision to the County of market data that will support the decision-making process with respect to the disposition of the Champaign County Nursing Home. This may include presentation at public meetings of the County Board or other venues.**
9. **Provide all necessary assistance in closing the transaction upon approval of the County Board.**
10. **Handling all other customary activities and services associated with long-term care or rehab facilities real estate transactions, including consultation with County officials and staff.**

VIII. PROPOSAL FORMAT

1. **The proposal must be presented in the order as described below. To be considered substantive, the proposal must respond to all requirements of this part of the RFI. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal.**
2. **Provide a brief company history and description including size and number of employees.**
3. **A response to each item as set forth in the "Scope of Services Desired" in Section VII and a description of how your firm will approach delivery of those services.**
4. **Resumes of all principals that would be assigned to provide services to Champaign County.**
5. **At least three references from current public sector clients, including contact names, addresses and telephone numbers.**
6. **Information on the firm's experience in marketing and executing transactions of long-term care facilities similar to the Champaign County Nursing Home.**
7. **A draft contract including the proposal for fees to be charged to Champaign County for provision of services requested.**

8. A description of any other services to be provided without additional compensation beyond negotiated fee to be paid by the County for services provided pursuant to the terms of this RFI.
9. An explanation of what distinguishes the services the submitting firm can provide from other firms.
10. Responses to the following interrogatories:
 - a. How many transactions (sales, transfers, etc.) for long-term care and/or rehabilitation facilities have you completed or been involved with in the last three years? In firm's history?
 - b. Have you worked with facilities that have significant Medicaid patient census (>40%)? If so, please provide details.
 - c. Please discuss any transactions or experience you have had in working with not-for-profit or public entities to market or close a sale or transfer transaction of a nursing home.

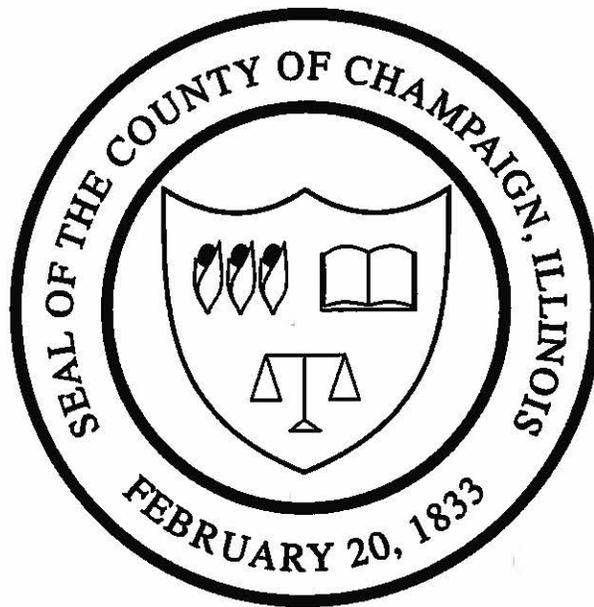
IX. TIMELINE

May 10	RFI issued
May 31	Submission deadline
June 5	Review by Committee/Selection of Top Three Finalists
June 13	Presentation by Top Three Finalists
June 13	Recommendation to County Board
June 22	Contract Approved by County Board

Request for Proposal

Management and Consulting Services
for
Champaign County Nursing Home

RFP 2017-005



Issue Date: May 10, 2017

REQUEST FOR PROPOSAL (RFP 2017-005)
CCNH MANAGEMENT AND CONSULTING SERVICES

May 10, 2017

Per the direction of the Champaign County Board, the County of Champaign invites you to submit information in accordance with the requirements documented within this Request for Proposal (RFP). You must carefully read the attached documents and follow the procedures as outlined in order to be considered for selection as a service provider to the County.

Proposals are due by 1:30pm on Wednesday, May 31, 2017. Please refer to section II for complete instructions for submissions.

The proposal shall include the entire response to this Request for Proposal document and any amendments which may subsequently be issued. Proposals received after the above stated time will be considered a late and will be disqualified from further consideration.

Please direct questions regarding the proposal package to Rick Snider, County Administrator, at countyadmin@co.champaign.il.us or by phone at (217) 384-3776.

Sincerely,



Richard S. Snider
County Administrator

I. INTRODUCTION

The County of Champaign is requesting proposals from qualified individuals and/or management firms to provide management and consulting services necessary for the continued operation of the Champaign County Nursing Home (CCNH). The home is currently managed through Management Performance Associates under a contract that will terminate on June 30, 2017. This RFP seeks management and consulting services beginning July 1, 2017 on a month-to-month basis.

The Champaign County Nursing Home is a 220-bed long-term care and rehabilitation facility and is an important community asset. The Proposer chosen for this project will be required to provide management and consulting services in accordance with the scope of services delineated herein.

II. INSTRUCTIONS TO PROPOSERS

1. All proposals must be submitted to:

Richard S. Snider
County Administrator
Brookens Administrative Center
1776 East Washington
Urbana, IL 61802

All questions regarding the proposal shall be directed in writing to the County Administrator at the above-listed address or via e-mail at:
countyadmin@co.champaign.il.us.

2. All responses to this RFP must be delivered in a sealed envelope clearly labeled "RFP 2017-005 - CCNH Management and Consulting Services." All proposals must be received by 1:30pm on Wednesday, May 31, 2017. One (1) original and six (6) hard copies of your response, and one digital/electronic copy of your response to this RFP must be submitted. Proposals arriving after the deadline will not be accepted.
3. Proposals should provide a concise and accurate description of Proposer capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
4. An authorized representative of the Proposer must complete and sign the proposal.
5. The County Administrator or designee will notify Proposers if the County selects them as a finalist. Finalists may be invited to make a public presentation before the County Board at the June 13, 2017 Committee of the Whole Meeting at the Brookens Administrative Center, Urbana, IL.

6. Failure to comply with any part of the RFP may result in rejection of the proposal as non-responsive.
7. In submitting information, it is understood by the undersigned that the right is reserved by the County of Champaign to accept any submissions, to reject any and all submissions, and to waive any irregularities or informalities which are in the best interest of the County of Champaign.

III. MINIMUM QUALIFICATIONS

The County of Champaign invites submissions from any person or entity meeting the following minimum qualifications: (verification of these qualifications is attested through completion of this RFP.)

1. Must possess nursing home administrator license in the State of Illinois, or the ability to obtain a permanent or temporary Illinois nursing home administrator license prior to commencement of service.
2. Five years of experience with the management and operation of health care, long-term care, or rehabilitation facilities.
3. Upon request, provide proof of insurance coverage for General Liability, Employers Liability, Workers' Compensation and Errors and Omissions.
4. If selected, the Proposer must comply with Illinois statute 55 ILCS 5/5-21006 which states: "(1) All applicable State and Federal rules and regulations shall be adhered to and full cooperation shall be given to all legitimate State and Federal requests for inspections and information. Such compliance shall include but not be limited to the provisions of the "Nursing Home Care Act", approved August 23, 1979, as amended. (2) The powers of the county board contained in Sections 5-21009 and 5-21010 shall be maintained by the board. (3) The contractor shall make monthly written reports to the county board or a health services committee of the board and shall meet with the board or its committee at least once every 2 months. The contractor shall also make an annual report to the board. The content of such reports shall be specified in the contract. (4) The facilities and records of the home shall be open for inspection by the board at all times. (5) No contract may extend for a period beyond 4 years."

IV. TERMS AND CONDITIONS

1. The County reserves the right, at its sole discretion, to terminate this process at any time, or reject any and all proposals without penalty, prior to the execution of a contract acceptable to the County. Final selection will be based on the proposal which best meets the requirements set forth in the RFP and are in the best interest of Champaign County.

2. The County reserves the right to request clarification of information submitted and to request additional information of one or more applicants.
3. Any proposal may be withdrawn up until the date and time set above for the opening of proposals. Any proposal not so withdrawn shall constitute an irrevocable offer, for a period of 90 days, to provide the County the services set forth in the attached specifications, or until one or more of the proposals have been approved by the County, whichever occurs first.
4. Any agreement or contract resulting from the acceptance of a proposal shall be on forms either supplied or approved by the County and shall contain, at a minimum, all applicable provisions of the RFP. The County reserves the right to reject any agreement that does not conform to the RFP and any County requirements for agreements and contracts.
5. The County shall not be responsible for any costs incurred by the Proposer in preparing, submitting, or presenting its response to the request for qualifications.
6. If successful Proposer will be required to provide evidence of insurance for General Liability, Employers Liability, and Errors and Omissions Insurance. The firm will also be required to provide workers' compensation insurance in accordance with Illinois State Law.
7. All proposals submitted to the County are subject to the Illinois Compiled Statutes Chapter 5, Section 140 (5 ILCS 140/Freedom of Information Act). Any information submitted in a proposal which the Respondent considers to be proprietary or otherwise exempt from disclosure, the Respondent must invoke, in writing, the exemption(s) to disclosure provided by 5 ILCS 140/Freedom of Information Act in its proposal by providing the specific statutory authority for claimed exemptions, identifying the data or other materials to be protected, and stating the reasons why such exclusion from public disclosure is necessary. Furthermore, to designate portions of the bid as confidential, the Respondent must:
 - Mark the cover page as follows: "This proposal includes trade secrets or other proprietary data."
 - Mark each sheet or data to be restricted with the following legend: "Confidential: Use of disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal."
 - Provide a CD-ROM with a redacted copy of the entire bid or submission in .pdf format for posting on the County's website for public inspection. Respondent is responsible for properly and adequately redacting any proprietary information or data which Respondent desires remain confidential. If entire pages or sections are removed, they must be represented by a page indicating that the page or section has been redacted. Failure to provide a CD-ROM with a redacted copy may result in the posting of an un-redacted copy.

Indiscriminate labeling of material as "Confidential" may be grounds for deeming a bid as non-responsive.

Champaign County will make the final determination as to whether information, even if marked "confidential," will be disclosed pursuant to a request under the Freedom of Information Act or valid subpoena. Respondent agrees not to pursue any cause of action against Champaign County or its agents for its determination in this regard and disclosure of information. At some point after proposal opening, all opened proposals will be made available for public inspection consistent with 5 ILCS 140/Freedom of Information Act. If a contract is awarded through this RFP, the awarded contract will also become a public record consistent with 5 ILCS 140/Freedom of Information Act. The County has the right to use any or all information/material submitted. Champaign County reserves the right to make an award to the Respondent offering a proposal in the best interests of the Champaign County and meeting all the requirements of this RFP.

V. SELECTION CRITERIA

A committee of County representatives will review each submission and rate it using several evaluation criteria.

1. **Responsiveness:** The County will consider the material submitted by the Proposer to determine whether the Proposer is in compliance with the RFP.
2. **Responsibility:** The County will consider the material submitted by the Proposer and other evidence it may obtain to determine the firm's demonstrated ability to manage and operate a long-term care facility.
3. The qualifications, experience, and familiarity with local government risk management issues.
4. The fee proposal for providing the requested services.
5. The availability of other related support services.
6. Any other information provided that the County deems valuable.

VI. BACKGROUND INFORMATION

The County of Champaign has a population of 201,082 according to the 2010 U.S. Census. Urbana is the county seat and is part of the Champaign-Urbana Metropolitan Statistical Area that includes Champaign, Ford, and Piatt Counties in Illinois. The MSA population is 231,891 as of the 2010 U.S. Census.

Since approximately the mid-1860s, the people of Champaign County have supported facilities to provide social services for the elderly and indigent. Today, the County operates a

132,000-square foot long-term care and rehabilitation facility located in Urbana, Illinois on county-owned property. Constructed in 2005, the Champaign County Nursing Home has approximately 140 residents as of April 2017, and is configured to serve up to 220 patients with a maximum certification of 243 Medicare/Medicaid-eligible beds. The facility offers adult day care, rehabilitation-to-home services, and long-term care services. It has approximately 220 employees.

Over the past 15 years, the County has experienced financial and management challenges associated with the operation of the nursing home. The County lacks the financial and management capacity to continue operating the home in its current model and is seeking qualified operators of long-term care facilities to submit proposals to manage the home on a short-term basis as the home's ultimate disposition is determined by the County Board.

VII. SCOPE OF SERVICES DESIRED

The County of Champaign desires the following services:

1. **General Responsibilities.** The Proposer shall work collaboratively with CCNH department directors and managers to manage the services and operations of the Champaign County Nursing Home, reporting to the County Administrator. Final decision making authority rests with the Champaign County Board.
2. **Communications.** The Proposer shall be responsible for periodic progress reports to the Nursing Home Board of Directors and the Champaign County Board. Reports shall be delivered at least once per month to each of the governing bodies.
3. **Administrator.** The Proposer shall serve as the nursing home administrator and/or obtain an administrator for the home to ensure continuity in the services provided to the residents of CCNH. Administrator must possess an Illinois nursing home administrator license.
4. **Business Management and Billing.** The Proposer shall implement policies and procedures for a sound, feasible, and prudent credit and accounts receivable program. The Proposer shall implement the same by directing staff to take reasonable steps necessary to effectuate timely bills by CCNH including the issuance of invoices, statements for services rendered, and materials furnished by CCNH, the collection of accounts and monies owed to CCNH, including the referral of all legal proceedings necessary, the cost of which shall be a CCNH expense. Proposer shall ensure the timely issuance of all checks, vouchers, and other documents necessary for the payment of payroll, trade accounts, amounts due on short- and long-term indebtedness, taxes, rents, and all other obligations of CCNH. [reiterate importance of compliance]
 - a. Proposer may recommend provision of a "turn-key" billing system or may utilize existing staff in combination with assistance from Proposer to maintain billing. Proposer shall be responsible for billing of governmental

benefits and/or provide guidance to CCNH staff to meet requirements for participation and payment associated with such third-party payment programs such as Veteran's Administration insurance, Medicaid and Medicare.

5. **Contracts.** The Proposer will secure and retain contracts in the name and for the account of CCNH with such individuals or entities necessary for the proper and efficient functioning of CCNH, the cost of which shall be a CCNH Expense. The Proposer shall review contracts and identify potential cost savings that can make the home operate more sustainably. Contract changes will be reviewed with the County Administrator prior to implementation. Purchases shall be made in accordance with Champaign County Purchasing Policy.
6. **Licensure.** The Proposer shall attempt to cause all things to be done in and about CCNH which are reasonably necessary to comply with the requirements of any applicable licensing statute, ordinance, law, rule, regulation, or order of any governmental or regulatory body with respect to the licensing of CCNH or the construction, maintenance, or operation thereof. If legal advice is necessary in connection with securing or maintaining licensure of CCNH, legal services will be a CCNH Expense.
7. **Compliance.** The Proposer shall be responsible for managing Compliance Services currently implemented in CCNH. The Services address compliance requirements dictated by the Affordable Care Act (ACA) and by Office of Inspector General (OIG) compliance guidance. The current Compliance Program utilizes proprietary information of the current management company. Proposer may propose licensing the system or providing their own system for compliance.
8. **Personnel Management.** Working with the CCNH Human Resources Director, the Proposer shall manage personnel policies and procedures designed to maximize the effectiveness of CCNH's employees. Such policies and procedures will: a) be consistent with applicable Champaign County personnel policies and procedures when necessary and/or b) specifically reflective of CCNH needs. Such policies and procedures will address discipline, hiring, and developing CCNH employees, including conducting job analyses, recruitment, orientation, training, and appraising performance of CCNH employees, and managing CCNH wages and salaries. Nursing home employees are County employees and are subject to County Personnel Policy and any applicable collective bargaining agreements.
9. **Annual Budget.** Proposer shall work with the County Administrator's Office, the County Auditor, and the County Treasurer to develop an operating budget for the Nursing Home.

VIII. PROPOSAL FORMAT

1. The proposal must be presented in the order as described below. To be considered substantive, the proposal must respond to all requirements of this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal.
2. Provide a brief company history and description including size and number of employees.
3. A response to each item as set forth in the "Scope of Services Desired" in Section VII and a description of how your firm will approach delivery of those services.
4. Resumes of all principals that would be assigned to provide services to Champaign County.
5. At least three references from current clients, including contact names, addresses and telephone numbers.
6. Information on the firm's experience in managing long-term care facilities similar to the Champaign County Nursing Home.
7. A draft contract including the proposal for fees to be charged to Champaign County for provision of services requested, as well as proposed content for reporting to the County Board per statutory requirements.
8. A description of any other services to be provided without additional compensation beyond negotiated fee to be paid by the County for services provided pursuant to the terms of this RFP.
9. An explanation of what distinguishes the services the submitting firm can provide from other firms.

IX. TIMELINE

May 10	RFP issued
May 31	Submission deadline
June 5	Review by Committee/Selection of Finalists
June 13	Presentation to County Board Committee of the Whole (optional)
June 13	Recommendation to County Board

June 22 Contract Approved by County Board