

Committee of the Whole

Items to be Distributed
March 14, 2017

IX. Finance

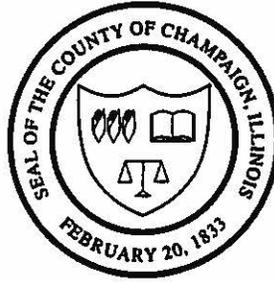
D. Nursing Home

3. Additional Information-County Administrator Memo
Re: Scenario Planning for Nursing Home Future
4. Amended Resolution for Short-Term Loan from the General Fund to the
Champaign county Nursing Home Fund to Protect Public Health and Safety,
Protect Public Property, and to Limit County Liability

E. County Administrator

1. FY2016 General Corporate Fund Final Report
2. FY2016 General Corporate Fund Budget Change Final Report
3. RFP for Underwriting Services

Richard S. Snider
County Administrator



Brookens Administrative Center
1776 East Washington Street
Urbana, Illinois 61802

**OFFICE OF THE
COUNTY ADMINISTRATOR**

11 March 2017

MEMORANDUM

TO: Honorable Members of the Champaign County Board
FR: Rick Snider, County Administrator
RE: Scenario Planning for Nursing Home Future Direction

The month of April 2017 is shaping up to figure largely as a major decision point regarding the future of the Champaign County Nursing Home. The voters of the County will be casting ballots to express their will on future direction, while the home's financial condition will mandate board action towards a specific goal.

I believe there are three primary scenarios that will guide the actions the board will ultimately adopt. These are:

- Scenario 1: The nursing home levy increase to 10 cents is approved by voters;
- Scenario 2: The County Board is authorized to engage in a sale or disposal of the home; and
- Scenario 3: Both ballot questions are defeated with no additional authority for the Board.

These are in keeping with Board input at our December study session and subsequent discussions. I have developed some thoughts about how each of these scenarios might play out in terms of their implications on patient care, finances, and staffing relative to the nursing home. Furthermore, the scenarios account for the need to preserve patient safety and well-being, as well as protect the County General Fund and the continuance of county government operations. Although the scenarios have been written with financial and legal requirements in mind, they are not set in stone and Board input is welcome.

Scenario 1

In this scenario, the referendum question on increasing the property tax levy is approved by voters in April 2017.

Patient Care

The primary concern for patient care in this scenario is to ensure that essential services are continued by the home's vendors. Vendor relationships are in a fragile condition as a result of ongoing payment delays and deferrals. During the interim between passage of the referendum and availability of funds at the end of the year to pay down outstanding bills, it will be critically important to carefully manage these relationships and inform the home's partners of the "go forward" plan.

Financial

The first three years of the program will focus on financial recovery. As debts are retired, the focus can shift to deferred maintenance issues and establishment of an operating balance for the home. In later years, it will be possible to begin addressing strategic capital expenditure requirements and continue to build working cash to stabilize the home. It is desirable that the County move away from utilizing tax anticipation warrants as a method of paying its IMRF/FICA obligations. These should be paid out of current revenues as a fund balance is established over the next several years.

The earliest opportunity to access funds approved through the tax levy increase occurs in December 2017. The county would issue a tax anticipation warrant (TAW) to borrow funds to pay creditors (including the County) and debt service. Knowledge that the funds will be available by the end of the year should assuage concerns among the vendors. We estimate that approximately \$3 million should be available through the TAW. Whether that will be sufficient in the first year is not certain at this time as there are uncontrolled factors that could increase the demand for cash. In that case, it may be necessary to use an alternative debt instrument to generate the needed funds sooner.

Obligation Payments	Tax Anticipation Warrant Funds	Comments
December 2017 <ul style="list-style-type: none">\$1,000,000 IMRF/FICA\$1,400,000 A/P (over 90 days)\$500,000 county A/P\$250,000 March 2017 short-term loan repayment	Projected Levy: \$3,729,436 TAW Available: \$3,170,021	All available TAW funds will be needed to satisfy outstanding A/P and short-term loans.

<p>June 2018</p> <ul style="list-style-type: none"> • \$232,802 boiler loan repayment • \$230,000 down payment on FY2016 debt service 		<p>\$466,179 available from levy balance. Boiler loan balance reduced by DCEO reimbursement. No funds available after payment obligations.</p>
<p>December 2018</p> <ul style="list-style-type: none"> • \$1,100,000 IMRF/FICA • \$52,000 balance of FY2016 debt service • \$282,000 FY2017 debt service • \$282,000 FY2018 debt service • \$500,000 deferred maintenance • \$100,000 County A/P 	<p>Projected Levy: \$3,804,026 TAW Limit: \$3,233,422</p> <p>Actual TAW: \$2,316,000</p> <p>We can begin to borrow less than the maximum available from a TAW.</p>	<p>Payments include IMRF/FICA, the balance of the FY2016 debt service, catchup on FY2017 and FY2018 debt service, and any remaining A/P for County services.</p> <p>At this point, we can begin to set aside funds for deferred maintenance.</p>
<p>June 2019</p> <ul style="list-style-type: none"> • \$560,000 IMRF/FICA • \$282,000 FY 2019 debt service • \$250,000 deferred maintenance • \$300,000 fund balance increment 		<p>\$1,392,925 funds available from levy balance and unencumbered sources. IMRF/FICA begins semi-annual payment pattern, begin contributions to fund balance.</p>
<p>December 2019</p> <ul style="list-style-type: none"> • \$560,000 IMRF/FICA 	<p>Projected Levy: \$3,880,106</p> <p>Actual TAW: \$560,000</p>	<p>Pay second half of IMRF/FICA. Last year that TAW will be required.</p>
<p>June 2020</p> <ul style="list-style-type: none"> • \$570,000 IMRF/FICA • \$282,000 FY2020 debt service 		<p>\$3,320,106 funds available. Pay first half of IMRF/FICA. Pay IMRF/FICA from fund balance going forward.</p>
<p>December 2020</p>	<p>Projected Levy: \$3,957,708</p> <p>No TAW issued</p>	<p>Continue building fund balance, funding deferred maintenance. Begin setting aside funds for strategic capital projects.</p>

Staffing and Personnel Management

Due to the need to conserve cash, we will need to work with the AFSCME bargaining units to attain wage concessions through the end of FY2017. It will be impossible to avoid further borrowing to meet payroll and other obligations without generating economies through wage concessions and increased fees for private pay residents.

The AFSCME contract with the two bargaining units expired on December 31, 2016 and are currently under negotiations. It is likely that there will be significant upward pressure on wages moving forward.

With the departure of the nursing home management company, the County will likely hire a temporary administrator until a decision is made to pursue a long-term care management company or to hire County staff. In addition, it will be essential to find a skilled business manager to oversee the financial operations of the home. One of the problems with the current model is the lack of financial transparency in vendor contracts and payments. The risk attached to the finances ultimately impacts general county government and it is critically important that the County retain control over this important function.

Scenario 2

In this scenario, the referendum question to authorize the County Board to sell or dispose of Champaign County Nursing Home is approved by voters in April 2017.

Patient Care

As with Scenario 1, the continued delivery of care services by vendors is a critical need and it may be necessary to provide additional funding to CCNH until a sale transaction is closed.

One of the concerns raised in connection with a sale is the potential for reduction of Medicaid services. Without knowing who the successor organization is and without a sale agreement in hand, it is purely speculation as to how that aspect of home operations would be impacted. As of March 3, 2017, the patient census is 165. Of this, approximately 111 patients, or 67% of census, receive Medicaid assistance or are Medicaid-eligible and are awaiting approval. A typical average Medicaid census among Illinois skilled nursing facilities is about 55%. Using that figure, the home would support a Medicaid census of 91 patients. However, a for-profit entity would also aggressively market the home to achieve a census as close to the home's capacity as possible to lower average per-patient costs. If the home were to reach capacity at 220 patients, the Medicaid census would rise to 121. If a non-profit operator with a mission to serve Medicaid clients assumed control of the home, it might also bode well for increasing availability of Medicaid services to the community.

Financial

A reasonable target date for completion of a sale or disposal transaction is about 12 months from the time marketing of the home begins. Upon approval of the County Board, staff would initiate an RFP to solicit brokerage services to market CCNH and manage the offer and sale process.

The home has a number of attractive features. It is the largest skilled nursing facility in Champaign County, with the largest patient rooms in the area. It is also a newer facility than most of the others. The strong integration with Carle Foundation Hospital is also important for potential suitors as this relationship provides an ongoing stream of referral business for the home.

On the other hand, the negative media stories and perception could potentially hinder a sale. Also, the presence of a union within the home with strong successorship rights following a sale could deter bidders, reducing the number of offers and lowering the ultimate sale price.

A previous valuation of CCNH using a direct capitalization approach indicated an expected market value range of the home between \$10 million to \$12.7 million, or range from \$46,000-\$58,000 per bed. This value is based upon a census range of 176-184 patients. Based upon the size of the home, location, current payor mix, and net operating margins of CCNH, the valuation used a capitalization rate of 13%.

Using a prior sale methodology, the value of the home on a per-bed basis would be about \$45,000 per bed, or \$9.9 million. The last local comparable sale that occurred in December 2012 in Savoy, Illinois. That 213-bed facility sold for \$11.5 million, or \$53,991 per bed.

Proceeds from a sale transaction would pay down debts accruing to the home. These include the \$3 million in accounts payable, \$2.5 million for the general obligation bond for the remediation work done following initial construction, and \$6.6 million in principal remaining on the original construction bond. In addition, unreimbursed expenses during the transaction period could require additional cash. During the sale of the Vermillion County nursing home, the board authorized a credit line of \$1 million for such expenses so we may expect a similar amount to be required. Depending upon market conditions, it may be possible to satisfy all outstanding debts with sale proceeds. However, should those fall short, it may be that the unsecured debts are paid first, and the general obligation bond paid next, before abating the debt service for the construction bond as that enjoys a dedicated revenue source for the retirement of the principal.

Interim financing will be required during the period of soliciting and negotiating a transaction. It would be advisable to minimize expenses where possible to conserve cash using the same strategies within Scenario 1.

Staffing and Personnel Management

As previously mentioned, the provisions with the two AFSCME contracts that expired on December 31, 2016 impose some conditions on the County with respect to any proposed sale transaction. It will be necessary to work closely with the State's Attorney's Office on managing the effects of the sale and to engage in negotiations with the union.

Scenario 3

In this scenario, both referenda questions are defeated (additional property tax, sale/disposal authorization). The County must decide what action to take to protect the wellbeing of CCNH residents and the County's finances. Lacking additional revenue or the ability to sell the home, the County's only legal option is to downsize the patient population to a sustainable level.

Patient Care

One of the first questions that will emerge is what is to happen to patients currently residing at CCNH if downsizing is required. As of March 3, 2017, the patient census is 165. Of this, approximately 111 patients are Medicaid-approved (97) or Medicaid-eligible (14) awaiting approval. Other patients would fall under payer categories of Veterans Administration, Medicare, and private pay/private insurance.

In reviewing the most recent data from CMS that includes reported patient census, it appears that it may be possible to accommodate most patients at local facilities within Champaign County. Additional inquiries are required to verify capacity for intake. When a downsizing is implemented, the Illinois Department of Human Services (DHS) would be expected to place a transition team to assist in placement of patients at alternative facilities. Furthermore, it is our understanding that the Illinois Department of Public Health may have funding available to provide temporary assistance to homes willing to accept patients awaiting Medicaid benefit approval from DHS.

Skilled Nursing Facility	Number of Medicaid or Dual Certified Beds	Number of Residents (last census)	Available Medicaid Bed Gross Estimate
Champaign Urbana Nursing and Rehab	118	-	TBD
Heartland of Champaign	57	-	TBD
Helia Healthcare of Champaign	118	54	64
Illini Heritage Rehab & Healthcare	60	48	12
Country Health	89	83	6
Clark-Lindsey Village	25	20	0*
TOTALS	607	413	

**Clark-Lindsey Village does not have certified beds for Medicaid-eligible residents.*

The smallest operational unit for CCNH would be a single unit of about 50 beds. The downsizing process would require ongoing consolidation of units as patients transfer to other facilities.

Drawing upon a State's Attorney's opinion, we believe the County would have the ability to downsize the nursing home operation but would be required to meet state and possibly federal statutes that govern this action. The excerpt below is from an SAO opinion regarding a question about such requirements if the County were to close CCNH:

"According to state law, the County must give 90 days notice prior to voluntarily closing the Nursing Home pursuant to 210 ILCS 45/3-423 and 77 IL ADC 300.110. The notice must be provided to the Department of Public Health, any resident who has to be transferred or discharged as a result of the closing, the representatives of any such residents (such as guardians), and, where practicable, to a member of the resident's family. The notice must state the date of closing, and the reason for closing. The County would also be responsible for offering the residents assistance in finding a new placement, and for notifying DHS of those residents who are not able to choose a new placement and are not subject to guardianship. DHS would also be empowered to place a relocation team in the nursing home if necessary. The County would be further required to notify the Health Facilities Planning Board of their intention to close, and obtain a permit from the Health Facilities Planning Board before the County would be allowed to close the Nursing Home."

The SAO opinion addresses downsizing later in the document as follows:

"The County may determine the size and scope of the Nursing Home operation. The closure notification requirements described in question number four (4) above are applicable whenever the closing of any part of a facility requires the transfer or discharge of more than 10% of the residents. The Nursing Home is required to comply with all applicable laws and regulations, including those related to the transfer or discharge of residents, until the date of closing for any residences impacted."

Maintaining a sustainable patient census would require downsizing exceeding the 10% threshold. The County would be required to provide notices in accordance with the opinion above. If notices were issued on April 15 for example, the 90-day period would end on July 15.

Staffing and Personnel Management

The downsizing of the home will occur in stages. Presumably, there will be a need to consolidate patients into units remaining in operation as vacancies develop to minimize staffing requirements.

It will be necessary for the County to bargain with the employee union (AFSCME) to determine the effects of the downsizing. Any layoffs or furloughs in connection with downsizing must be coordinated with the union. In addition, it can be expected that the impending loss of jobs will result in continuing exits of personnel as they seek employment outside of CCNH. It will probably be necessary to offer incentives or severance packages to retain key employees. Agency employees may also be needed to fill critical gaps where employees cannot be kept on duty.

MPA is best situated to determine which positions will be needed through the transition and ongoing operations. These would likely include but not necessarily limited to:

- Nursing Home Administrator
- Human Resources Director
- Admissions Director
- Social Services Director
- Director of Nursing

Financial

One of the difficult challenges of managing the downsizing of a home is the deterioration of payer mix. As patients leave the home, the first groups departing are likely to include the Medicare and private pay residents; these patients are the easiest to place at other facilities. This will result in an ever-increasing level of Medicaid patients including those that may not yet have been approved for Medicaid benefits. In addition, fixed costs will be distributed over a shrinking resident population, increasing the average daily expense per patient. To mitigate the effects of this phenomenon, it is essential to transfer patients out as expeditiously as possible until the target population is achieved.

The financial demands upon Champaign County will be enormous. CCNH has a current accounts payable just over \$3 million. With the significant aging in A/P, we can expect demands for immediate payment to increase especially if the home is seen to be downsizing. The cost of employee benefits payouts will approach \$250,000 for TOPS and TOPSReserve alone. Additional funds will be required to provide incentives as previously mentioned for retention of key employees. And of course, with the high Medicaid census, supplemental funds will be needed to cover the gap between state reimbursement and care costs. At \$225 for the daily patient cost, and Medicaid reimbursement of \$140 per day, the net revenue supplement required is about \$2550 per month per patient.

Wind Down Budget

\$3,000,000	Accounts Payable
\$1,000,000	IMRF / FICA reimbursement
\$ 250,000	benefit payouts
\$ 100,000	legal expenses
\$ 200,000	incentives
\$1,500,000	six-month unreimbursed patient costs (\$250,000 per month)
\$1,000,000	building maintenance, contingency funds
\$ 287,000	unreimbursed debt service on GO bond
<hr/>	
\$7,337,000	Estimated debt issuance

The debt issuance should leave sufficient cash to satisfy the debt service on the \$4 million general obligation bond.

One potential source of funding would be to bond using the \$1.2 million operating levy for a set period of years. Bond counsel has advised that the county could issue taxable general obligation alternate bonds for working capital. Initial projections indicate that a 10-year bond issued at no more than 5% interest could generate up to \$7.5 million. It is important that the county carefully consider the structure and timing of the issue. Because the pledged revenues must be at least 1.25 times the debt service, it is anticipated that after the principal and interest payments are made on the alternate bonds there should be sufficient property tax revenue remaining to reimburse the county for the debt service on the \$4 million general obligation bond. Normally, it is not a sound practice to issue debt to finance operating expenses; however, if this were done in the context of covering wind down expenses, I don't see a problem with that position as far as setting any precedent. Any excess funds could be used to abate the bonds in the event that not all of the money is needed. Also, state reimbursements could potentially reduce the funding requirement.

RESOLUTION N:

**RESOLUTION AUTHORIZING A SHORT-TERM LOAN FROM THE GENERAL FUND TO THE
CHAMPAIGN COUNTY NURSING HOME FUND TO PROTECT PUBLIC HEALTH AND SAFETY,
PROTECT PUBLIC PROPERTY, AND TO LIMIT COUNTY LIABILITY**

WHEREAS, the State of Illinois has failed to perform its statutory duties to deliver efficient and timely Medicaid application processing, and

WHEREAS, said failure has resulted in significant reductions in revenue streams for patient care, creating profound financial hardships for the Champaign County Nursing Home that are beyond its ability to control and are not the result of any negligence of the County; and

WHEREAS, changes in the nursing home, healthcare industry and in health and safety regulation by the State and Federal government have made it very difficult to manage and fund a single Nursing Home Care Center and its costs effectively within budget, while maintaining a high level of patient care needed and expected by Champaign County Residents; and

WHEREAS, failure to fulfill employee payroll and vendor account obligations could jeopardize continuance of essential human services and the health and safety of nursing home residents, and could cause damage to county property, and could subject Champaign County to liability; and

WHEREAS, the Champaign County Nursing Home will require a short-term loan of \$250,000.00 for a period ending no later than December 31, 2017 to continue said essential human services; and

WHEREAS, the General Fund has access to adequate reserves to make this loan; and

WHEREAS, as a condition of this loan, the Management of the Champaign County Nursing Home agrees that 1) funds disbursed shall be dedicated to the payment of payroll and essential vendor accounts payable; and 2) accounts payable requests shall require the written approval of the County Administrator.

NOW, THEREFORE BE IT RESOLVED that the Champaign County Board approves a short-term loan from the General Fund to the Champaign County Nursing Home with repayment to the General Fund to be made no later than December 31, 2017; and

BE IT FURTHER RESOLVED that the County Auditor and County Treasurer are hereby authorized to advance the above sum to the Champaign County Nursing Home.

PRESENTED, ADOPTED, APPROVED and RECORDED this 14th day of March, 2017.

C. Pius Weibel, Chair
Champaign County Board

Attest:

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

Champaign County
General Corporate Fund FY2016 Revenue Report

FY2016 FINAL REPORT	FY2015 Actual	FY2016 Budget	FY2016 Actual	Budget Variance	
Local Taxes					
Property Taxes	\$9,597,983	\$10,185,072	\$10,413,681	\$228,609	2.2%
Back Taxes	\$6,662	\$3,500	\$5,962	\$2,462	70.3%
Mobile Home Tax	\$9,316	\$8,500	\$9,020	\$520	6.1%
Payment in Lieu of Tax	\$6,672	\$6,000	\$7,114	\$1,114	18.6%
Hotel Motel Tax	\$29,753	\$28,500	\$23,268	-\$5,232	-18.4%
Auto Rental Tax	\$32,691	\$32,000	\$32,165	\$165	0.5%
Penalties on Taxes	\$638,320	\$596,000	\$647,557	\$51,557	8.7%
Licenses & Permits					
Business Licenses & Permits	\$35,078	\$36,500	\$32,411	-\$4,089	-11.2%
Non-Business Licenses & Permits	\$1,513,848	\$1,317,282	\$1,578,398	\$261,116	19.8%
Grants					
Federal Grants	\$306,395	\$372,392	\$445,643	\$73,251	19.7%
State Grants	\$154,445	\$180,656	\$195,791	\$15,135	8.4%
State Shared Revenue					
Corporate Personal Property Repl. Tax	\$925,605	\$920,000	\$806,043	-\$113,957	-12.4%
1% Sales Tax	\$1,125,569	\$1,130,161	\$1,146,921	\$16,760	1.5%
1/4% Sales Tax	\$5,436,213	\$5,519,290	\$5,473,500	-\$45,790	-0.8%
Use Tax	\$712,284	\$643,582	\$769,750	\$126,168	19.6%
State Reimbursement	\$2,669,101	\$2,331,710	\$1,153,238	-\$1,178,472	-50.5%
State Salary Reimbursement	\$307,203	\$315,139	\$304,157	-\$10,983	-3.5%
State Revenue Salary Stipends	\$53,358	\$48,500	\$45,500	-\$3,000	-6.2%
Income Tax	\$3,432,036	\$3,308,155	\$3,139,831	-\$168,324	-5.1%
Charitable Games License/Tax	\$62,549	\$55,500	\$69,886	\$14,386	25.9%
Off-Track Betting	\$29,294	\$30,000	\$3,117	-\$26,883	-89.6%
Local Gov Revenue & Reimbursement					
Local Government Revenue	\$677,479	\$675,812	\$747,420	\$71,608	10.6%
Local Government Reimbursement	\$595,383	\$630,500	\$618,872	-\$11,628	-1.8%
Fees, Fines & Forfeitures					
General Government - Fees	\$4,094,114	\$4,188,403	\$4,094,088	-\$94,315	-2.3%
Fines	\$925,334	\$1,031,000	\$713,775	-\$317,225	-30.8%
Forfeitures	\$12,962	\$12,000	\$9,361	-\$2,639	-22.0%
Miscellaneous Revenue					
Interest Earnings	\$6,252	\$6,450	\$17,456	\$11,006	170.6%
Rents & Royalties	\$1,162,531	\$1,038,790	\$847,855	-\$190,935	-18.4%
Gifts & Donations	\$100,056	\$17,700	\$23,260	\$5,560	31.4%
Sale of Fixed Assets	\$4,913	\$0	\$2,650	\$2,650	-
Miscellaneous Revenue	\$172,796	\$152,037	\$635,111	\$483,074	317.7%
Interfund/Interdepartment					
Interfund Transfers	\$750,507	\$657,682	\$684,195	\$26,513	4.0%
Interfund Reimbursements	\$402,149	\$402,746	\$131,665	-\$271,081	-67.3%
Interdepartment Revenue	\$0	\$0	\$1,480	\$1,480	-
TOTAL	\$35,988,851	\$35,881,559	\$34,830,142	-\$1,051,417	-2.9%

Champaign County
General Corporate Fund FY2016 Expenditure Report

FY2016 FINAL REPORT	FY2015 Actual	FY2016 Budget	FY2016 Actual	Budget Variance	
Personnel					
Regular Salaries & Wages	\$14,655,506	\$14,598,956	\$15,103,656	\$504,700	3.5%
SLEP Salaries	\$6,474,771	\$6,831,362	\$6,460,079	-\$371,283	-5.4%
SLEP Overtime	\$428,923	\$493,220	\$356,902	-\$136,318	-27.6%
Fringe Benefits	\$2,828,791	\$3,080,775	\$2,845,321	-\$235,454	-7.6%
Total Personnel	\$24,387,991	\$25,004,313	\$24,765,958	-\$238,355	-1.0%
Commodities					
Postage	\$173,009	\$247,000	\$211,387	-\$35,613	-14.4%
Purchase Document Stamps	\$925,000	\$816,000	\$960,000	\$144,000	17.6%
Gasoline & Oil	\$159,835	\$219,200	\$139,110	-\$80,090	-36.5%
All Other Commodities	\$827,445	\$684,650	\$792,745	\$108,095	15.8%
Total Commodities	\$2,085,289	\$1,966,850	\$2,103,242	\$136,392	6.9%
Services					
Gas Service	\$283,196	\$386,011	\$245,308	-\$140,703	-36.5%
Electric Service	\$832,886	\$830,000	\$839,308	\$9,308	1.1%
Medical Services	\$741,350	\$922,059	\$855,365	-\$66,694	-7.2%
All Other Services	\$4,852,824	\$5,151,771	\$4,875,577	-\$276,194	-5.4%
Total Services	\$6,710,256	\$7,289,841	\$6,815,558	-\$474,283	-6.5%
Capital					
Vehicles	\$299,952	\$0	\$171,373	\$171,373	-
All Other Capital	\$548	\$57,500	\$94,162	\$36,662	63.8%
Transfers					
To Capital Improvement Fund	\$765,305	\$765,305	\$818,272	\$52,967	6.9%
To All Other Funds	\$232,862	\$221,428	\$233,420	\$11,992	5.4%
Debt Repayment	\$551,755	\$530,427	\$497,646	-\$32,781	-6.2%
TOTAL	\$35,033,959	\$35,835,664	\$35,499,630	-\$336,034	-0.9%

Champaign County
General Corporate Fund FY2016 Summary
FINAL

FUND BALANCE 12/31/15	\$5,265,601	
Beginning Fund Balance % OF BUDGET	14.69%	
	<i>Budgeted</i>	<i>Actual</i>
FY2016 REVENUE	\$35,881,559	\$34,830,142
FY2016 EXPENDITURE	\$35,835,664	\$35,499,630
Revenue to Expenditure Difference	\$45,895	-\$669,489
<i>FUND BALANCE PROJECTION - 12/31/16</i>	<i>\$5,311,496</i>	<i>\$4,596,112</i>
<i>% OF 2016 Expenditure Budget</i>	<i>14.82%</i>	<i>12.9%</i>
Ending Fund Balance as % of FY2017 Budget	\$ 36,420,066	12.6%

**GENERAL CORPORATE FUND
FY2016 BUDGET CHANGE REPORT**

FY2016 Original General Corporate Fund Budget	FY16 Budgeted Exp	FY16 Budgeted Rev	Difference
	\$ 35,835,644	\$ 35,881,559	\$ 45,915

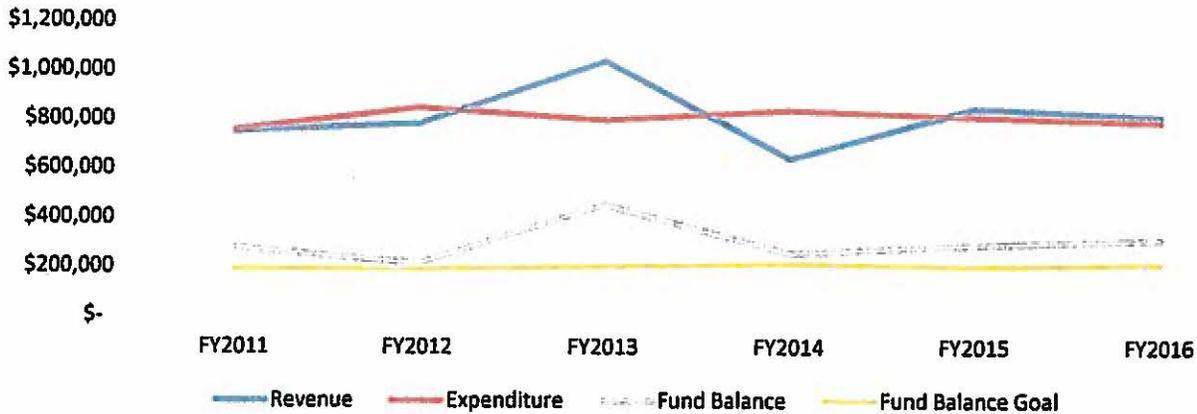
BUDGET CHANGES

Department & Description	Expenditure Changes	Revenue Changes	Difference
General County Departments			
Increase cost of software license renewals	\$ 32,725	\$ -	\$ (32,725)
Information Technology Re-encumber funds for website redesign not completed in 2015	\$ 12,605	\$ -	\$ (12,605)
Coroner IDPH Federal Grant for Disaster Prep	\$ 5,000	\$ 5,000	\$ -
General County JMHGP Grant Funding	\$ 145,912	\$ 145,912	\$ -
CAC Bridge funding for Forensic Interviewer	\$ 25,000	\$ -	\$ (25,000)
Correctional Center			
Long-term employees ret. benefit payout	\$ 16,637	\$ -	\$ (16,637)
Sheriff Long-term employees ret. benefit payout	\$ 55,304	\$ -	\$ (55,304)
Public Defender Tech. replacement shortage in Capital Asset Replacement Fund	\$ 4,253	\$ -	\$ (4,253)
County Board County Administrator Search	\$ 2,721	\$ -	\$ (2,721)
County Board Retire Admin. Payout/ Transition Contract/New Admin. Relocation	\$ 55,977	\$ -	\$ (55,977)
Sheriff Donation for Patrol Body Cameras	\$ 8,500	\$ 8,500	\$ -
Circuit Clerk Foreclosure Mediation Program	\$ 20,000	\$ -	\$ (20,000)
County Clerk 2016 General Election Expenses	\$ 104,482	\$ -	\$ (104,482)
Recorder Increase Rev/Exp for Rental Housing Support Program	\$ 54,000	\$ 60,000	\$ 6,000
Information Technology Kronos Time Clocks	\$ 36,953	\$ -	\$ (36,953)
Recorder Increase Rev/Exp for Real Estate Activity	\$ 200,000	\$ 300,000	\$ 100,000
General County Ameren Electric Transmission Line Construction Fee	\$ -	\$ 483,800	\$ 483,800
VAC Donation for Veterans Monument Repairs	\$ 3,000	\$ 4,237	\$ 1,237
ADA Interior Projects	\$ 173,000	\$ -	\$ (173,000)
Public Defender Long-term employee payout	\$ 69,232	\$ -	\$ (69,232)
County Clerk Election Judges/Workers	\$ 47,000	\$ -	\$ (47,000)
Coroner Autopsy and Toxicology Expenses	\$ 26,231	\$ -	\$ (26,231)
VAC Donations	\$ 3,128	\$ 2,128	\$ (1,000)
Recorder Rental Housing Support Surcharge	\$ 25,000	\$ 25,000	\$ -
County Clerk Discovery Recount Auditor Race	\$ 1,295	\$ -	\$ (1,295)
Sheriff Wage Shortage due to under-funding	\$ 53,950	\$ -	\$ (53,950)
Circuit Clerk Transfer from 630 for 080 Exp.	\$ 10,000	\$ 10,000	\$ -
County Clerk Temp Wages	\$ 57	\$ -	\$ (57)
Jury Commission Part-time employee wages	\$ 831	\$ -	\$ (831)
TOTAL CHANGES	\$ 1,192,793	\$ 1,044,577	\$ (148,216)
General Corporate Fund Budget as of 12/31/16			
	\$ 37,028,437	\$ 36,926,136	\$ (102,301)
% of Increase/Decrease	3.3%	2.9%	
Changes Attributable to One-Time Factors	\$ 1,133,006	\$ 1,044,577	\$ (88,429)
Changes Attributable to Recurring Costs	\$ 59,787	\$ -	\$ (59,787)

Board of Health

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue	\$ 752,049	\$ 782,548	\$ 1,037,010	\$ 640,423	\$ 846,740	\$ 813,510
Expenditure	\$ 758,231	\$ 848,423	\$ 797,247	\$ 838,038	\$ 812,176	\$ 791,402
Fund Balance	\$ 279,717	\$ 213,842	\$ 453,605	\$ 255,990	\$ 290,554	\$ 312,662
Fund Balance Goal	\$ 191,675	\$ 191,919	\$ 202,533	\$ 213,614	\$ 203,044	\$ 213,667

Board of Health

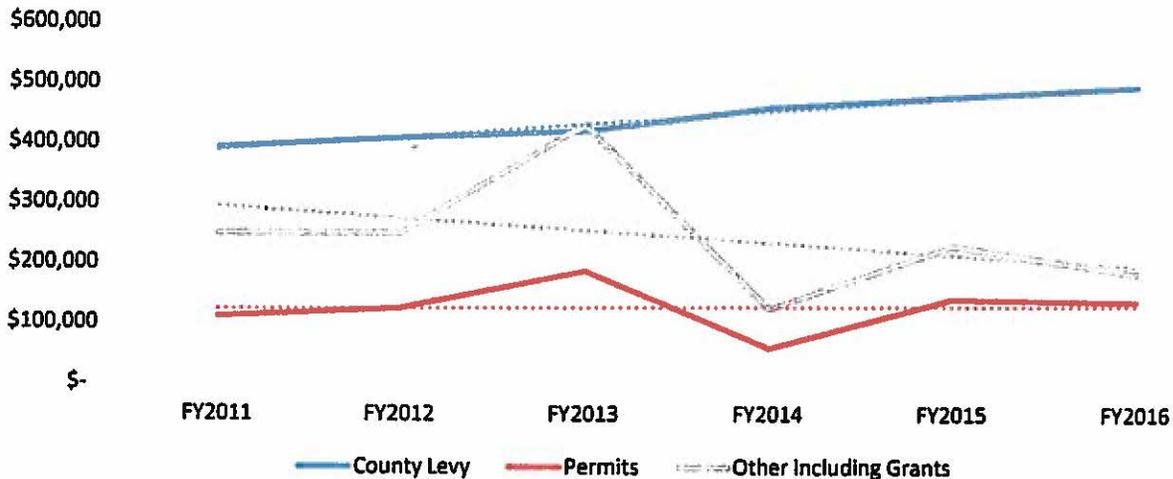


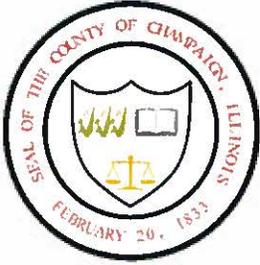
The Fund Balance Goal of 25% of budgeted expenditure was established by the County Board of Health to ensure appropriate balances to address cash flow requirements.

REVENUE

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
County Levy	\$ 392,061	\$ 408,034	\$ 419,948	\$ 458,240	\$ 477,171	\$ 494,302
Permits	\$ 110,628	\$ 124,474	\$ 186,375	\$ 57,855	\$ 140,142	\$ 136,130
Other including Grants	\$ 249,360	\$ 250,040	\$ 430,687	\$ 124,328	\$ 229,427	\$ 183,078
Total Revenue	\$ 752,049	\$ 782,548	\$ 1,037,010	\$ 640,423	\$ 846,740	\$ 813,510

Board of Health Revenue and Trendlines





CHAMPAIGN COUNTY ADMINISTRATIVE SERVICES

1776 East Washington Street, Urbana, Illinois 61802-4581

ADMINISTRATIVE, BUDGETING, PURCHASING & HUMAN RESOURCE

Richard S. Snider, County Administrator

REQUEST FOR PROPOSAL For UNDERWRITING SERVICES FOR THE COUNTY OF CHAMPAIGN

RFP NO. 2017-XXX

**ISSUE DATE:
TBD**

CLOSING LOCATION:

Champaign County, Brookens Administrative Center
Attn: Tami Ogden, Deputy County Administrator of Finance
1776 East Washington
Urbana, IL 61802

CLOSING DATE AND TIME:

TBD

NOTICE: If downloading this solicitation from our website; it is the responsibility of the bidder to e-mail our office at tasplund@co.champaign.il.us to be registered as a potential bidder to receive any subsequent amendments.

Introduction

The County of Champaign, Illinois (the "County") is requesting proposals to provide underwriting services for a proposed series of approximately \$7.5 million taxable general obligation alternate bonds, and expects to pledge its Nursing Home operating levy as the source of repayment. Property tax collected from the levy in fiscal year 2016 was \$1.16 million. Anticipated property tax collection for levy year 2017 is \$1.2 million. Bond proceeds will be used to pay working capital costs for the Champaign County Nursing Home, any necessary debt service reserves, capitalized interest and the costs of issuance.

The County is currently rated Aa2 by Moody's and has not yet received a rating on the proposed bonds. The County's Comprehensive Annual Financial Report for Fiscal Year 2015 is posted on its website.

<http://www.co.champaign.il.us/Auditor/reports/2015CAFR/2015CAFR.pdf>

Scope of Services

The County seeks advice regarding the structure, timing, and other similar matters concerning the \$7.5 million issue previously described. Provide your recommendations regarding the most efficient and cost effective approach for the proposed issue.

List assumptions related to the recommended structure, estimated total interest cost, and costs of issuance for your firm's recommended approach.

State your firm's fee proposal to perform underwriting services as a percentage of par amount and total dollars. The fee proposal shall include all expenses in providing the scope of services. Include a detailed breakdown of all components of gross spread, including takedown, underwriter's expenses (reimbursed at cost only), risk/residual and management fee (if any).

The County will not be retaining an independent municipal advisor and is aware of the "Municipal Advisor Rule" of the SEC. In response to this RFP, the County requests advice and recommendations including ideas on how to structure the debt issuance for the purpose of providing working capital for the Champaign County Nursing Home. The County intends for such advice and recommendations to qualify for the RFP exemption and understands that by responding to this RFP, respondents are not municipal advisors to the County.

The County's bond counsel is Anjali Vij, Chapman and Cutler LLP, 111 West Monroe Street, Chicago, IL 60603. Supplemental questions may also be directed to Anjali at (312) 845-3472 or anjvij@chapman.com.

Qualifications

The response should emphasize services or comparative transactions that will be relevant to the County of Champaign. The response should address the underwriter's ability and experience in complying with the scope of services requirements set forth above.

1. Provide a brief description of the firm, together with a specific description of the firm's public finance activities in the State of Illinois.
2. List by name and title the professionals who will work on the proposed financing, including their role, qualifications, education and years of experience performing in their role. Identify the contact person who will have primary account responsibility. Provide the office location, email address and phone number for each individual.
3. Describe your firm's particular expertise in structuring and underwriting and/or providing financial advising for bonds of the types referenced in this Request for Proposal. Give examples of how this expertise has been utilized to the advantage of issuers and how it may relate to the County.
4. Demonstrate your firm's understanding of the issuer's financial situation, including ideas on how the issuer should approach financing issues such as bond structure, credit rating strategies and investor marketing strategies.
5. Demonstrate your firm's knowledge of local political, economic, legal or other issues that may affect the proposed financing.
6. Briefly describe any attributes or unique qualifications that distinguish your firm from others offering similar services that would enhance the marketing and sale of the proposed issuance and prove helpful to the County in our selection process.
7. Describe the level and types of insurance carried, including the deductible amount, to cover errors and omissions, improper judgments, or negligence.
8. Describe any pending investigation of the firm or enforcement or disciplinary actions taken within the past three years by the SEC or other regulatory bodies.
9. Provide a list of five public sector clients, preferably clients where the firm provided underwriting services similar to those proposed to be undertaken as the result of the RFP. Include the name, address, telephone number, and type of financing completed for these clients during the past three years.
10. Provide disclosure of any conflicts of interest, as stated in MSRB Rule G-17, including finder's fees, fee splitting, or other contractual arrangements of the firm that could present a real or perceived conflict of interest.

Firms are prohibited from engaging in activities on behalf of the issuer that produce a direct or indirect financial gain for the firm, other than the agreed upon compensation.

All proposals will be evaluated based on the qualifications and experience of the firm and the assigned personnel, estimated underwriting fees, and experience with Illinois County bond issuances.

This solicitation does not commit Champaign County to award any contract, to pay any cost incurred in the preparation of a proposal or to procure a contract for the articles of goods or services. The County reserves the right to accept or reject any or all proposals received as a result of this solicitation, to negotiate with all qualified offerors, or to cancel in part or in its entirety this solicitation if it is in the best interest of the County to do so. Champaign County reserves the right to interview any, all, or none of the respondents and to select who it feels is the most responsive consultant.

Submittal of Response

Proposals will be received by Champaign County until the time and date shown on the cover page. Proposals received after the time set for closing will be returned unopened.

The proposal is required to have the business name, business address, proposal title and RFP number printed on the envelope or wrapping containing the proposal. The County is not responsible for unidentified proposals.

Five (5) bound copies, one (1) unbound original, and one electronic copy of the proposal should be hand delivered or mailed to:

Champaign County Administrative Services
Attn: Tami Ogden, Deputy County Administrator of Finance
1776 E. Washington, Urbana, IL 61802

Questions regarding this RFP may be directed to the County's bond counsel or Tami Ogden, (217) 384-3776, toegden@co.champaign.il.us.