

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, September 3, 2014 at 4:30 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members O'Connor, Schafer, Wollrab, Rankin, Erickson, and Robustelli (4:37 p.m.)

Members Absent: None

Other Members Present: Member Metsker

Staff Present: Mr. Bill Wasson, County Administrator; Ms. Hannah Eisner, Assistant County Administrator; Ms. Judith LaCasse, Recording Secretary, County Administrator's Office; Mr. Don Knapp, First Assistant Civil State's Attorney

Department Heads/
Elected Officials
Present:

Ms. Becky McNeil, County Treasurer; Ms. Linda Cox, Interim Director, Nursing Home; Ms. Jeanene Payne, Director, Correctional Health Service; Ms. Michelle Anderson, Auditor

Others Present: Mr. Mark Bounds, Recording Program Administrator, County Clerk's Office; Ms. Cathy Dreyer, Finance Director, Health Department; Ms. Marshall Thomson, Manager, Animal Control; Mr. Scott Gima, Vice President, Management Performance Associates (MPA); Ms. Shelly Butler, Clinic Nurse for Health Services, McLean County Jail; Ms. Cathy Coverston-Anderson, Assistant Health Department Administrator

Chairman Owens called the meeting to order at 4:30 p.m.

Chairman Owens presented the minutes of the August 6, 2014 Finance Committee meeting and the July 15, 2014 Stand-up meeting for approval.

Motion by Wollrab/Rankin to Approve the Minutes of the August 6, 2014 Meeting and the July 15, 2014 Stand-up Meeting for Approval.
Motion carried.

Mr. Mark Bounds, Recording Program Administrator, County Clerk's Office, reviewed the County Clerk's Monthly Reports for the period ending July 31, 2014, as well as the Monthly Recording Report. He distributed an updated monthly recording report.

Mr. Bounds indicated that the volume for the month of July exceeded July 2011, but fell short of 2012 and 2013.

Ms. Schafer asked if recording is trending upward for the year and does he anticipate it will continue. Mr. Bounds replied that he sees a trending upward, noting that more recording has been done in August, volume-wise, but less money was handled.

Chairman Owens asked if there were any additional questions or comments. Hearing none, he thanked Mr. Bounds.

Ms. Cathy Dreyer, Finance Director, Health Department, presented a request for approval of an Ordinance of the McLean County Board Amending the 2014 Combined Appropriation and Budget Ordinance for Fund 0112 (Community Outreach Amendment).

Ms. Dreyer explained that the Health Department is in the process of expanding health prevention services to capture more business. She stated that local health departments are branching out to focus on bringing services closer to the patient and closer to the consumer. Ms. Dreyer indicated that this new program will focus on going out into the community to provide immunizations to local businesses, government programs and school districts. The goal of the program is to provide a convenience to the employers and employees. Ms. Dreyer stated that the Health Department contracted with three employers and two school districts to provide flu shots to their employees and are discussing dates with several others.

Ms. Dreyer advised that through this program it is anticipated that \$35,000 of new revenue will be generated in 2014. She indicated that \$22,000 of it will be used for vaccine and nursing supplies and \$12,250 will be used for salary and fringe benefits that can be transferred from the immunization program budget into the Community Outreach Program, as existing nurses will be used.

Ms. Dreyer stated that this program is included in the 2015 budget but, with the positive response they have had, the Health Department would like to amend the current budget to allow them to begin offering these services.

Motion by O'Connor/Wollrab to Recommend Approval of an Ordinance of the McLean County Board amending the 2014 Combined Appropriation and Budget Ordinance for Fund 0112 (Community Outreach Amendment).

Motion carried.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Ms. Dreyer.

Chairman Owens presented the 2014 Assessment Report as submitted by Mr. Bob Kahman, Supervisor of Assessment, who was unable to attend the meeting.

Ms. Becky McNeil, County Treasurer, reviewed her Financial Reports for the period ending August 31, 2014. She noted that yesterday was the Property Tax due date, which was extremely busy. Ms. McNeil stated that across-the-counter, they took in \$6.1 million and \$5.9 million came in from Lock Box. She complimented her staff who worked diligently and are dedicated to their jobs.

Ms. McNeil stated that Information Technologies recently made an upgrade to the Devnet system that has increased the speed significantly.

Ms. McNeil reviewed the County Treasurer's Summary of Tax Revenue Sales, Local Use, Income and PPRT. She advised that a full summary of year-to-date activity was provided to show the trends in the Retailers Tax, which has been a concern. Ms. McNeil indicated that the numbers are back up compared to where they were at the beginning of the year. She noted that the 2014 budget had an actual increase of about \$450,000 built into it. At this time, year to date receipts are only about 59.6% of budget. Ms. McNeil noted that 66% would be desirable. She indicated that she remains concerned, noting that the budgeted amount was not met for the first quarter in the Retailer Occupation Tax, Sales Tax, County Sales, and Local Use Tax. Ms. McNeil stated that it is slightly under last year at this time; however, there are four more months left in 2014.

Ms. McNeil said that State Income Tax is doing very well at 72.4% of budget, which is just above last year. She indicated that PPRT is at 86.8% of budget, slightly above last year.

Ms. McNeil advised that the County has received \$6.6 million as compared to \$6.7 million a year ago. She noted that the Income Tax and PPRT are making things look better than they really are. Ms. McNeil stated that she does not expect any huge increases.

Ms. McNeil reviewed the County Treasurer's Investment Report. She noted that a distribution was made to the County and to the taxing bodies last week. The overall balance of all funds is currently \$44,859,867.70. Ms. McNeil is hopeful that the interest rates will increase in the future.

Ms. Wollrab asked if there is any indication that the Retailers Tax is lower because of increased internet sales. Ms. McNeil replied that the state does not provide those types of details, but that could be a factor.

Ms. Wollrab asked if there has been any effort to get some of the taxes back to the communities from internet sales. Mr. Wasson replied that the primary pursuit has been

to try to establish a federal on-line tax that would be collected by the states. It is hoped that if that is put into place, there will be a local distribution component.

Mr. Wasson advised that the Governor did sign legislation that requires that the LGDF, or income taxes, be distributed directly to local governments within 60 days, which will, hopefully, quicken the pace of distributions to local governments. He noted that this is a bill that has been lobbied on by both IML and Metro Counties for several years.

Ms. O'Connor thanked the Treasurer's Office for all of their hard work.

Motion by Schafer/O'Connor to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending August 31, 2014, as submitted.
Motion carried.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Ms. McNeil.

Ms. Linda Cox, Interim Director, Nursing Home, and Mr. Scott Gima, Vice President, Management Performance Associates (MPA); presented the Nursing Home July 2014 Monthly Report and a Management Consultant's Update.

Mr. Gima stated that, with the decision to move Mr. Jack Moody back to Facilities Management on a full-time basis, Ms. Linda Cox is now the interim Administrator. He stated that the transition went smoothly. Mr. Gima indicated that he will not hesitate to contact Mr. Moody regarding facility-related matters. He thanked Mr. Moody for his work at the Nursing Home and the support he provided to MPA.

Mr. Gima advised that the census has been averaging in the low 130's but over the past two to three weeks, the census has increased to the current level of 134 residents. He added that admissions remain steady and admission inquiries continue to be received, with eight to ten pending admissions. The Medicare census averaged 4.6 in 2013 and is running a little over five per month so far in 2014. Medicare admissions have slowed in the past few weeks, but hospital activity is down and Medicare census is down in all area nursing home facilities.

Mr. Gima stated that the focus is to continue to build stronger relationships with the hospitals and with the health plan care coordinators to assure future Medicare referrals. He advised that the contract with Health Alliance has been renegotiated and the contract with Molina is still pending.

Mr. Gima indicated that the nursing department is organized with one Director and three Assistant Directors. He noted that the turnover in nursing management has resulted in the current staffing of an interim Director of Nursing and three Assistant Directors of Nursing (ADONs). An Assistant Director was appointed as the Acting Director of

Nursing. Mr. Gima stated that an effort to recruit a permanent DON is ongoing, and he expects it will take some time to find the right person. He noted that two of the ADONs are recent hires and both provide strong backgrounds in nursing management that will allow us to focus on quality assurance, staff education and MDS assessment accuracy.

Mr. Gima advised that Medicaid pending denotes residents that have applied for Medicaid and await determination of their Medicaid eligibility. Due to the cutbacks in State Medicaid case workers, significant delays are occurring with the processing of applications across the state. Mr. Gima indicated that it is now common for applications to take over 12 months and in some cases, applications are extended to two years or more. During this time, no payments are made except for the collection of social security or pension checks, which represents only a small percentage of the overall rate. Mr. Gima noted that recent legislation addressed the issue but provided no relief in the form of additional case workers. At this time, there looks to be no improvements on the horizon. He indicated that the Medicaid rate per individual is approximately \$5,000 per month, which adds up to hundreds of thousands of dollars on an annual basis in lost cash flow.

Mr. Gima stated that we try to be as careful as possible. He noted that the Nursing Home will not take any Medicaid pending applications from the community, but will take Medicare residents who then transfer to be a Medicaid permanent resident, and will keep spend-downs from private pay to Medicaid. He assured the committee that no one will ever be kicked out of the facility, but the Nursing Home cannot take someone in the community who has never been in a nursing home before.

Mr. Gima reviewed future Medicaid payment delays, noting that the rollback in the personal income tax rate will reduce State revenue in FY'2015. This will result in Medicaid payment delays sometime in FY'2015. MPA has been working with Metro Counties, the County Nursing Home Association and Life Services Network (Illinois Not-For-Profit Nursing Home Organization) to seek a State policy change or legislation to protect all Illinois County Nursing Homes from Medicaid payment delays by giving county nursing homes preferential treatment, or "safety net status," for Medicaid payments. Mr. Gima stated that lobbying efforts will continue.

Committee members expressed concern with denying Medicaid pending community members access to the Nursing Home and asked what happens to these people. Mr. Gima replied that the Nursing Home will take someone coming from the hospital that may become a permanent resident that has never had Medicaid coverage, and they will keep private-pay residents who are spending down their assets and applying for Medicaid. There are currently at 20-25 Medicaid pending residents. Mr. Gima indicated that the Nursing Home is not taking community members who are Medicaid pending. He added that they will be admitted to the Nursing Home when their Medicaid application has been processed and they are Medicaid eligible. Mr. Gima indicated that it is hoped that these people would have a caregiver at home.

Mr. Wasson advised that this is also a screening process to determine whether these individuals are assessed to be Medicaid eligible or not. He noted that the biggest problem has been the amount of time it now takes to process a Medicaid application; what used to take about six months now takes a year or more. Mr. Wasson added that if someone is not Medicaid eligible, we would attempt to recover at a private-pay rate.

Mr. Robustelli stated that he doesn't believe that the state will do anything differently. He raised a concern that this community, like all across the nation, is an aging population with more needs. Mr. Robustelli pointed out that while we may be protecting ourselves in some sense from financial liability, he believes we may be liable for something else if we continue to reject older people who are in need of this level of care. Mr. Wasson responded that primarily the reason someone would not be eligible for Medicaid is because there are funds available for those private individuals who may be unwilling to use their own assets, or may transfer their assets to another family member.

Mr. Gima indicated that the Managed Care Program is trying to address this issue by coordinating the care of residents and trying to promote home-based or community-based programs. The state and the federal government want to keep Medicaid people at home and out of the nursing homes and hospitals. Mr. Gima stated that we have to try to improve our private-pay or Medicaid as much as possible so that it will allow us to take more Medicaid residents. He indicated that every effort is being made to take as many Medicaid residents as we can; however, if the Nursing Home is to be a self-sufficient enterprise, it cannot have a 90% Medicaid/payer mix, but it can handle a 65% Medicaid/payer mix.

Mr. Wasson advised that MPA has been involved aggressively with Metro Counties and the County Nursing Home Association in trying to address this issue, including focus on legislation.

Mr. Gima assured the Committee that very few people have been turned away from the Nursing Home, and some of those are people who may be able to private pay but are unwilling to do so. He added that many residents can come to the Nursing Home after a three-day stay at a hospital even if their Medicaid application has not been processed yet.

Mr. Wasson recommended that the Finance Committee would like to see this as a priority item on the legislative agenda for this coming session. He reiterated that MPA is already in this process with other nursing homes and with Metro Counties. Mr. Gima stated that he is cautiously optimistic that county nursing homes will be able to get special treatment by the state. Mr. Wasson noted that Metro Counties has been unified in supporting some positions with Cook County, particularly their hospitals, and this avenue of having Cook County support is beneficial to the legislative process.

Chairman Owens asked if there were any additional questions or comments. Hearing none, he thanked Ms. Cox and Mr. Gima.

Ms. Michelle Anderson, County Auditor, presented a request for approval of Commerce Bank Corporation Resolution to obtain a credit card account. She indicated that this action will add the Chief Deputy Auditor to the card.

Motion by Wollrab/Robustelli to Recommend Approval of
Commerce Bank Corporate Resolution to Obtain a Credit
Card Account.

Motion carried.

Ms. Anderson reviewed her Quarterly Report as of June. She pointed out that revenues are all above 50% for the General Fund, Special Revenue Funds and the Nursing Home, but the General Fund is the only one whose expenditures are outpacing its revenue. This would take into account the first Property Tax due date.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Ms. Anderson.

Mr. Bill Wasson, County Administrator, reviewed a list of critical personnel position requests which have been received by the County Administrator's Office through August 26, 2014. All positions listed below are budgeted and funded through the end of FY 2014.

Health Department

1) Request to fill 1.0 FTE Animal Control Manager

There is a vacant Animal Control Manager position in the Health Department. There are currently 1.08 FTE Animal Control Manager positions authorized for the office. The vacant position is 1 FTE. The remaining .08 FTE is an individual who comes in on the weekends to check on and feed the animals. The manager operates under general supervision of the Animal Control Director and acts on the Director's behalf when she is absent. More specifically, the manager is primarily responsible for maintaining the animal control facility which includes cleaning, equipment maintenance and stocking supplies, managing the rabies prevention services, and conducting bite investigation. The manager also performs warden services as needed and responds to freedom of information requests. The duties of this position cannot be redistributed to other staff members and it must be filled to maintain the level of service necessary to operate an animal control program that meets the health and safety needs of the County. There is an additional reason to maintain this position. The hours, which are currently, Monday through Friday, 8:30 to 4:30 can be adjusted to allow for either weekend or evening hours at the shelter. This would allow the Animal Control Program to respond to the request for extended hours.

Nursing Home

- 1) The following positions were vacated and refilled pursuant to the patient care exemption: 2 FTE Certified Nursing Assistants, 1 FTE Building Maintenance Worker and 2 FTE Food Services Assistants.

Motion by Rankin/Robustelli to Recommend Approval of the
Critical Personnel Hiring Requests.

Motion carried.

Mr. Wasson noted that with the assistance of Ms. Thomson and Ms. Cathy Coverston-Anderson, it has been possible to develop a reporting process. Next month new reports will be brought to the Committee with year-to-date status on activities; these report will continued to be produced into the future. He thanked Ms. Thomson, Ms. Coverston-Anderson and Mr. Howe.

Mr. Wasson advised that the request for approval of a Resolution Amending the Funded Full-Time Position Resolution for 2014, Tort Judgment Fun 0135, Department 0077, Program 0073 has been withdrawn at the request of staff.

Mr. Wasson informed the Committee that Chief Judge Elizabeth Robb announced her retirement today, effective at the end of the year.

Chairman Owens presented the August 31, 2014 Finance Committee bills and transfers for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Prepaid Total of \$1,027,562.66 and a Fund Total that is the same.

Motion by O'Connor/Rankin to recommend approval of the Finance Committee bills and transfers as of August 31, 2014 as recommended by the County Auditor.
Motion carried.

Chairman Owens presented the August 31, 2014 Nursing Home bills for review and approval as transmitted by the County Auditor. The Nursing Home bills include a Prepaid Total of \$312,639.09 and a Fund Total that is the same.

Motion by Rankin/Wollrab to recommend approval of the Nursing Home bills as of August 31, 2014 as recommended by the County Auditor.
Motion carried.

Mr. Wasson reviewed the Auditor's two notices on departments that are over in various categories. The first is a \$264.57 loss in the County Clerk's Office as of August 27th, which brings a total loss of \$8,678.29 on this item that was discussed in the Committee in the past. The second is in the Health Department's Developmental Disability Fund Salaries of \$1,499.62 and Fringe Benefits of \$105.60 with no budget appropriation. Mr. Wasson informed the Committee that a budget amendment was made to Fund 0110, which may not have been recorded. He indicated he will confirm with the Auditor's Office and if there is any need for further action, it will be brought to a stand-up meeting.

Mr. Wasson stated that, at this time, the Committee needs to schedule budget meetings for October. After a discussion, it was determined that the Finance Committee will address some of the Department Budget reviews on the Regular Finance Committee Meeting, Tuesday, October 1st at 4:30 p.m. and a second Budget meeting will be scheduled on Wednesday, October 15th at 4:30 p.m.

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There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 5:33 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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