

Committee of the Whole

*Items to be Distributed
June 13, 2017*

IV. Approval of the Minutes

A. May 9, 2017

VII. Finance

C. Nursing Home

3. County Administrator Memo: Recommendation for Award of RFI 2017-004 – Brokerage and Consulting Services for CCNH
4. County Administrator Memo: Recommendation for Award of RFP 2017-005 – Nursing Home Management Services for CCNH

F. County Administrator

1. FY2017 General Corporate Fund Budget Projection Report
2. FY2017 General Corporate Fund Budget Change Report

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

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

5 **Tuesday, May 9, 2017**

6 **Lyle Shields Meeting Room**

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

12
13 **MEMBERS ABSENT:** Shana Crews, James Tinsley

14
15 **OTHERS PRESENT:** John Farney (Auditor), Tami Ogden (Deputy County
16 Administrator/Finance), Kay Rhodes (Administrative Assistant),
17 Rick Snider (County Administrator), Dan Welch (Treasurer)

18
19 **CALL TO ORDER**

20
21 Weibel called the meeting to order at 6:31 p.m.

22
23 **ROLL CALL**

24
25 Rhodes called the roll. Alix, Anderson, Clemmons, Cowart, Esry, Goss, Harper, Hartke,
26 Hiser, King, Marsh, McGuire, Michaels, Patterson, Petrie, Rector, Rosales, Summers, and Weibel
27 were present at the time of roll call, establishing the presence of a quorum.

28
29 **APPROVAL OF AGENDA/ADDENDA**

30
31 **MOTION** by Hartke to approve the Agenda/Addenda as amended; seconded by
32 Anderson. Weibel removed VIII. D4 – Reorganization Plan and IX. D5 - Budget Amendment 17-
33 00011. **Motion carried with unanimous support.**

34
35 **APPROVAL OF MINUTES**

36
37 **MOTION** by Goss to approve the minutes of April 11, 2017; seconded by Rector. **Motion**
38 **carried with unanimous support.**

39
40 **PUBLIC PARTICIPATION**

41
42 There was no public participation.
43
44
45
46
47

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48 **COMMUNICATIONS**

49

50 Weibel asked committee members to please donate to the flower fund. Hartke noted that
51 Tinsley could not attend the meeting due to a scheduling conflict.

52

53 **JUSTICE & SOCIAL SERVICES**

54 **Monthly Reports**

55

56 All reports were received and placed on file.

57

58 **Other Business**

59

60 There was no other business.

61

62 **Chair's Report**

63

64 Hiser indicated he would bring a resolution to the committee next month concerning the
65 extension of the Racial Justice Task Force term in order to complete their report to the County
66 Board.

67

68 **POLICY, PERSONNEL, & APPOINTMENTS**

69 **Appointments/Reappointments**

70

71 **MOTION** by Weibel to recommend County Board approval of a resolution appointing
72 Paul J. Sailor to the Board of Review, term 6/1/2017-5/31/2019; seconded by Esry. **Motion**
73 **carried with unanimous support.**

74

75 **MOTION** by Weibel to recommend County Board approval of a resolution appointing
76 Mike Larson to the Sangamon Valley Public Water District, term 6/1/2017-5/31/2022; seconded
77 by Cowart. **Motion carried with unanimous support.**

78

79 **MOTION** by Weibel to recommend County Board approval of a resolution appointing
80 Mark Richardson to the Penfield Water District, term 6/1/2017-5/31/2022; seconded by Michaels.
81 **Motion carried with unanimous support.**

82

83 **MOTION** by Weibel to recommend County Board approval of a resolution appointing
84 Thomas Zindars to the Dewey Community Public Water District, term 6/1/2017-5/31/2022;
85 seconded by Hiser. **Motion carried with unanimous support.**

86

87 **MOTION** by Weibel to recommend County Board approval of a resolution appointing
88 Ladell Myrick to the Urbana-Champaign Sanitary District Board, term 6/1/2017-5/31/2020;
89 seconded by Hartke. **Motion carried with unanimous support.**

90

91 Mitchell entered the meeting at 6:48 p.m.

92

93 **County Board of Health**

94 **Ordinance Amending Fees**

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95 **MOTION** by Hartke to recommend County Board approval of an ordinance amending
96 fees under the health ordinance of Champaign County; seconded by Weibel.

97
98 Julie Pryde, CUPHD Administrator gave a short presentation on questions raised by
99 County Board members at a previous meeting regarding the proposed amendment to fees under
100 the County Health Ordinance.

101
102 Pryde pointed to the County Health Ordinance No. 969; Article 12.2.1 Recovery of Costs:
103 Except where specified by Statute, the BOARD OF HEALTH shall set fee amounts that recover, on
104 average and in the aggregate, as much as possible of the full cost, including fully apportioned indirect
105 expenses, incurred in providing a specific service or of administering and enforcing specific
106 provisions of this ordinance, without the fees being, in the judgment of the BOARD OF HEALTH,
107 unduly burdensome or so high that they would discourage compliance or conflict with the purposes
108 of this ordinance. Pryde explained that the County Board of Health had worked with the public health
109 staff for two-years to determine an appropriate fee structure that more than adequately covered costs.

110
111 Pryde referred to Article 12.1.3 Review of Fee Schedules: The BOARD OF HEALTH shall
112 annually, prior to preparation of its annual report, review the fee schedule to determine its sufficiency
113 and its efficacy in promoting the purposes of this ordinance with respect to the criteria established in
114 Subsection 12.2.1. She explained that it had been almost twenty years since fees had been revised.

115
116 Pryde stated that the current fees were set in 1998. County tax dollars are currently
117 subsidizing private homeowners and private businesses for the construction of their private
118 sewage disposal systems because the fees do not cover the costs.

119
120 McGuire asked what the revenue from the tax levy paid for and what are the costs related
121 to inspections for sewage disposal systems. Pryde referred to the chart in the packet in which she
122 had listed the current fees, inflation, and the proposed fees. She explained that the vast majority
123 of the revenue goes towards staffing and operations. Many items are covered by the local health
124 protection grant because they are significant to the protection of public health and fees are not
125 charged. Pryde explained that it was necessary to maintain a large fund balance in order to respond
126 to any communicable diseases in the County. Pryde said the former County Administrator had
127 suggested a reserve fund balance of 25%. Discussion followed.

128
129 Alix felt that the CUPHD staff and the County Board of Health had worked on the
130 proposed amended fee schedule extensively and he supported their work. McGuire said the fund
131 balance continues to grow without any fee increases and he would not support it.

132
133 **Motion failed with a roll call vote of 10-10.** Cowart, Hartke, Hiser, King, Patterson,
134 Petrie, Rosales, Summers, Weibel, and Alix voted in favor of the motion. Esry, Goss, Harper,
135 Marsh, McGuire, Michaels, Mitchell, Rector, Anderson, and Clemmons voted against it.

136
137 County Clerk

138
139 The April 2017 report was received and placed on file.

140
141 County Administrator
142 Monthly HR Report

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143 The April report was received and placed on file.

144

145 Elected Official Recertification of IMRF Eligibility

146

147 **MOTION** by Goss to recommend County Board approval of a resolution authorizing
148 recertification of IMRF eligibility for elected officials; seconded by Anderson.

149

150 Snider explained that the Illinois Municipal Retirement Fund (IMRF) Board of Trustees
151 had implemented changes to its rules to coincide with the adoption of Public Act 99-900 by the
152 General Assembly. The County Board must recertify every two years that elected positions
153 participating in IMRF meet the hourly standard for duties performed of 1,000 hours per year.
154 These positions would be barred from future participation in IMRF without this bi-annual
155 recertification. Snider recommended that following the adoption of this resolution that a
156 resolution should be adopted in December following the bi-annual election of county officers.
157 The next resolution should be adopted in December 2018 after the November 2018 election.

158 **Motion carried with unanimous support.**

159

160 Nursing Home Temporary Job Descriptions

161

162 Snider discussed the Nursing Home temporary job descriptions for Administrator and
163 Operations Manager. He explained these descriptions were also presented to the Nursing Home
164 Board of Directors at their meeting on May 8, 2017. Snider said the proposed job descriptions
165 split the areas of responsibility in much of the same way as the responsibilities were split between
166 the management company and the nursing home administrator.

167

168 Rector asked if consideration had been given to having these responsibilities carried out
169 through a contract and not necessarily a county employee. Michaels voiced concerns as well.
170 Snider felt this was the most expeditious way to get management personnel in place because
171 MPA's contract expires at the end of June 2017. He noted that a request for approval of an RFI
172 for management and consulting services for the nursing home was listed under the Finance portion
173 of the agenda. Snider also pointed out that the proposed job descriptions were for temporary
174 positions.

175

176 Petrie encouraged more specifically defined roles for these positions. Snider agreed and
177 stated that he had already received feedback from some of the members of the Nursing Home
178 Board of Directors. He welcomed further input from the County Board members.

179

180 Other Business

181

182 There was no other business.

183

184 Chair's Report

185

186 Rosales announced the County Board appointments expiring in June 2017 for the
187 committee's information: Developmental Disabilities Board – 1; Forest Preserve District Board
188 – 1; County Board of Health – 2; and various cemetery boards & associations – 1-each.

189

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190 Designation of Items to be Placed on the Consent Agenda

191

192 Items A1-5 and D2 were designated for the Consent Agenda.

193

194 The committee took a short break at 7:56 p.m. and resumed at 8:03 p.m.

195

196 FINANCE

197 Treasurer

198

199 The Treasurer's report of April 2017 was received and placed on file.

200

201 Cash Flow Projection Report

202

203 Welch explained that at the close of business May 9, 2017, the nursing home's cash
204 balance was \$240,000. He added that this week was a payroll week and the average payroll for
205 the nursing home is \$237,000. Welch explained that the last payroll was \$228,000 however, for
206 purposes of the projection report he used the average of \$237,000. He stated that the Accounts
207 Payables average for the nursing home is approximately \$487,000. The nursing home's real estate
208 levy is approximately \$1,206,000 and the nursing home has already borrowed \$1,021,757 in the
209 form of tax anticipation warrants. The nursing home also received a \$150,000 advance from the
210 real estate taxes for purposes of payroll. Welch stated that in essence, the nursing home has
211 already used up the revenue from the real estate levy. He projected the ending cash balance for
212 the month of May 2017 to be at \$24, 617.

213

214 Welch pointed out that the County Board had also authorized a loan, if necessary, from
215 the General Corporate Fund of \$250,000. It had not been used yet, nor had the General Corporate
216 Fund borrowed the pre-authorized amount of \$1.5 million from the Public Safety Sales Tax Fund.
217 This also has not become necessary yet, but if the nursing home utilizes the loan of \$250,000, it
218 will become necessary.

219

220 Welch asked the committee to consider how far into the General Corporate Fund that they
221 were willing to go in order to support the nursing home. Welch invited committee members to
222 stop by his office anytime and he would be happy to answer any questions they may have because
223 he was extremely concerned about the situation. The worst-case scenario would be for the nursing
224 home to close. Discussion followed.

225

226 Auditor

227

228 The Auditor's report of April 2017 and Quarterly Financial report were received and
229 placed on file. Farney updated the committee on the Accounts Payable for the nursing home as
230 of May 5, 2017. The nursing home owes a total of \$2,916,969 to its vendors. Farney explained
231 that the County was owed the greatest amount, broken down below:

232

General Corporate Fund	\$211,652.14
Highway Fund	\$ 1,737.38
IMRF Fund	\$166,455.16
Social Security Fund	\$160,711.22

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Self-Funded Insurance Fund \$ 31,316.99

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241

Farney continued that the nursing home is obligated in the form of a loan from the General Corporate Fund for \$226,802. This loan was used for boiler repair/replacement. The nursing home has not made its FY2016 debt service reimbursement to the General Corporate Fund for \$262,114. This brings the total obligation to Champaign County from the nursing home to \$1,060,788.89. This total is an increase of \$112,818.39 from March 31, 2017.

The following vendors are owed above \$100,000:

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

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247

Nursing Home Financial Report

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

248

249

Budget Amendments/Transfers

250

251

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255

MOTION by Michaels to recommend County Board approval of a resolution authorizing **Budget Amendment 17-00007** for Fund/Dept. 476 Self-funded Insurance/118 Property/Liability Insurance with increased appropriations of \$235,550 and matching revenue to pay 2017 unemployment insurance premium and to receive revenue from department billings; seconded by Goss. **Motion carried with unanimous support.**

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MOTION by Rector to recommend County Board approval of a resolution authorizing **Budget Amendment 17-00008** for Fund/Dept. 105 Capital Asset Replacement/059 Facilities Planning with increased appropriations of \$123,037 and increased revenue of \$18,550 for FY2017 capital asset projects; seconded by Cowart. **Motion carried with unanimous support.**

261

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MOTION by Cowart to recommend County Board approval of a resolution authorizing **Budget Amendment 17-00009** for Fund/Dept. 303 Court Complex Construction/010 County Board with increased appropriations of \$24,062 and no matching revenue to re-encumber funds for ADA improvements at courthouse not completed in FY2016; seconded by Michaels. **Motion carried with unanimous support.**

267

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271

MOTION by Esry to recommend County Board approval of a resolution authorizing **Budget Amendment 17-00010** with increased appropriations of \$74,323 and no matching revenue to re-encumber funds for architectural expenses and ADA improvements not paid or completed in FY2016; seconded by King. **Motion carried with unanimous support.**

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272 State's Attorney

273

274 **MOTION** by Esry to recommend County Board approval of a resolution authorizing the
275 renewal and amendment of an intergovernmental agreement between the Illinois Department of
276 Healthcare and Family Services and the Champaign County States Attorney, term July 1, 2017-
277 June 30, 2018; seconded by Hiser. **Motion carried with unanimous support.**

278

279 County Administrator

280 FY2017 General Corporate Fund Budget Projection Report

281

282 Snider stated that the largest change from previous reports was that the expected revenue
283 from the hospital property taxes had been removed. Ogden added that Fees and Fines revenue
284 continues to drop and Rent and Royalties has an anticipated decline due to the loss of rental
285 income for part of ILEAS due to mold. The Fund Balance projection for the end of the year is
286 \$4,219, 931 or 11.7%, which falls below the fund balance goal of 12.5%.

287

288 Ogden added that the Auditor's office is working to establish a separate fund for the
289 Foreclosure Mediation program will have a projected fund balance impact of -\$52,000. A budget
290 amendment establishing the fund is expected to come to the County Board next week, and a
291 subsequent amendment will go to the Committee of the Whole in June in order to move the funds.
292 The impact of this transfer of funds will bring the projected fund balance down to 11.5%.

293

294 The report was received and placed on file.

295

296 Champaign County Financial Policies

297

298 **MOTION** by Michaels to recommend County Board approval of a resolution adopting
299 the Champaign County Financial Policies; seconded by Goss.

300

301 Snider reviewed the changes for the committee. The addition of an introduction section
302 identifies the purpose of the financial policies and refers to other relevant policies.

303

304 Implementation of a fund balance target for the General Corporate Fund of 60-days or
305 16.5% of operations is recommended. The Government Finance Officers Association (GFOA)
306 best practice is no less than 2-months of operating expenditures.

307

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

312

313 During the last GFOA budget review, it was recommended that the county revise its
314 definition of a balanced budget. The recommended definition allows for revenues to exceed total
315 appropriations within an individual fund; whereas the current definition indicates that revenues
316 and expenditures must be "equal" in order for the budget to be balanced, and does specify that the
317 balanced budget requirement applies to individual funds. The proposed definition reads, "A

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318 budget is balanced when total appropriations do not exceed total revenues and appropriated fund
319 balance within an individual fund."

320

321 The county has been unable to fund future reserves since 2008. While it is important to
322 recognize the diminishing fund balance and identify the county's inability to fully fund the CARF,
323 the lack of reserve funding makes it even more essential for the county to identify required
324 appropriations for future fiscal years. It is recommended that full funding for reserves be
325 estimated and documented, and a five-year forecast for capital asset replacement be developed
326 and updated annually.

327

328 Prior policy allowed for no more than 3% of the total General Fund appropriations to be
329 appropriated to the CARF. Illinois statute allows for no more than 3% of the equalized assessed
330 value of property subject to taxation by the county to be accumulated in a separate fund for capital
331 improvements.

332

333 Lastly, the Treasurer is authorized to make short-term inter-fund loans with County Board
334 approval. The current policy specifies that such loans are to be paid back with interest. However,
335 it is not required by state statute. Snider recommended removal of the interest requirement.

336

Motion carried with unanimous support.

337

338 FY2018 Budget Process

339

340 **MOTION** by Goss to recommend County Board approval of a resolution authorizing the
341 FY2018 budget process; seconded by Weibel. **Motion carried with unanimous support.**

342

343 RFI 2017-004 for Property Brokerage and Consulting Services

344

345 **MOTION** by Rector to approve the release of RFI 2017-004 for Property Brokerage and
346 Consulting Services for the Sale or Transfer of the Champaign County Nursing Home; seconded
347 by Anderson. **Motion carried with a roll call vote of 15-5.** Cowart, Esry, Goss, Harper, Marsh,
348 McGuire, Michaels, Mitchell, Petrie, Rector, Summers, Weibel, Alix, Anderson, and Clemmons
349 voted in favor of the motion. Hartke, Hiser, King, Patterson, and Rosales voted against it.

350

351 RFP 2017-005 for Management and Consulting Services

352

353 **MOTION** by Esry to approve the release of RFP 2017-005 for Management and
354 Consulting Services for the Champaign County Nursing Home; seconded by Michaels. **Motion**
355 **carried unanimously with a roll call vote of 20-0.**

356

357 Other Business

358

359 There was no other business.

360

361 Chair's Report

362

363 There was no Chair's report.

364

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365 Designation of Items for the Consent Agenda

366

367 Items D1-4; E1; F2-3 were designated for the Consent Agenda.

368

369 **OTHER BUSINESS**

370

371 There was no other business.

372

373 **ADJOURNMENT**

374

375 Chair Weibel adjourned the meeting at 10:03 p.m.

376

377 Respectfully submitted,

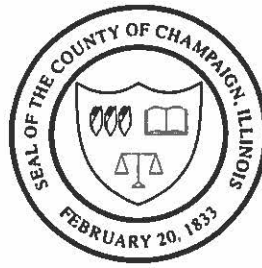
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379

380 Kay Rhodes,

381 Administrative Assistant

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



OFFICE OF THE
COUNTY ADMINISTRATOR

9 June 2017

MEMORANDUM

TO: Mr. Chris Alix, Deputy Chair-Finance; and
Mrs. Diane Michaels, Vice Chair, Finance; and
Honorable Members of the Champaign County Board

FR: Rick Snider, County Administrator

RE: Recommendation for Award of RFI 2017-004 – Brokerage and Consulting Services

As you are aware, the Board is considering all feasible options for providing a sustainable future for Champaign County Nursing Home (CCNH), whether that is a sale, transfer to a not-for-profit, or other alternative arrangement. Pursuant to County Board direction, the County Administrator issued a Request for Information RFI 2017-004 to solicit proposals from qualified firms to provide brokerage and consulting services related to the future disposition of CCNH.

The County received four submittals in response to its solicitation. After a preliminary review, three proposers were deemed responsive. They are:

- Marcus and Millichap
- Senior Living Investment Brokers
- CBRE, Inc.

The County Administrator formed an evaluation committee that met on Thursday, June 8 to complete the review and vetting process. Committee members included County Board members, elected department heads, and staff. The following criteria were used in the evaluation scoring system (maximum possible points to be awarded for entire proposal is 100):

1. Responsiveness: The County will consider the material submitted by the proposer to determine whether the proposer is in compliance with the RFI (25 points).
2. Responsibility: The County will consider the material submitted by the proposer and other evidence it may obtain to determine the firm's demonstrated ability to market and negotiate a transaction for the disposition of a long-term care facility (25 points).
3. The qualifications, experience, and familiarity with local government risk management issues and satisfactory local government experience and references (10 points).
4. The fee proposal for providing the requested services (25 points).
5. The availability of other related support services (5 points).
6. Overall proposal (10 points).

The committee evaluation showed a clear majority in favor of the proposal by Marcus and Millichap with 531 points of a possible 600 and ranked #1 by five of six committee members. We provide a summary matrix for your review.

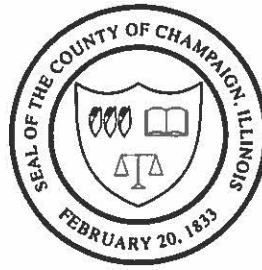
Proposer	Points Received	#1 Rankings	Strengths	Weaknesses
Marcus and Millichap	531	5	<ul style="list-style-type: none"> • Large network for solicitation of offers. • Extensive experience in marketing of SNFs. • Experience in county and Illinois markets. • Best fee proposal 	
Senior Living Investments Brokerage	467	1	<ul style="list-style-type: none"> • Extensive experience in marketing of SNFs. • Experience in Illinois market. 	<ul style="list-style-type: none"> • Smaller firm with more limited capacity in additional services.
CBRE, Inc.	417	0	<ul style="list-style-type: none"> • Industry position and experience. • Large network for solicitation of offers. 	<ul style="list-style-type: none"> • Lack of county experience. • Experience examples reference more senior residential properties rather than SNFs. • Pricing information vague, did not set a fixed percentage for commission.

The committee felt that while there were clear differences in the proposals, these qualified proposers each have different attributes that may be of value to the board. In consideration of the importance of this decision, the committee recommends that each of the proposers make a final presentation to the Finance Committee of the Whole. This would afford all board members the opportunity to confirm information published in the proposals, ask questions, and resolve any remaining concerns prior to a final selection.

RECOMMENDED ACTION

The Finance Committee of the Whole shall select one of the three proposers qualified by the evaluation committee and recommend to the Champaign County Board the award of a brokerage and consulting services contract to same.

Richard S. Snider
County Administrator



Brookens Administrative Center
1776 East Washington Street
Urbana, Illinois 61802

OFFICE OF THE
COUNTY ADMINISTRATOR

9 June 2017

MEMORANDUM

TO: Mr. Chris Alix, Deputy Chair-Finance; and
Mrs. Diane Michaels, Vice Chair, Finance; and
Honorable Members of the Champaign County Board

FR: Rick Snider, County Administrator

RE: Recommendation for Award of RFP 2017-005 – Nursing Home Management Services

The Champaign County Nursing Home is currently managed through a contract with Management Performance Associates, a health care consulting firm located in the St. Louis metro area. The County has worked with this company since 2008 and its contract has been previously renewed in 2011 and 2014. This contract will expire on June 30, 2017 and MPA has indicated it is not interested in continuing its relationship with the County.

Consequently, in accordance with Illinois Compiled Statutes, the County issued a Request for Proposal (RFP) to solicit a new management company while the County determines the future disposition of the nursing home. It is expected that the engagement will be short-term in nature until the permanent management solution for the home is decided.

The County received three proposals from qualified offerors. They are:

- AgeCare Group of Champaign, IL
- SAK Management of Northfield, IL
- Health Dimensions Group of Minneapolis, MN

Following a preliminary review to determine responsiveness of the submittals, the County Administrator formed an evaluation committee that met on Thursday, June 8 to complete the review and vetting process. Committee members included County Board members, staff, and community participants having relevant expertise in management and health care concerns. The committee reached a unanimous decision recommending SAK Management to receive the contract award.

Utilizing the evaluation criteria categories, the committee focused on a number of important factors for a successful transition in management services. These included (in no particular order):

- **Local representation.** One of the weaknesses in the present arrangement is a lack of local management on an ongoing basis. Members placed a high value on local management staff for responsiveness and accountability.
- **Capacity.** Another area of concern in the past has been the organizational depth of our management team. The committee valued proposers that had a “strong bench” of talent to address the varied, complex scenarios that arise at the county nursing home.
- **Experience.** Management of a health care organization in crisis requires specialized knowledge. The committee considered the experience of proposers in dealing with challenging situations at other skilled nursing facilities.
- **Vision and Sustainability.** Although the nature of the engagement is somewhat temporary, we wanted a management company that offered a clear vision of how to move forward on resolving the care quality and financial issues affecting Champaign County Nursing Home.

Consideration of these factors led the committee to unanimously recommend SAK Management Services, LLC to be awarded the contract to manage the nursing home. SAK specializes in turnaround situations involving skilled nursing facilities in difficult circumstances. Their background indicates successful management of many homes in receivership (some court appointed). SAK offers access to a large pool of talent that will be available to tackle the challenges of the home. SAK also has highlighted their plans to address key concerns such as dietary problems, and to focus on improved marketing efforts for prospective residents. Their fee proposal represents a performance-based incentive for increasing resident census, which is a key issue for sustainability of the home and relief of financial pressure on the County.

SAK has provided a draft contract which has been forwarded to the State’s Attorney Office for review and final changes. Should the Committee of the Whole recommend award of the contract, we anticipate successfully completing any necessary changes for final approval at the June 22 County Board meeting.

RECOMMENDED ACTION

The Finance Committee of the Whole recommends to the Champaign County Board the award of a management and consulting services contract pursuant to RFP 2017-005 to SAK Management Services, LLC.

Champaign County
General Corporate Fund FY2017 Revenue Report

FY2017 - May	FY2016 Actual	FY2017 Budget	FY2017 Projected	Budget Variance	
Local Taxes					
Property Taxes	\$10,413,681	\$11,327,775	\$ 10,794,626	-\$533,149	-4.7% 1
Back Taxes	\$5,962	\$5,000	\$ 5,000	\$0	0.0%
Mobile Home Tax	\$9,020	\$8,500	\$ 9,000	\$500	5.9%
Payment in Lieu of Tax	\$7,114	\$6,000	\$ 7,000	\$1,000	16.7%
Hotel Motel Tax	\$23,268	\$28,000	\$ 23,000	-\$5,000	-17.9%
Auto Rental Tax	\$32,165	\$30,000	\$ 30,406	\$406	1.4%
Penalties on Taxes	\$647,557	\$634,000	\$ 645,000	\$11,000	1.7%
Licenses & Permits					
Business Licenses & Permits	\$32,411	\$36,500	\$ 36,500	\$0	0.0%
Non-Business Licenses & Permits	\$1,578,398	\$1,428,110	\$ 1,578,398	\$150,288	10.5%
Grants					
Federal Grants	\$445,643	\$455,279	\$ 455,279	\$0	0.0%
State Grants	\$195,791	\$182,552	\$ 182,552	\$0	0.0%
State Shared Revenue					
Corporate Personal Property Repl. Tax	\$806,043	\$798,271	\$ 953,727	\$155,456	19.5% 2
1% Sales Tax	\$1,146,921	\$1,100,900	\$ 1,305,615	\$204,715	18.6%
1/4% Sales Tax	\$5,473,500	\$5,582,500	\$ 5,529,529	-\$52,971	-0.9%
Use Tax	\$769,750	\$814,289	\$ 855,852	\$41,563	5.1%
State Reimbursement	\$1,153,238	\$1,946,106	\$ 1,946,106	\$0	0.0% 3
State Salary Reimbursement	\$304,157	\$307,682	\$ 307,682	\$0	0.0%
State Revenue Salary Stipends	\$45,500	\$45,500	\$ 45,500	\$0	0.0%
Income Tax	\$3,139,832	\$3,354,520	\$ 3,209,373	-\$145,147	-4.3% 2
Charitable Games License/Tax	\$69,886	\$77,000	\$ 70,000	-\$7,000	-9.1%
Off-Track Betting	\$3,117	\$0	\$ -	\$0	
Local Gov. Revenue & Reimbursement					
Local Government Revenue	\$747,420	\$666,784	\$ 703,281	\$36,497	5.5%
Local Government Reimbursement	\$618,872	\$611,740	\$ 618,872	\$7,132	1.2%
Fees, Fines & Forfeitures					
General Government - Fees	\$4,094,088	\$4,104,383	\$ 3,947,150	-\$157,233	-3.8%
Fines (Bond Forfeitures, DUI Fines, Traffic)	\$713,775	\$921,000	\$ 586,787	-\$334,213	-36.3% 4
Forfeitures	\$9,361	\$13,500	\$ 27,167	\$13,667	101.2%
Miscellaneous Revenue					
Interest Earnings	\$17,456	\$8,950	\$ 17,456	\$8,506	95.0%
Rents & Royalties	\$847,855	\$1,090,000	\$ 990,000	-\$100,000	-9.2% 5
Gifts & Donations	\$23,260	\$13,800	\$ 13,800	\$0	0.0%
Sale of Fixed Assets	\$2,650	\$0	\$ -	\$0	
Miscellaneous Revenue	\$635,111	\$115,115	\$ 129,973	\$14,858	12.9%
Interfund/Interdepartment					
Interfund Transfers	\$684,195	\$700,710	\$ 700,710	\$0	0.0%
Interfund Reimbursements	\$131,665	\$365,914	\$ 83,244	-\$282,670	-77.3% 6
Interdepartment Revenue	\$1,480	\$1,027	\$ 1,027	\$0	0.0%
TOTAL	\$34,830,142	\$36,781,407	\$ 35,809,612	-\$971,795	-2.6%

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

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

3 - Although funding is expected to be received, timing of revenue receipt continues to be an issue (9-month lag). Aug 2016 reimb. was issued 5/31/17.

4 - Fine collections continue to decline (-18% YTD).

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

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

Champaign County
General Corporate Fund FY2017 Expenditure Report

FY2017 - May	FY2016 Actual	FY2017 Budget	FY2017 Projected	Budget Variance	
Personnel					
Regular Salaries & Wages	\$15,103,656	\$ 15,154,796	\$15,280,882	\$126,086	2.2%
SLEP Salaries	\$6,460,079	\$ 6,538,611	\$6,487,592	-\$51,019	-2.1%
SLEP Overtime	\$356,902	\$ 493,220	\$493,220	\$0	0.0%
Fringe Benefits	\$2,845,321	\$ 3,268,464	\$3,104,882	-\$163,582	-12.7%
Total Personnel	\$24,765,958	\$ 25,455,091	\$25,366,576	-\$88,515	-0.9%
Commodities					
Postage	\$211,387	\$ 245,891	\$230,121	-\$15,770	-15.5%
Purchase Document Stamps	\$960,000	\$ 884,000	\$960,000	\$76,000	25.3%
Gasoline & Oil	\$139,110	\$ 190,685	\$190,685	\$0	0.0%
All Other Commodities	\$792,745	\$ 727,862	\$727,862	\$0	0.0%
Total Commodities	\$2,103,242	\$ 2,048,438	\$2,108,668	\$60,230	8.4%
Services					
Gas Service	\$245,308	\$ 386,011	\$262,948	-\$123,063	-31.9%
Electric Service	\$839,308	\$ 830,000	\$839,308	\$9,308	1.1%
Medical Services	\$855,365	\$ 864,318	\$864,318	\$0	0.0%
All Other Services	\$4,875,577	\$ 5,221,218	\$4,976,218	-\$245,000	-4.7%
Total Services	\$6,815,558	\$ 7,301,547	\$6,942,792	-\$358,755	-4.9%
Capital					
Vehicles	\$171,373	\$ 145,000	\$145,000	\$0	0.0%
All Other Capital	\$94,162	\$ 127,500	\$201,823	\$74,323	58.3%
Transfers					
To Capital Improvement Fund	\$818,272	\$ 742,180	\$742,180	\$0	0.0%
To All Other Funds	\$231,940	\$ 123,250	\$163,250	\$40,000	32.5%
Interdepartment	\$1,480	\$ -	\$1,000	\$1,000	
Debt Repayment					
	\$497,646	\$ 477,060	\$477,060	\$0	0.0%
TOTAL	\$35,499,631	\$36,420,066	\$36,148,349	-\$271,717	-0.7%

**Champaign County
General Corporate Fund FY2017 Summary**

FUND BALANCE 12/31/16	\$4,596,112	
Beginning Fund Balance % OF BUDGET	12.6%	
	<i>Budgeted</i>	<i>Actual</i>
FY2017 REVENUE	\$36,781,407 *	\$35,809,612
FY2017 EXPENDITURE	<u>\$36,420,066</u>	<u>\$36,148,349</u>
Revenue to Expenditure Difference	\$361,341	-\$338,737
FUND BALANCE PROJECTION - 12/31/17	\$4,957,453	\$4,257,375
% OF 2017 Expenditure Budget	13.6%	11.8%

Fund Balance Projection with Nursing Home Debt Service Reimbursement

**\$ 4,540,045
12.6%**

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

**GENERAL CORPORATE FUND
FY2017 BUDGET CHANGE REPORT**

FY2017 Original General Corporate Fund Budget	FY17 Budgeted Exp \$ 36,420,066	FY17 Budgeted Rev \$ 36,781,407	Difference \$ 361,341
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BUDGET CHANGES

Department & Description	Expenditure Changes	Revenue Changes	Difference
ADA Compliance Re-encumber ADA funds	\$ 74,323	\$ -	\$ (74,323)
			\$ -
TOTAL CHANGES	\$ 74,323	\$ -	\$ (74,323)

General Corporate Fund Budget as of 12/31/17	Current Budgeted Exp \$ 36,494,389	Current Budgeted Rev \$ 36,781,407	Difference \$ 287,018
% of Increase/Decrease	0.2%	0.0%	

Changes Attributable to One-Time Factors	\$ 74,323	\$ -	\$ (74,323)
Changes Attributable to Recurring Costs			\$ -