

Approved 8/15/2017

**CHAMPAIGN COUNTY BOARD
COMMITTEE OF THE WHOLE MINUTES**

**Finance; Policy, Personnel, & Appointments; Justice & Social Services
Tuesday, June 13, 2017
Lyle Shields Meeting Room**

MEMBERS PRESENT: Christopher Alix, Jack Anderson, Brad Clemmons, Lorraine Cowart, Shana Crews, Aaron Esry, Jim Goss, Stan Harper, Josh Hartke, Brooks Marsh, Jim McGuire, Diane Michaels, Max Mitchell, Kyle Patterson, Patti Petrie, Jon Rector, Giraldo Rosales, Stephen Summers, James Tinsley, C. Pius Weibel

MEMBERS ABSENT: Robert King

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

CALL TO ORDER

Weibel called the meeting to order at 6:33 p.m.

ROLL CALL

Rhodes called the roll. Alix, Anderson, Clemmons, Cowart, Esry, Goss, Harper, Hartke, Marsh, McGuire, Michaels, Mitchell, Patterson, Petrie, Rector, Rosales, Summers, Tinsley, and Weibel were present at the time of roll call, establishing the presence of a quorum.

APPROVAL OF AGENDA/ADDENDA

MOTION by Esry to approve the Agenda/Addenda; seconded by Goss. **Motion carried with unanimous support.**

APPROVAL OF MINUTES

MOTION by Rosales to approve the minutes of May 9, 2017; seconded by Tinsley. **Motion carried with unanimous support.**

PUBLIC PARTICIPATION

There was no public participation.

COMMUNICATIONS

There were no committee communications.

FINANCE

Treasurer

Monthly Report

Welch noted that thus far his office had collected 54% of the real estate taxes and made one distribution of approximately \$80 million. The next distribution is the largest and that will begin on June 19, 2017, placing approximately \$3.5 million in the General Corporate Fund. The Treasurer's report of May 2017 was received and placed on file.

MOTION by Cowart to recommend County Board approval of a resolution authorizing the cancellation of the appropriate certificate of purchase on a mobile home, permanent parcel 06-900-0048; seconded by Mitchell. **Motion carried with unanimous support.**

MOTION by Rector to recommend County Board approval of a resolution authorizing the cancellation of the appropriate certificate of purchase on a mobile home, permanent parcel 29-050-0155; seconded by Summers. **Motion carried with unanimous support.**

Cash Flow Projection Report

Welch reported that the nursing home cash balance as of June 13, 2017 was \$270,787. There is still another payroll this month. The Debt Service listed, \$21,334, is a scheduled reimbursement to General Corporate Fund. However, he did not expect this payment would occur.

Welch explained that the expected real estate distribution to the nursing home was slightly more than \$366,092 and would go towards repayment of the Tax Anticipation Warrants (TAW). This would be the second installment of four (4) to repay the TAW. Welch cautioned that his report is a snapshot of the nursing home cash flow as it stands June 13, 2017.

Welch reported that the cash balance for the General Corporate Fund (GCF) on June 13, 2017 was \$1,850,751. The real estate distribution to GCF next week will be slightly higher than \$3.2 million. The GCF cash balance does not include monies loaned to the nursing home, which have not been reimbursed. If monies were not reimbursed to the GCF, it would affect the balance next year.

Summers asked if it would be possible to obtain a report on the cost to the County since the inception of PTELL (Property Tax Extension Law Limit), in 1996 as well as its effect on the nursing home. Welch would discuss this question with the County Clerk. Discussion followed.

Auditor

Monthly Report

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

Nursing Home Accounts Payable Update

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Farney reported that on June 9, 2017, the nursing home owed \$3,211,792 to its vendors, an increase of \$294,823 from May 9, 2017. The nursing home's current Accounts Payable obligations to the County are as follows:

General Corporate Fund	\$220,342.25
Highway Fund	\$2,330.85
IMRF Fund	\$200,598.16
Social Security Fund	\$193,413.29
Self-Funded Insurance Fund	\$ 55,496.24

The nursing home is obligated in the form of a loan from the General Corporate Fund for \$226,802. This loan was for boiler repair/replacement. The nursing home has not made its FY2016 debt service reimbursement to the General Corporate Fund for \$262,114. The total obligation to Champaign County from the nursing home is \$1,161,096. The following vendors are owed over \$100,000 or more:

Health Pro Rehab Services (rehabilitation services)	\$297,744.82
Uvanta Pharmacy (resident pharmaceuticals)	\$403,994.12
Professional Medical Supply (operational supplies)	\$297,744.82
HFS/Bureau of Operations (State bed tax, fees)	\$240,502.00
Medical Staffing Services (contract nursing)	\$188,338.61
Diamond Brothers (liability insurance)	\$133,877.68
Health Care Services Group (dietary)	\$160,774.47

Farney reported that on April 11, 2017, the Champaign County Nursing Home received an advance of \$150,000 of real estate tax revenues from the County Collector to ease their cash flow. On May 26, 2017, after receiving its first distribution of real estate tax revenues, the nursing home reimbursed the County Collector for these funds as required by the County Treasurer. These funds have not been included among the Accounts Payable obligations reported to the County Board monthly.

Farney stated that the County could not continue to absorb the impact of the nursing home's debt. It will begin to affect other County services and County employee furloughs may already be eminent. Discussion followed.

Nursing Home

The nursing home monthly financial report was received and placed on file.

Vendor Presentations & Selection for RFI 2017-004 Brokerage/Consulting Services for CCNH

Snider explained that three (3) vendors qualified for consideration and evaluation by the committee pursuant to the terms of RFI 2017-004. Snider indicated the members of the committee who evaluated the RFI proposals were County Board members C. Pius Weibel, Jim Goss, and Josh Hartke; County Treasurer Dan Welch; County Auditor John Farney; and the County Administrator. Snider explained that Marcus and Millichap received the 531 points from the

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evaluation committee members and was ranked number one by five of the six members. Senior Living Investments Brokerage received 467 points and was ranked number one by a single member of the committee. CBRE, Inc. received 417 points and was not selected by an evaluation committee member. Therefore, two vendors would give presentations at the Committee of the Whole meeting: 1) Senior Living Investments Brokerage, 2) Marcus and Millichap.

Patrick Byrne and Ryan Saul of Senior Living Investments Brokerage gave a brief presentation on their services and qualifications. Goss asked if the vendor had worked with any other sale of a county facility. The vendor viewed their experience with other not-for-profit groups in the same light as county government. They had worked with over two-dozen not-for-profit groups in Illinois that held the same needs and vision as Champaign County. The vendor indicated that they had not specifically worked with the sale of a county owned nursing home.

Weibel asked if the vendor represented both buyers and sellers. The vendor indicated that the vendor only represents sellers, although they are acquainted with all the buyers. Petrie asked the vendor to name the states in the Midwest in which they had worked. The vendor indicated that their company is active in every state surrounding Illinois. Petrie asked for the average turn-around time between award of contract and sale. The vendor indicated that on average for the sale of a not-for-profit facility takes between six and nine months.

McGuire inquired about the process of selling to a non-profit organization. The vendor stated that although non-profit organizations would be contacted, it was unlikely that they would become a potential buyer because they do not have the financial ability to do so.

Snider asked if the vendor had experienced any buyers who were interested in facilities with a high Medicaid census. The vendor indicated that in a large majority of their transactions, the facilities Medicaid census was greater than 40%.

Joshua Jandris and Charles Hilding of Marcus & Millichap gave a brief presentation on their services and qualifications. Michaels voiced concerns that much of the completed transactions appeared to be for entities outside of the Midwest. She inquired about their experience in the Midwest market. The vendor responded that although they had completed other transactions in Illinois, overall, there were fewer opportunities to broker county-owned nursing homes. The east coast has a larger concentration of county-owned nursing homes.

Patterson discussed his concerns regarding issues that took place after the sale of the Vermillion Manor in Vermillion County, which the vendor had brokered. The vendor discussed the process and precautions taken by the Vermillion County Board. Patterson reiterated his concerns about the sale of the nursing home to a reputable and honest buyer.

Mitchell asked the vendor to elaborate on the subject of a minimum bid and if the atmosphere was like that of an auction. The vendor clarified that it was not an auction. When dealing with assets that are losing money the asset would be priced on a pro forma valuation. The price is set to generate interest and attract a greater pool of buyers. The ultimate goal is not necessarily to get the highest price for the asset. The buyer must also demonstrate the ability to make capital improvements and/or implement other strategies that will ensure the long-term viability of the operation.

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Mitchell inquired how purchase such as the nursing home is presented to a lender in order to acquire the funding. The vendor explained that half of the completed transactions have been cash purchases and the other half have been funded through a bridge loan.

Anderson stated that every sale of a nursing home is unique and it is up to the County to perform its due diligence before accepting an offer. The vendor added that they supply a matrix of all bid responses to the seller to assist in the decision making process.

Petrie inquired about the average turn-around time for the completion of a sale or transfer. The vendor responded that it typically take 6-9 months. Discussion followed regarding the vendor's experience, transaction volume, and percentage of successful sales.

More discussion followed regarding the sale of the Vermilion County nursing home and the resulting negative impact. It was noted that provisions should be set in place to protect Champaign County before any agreement for sale or transfer of the nursing home is approved.

Alix reminded the committee members that the item before them for vote was the selection of a firm to represent the county for brokerage and consulting services for the Champaign County Nursing Home. The final decision to sell or transfer ownership of the nursing home will require 15 votes of the County Board if an offer is presented. The County Board has an obligation to the public and the residents of the home to perform due diligence by placing protective conditions into any agreement regarding the nursing home.

MOTION by Goss to award contract pursuant to RFI 2017-004 for Property Brokerage & Consulting Services for the Sale or Transfer of the Champaign County Nursing Home to Marcus & Millichap; seconded by Mitchell. **Motion carried with a roll call vote of 13-7.** Crews, Esry, Goss, Harper, Marsh, McGuire, Michaels, Mitchell, Petrie, Rector, Alix, Anderson, and Clemmons voted in favor of the motion. Hartke, Patterson, Rosales, Summers, Tinsley, Weibel, and Cowart voted against it.

The committee recessed at 9:13 p.m. and resumed session at 9:22 p.m.

Award of Contract for RFP-005
Nursing Home Management/Consulting Services for CCNH

Snider explained that the criteria utilized by the evaluation committee was local representation, capacity to address varied and complex scenarios, experience, as well as vision and sustainability. The evaluation committee had unanimously recommended SAK Management.

MOTION by Hartke to recommend County Board approval of a resolution authorizing the award of contract for RFP 2017-005 for Nursing Home Management and Consulting Services for the Champaign County Nursing Home to SAK Management Services, LLC; seconded by Summers. **Motion carried with unanimous support.**

MOTION by Harper to recommend County Board approval of a resolution authorizing **Budget Amendment 17-00013** for Fund/Dept. 080 General Corporate/040 Sheriff with increased appropriations of \$6,000 and matching revenue from a donation from Journey Foundation to pay

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for body camera expenses for the patrol division; seconded by Esry. **Motion carried with unanimous support.**

MOTION by Goss to recommend County Board approval of a resolution authorizing **Budget Amendment 17-00014** for Fund/Dept. 080 General Corporate/042 Coroner with increased appropriations of \$4,737 from fund balance to re-encumber FY2016 death certificate grant funds received in FY2017; seconded by Cowart. **Motion carried with unanimous support.**

MOTION by McGuire to recommend County Board approval of a resolution authorizing **Budget Amendment 17-00015** for Fund/Dept. 040 Sheriff with increased appropriations of \$500 and matching revenue due to a donation from FE Moran and their employees for use towards K-9 training; seconded by Mitchell. **Motion carried with unanimous support.**

MOTION by Rector to recommend County Board approval of a resolution authorizing **Budget Amendment 17-00016** for 075 Regional Planning commission/812 Justice System Diversion Services with increased appropriations of \$62,755 and matching revenue to serve individuals and families in the Rantoul area who have had Crisis Intervention Team or Domestic Offense Police contact; seconded by Patterson. **Motion carried with unanimous support.**

OMNIBUS MOTION by Michaels to recommend County Board approval of resolutions authorizing **Budget Amendments 17-00017 through 17-00025** to remove property tax revenue associated with levying to capture new growth in a potential hospital property tax case ruling; seconded by Cowart. **Motion carried with unanimous support.**

OMNIBUS MOTION by Cowart to recommend County Board approval of resolutions authorizing Budget Amendments 17-00026 and 17-00027 for establishment of Foreclosure Mediation Fund for the Circuit Court; seconded by Rosales. **Motion carried with unanimous support.**

County Clerk

MOTION by Harper to recommend County Board approval of a resolution authorizing the Illinois State Board of Elections Voter Registration State Grant 2017 Acceptance Agreement; seconded by Michaels. **Motion carried with unanimous support.**

County Administrator

FY2017 General Corporate Fund Budget Projection & Budget Change Reports

The reports were received and placed on file.

FY2018 Non-Bargaining Salary Recommendation

Snider noted that an initial review of area wage comparisons show that the County is substantially below market for wages and fringe benefits: City of Champaign-\$108,000 per employee; City of Urbana-\$90,000 per employee; and the County spends \$72,000 per employee. Despite budgetary concerns, he did not recommend a wage freeze for the non-bargaining employees. Given equity concerns with the bargaining units, who have already negotiated

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increases between 1.8% and 2.25% as well as an expected increase in the cost of health insurance premiums, Snider recommended a 2% wage increase for non-bargaining employees in FY2018. He further recommended that the increase be allocated to employees as a 1% cost-of-living increase and 1% for merit increases at the department heads' discretion.

MOTION by Weibel to recommend County Board approval of a resolution authorizing the FY2018 Salary Administration Plan for non-bargaining employees; seconded by Rosales. **Motion carried.**

Other Business

There was no other business.

Chair's Report

MOTION by Goss to cancel the July Finance Committee of the Whole meeting; seconded by McGuire. **Motion carried.**

Designation of Items for the Consent Agenda

Items A2-3; C4; D1-15 and E1 were designated for the Consent Agenda.

POLICY, PERSONNEL, & APPOINTMENTS

Appointments/Reappointments

MOTION by Weibel to recommend County Board approval of a resolution appointing Stephanie Fortado as a County Board member from District 8 to replace Matt Hiser; seconded by Hartke. **Motion carried with unanimous support.**

MOTION by Alix to forward the appointments to various cemetery associations, the Forest Preserve District Board; the County Board of Health, the Developmental Disabilities Board, the Racial Justice Task Force, and the Community Action Board to the County Board without recommendation, due to the late hour; seconded by Goss. **Motion carried.**

Children's Advocacy Center MDT Coordinator Position

MOTION by Cowart to authorize the review and evaluation of the MDT Coordinator position by the Job Content Evaluation Committee; seconded by Hartke. **Motion carried with unanimous support.**

County Clerk

The May 2017 report was received and placed on file.

County Administrator Monthly HR Report

The May report was received and placed on file.

Other Business

Item E1-Formation of County Administrator Evaluation Committee and item E2-Discussion of County Executive Form of Government, were also forwarded to the County Board for action and discussion.

Chair's Report

MOTION by Esry to cancel the July Policy, Personnel, & Appointments Committee of the Whole meeting; seconded by Marsh. **Motion carried.**

Designation of Items to be Placed on the Consent Agenda

There were no items designated for the Consent Agenda.

JUSTICE & SOCIAL SERVICES

Monthly Reports

All reports were received and placed on file.

Other Business

There was no other business.

Chair's Report

MOTION by Harper to cancel the July Justice & Social Services Committee of the Whole meeting; seconded by Tinsley. **Motion carried.**

OTHER BUSINESS

MOTION Alix to enter into closed session pursuant to 5 ILCS 120/2 (c) (11) to discuss litigation that is pending or imminent against Champaign County and pursuant to 5ILCS 120/2©(17) to discuss the recruitment, credentialing, discipline, or formal peer review of physicians or other health care professionals, or for discussion of matters protected under the Federal Patient Safety and Quality Improvement Act of 2005 and the regulations promulgated thereunder, including 42 C.F.R. Part 3 (73 FR 70732), or the federal Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereunder, including 45 C.F.R. Parts 160, 162, and 164, by a hospital, or other institution providing medical care, that is operated by the public body. He further moved that the County Administrator, Deputy Administrator, Recording Secretary and Assistant State's Attorney remain present; seconded by Weibel. **Motion carried with a unanimous roll call vote.** The committee entered into closed session at 10:05 p.m. and resumed open session at 10:35 p.m.

ADJOURNMENT

Chair Weibel adjourned the meeting at 10:36 p.m.

Respectfully submitted,

Kay Rhodes,
Administrative Assistant

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