



SPECIAL MEETING OF THE CHAMPAIGN COUNTY BOARD AGENDA

County of Champaign, Urbana, Illinois

Tuesday, January 15, 2019 – *6:00 p.m. *Please Note Time

Lyle Shields Meeting Room, Brookens Administrative Center,
1776 East Washington Street, Urbana, Illinois

<u>Agenda Item</u>	<u>Page #</u>
I. Call to Order	
II. *Roll Call	
III. Prayer & Pledge of Allegiance	
IV. Read Notice of Meeting	
V. Approval of Agenda/Addenda	
VI. Public Participation	
VII. Old Business	
A. Policy, Personnel, & Appointments	
1. Appointment of Committee Members for Standing Committees	1
2. Appointment of Committee Members to Labor Committee	1
VIII. New Business	
A. Finance	
1. **Adoption of Resolution No. 2019-1 Authorizing Budget Amendment 18-00079 Fund 080 General Corporate / Dept. 075 General County Increased Appropriations: \$1,980,400 Increased Revenue: None: from Fund Balance Reason: Appropriation for a Transfer to the Nursing Home Fund to Allow Payment of All Outstanding Accounts Payable Through December 31, 2018 from the FY2018 Budget to Ensure Accounting is up to date and Accurate in Preparation for the Real Estate Closing.	2-5
2. **Adoption of Resolution No. 2019-2 Authorizing Budget Amendment 18-00080 Fund 081 Nursing Home / Dept. 405 Nursing Home Transition Increased Appropriations: \$4,192,062 Increased Revenue: None: from Fund Balance Reason: Appropriation for Writing Off the Uncollectable Outstanding Accounts Receivable Amount that is Over 210 Days Old	6-7
IX. Adjourn	
*Roll Call	
**Roll call and 15 votes	
***Roll call and 17 votes	
****Roll call and 12 votes	

Except as otherwise stated, approval requires the vote of a majority of those County Board members present.

All meetings are at Brookens Administrative Center – 1776 E Washington Street in Urbana – unless otherwise noted. To enter Brookens after 4:30 p.m., enter at the north (rear) entrance located off Lierman Avenue. Champaign County will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities. Please contact the Office of the County Executive, 217-384-3776, as soon as possible but no later than 48 hours before the scheduled meeting.

1. Appointment of Standing Committee Members (Chairs /Vice Chairs Already Appointed)

Facilities Committee Members:

- Ingram
- Taylor
- Rector
- Wolken
- Tinsley
- Young

Environment & Land Use Committee Members:

- Eisenmann
- Goss
- Fortado
- Patterson
- King-Taylor

Highway & Transportation Committee Members:

- Vachaspati
- McGuire
- Clifford
- Stohr
- Rosales

2. Appointment of Labor Committee Chair, Vice Chair and Members

- Chair – Summers
- Vice Chair – Harper
- Fortado
- McGuire
- Vachaspati



OFFICE OF THE CHAMPAIGN COUNTY EXECUTIVE

1776 East Washington Street, Urbana, Illinois 61802-4581

Darlene A. Kloeppel, County Executive

MEMORANDUM

TO: Members of the Champaign County Board

FROM: Darlene Kloeppel, County Executive 

DATE: January 3, 2019

RE: Recommended Strategy to Close Out the Nursing Home Fund FY2018 Budget

Thank you for your consideration of the information and actions requested here. The County's management team dealing closely with these Nursing Home financial issues including Tami Ogden, Deputy Director of Finance; Van Anderson, Temporary Special Projects Administrator; Barbara Ramsay, Accounting Manager; and Deb Busey, Transition Administrator have all worked with me in developing the recommendations presented to you here. We all agree that the recommended actions to rectify these Nursing Home financial issues with the FY2018 budget is in the long term best interest of the County.

ISSUE 1 – ACCOUNTS PAYABLE:

The Nursing Home currently owes \$1,980,400 in outstanding Accounts Payable (AP) to its vendors with some amounts dating back to as old as FY2015. It is becoming increasingly complicated to the daily operation of the home to manage outstanding AP invoices.

RECOMMENDED STRATEGY TO ADDRESS ACCOUNTS PAYABLE CONCERNS:

Paying AP obligations now will provide significant relief to the daily operation and management of the Nursing Home business office and ancillary County accounting operations, as well as appropriately closing out the FY2018 budget with all outstanding obligations having been met at the end of the fiscal year. (The fiscal year ends December 31st and we have up to 60 days after the end date to reconcile all outstanding AP and AR issues.)

The \$1.98 million in outstanding AP should be resolved and paid from the FY2018 budget to ensure:

- The Home's vendors are made whole and continue to provide essential services – some of which have been at risk in recent weeks because of the large amounts owed to certain vendors;
- Elimination of additional late fees and penalties being be paid by the County for some outstanding obligations;

- The Nursing Home Business Office and County's Auditor Office are not required to re-enter hundreds of invoices and vouchers into the FY2019 Nursing Home and County accounting systems because they were not paid;
- The Nursing Home accounting is up-to-date and accurate in preparation for the real estate closing, minimizing problems that could otherwise occur at or after that closing.

Cash Flow - To ensure the General Corporate Fund does not encounter cash flow shortages prior to the Home's sale as a result of this transfer of funds; staff will begin preparation of a Promissory Note for the Board's consideration at its January Meeting. The Promissory Note of \$1,980,400 will allow the deposit of those funds back into the General Corporate Fund before a cash flow shortage that would otherwise occur in February or March. The Promissory Note can be structured so that it can be repaid sooner than 2 years, anticipating repayment will be made from the proceeds of the real estate sale and closing. The General Corporate Fund can be repaid the \$1,980,400 from the proceeds of the sale of the Nursing Home after the real estate closing.

ISSUE 2 – ACCOUNTS RECEIVABLE:

The currently reported \$6,271,176.78 in Accounts Receivable for the Nursing Home does not accurately reflect collectible revenue. \$4,192,062.10 of this total is over 210 days old and due to that age should be considered uncollectable at this point.

RECOMMENDED STRATEGY FOR ACCOUNTS RECEIVABLE CONCERNS:

An amount of \$4,192,062.10 should be written off as Bad Debt Expense to the FY2018 Budget. The act of writing off the expense does not preclude the County from still collecting on these obligations if it is able. However, the Budget Amendment accomplishes a more accurate reporting of outstanding AR and has been recommended to be documented in FY2018 by the County's outside auditor.

REQUESTED ACTION:

The County Board approves Budget Amendment 2018-00079 appropriating a transfer of \$1,980,400 from the General Corporate Fund to the Nursing Home Fund to allow the payment of all outstanding Accounts Payable through December 31, 2018 from the FY2018 Budget.

The County Board approves Budget Amendment 2018-00080 appropriating \$4,192,062.10 as Bad Debt Expense to the Nursing Home Fund in FY2018 in acknowledgement of the uncollectable status of outstanding Accounts Receivable that is over 210 days old.

RESOLUTION NO. 2019-1

BUDGET AMENDMENT

January 2019

FY 2018

WHEREAS, The County Board has approved the following amendment to the FY2018 budget;

NOW, THEREFORE, BE IT RESOLVED That the Champaign County Board approves the following amendment to the FY2018 budget; and

BE IT FURTHER RESOLVED That the County Auditor be authorized and is hereby requested to make the following amendment to the FY2018 budget.

Budget Amendment #18-00079

Fund: 080 General Corporate
Dept. 075 General County

ACCOUNT DESCRIPTION

AMOUNT

Increased Appropriations:
571.81 to Nursing Home Fund 081

Total 1,980,400

Increased Revenue:
None: from Fund Balance

Total 0

REASON: Appropriation for a Transfer to the Nursing Home Fund to Allow Payment of All Outstanding Accounts Payable Through December 31, 2018 from the FY2018 Budget to Ensure Accounting is up to date and Accurate in Preparation for the Real Estate Closing.

PRESENTED, ADOPTED, APPROVED, by the County Board this 15th day of January A.D. 2019.

Lorraine Cowart, Vice-Chair
Champaign County Board

Recorded
& Attest: _____
Aaron Ammons, County Clerk
and ex-officio Clerk of the
Champaign County Board
Date: _____

Approved: _____
Darlene A. Kloeppel, County Executive
Date: _____

FUND 080 GENERAL CORPORATE

DEPARTMENT 075 GENERAL COUNTY

INCREASED APPROPRIATIONS:

ACCT. NUMBER & TITLE	BEGINNING BUDGET AS OF 12/1	CURRENT BUDGET	BUDGET IF REQUEST IS APPROVED	INCREASE (DECREASE) REQUESTED
080-075-571.81 TO NURSING HOME FUND 081	0	418,475	2,398,875	1,980,400
TOTALS	0	418,475	2,398,875	1,980,400

INCREASED REVENUE BUDGET:

ACCT. NUMBER & TITLE	BEGINNING BUDGET AS OF 12/1	CURRENT BUDGET	BUDGET IF REQUEST IS APPROVED	INCREASE (DECREASE) REQUESTED
None: from Fund Balance				
TOTALS	0	0	0	0

EXPLANATION: APPROPRIATION FOR A TRANSFER TO THE NURSING HOME FUND TO ALLOW PAYMENT OF ALL OUTSTANDING ACCOUNTS PAYABLE THROUGH DECEMBER 31, 2018 FROM THE FY2018 BUDGET TO ENSURE ACCOUNTING IS UP-TO-DATE AND ACCURATE IN PREPARATION FOR THE REAL ESTATE CLOSING.

DATE SUBMITTED:

1/2/19

AUTHORIZED SIGNATURE

** PLEASE SIGN IN BLUE INK **

Andrew A. Koopman

APPROVED BY BUDGET & FINANCE COMMITTEE:

DATE:

RESOLUTION NO. 2019-2

BUDGET AMENDMENT

January 2019

FY 2018

WHEREAS, The County Board has approved the following amendment to the FY2018 budget;

NOW, THEREFORE, BE IT RESOLVED That the Champaign County Board approves the following amendment to the FY2018 budget; and

BE IT FURTHER RESOLVED That the County Auditor be authorized and is hereby requested to make the following amendment to the FY2018 budget.

Budget Amendment #18-00080

Fund: 081 Nursing Home
Dept. 405 Nursing Home Transition

ACCOUNT DESCRIPTION

AMOUNT

Increased Appropriations:
534.45 Bad Debt Expense

Total 4,192,062
4,192,062

Increased Revenue:
None: from Fund Balance

Total 0
0

REASON: Appropriation for Writing Off the Uncollectable Outstanding Accounts Receivable Amount that is Over 210 Days Old

PRESENTED, ADOPTED, APPROVED by the County Board this 15th day of January A.D. 2019.

Lorraine Cowart, Vice-Chair
Champaign County Board

Recorded
& Attest: _____
Aaron Ammons, County Clerk
and ex-officio Clerk of the
Champaign County Board
Date: _____

Approved: _____
Darlene A. Kloepfel, County Executive
Date: _____

FUND 081 NURSING HOME

DEPARTMENT 405 NURSING HOME TRANSITION

INCREASED APPROPRIATIONS:

ACCT. NUMBER & TITLE	BEGINNING BUDGET AS OF 12/1	CURRENT BUDGET	BUDGET IF REQUEST IS APPROVED	INCREASE (DECREASE) REQUESTED
081-405-534.45 BAD DEBT EXPENSE	0	0	4,192,062	4,192,062
TOTALS	0	0	4,192,062	4,192,062

INCREASED REVENUE BUDGET:

ACCT. NUMBER & TITLE	BEGINNING BUDGET AS OF 12/1	CURRENT BUDGET	BUDGET IF REQUEST IS APPROVED	INCREASE (DECREASE) REQUESTED
None: from Fund Balance				
TOTALS	0	0	0	0

EXPLANATION: APPROPRIATION FOR WRITING OFF THE UNCOLLECTABLE OUTSTANDING ACCOUNTS RECEIVABLE AMOUNT THAT IS OVER 210 DAYS OLD.

DATE SUBMITTED: <u>1/3/19</u>	AUTHORIZED SIGNATURE <u><i>Adena Kleeppel</i></u> ** PLEASE SIGN IN BLUE INK **
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APPROVED BY BUDGET & FINANCE COMMITTEE: _____ DATE: _____
