

**Board of Directors  
Champaign County Nursing Home (CCNH) –Minutes  
Urbana, Illinois  
August 4, 2016**

Directors Present: Emanuel, Busey, Cowart, Hodson, Sutton

Directors Absent/Excused: Anderson, Banks

Also Present: Snider, Petrie, Gima, Noffke, Nolan

**1. Call to Order**

The meeting was called to order at 5:32 p.m. by Chair Emanuel.

**2. Roll Call**

Nolan called the roll of Directors. A quorum was established.

**3. Approval of Agenda**

The agenda was approved as distributed (motion by Hodson, second by Busey, unanimous).

**4. Public Participation**

David Laker asked for clarification in regards to the amount of outstanding payments for staffing that was included in Mr. Sutton's analysis of the nursing home's accounts payable. Additionally, Mr. Laker commented that the delivery of meals is still not timely, but the quality of food is improving.

Mary Schultz asked the board to discuss any progress being made to serve residents hot food and keep the dining room tables clean. Ms. Schultz additionally asked the board if former employees of the nursing home are surveyed and asked why they left. Ms. Schultz commented that meeting dates and times are not clearly advertised, and many family members do not realize the Board of Directors hold meetings at the nursing home. Ms. Schultz expressed concern that the Board of Directors does share information with the County Board in a timely manner. She asked the Board of Directors to consider sharing information in a way that allows both the County Board and the Board of Directors a proper amount of time to process and deliberate the information. Ms. Schultz additionally expressed concern about a letter sent to family members from MPA in regards to the County's Facility Planning and noted that it was misleading.

Pattsi Petrie noted that the Special Facilities Committee Meeting held on August 3<sup>rd</sup>, 2016 did not have a quorum and the meeting was cancelled. The consensus of Facilities Committee members who were in attendance is to move forward at the Committee of the Whole Meeting and discuss a referendum for a quarter-cent sales tax.

Richard Kruidenier noted that his meals are still cold and asked the board to find a solution. Additionally, Mr. Kruidenier expressed concerns about staffing levels at the nursing home. He noted that CNA's are understaffed which in turn causes a decrease in the quality of care provided to residents. Mr. Kruidenier asked that these two issues be corrected as soon as possible.

**5. Communications**

Ms. Emanuel reported that the meeting will consist of a FY2017 budget review and a final recommendation to the County Board. Financial information will be reviewed and a final recommendation will be determined.

Mr. Snider reported that Champaign County has a backlog of deferred maintenance along with a list of facilities related projects. The nursing home is included on that list with approximately \$2 million in deferred maintenance projects scheduled for the next ten years. Mr. Snider is hopeful that a County-wide plan, including the nursing home's needs, will be established funded through a quarter cent facilities sales tax. The tax would be put in place through a ballot question and would include a sunset date in 2028. The sales tax should generate enough revenue to cover the projects over the next 12 years. If the tax is put in place, the nursing home would be relieved of their annual payments to the county. Mr. Snider believes a sales tax is more likely to pass than a property tax levy.

Ms. Busey noted that agendas for Board of Directors meeting are posted in the nursing home according to Illinois State Law. Ms. Noffke noted that agendas are posted on the bulletin board near the front entrance of the nursing home. Ms. Busey noted that agendas are posted when the agenda is finalized, typically 4 or 5 days in advance.

Ms. Hodson noted she was HR Director at the nursing home from 1986 until 2003 and staffing problems have always existed at the nursing home. Ms. Hodson noted that staffing problems will continue to get worse because staffing levels for long term care facilities were established in the 1960's and 1970's and the amount and type of residents currently at the nursing home demand a higher level of care and attention.

## **6. FY2017 Budget Projections and Capital Budget**

### **a. FY2017 Budget Review**

Summarizing FY2017 revenues, Mr. Gima reported that the census is the main driver of the budget. For the FY2017 budget, Mr. Gima used a projected census of 180 residents because it mirrors current conditions at the nursing home. Additionally, private pay rates will increase by five percent, Medicare rates will remain at \$495 per day, Medicaid rates will decrease by five percent to \$149.68 per day, and VA and Adult Day Care rates will remain the same.

Summarizing FY2017 expenditures, Mr. Gima reported that all wages will increase by two percent and the collection bargaining agreement is up for negotiation at the end of the year. Health insurance expenses will increase by 19% and IMRF employer rates have decreased by .2%. The largest non-labor expense is agency usage for staffing.

Ms. Busey asked if salary line items were budgeted for personnel based upon current staffing levels. Mr. Gima confirmed and noted that there may not be enough money budgeted for personnel if additional staff positions are filled. Ms. Busey asked if there is a number of CNA's and nurses that should be included in the budget regardless of current staffing levels and future agency usage. Mr. Gima explained that additional money will be needed for personnel if employees continue to stay at the nursing home and agency staffing is not utilized. Ms. Busey expressed concerns that the budget does not reflect true staffing expenses and asked if the amount budgeted for agency usage should be increased. Mr. Gima noted that the budgeted amount will adequately support staffing levels that will provide care for the 180 budgeted residents.

### **b. Review of Capital Plan – Strategic and Routine**

Mr. Gima noted that the largest item on the capital plan includes replacing the boilers at the nursing home. Ms. Emanuel reminded the board of the 10-year Capital Plan that was compiled by Dana Brenner, Facilities Director, and noted that expenses will fluctuate between \$300,000 and \$500,000 annually in order to stay on track with the plan. Mr. Gima explained that in order to generate the additional revenue to cover capital costs, the census would have to increase. Mr.

Gima detailed three scenarios to the board in which the census would increase to generate additional revenue.

Mr. Gima summarized a list of strategic capital items and noted that costs estimates are not based on actual information and only represent his best efforts to approximate costs. A preliminary estimate for strategic capital items is approximately \$4.1 million and the list includes a separate entrance to the rehabilitation to home unit, remodeling the rehabilitation department, remodeling the kitchenettes, expanding the dining rooms, interior decorations, replacing the kitchen floor and dishwashing area, replacing kitchen freezers, and establishing a dialysis unit.

Ms. Emanuel noted that steam tables are not included the strategic capital items and asked for an explanation. Mr. Gima noted that the current solution for implementing steam tables will cost less than \$5,000 and does not need to be included on the list.

Ms. Busey asked why Mr. Gima included costs estimates that are not based on actual information and asked if a list without dollar amounts could instead be included. Ms. Emanuel explained that she instructed Mr. Gima to include his estimates in order to provide the County Board with an approximately amount of money the nursing home will need in the future in order to attract more residents. Ms. Busey commented that the county has already conducted a study that concluded the nursing home needs an additional \$500,000 to \$700,000 in order to maintain operations at the current facility. Ms. Busey noted it is dangerous to included estimated dollar amounts without justification. Ms. Emanuel noted that obtaining better estimates will cost too much and take too much time.

Mr. Banks asked if it would be helpful to only include an estimated range of amounts for all project items instead of estimated costs for individual projects. Ms. Emanuel confirmed. The board discussed this option and agreed to include an estimated range of amounts for all project items.

Ms. Hodson expressed concerns about sending an estimated amount to the full County Board when the items listed are not justified with full explanations or accurate project costs. Ms. Hodson additionally express concerns that the full County Board and members of public may not understand the need for certain listed items. Mr. Banks noted that adding context to the listed items may help the full County Board and members of the public understand the need for certain strategic capital items. Ms. Emanuel clarified that a range of amounts must be included in the strategic capital plan according to County Board direction.

Mr. Sutton commented that the nursing home is already paying for capital expenses such as the lint collection system due to unforeseen project arising during the year that were not included in the budget. Mr. Gima and Ms. Busey confirmed Mr. Sutton's comments.

Ms. Emanuel summarized that the operating budget for FY2017 will not cover any capital expenses, and the nursing home will need to obtain some form of additional funding in order to complete any capital projects. According to Mr. Brenner's 10-Year Capital Plan, the nursing home has \$2 million in capital projects and \$500,000 is needed for FY2017. Additionally, a strategic capital project list has been compiled but estimates are needed for each project on the list. Ms. Emanuel noted that a property tax levy, a sales tax increase or relief from the nursing home's debt obligation to Champaign County could help the nursing home fund capital projects in FY2017 and into the future.

c. Budget Scenario if Downsized

Mr. Gima noted summarized a downsizing scenario at the nursing home. The primary assumption was close a unit and remove the associated beds. An occupancy rate of 90% was used in the analysis of the remaining beds in the facility. Expenses reflect reductions in personnel and non-labor expenses. The 12-month accrual method, excluding depreciation, shows an increase in cash from operations of approximately \$132,000. That figure does not include the principal payment for the \$4 million bond which is \$240,000 in FY2017. An additional \$107,000 is needed to cover the principal payment. Mr. Gima noted that the key take away from this scenario is that there is no opportunity to generate a significant amount of additional revenue if the nursing home were to downsize.

**7. Final Recommendation to County Board**

- a. Proposed Question to Increase the Maximum Tax Rate of the Nursing Home Operating Levy for placement on the November 8, 2016 ballot.

**MOTION** by Busey to recommend to the County Board that additional funding in the amount of \$750,000 annually be identified to pay for current and future, both routine and strategic, capital needs; seconded by Sutton. Upon vote, the **MOTION CARRIED** unanimously.

The Nursing Home Board of Directors recognizes that additional funding can be met by an increase to the maximum tax rate of the nursing home operating levy, relief from the nursing home's bond obligations for Champaign County, or an increase to the county's sales tax.

**8. Other Business**

Ms. Hodson noted that the 40<sup>th</sup> Anniversary of the Adult Day Care Program is on September 9<sup>th</sup> at 12:00 p.m. Volunteers are needed. Ms. Hodson additionally noted that the Nursing Home Auxiliary Board is working to improve and refurbish the family dining room at the nursing home.

Ms. Noffke noted that the nursing home was featured on the WCIA program CI Living. The Adult Day Care Anniversary was discussed as well as additional services the nursing home provides.

**9. Next Meeting Date & Time**

The next meeting date and time for the monthly Nursing Home Board of Directors is Monday, August 8<sup>th</sup>, 2016 at 6:00 p.m.

**10. Closed Session**

- a. Closed session pursuant to 5 ILCS 120/2 (c) 1 to consider the employment, compensation, discipline, performance, or dismissal of an employee.

**MOTION** by Busey to enter Closed Session pursuant to 5 ILCS 120/2 (c) 1 to consider the employment, compensation, discipline, performance, or dismissal of specific employees of Champaign County, and for the following individuals to remain present: Scott Gima and recording secretary.

Roll call vote:

Aye: 6 – Emanuel, Banks, Busey, Cowart, Hodson, Sutton

Nay: 0

**Motion** carried.

The Champaign County Nursing Home Board of Directors entered Closed Session at 8:01 p.m.

The Champaign County Nursing Home Board of Directors resumed Open Session at 9:11 p.m.

**11. Adjournment**

Chair Emanuel declared the meeting adjourned at 9:11 p.m.

Respectfully submitted:

Brian Nolan

Recording Secretary