

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE MINUTES

Thursday, January 12, 2006

Meeting Rm. 1, Brookens Administrative Center

1776 E. Washington St., Urbana

7:00 p.m.

MEMBERS PRESENT: McGinty, Avery, Betz, Doenitz, O'Connor, Tapley, Wysocki

MEMBERS ABSENT: Bensyl, Gross

OTHERS PRESENT: Deb Busey (County Administrator), Denny Inman (County Administrator), Andrew Buffenbarger (Nursing Home Administrator), Curt Deedrich (Supervisor of Assessments), Michael Frerichs (Auditor), Joe Gordon (Director of Court Services/Probation), Roger Holland (Court Administrator), Susan McGrath (Office of the State's Attorney), Julia Rietz (State's Attorney), Dan Walsh (Sheriff), Dan Welch (Treasurer), Kirk Bedwell (Project Manager for Integrated Justice Information System), Jim Meadows (Press)

Call to Order

Chair McGinty called the meeting to order at 7:03 p.m.

Roll Call

The Recording Secretary called the roll. Betz, Doenitz, McGinty, O'Connor, Tapley, and Wysocki were present at the time of the roll call. The Chair declared a quorum and proceeded with the meeting.

Approval of Agenda/Addendum

MOTION by Betz to approve the agenda and addendum; seconded by Doenitz.

McGinty requested the Nursing Home presentation be moved to right after public participation. He further requested agenda items IX D and VI M be moved to directly after the Nursing Home presentation. The committee agreed.

Motion carried.

Approval of Minutes

MOTION by Betz for an omnibus motion to approve the Finance Committee regular session minutes of October 6, 2005; October 26, 2005; November 10, 2005; November 17, 2005; and the Legislative Budget Hearing minutes of August 23, 2005; seconded by Tapley.

Tapley requested one errata change to the October 6th Finance Committee minutes.

Motion carried.

MOTION by Betz for an omnibus motion to approve the Finance Committee closed session minutes of October 6, 2005 and October 26, 2005; Performance Appraisal Subcommittee closed session minutes of August 24, 2005; August 26, 2005; August 31, 2005 11:30 a.m.; and August 31, 2005 12:00 p.m. as presented; seconded by Wysocki. Motion carried.

Avery entered the meeting at 7:08 p.m.

Public Participation

There was no one for public participation.

Budget Amendments/Transfers

Budget Amendment #05-00126, Budget Amendment #06-00002, Budget Amendment #06-00003, Budget Amendment #06-00008, Budget Amendment #06-00009, Budget Amendment #06-00014, Budget Amendment #06-00015, Budget Amendment #06-00016, and Budget Amendment #06-00017

MOTION by Tapley for an omnibus motion to recommend to the County Board approval of agenda items VI A through VI K with the exception of items VI F and VI G (this is the approval of Budget Amendment #05-00126 from Working Cash Fund – County Treasurer, Budget Amendment #06-00002 from Children’s Advocacy Center – Children’s Advocacy Center, Budget Amendment #06-00003 from Children’s Advocacy Center – Children’s Advocacy Center, Budget Amendment #06-00008 from County Highway – Highway, Budget Amendment #06-00009 from General Corporate – General County, Budget Amendment #06-00014 from Illinois Municipal Retirement – Illinois Municipal Retirement, Budget Amendment #06-00015 from General Corporate – Supervisor of Assessments, Budget Amendment #06-00016 from General Corporate – Public Properties, and Budget Amendment #06-00017 from Highway Facility Construction Fund – County Board); seconded by Betz. Motion carried.

Budget Amendment #06-00010

MOTION by Betz to recommend to the County Board approval of Budget Amendment #06-00010 from Geographic Information System Fund – County Board; seconded by Tapley.

Doenitz asked if the money in this budget amendment has already been spent. Busey said she believes \$1,200 of the budget amendment has been spent to provide mapping needs for the Zoning Office. Doenitz asked what portion will not be spent before the full County Board votes on the budget amendment. Busey stated she believed the \$1,200 had been spent out of necessity and the rest will not be spent until the County Board approves the amendment. Doenitz asked about what could happen with the money if the CZOR vote fails. Busey said she thought the mapping needs of the Zoning Office still exist, but she is unable to answer Doenitz’s question for certain.

Betz requested a roll call vote. Motion carried with a vote of 4 to 3. Avery, Betz, McGinty, and Wysocki voted in favor of the motion. Doenitz, O’Connor, and Tapley voted against the motion.

Budget Amendment #06-00011

MOTION by Betz to recommend to the County Board approval of Budget Amendment #06-00011 from General Corporate – Office on Zoning; seconded by Tapley. Betz request a roll call vote. Motion carried with a vote of 5 to 2. Avery, Betz, McGinty, Tapley, and Wysocki voted in favor of the motion. Doenitz and O’Connor voted against the motion.

Budget Amendment #06-00018

MOTION by Betz to recommend to the County Board approval of Budget Amendment #06-00018 from General Corporate – General County; seconded by Tapley.

Tapley requested a friendly amendment to also approve Budget Amendments #06-00020 and #06-00021. McGrath stated Avery must abstain from the vote on Budget Amendments #06-00020 and #06-00021. Tapley withdrew his amendment.

Betz requested a roll call vote. Motion carried with a vote of 6 to 1. Avery, Betz, Doenitz, McGinty, Tapley, and Wysocki voted in favor of the motion. O'Connor voted against the motion.

Budget Amendment #06-00019

MOTION by Avery to recommend to the County Board approval of Budget Amendment #06-00019 from Public Safety Sales Tax Fund – Justice System Technology Project; seconded by Tapley.

Betz asked why the project is off schedule. Kirk Bedwell, Project Manager, stated the delay is due to multiple reasons, including the primary Jano programmer having health issues which has delayed the coding. The software is not ready to go live yet. Bedwell stated he would be happy to provide a demonstration of the project to the committee. Avery asked if the delay in the go live date has delayed payment to New World, because she received a telephone call that the County has not submitted payment. Busey explained that payment is an issue of the agreement between Jano and New World. Champaign County does not owe the final payment until the project is completely live. Betz voiced his support of the County not paying for the project until the work is complete.

Motion carried.

Budget Amendment #06-00021

MOTION by Betz to recommend to the County Board approval of Budget Amendment #06-00021 from Public Safety Sales Tax Fund – County Board; seconded by Tapley.

Avery asked if this amendment was for funding through June or beyond June. Busey explained Budget Amendments #06-00021 and #06-00020 are regarding the FY2006 funding. The first amendment is to increase the appropriation for the 5% delinquency grant funds because it is now known the final amount of Public Safety Sales Tax collect in FY2005. The final amount was slightly higher than the expected amount. The County also appropriates 5% in the ensuing fiscal year from what was collected in the previous fiscal year. The second amendment is to move everything, except what the County Board has already appropriated to be spent through June 30, 2006, to a special fund and department for the award of the Quarter Cent for Public Safety Sales Tax Grants through the Mental Health Board's process.

Betz requested a roll call vote. Motion carried with a vote of 6 to 1. Betz, Doenitz, McGinty, O'Connor, Tapley, and Wysocki voted in favor of the motion. Avery abstained from the vote.

Budget Amendment #06-00020

MOTION by Betz to recommend to the County Board approval of Budget Amendment #06-00020 from Delinquency Prevention Grant Fund – Mental Health Board; seconded by O'Connor.

Betz requested a roll call vote. Motion carried with a vote of 6 to 1. Betz, Doenitz, McGinty, O'Connor, Tapley, and Wysocki voted in favor of the motion. Avery abstained from the vote.

Recorder

Request to Submit Chief Deputy Recorder Position to Job Content Evaluation Committee for Re-evaluation

MOTION by Betz to submit Chief Deputy Recorder Position to the Job Content Evaluation Committee for re-evaluation; seconded by O'Connor. Motion carried.

Sheriff

Request Approval of Contracts to Provide Special Police Services to Villages of Philo, Sidney, and Ivesdale

MOTION by Betz for an omnibus motion to approve the Contract to Provide Special Police Services to Village of Philo, Contract to Provide Special Police Services to Village of Sidney, and Contract to Provide Special Police Services to Village of Ivesdale; seconded by Tapley. Motion carried.

County Administrator

General Corporate Fund FY2005 Revenue/Expenditure Final Report

Busey passed out the final FY2005 report. Revenue came in at 101% of the ending budget. Non-Business Licenses & Permits came in fairly flat over FY2004 and this strong level continued in FY2005. The Corporate Personal Property Tax and Sales Tax revenue was up. The Use Tax was up 7.5% over FY2004. The Inheritance Tax received one particularly large deposit in FY2005. Income Tax rebounded this year with almost \$500,000 more revenue than budgeted. Interest earnings were also very strong. Busey reported about areas the County Board needs to watch, including General Government and Fines (down about \$300,000).

Betz asked if the increase in fees and waivers has affected revenue. Busey said when the Justice Information Technology Project is up and running, the County might be able to go after outstanding fees that have not been collected.

Busey presented the expenditures overview. The overall regular Personnel Salaries & Wages had savings of \$463,000. Commodities and most Services spent what was budgeted. 95% of the total budget was spent with savings of \$1.4 million. The increase in expenditures over FY2004 was 7%. The bottom line was the General Corporate Fund ended FY2005 with a fund balance addition in the amount of \$936,676. The fund balance is at \$4,496,901. This is 15.79% of the FY2006 Budget.

Tapley asked if the County was safe to move \$500,000 into the Tort Immunity Fund. Busey said she just received the final numbers yesterday, so it would be best to identify one-time revenues and how they will be allocated in February and March.

General Corporate Fund Budget Change Report

Busey provided a report showing all the FY2005 changes. The County added 8.5% in expenditures and 6.1% in revenue throughout the year.

Elected Official Salaries Recommendation for November 2006

Busey stated the County-wide elected officials who will be elected in 2006 are the Sheriff, County Clerk, and Treasurer. The County Board sets the salaries for these elected officials for the next term. Busey provided information of history and analysis, including a comparison within the Champaign County system and a comparison with McLean, Rock Island, Sangamon, and Peoria Counties. It is expected that the voters will

elect fully competent officials to fill the positions. It is recommended that each elected official position be compensated at the current midpoint for the first year of each term and receive an anticipated cost of living increase for each ensuing year of the term. The Sheriff is behind the four county average by about 3%. The four county average for the Treasurer and County Clerk positions are very similar to Champaign County's midpoint for those positions. The recommendation for the next term's setting of the salaries is to bring each salary to the FY2006 market and apply a cost of living increase of 3.5% to the first year and for each ensuing year of the term. The Sheriff's salary would be raised from \$81,955 to \$86,519, the Treasurer's salary would be raised from \$65,564 to \$75,108, and the County Clerk's salary would be raised from \$65,564 to \$75,108. These salaries would be effective as of December 1, 2006. The Treasurer and County Clerk would receive a more substantial increase because those salaries are further behind the market analysis.

Tapley stated he is 100% in favor of Busey's recommendation to bring the elected officials salaries up to the current market value because it has been an area of concern for him.

MOTION by Tapley to approve the County Administrator's recommendation for Elected Officials' Salaries for December 1, 2006; seconded by Doenitz.

Betz asked if the Sheriff has employees working under him who currently earn a higher salary than the Sheriff. Busey stated that has happened this year for the first time. The Sheriff's Chief Deputy, who will retire in June, earns a higher salary than the Sheriff. Betz was very concerned about an employee making more money than the department head. He said it is wrong in a command structure for the Sheriff to not be earning substantially more than his employees. He wanted to know if there was a better way to rectify this situation because of the nature of the Sheriff's responsibilities. Busey offered to bring the committee a comparison of the Sheriff's salary to that of the local police chiefs. The County has often had to take into consideration what the local police departments are paying their officers in order to not be in the position of becoming the training ground for the police departments in the community. This comparison has been done for the officers, but not for the elected Sheriff. McGinty said the Chief Deputy's years of service has pushed his salary to that level and the County must be willing to pay for the experience. Betz said he agreed with paying for experience, but felt the person at the top, who could potentially fire an employee, should always earn a higher salary than an employee. The committee continued the discussion over this salary issue.

The Chair declared a two-minute break in order for Busey to retrieve the Chief Deputy's salary figure at the request of the committee. Busey returned with the information that the Chief Deputy is earning \$343 more than the Sheriff this year. She also pointed out that the Sheriff is paid \$4,000 annually in addition to his salary because of his roll in regard to law enforcement. This payment is separate from the salary he is paid for his term of office. Tapley asked if the committee would be willing to increase the Sheriff's salary by 14.6%.

Betz requested a friendly amendment to the motion that the Sheriff's base salary be increased by 14.6%. Tapley agreed to accept the amendment as friendly. Busey stated that will set the Sheriff's FY2006 salary at \$93,920, not including the additional \$4,000.

Motion carried.

Busey distributed a second memo regarding salary recommendation for the County Board Chair and the County Board per diems to the committee. The County Board Chair's salary needs to be set for the next two-year term. The memo included a comparison with McLean, Rock Island, Sangamon, and Peoria Counties of County Board Chairs' salaries. Of those counties, Champaign County pays the highest salary of a part-time Chair position. Busey recommended the Board Chair position receive the 3.5% annual cost of living increase for each year of the term.

With regard to the County Board member per diems, Busey noted the per diem amount for Champaign County has been set at the same amount since 1988. Busey is recommending the consideration of increasing the per diem amount to \$75 per meeting. The four other counties pay their Board members annual salaries. Based on these salaries and the number of meetings the Board members attend on a regular basis, Busey determined an amount paid per meeting. The amount paid to Board members in other counties per meeting is substantially more than the per diem paid to Champaign County Board members. A per diem increase to \$75 would be a 67% increase to the per diem rate. Busey checked with the Department of Labor with regard to CPI and the CPI increase from January 1, 1988 to December 2005 is 65%. The increase to \$75 would not go into effect for two more years and by that time the CPI will have increased even more. Busey believes this increase is consistent with the cost of living since 1988. Due to the committee restructuring in 1990, the County Board effectively pays fewer per diems than it did twenty years ago and the per diem budget has dropped. Busey recommended increasing the County Board members per diem to \$75 effective December 1, 2008.

MOTION by Betz to approve the County Administrator's recommendation for County Board Chair's Salary; seconded by Tapley.

Doenitz asked if the County Board Chair also received per diems. Busey answered yes and that the County Board Chairs in the other counties also receive per diems as well.

Motion carried with one no vote from O'Connor.

MOTION by Avery to approve the County Administrator's recommendation for County Board per diems; seconded by Wysocki.

O'Connor said he was not in favor of a per diem increase for County Board members and his constituents would not be in favor of it either.

Betz requested a roll call vote. Motion failed with a vote of 2 to 5. Avery and Wysocki voted in favor of the motion. Betz, Doenitz, McGinty, O'Connor, and Tapley voted against the motion.

Request Regarding Project Manager for Integrated Justice Information Systems Project (JANO/New World)

Busey provided a memo on the Project Manager for the Integrated Justice Information System to the committee. The original budget for the project anticipated that the project would take two years. The Project Manager, Kirk Bedwell, was hired and a contract was drawn up. Busey stated the project has taken longer than originally anticipated for a number of reasons. Last August Busey reported to the committee that the go live date would be January 31, 2006 or February 1, 2006. The Project Manager's contract was budgeted through this timeframe. At this point in time, the State's Attorney has gone live, the Sheriff has been live on the New World System, and the project is working on the Circuit Clerk, Circuit Court, Public Defender, and Court Services/Probation. Busey said the project is getting very close, but it is not likely the project will go live on February 1, 2006. It is anticipated it will take an additional sixty to ninety days for the project to go live. In addition, both the Sheriff and the State's Attorney have indicated a strong need for ongoing Project Manager services after the go live date because implementation will not be complete until several months after the go live date. The Integrated Justice Information Systems governing board is requesting the County keep the current Project Manager pursuant to the terms of his contract with the County Board and adopt an amendment to that contract extending his contract for six months from the final go live date with Jano Justice Systems. Busey explained the Public Safety Sales Tax money for this project has been completely spent. The Courts Automation Fund through the Chief Judge of the Sixth Judicial Circuit and the Circuit Clerk have volunteered to contribute \$25,000. The Chief Judge of the Sixth Judicial Circuit has also authorized the expenditure of \$53,000 from the Probation Service Fees Fund to cover the cost of keeping the Project Manager through November 30,

2006. Busey requested the committee approve the amendment to the Project Manger's contract and Budget Amendment #06-00019.

Busey further explained it is anticipated there will be an ongoing need for a level of IT support to the Justice Systems Technology Project. Busey's memo outlines where the current IT staff is dedicated. She wanted the committee to be aware that it is not believed the County has adequate IT staff for assignment to this project. A long-term strategic plan regarding the County's IT Department is being developed and will be brought to the Finance Committee later this year, likely with the request for either changes in the types of IT positions or additional IT staff.

MOTION by Avery to approve an amendment to the Project Manager Professional Services Agreement adopted on December 1, 2002, to amend Section 1 – Term of the Agreement, to: "continue until six months after the termination of the agreement between the County and Jano Justice Systems, Inc. for the implementation of the County's integrated justice information system." Motion seconded by Tapley.

Avery stated she did not know the source of the project delay, but she has worked with Bedwell and has found him very capable.

Motion carried.

Budget Process Recommendation

Busey explained the Champaign County budget process has been further developed over the last several years, but the point has come to establish some priorities and goals. Busey stated the County Board needs to lead this process. She recommended the formation of a County Board subcommittee or special committee. The special committee's scope is documented in Busey's memo found in the agenda packet.

Wysocki suggested the Finance Committee give some direction regarding the makeup of the special committee. She recommended having Finance Committee representation on the committee and involving the suggestions from the leadership of both political parties. The committee discussed the membership of a special committee for the budget process. O'Connor suggested including the Auditor and Treasurer on the committee. McGrath stated the Finance Committee needed to provide a structural recommendation for the special committee to the County Board, including length of term.

MOTION by Tapley to recommend to the County Board the creation of a Budget Process Special Committee consisting of 1 Republican Finance Committee member, 1 Democratic Finance Committee member, County Auditor, County Treasurer, County Administrator of Finance & HR, 1 representative from the leadership of each of the two party caucuses, and the County Board Chair for terms ending in May 2006. It is further recommended that the County Board Chair act as committee chair and appoint the County Board members to the special committee. The motion was seconded by Betz. Motion carried.

Request Approval of Memorandum of Understanding with AFSCME Highway

Busey stated the Highway Unit is the only unit that does not have the ability to accrue the equivalent of two years of vacation. All other County employees have this ability. The Highway Unit consists of thirteen employees. This Memorandum of Understanding will give the Highway Unit employees the same benefit as other County employees. This issue has been discussed with the County Engineer and the Supervisor of the Highway Maintenance Workers. Neither person thought there were any significant Highway operational issues that would require negotiation with AFSCME.

MOTION by Wysocki to approve the Memorandum of Understanding with AFSCME Highway; seconded by Betz. Motion carried.

Busey stated she provided copies of Moody's Rating Report to the Finance Committee at this meeting. As a result of the IMRF/ERI bond issue, the County had to have a rating agency conference last week. The County maintained its Aa2 status, which is a good rating.

Treasurer
Monthly Report

Welch distributed his monthly report and annual report to the Finance Committee. He gave an overview of the various funds. Welch stated a great deal of borrowing has occurred in the last month. The Regional Planning Commission borrowed \$70,000 from RPC Development. Welch highlighted this loan because RPC has borrowed a total of \$245,000 from RPC Development to keep the RPC Fund going. Welch wrote a letter to John Dimit regarding the loan and copied Wysocki and Busey. Welch was concerned that none of the \$245,000 has been paid back. The Liability Insurance Fund has borrowed \$215,000 to maintain a \$10,000 fund balance. The Nursing Home borrowed \$160,000 from General Corporate. This is the first part of the \$400,000 the General Corporate Fund will loan the Nursing Home. Welch reported the remaining \$240,000 was loaned to the Nursing Home in the last week to cover payroll. General Corporate, County Highway, and Public Safety provided the loan to pay off the \$2.4 million IMRF/ERI. This loan will be repaid by the bond issue within a month. The \$480,000 loan from the County Highway Fund put the fund in a negative position, so it borrowed from the County Motor Fuel Fund until the loan is repaid.

Welch spoke about the Property Tax Interest Fee Fund. In the past, Welch recommended, and the County Board approved, to charge \$60 for every tax sale item. A new state law has been passed changing the required minimum fund balance for the Property Tax Interest Fee Fund, so any excess can go to the General Corporate Fund. The General Corporate Fund will be receiving \$12,000 from the Property Tax Interest Fee Fund this week. Welch predicts \$35,000 – \$40,000 will go to the General Corporate Fund from the Property Tax Interest Fee Fund on an annual basis.

MOTION by Betz to receive and place on file the Treasurer's December 2005 monthly report and the FY2005 annual report; seconded by Tapley.

Welch answered Tapley's questions about CDs and investments.

Motion carried.

Auditor
Purchases Not Following Purchasing Policy

Frerichs distributed the list of purchases not following the purchasing policy for information only. There were a number of bills that are now being paid that are from the 2003 and 2004 fiscal years.

Monthly Reports for October and November

Frerichs stated the books will be closed out this month and an annual report will be submitted to the Finance Committee next month.

MOTION by Betz to receive and place on file the Auditor's monthly reports for October and November 2005; seconded by Avery. Motion carried.

Nursing Home

Presentation Regarding Nursing Home Financial Position

McGinty stated the Finance Committee has requested more regular updates on the financial position of the Nursing Home from Buffenbarger. Buffenbarger will be providing more reports in the future.

Buffenbarger gave a recap of the previous fiscal year and an overview of operations at the Nursing Home with a PowerPoint presentation. Printouts of the PowerPoint presentation were distributed to the committee. He encouraged the committee to ask any questions during his presentation. For the last fiscal year, the Nursing Home itself (comprising of the skilled, intermediate, and shelter care wings) had a net loss of \$902,394.39. This figure does not include the Adult Day Care and Child Day Care Centers. This is slightly better than the projection Buffenbarger gave the committee in August because the Medicare census has rallied. In FY2006, the Nursing Home is optimistically projected to operate at a loss of \$107,734.90. That figure is inclusive of the \$740,487.39 in property tax revenue received in the last year. Buffenbarger stated the current collective bargaining agreement guarantees that the Nursing Home's overtime expense will be 80% greater than required by federal law. There were wage increases of 3.9% during deficit spending and fringe benefits costs comprise approximately 21% of wages. In a comparison with other health services facilities in Illinois, the Champaign County Nursing Home's operating expenses are 32% above the average. In FY2004, Dietary costs were 90% above the average and Food Costs were 72% above the average. The Nursing Home had a very weak first quarter in FY2005 due to a low census. Revenue flattened out the rest of the year. The weak first quarter can be attributed to a couple of things: the Admissions Director was on maturity leave and the Nursing Home Administrator was preparing to leave and focusing more on the construction of the new facility. The revenue target for FY2005 was \$10,262,569. The actual revenue in FY2005 was \$10,035,710.20. This is a difference of \$226,858.80. Buffenbarger received the actual figures this morning. Primarily, the difference stems from the lower than expected first quarter, which was a terrible hit to the revenue. The FY2005 expense target was \$10,401,398. The FY2005 actual expenses were \$10,938,104.59. This is a difference of \$536,706.59. The reasons for the additional expenses were overtime and use of temporary staffing.

Buffenbarger showed the timing of the budget variance with regard to revenue and expenditures to demonstrate when the County Board should have been made aware of the budget situation in FY2005. In January and February of 2005 the expenses exceeded the budget by over \$21 per patient per day. Buffenbarger stated this amount is pretty significant in long-term care. The Nursing Home went to a thirty-day pay in May because the three payrolls in April constricted the cash. In May, June, and July (directly following the previous Nursing Home Administrator's exit) there was a spike in overtime use.

Buffenbarger listed the steps taken to address the budget variances: exempt management staff has worked over seventy vacant nursing shifts in October, inventory was reduced to seven days or less, and he is still working with AFSCME to get develop a Memorandum of Understanding for set schedule rotations. The schedule rotations would mean more predicable schedules and Buffenbarger hopes it will help the call-in rate and reduce overtime.

The FY2005 payer mix of Nursing Home residents was 55% Medicaid, 33% private pay, Medicare 7%, and 5% adult and child day care. The Medicaid rate is always lower than the cost. The private pay rates do not absorb the operating expenses at this point.

The Child Care Center currently cares for ten children. Four Nursing Home employees have children in the Center. The Child Care Center employs four full-time employees. The total revenue for FY2004 was \$112,886 and total expenses were \$232,222. The Child Care Center's net loss in FY2004 was \$119,336. The FY2005 net loss will be close to this figure. Buffenbarger reported there are 20 childcare centers in Urbana and 46 childcare centers in Champaign. These centers are the competition.

The Adult Day Care Center reached a balanced budget at the end of FY2005. This is a first for the Center and is due to the census reaching an all-time high.

Buffenbarger reviewed data from different health service wage surveys in comparable areas in Illinois. In comparison with the other county nursing homes, the Champaign County Nursing Home wages range from being 26% to 81% higher than all of the other county nursing homes in Central Illinois. Buffenbarger is concerned about the budget volatility. A certain amount of budget volatility is expected in this market, it is the nature of long-term care. A matter of concern was 31% of all scheduled shifts did not report to duty over Labor Day weekend. This was a total of 63 call-ins. In August, more than 20% of Facility CNAs were on some type of leave of absence. The current collective bargaining agreement states overtime pay is earned when an employee works over eight hours in a day, though the Fair Labor Standards Act only requires that overtime be earned for all hours worked over forty in a week. The Nursing Home's overtime expense is 80% more than the law requires. The actual overtime expense in FY2005 was \$553,350.30. Temporary staffing agencies play a huge part in budget volatility because their wages are often two to three times higher than regular staffing.

Buffenbarger said the FY2006 Nursing Home budget was developed with a plan to have revenue and expenses work in concert, but there is only so much limit that can be placed on expenses in long-term care. Buffenbarger believes the FY2006 budget will be close, but there will be some volatility. Buffenbarger stated he would be happy to provide a financial summary to the Finance Committee each month. He is currently working with AFSCME to try and change the overtime calculation to control the overtime expense. A meeting is scheduled on this matter a week from Monday. The overtime calculation is locked into the contract, therefore a change cannot be guaranteed.

Tapley thanked Buffenbarger for the presentation. Tapley asked for the amount of budgeted deficit for this year. Buffenbarger estimated the deficit for this year will be a little over \$100,000. Tapley asked if that estimated deficit included possible spikes in overtime expense or contract nursing expense. Buffenbarger said those possibilities were not included in the estimation of the deficit. Tapley asked what the amount of the year end fund balance. Buffenbarger stated the fund balance was pretty close to zero dollars. Busey said the fund balance was at zero and the loan from the General Corporate Fund has been activated to cover cash flow. Tapley stated he would like to make the suggestion, given the fact that the Child Day Care Center has a huge deficit and only serves ten children, to look into turning that part of the facility into a money-making endeavor rather than a money-losing endeavor. He is aware of the benefit of the Child Day Care Center, but these extreme budget circumstances should be considered. Tapley noted the Nursing Home's deficit would have been \$1.6 million for FY2005 if not for the almost \$750,000 property tax subsidy.

Avery said she was thinking in the same terms as Tapley concerning the Child Day Care Center because of the large deficit. Avery asked if it matters if a child care center is off-site and run by someone other than the County for County employees to take their kids. She asked if space in the old Nursing Home facility could be allocated for the Child Day Care Center to be run by a non-County entity. Avery recommended looking at alternatives to the Child Day Care Center because it is a cash cow. On another matter, Avery asked if the projected revenue of per patients per day is at the higher rate in the new budget. Buffenbarger said the higher rate is used for the projection.

Busey said the County is extremely constrained in its ability to lease a part of the old Nursing Home facility to a for-profit agency. Therefore, it is doubtful the County could lease space to a for-profit day care center. McGrath stated the County is not allowed to lease space to any for-profit agencies. This issue came up in the past about space in the Courthouse. A statute specifically states it is not allowed. The old Nursing Home facility would have to be sold to be used by for-profit agencies. As long as the County owns the property it must be used by governmental entities or not-for-profit agencies.

Wysocki asked what publicity is done for the Child Day Care Center. Buffenbarger stated the Child Day Care Center is advertised on the radio (WDWS) and newspaper (*News-Gazette*) every week.

Avery said she has heard the radio commercial for the Child Day Care Center. She asked if Head Start has been contacted about utilizing the space. Busey said that option was investigated two years ago and the Director of Head Start could be contacted again. McGrath stated there are contractual union employees in Head Start. In order to pursue such a possibility, the County would have to negotiate with the union, as well as the Director of Head Start. This would be difficult.

Inman explained the groups interested in the old facility expressed interest in a possible day care center during the interviews for the Nursing Home Re-Use Study. In the new Nursing Home facility, the Child Care Center could be remodeled for outside therapeutic services rather simply. The facility would only be lacking a therapeutic wading pool. The area is segregated from other areas of the facility, so it is feasible from a security perspective.

Avery thanked Inman for that information. Avery requested a presentation about the feasibility of the Child Day Care Center so the County Board can make a decision regarding the unit.

MOTION by Avery for the County to prepare a feasibility study of the Nursing Home Child Day Care Center; seconded by Tapley.

Betz does not think a feasibility study is necessary if the committee wants something done internally to see where the Child Day Care Center is going. Betz voiced his concern that over \$220,000 is being spent to take care of ten children. He stated this is a ridiculous cost. He is aware the County pays a very good wage for the child care workers and he is in support of good wages for child care workers, but he felt the total cost is too much. Betz stated any study or report should look at phasing out the Child Day Care Center. Betz had doubts about keeping the Child Day Care Center at the time of the Nursing Home referendum. He does not see how the Child Day Care Center will ever break even.

Wysocki asked about the number of children at the Child Day Care Center who are children of County employees. Buffenbarger explained four Nursing Home employees have children in the Child Day Care Center. Six or seven of the ten children in the Child Day Care Center belong to Nursing Home employees. The remaining children are children of County employees from other departments. Wysocki asked if the attendance at the Child Day Care Center has always been in this range. Buffenbarger explained attendance in the last year has hovered around ten children. He does not have the previous years' numbers with him. The Child Day Care Center was built to accommodate thirty-five or forty children. Wysocki noted child care might not be a major concern for a majority of Nursing Home employees. Buffenbarger said the average age of Nursing Home employees is a little over forty years.

O'Connor asked if the four current Child Day Care Center employees could legally take care of forty children. Buffenbarger said no, the staff would have to grow to accommodate more children. O'Connor asked about private sectors day care centers. Buffenbarger said private child care centers pay employees considerably less than the County and are set up differently so they do not require as many staff. Doenitz asked about the required number of staff. Buffenbarger said the Nursing Home's Child Day Care Center requires more staff than a private child care center would.

Avery recommended obtaining some information about the Center on paper, as a feasibility study or something else, to help answer the many questions Board members will have about this issue. She suggested looking at the past census and the history of the Center. Betz stated the term feasibility study might be the wrong words to use, but he supports the idea of putting something on paper. He wondered if the Child Day Care

Center has ever broken even financially and under what circumstances that occurred. He does not see that the cost is justified for this number of children.

McGinty said the committee appears to feel that continuing the Child Day Care Center in the new Nursing Home facility is questionable from a fiscal standpoint and would like to look at alternative uses. The committee would like to see what alternative uses could mean from a financial impact standpoint compared to continuing with child day care. The committee concurred.

Doenitz asked how much of the \$232,222 expenses of the Child Day Care Center are wage costs. Buffenbarger stated almost all of the expense costs are wages and fringe benefits. O'Connor and Doenitz expressed concern about that amount of wages and fringe benefits costs divided among only four employees. Buffenbarger said he would have to verify the information but most of the Child Day Care Center employees have been with the County for a long time, so they are at a high level on the wage scale. Betz asked if that includes the manager of that division, who makes more than the other employees. Buffenbarger stated the manager is one of the four employees.

McGinty asked Avery if she would accept a friendly amendment to her motion to call the report a financial impact statement instead of a feasibility study. Both Avery and Tapley agreed to the friendly amendment to change the request to the preparation of a financial impact statement. Wysocki requested the statement be prepared for next month's meeting. The committee agreed.

Tapley asked how far along the construction has progressed in building the space for the Child Day Care Center in the new facility. Inman stated the space is completed except for paint and carpet. Inman said the space has its own unique entrance, which adds to its potential flexibility. Avery suggested possible uses for the space be addressed in the financial impact statement. O'Connor said the bottom line is whether the County can continue to afford to lose over \$100,000 each year.

Reitz commented, as a County employee, that she has used the Child Day Care Center in the past. She recommended looking at whether or not the Child Day Care Center is a benefit to County employees as a whole and the cost to parents who use the Center.

Doenitz asked if the Child Day Care Center would break even if it was filled to capacity with kids. Buffenbarger said he does not know, he would have to do some calculations.

Motion carried.

McGinty asked Buffenbarger about the Nursing Home's accounts payable. Buffenbarger explained the Nursing Home pays as it receives. McGinty asked if the Nursing Home could switch to a standard thirty-day accounts payable, which is not unusual in business. Buffenbarger said that would work until the end of the fiscal year when everything must be paid and they would run into a tremendous cash crunch. McGinty asked what can be done operationally about staff not showing up because overtime costs are such an issue. Buffenbarger said he is hoping the new fixed schedules will help to control some of the call-ins. He is also working with AFSCME to develop a policy that has consequences tied to not coming to work. The current attendance policy is not executable, so he is working to change it. The first proposal was voted down, so they are going back to the table. McGinty noted Nursing Home employees are not showing up to work despite the fact that the Champaign County Nursing Home is paying wages that average at least 25% higher than other counties in the state. McGinty said the County must be either getting incredible service or is expecting more out of its Nursing Home employees than other counties.

Doenitz asked why food costs were so much higher in the recent past. Buffenbarger said at that time the Nursing Home was using a buffet style dining with six or seven different options for each different category of

food, which was extremely expensive. He has changed to a restaurant style of dining. The costs have dropped considerably and the residents enjoy the service quite a bit more.

McGinty thanked Buffenbarger for his presentation.

Chair's Report

There was no Chair's Report.

Other Business

There was no Other Business.

Designation of Items to be Placed on the County Board Consent Agenda

The Chair designated agenda items VI A, B, C, D, E, H, I, J, K, M, VIII A, B, C, IX C with regard to Elected Officials' Salaries, IX D, and IX F for the consent agenda.

Adjournment

The Chair adjourned the meeting at 9:08 p.m.

Respectfully submitted,

Kat Bork
Administrative Secretary

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