



Rock Island County
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Rock Island, IL 61201
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Finance and Personnel Committee Agenda (Amended)
Tuesday January 8, 2019 8:30 a.m.

The Finance and Personnel Committee of the Rock Island County Board will meet at the above date and time in the Conference Room of the Administration Office on the second floor of the County Building, 1504 Third Ave, Rock Island, IL. Minutes as follows:

- 1) Call to order and roll call
- 2) Public Comments
No Public Comments
- 3) Approval of minutes from the December 11th , 2018 meeting
Motion: D. Cremeens
2nd Dr. R.Simmers
Motion carried
- 4) Reports to the committee
April Palmer: Standard reports tomorrow night.
Schedule H and I. Claims for you to see, Treasurer Disbursements; also resolutions and transfers for approval for full board. Questions I can answer in finance and Committee of Whole. In end of FY18 and FY19 beginning. One month; Dec FY19 dual reports. Please make sure you're looking at dates in corner or top so looking at proper time period of which report we are going on. Cash report as Ms. Ewert is ongoing. Everything else should have dual reports; Claims, treasurer disbursements, reimbursements.

Louisa Ewert: First off, there is an active criminal investigation in my office. I am unable to discuss because of the ongoing investigation.

Don't have supplemental sales tax. Should be in packet by next week. Should have in your packet the monthly report of cash. Cover letter will look different. We are separating out prior year interest and current year interest.

52566 new year interest 13, 151 total interest=65, 717 One more month of prior year interest

1 year ago 26 ny difference 34000 between this year and last.

Fiscal year 2018 2.47

1.31 last year

Current compared to last month 2.47 up from 2.43

We had our tax sale on December 27th 2.4 million. Final tax distribution; currently balancing out tax year. Final distribution includes mobile home, housing authority above

and beyond. Tentatively set Jan 28. Try to get it within 60 days to backdate revenue line items.

GF Balance 1 million 332. GF has no outstanding loans that need to be paid back. Not quite out at local banks, will be out by next week.

Hope Creek: Tax anticipation balance 1.382 principle plus additional interest.

1.412 liability fund

Amount owed working cash is 87000

2million 881

On 12/21 we borrowed 212000 from Fund127 liability to cover their payroll and obligations. Loan debt has increased.

Tax anticipation warrant in place for HC new fiscal year. We have ability to borrow 85% of their levy. Borrow from bank 2.2. Winning bid rate is Blackhawk Bank and Trust. 3.95 interest rate up from 2.50 due to rising interest rates.

Jim Snider: Quite a bit activity on courthouse building. Working with staging existing furniture that remains in the courthouse. Chairman's direction. Our goal is to repurpose as much that is left over. Contracted with furniture company to take some and resell. Rest is subjective of worth. Richard targeted chairs and benches that are cool. Board room chairs have broken. Thought was to replace chairs and benches. We've been able to repurpose form old courthouse. Tomorrow, we have furniture staged on first floor. Were working with moving company. Richard has acquired space at Rock Island County fairgrounds; Moving there for an auction.

Good news; Major Monument on the second floor landing. Tables have been removed and intact.

Daren Hart: They are off walls; waiting to be moved.

Jim Snider: Concerned about monuments. Have come down intact. Progress there. Appreciate cooperation from the sheriff's department. We are doing everything to reclaim and repurpose everything that is going to be part of which is . Demolition to begin next week.

Kai Swanson: A gentlemen, Frank Ege, volunteer with Rock Island County Historical society; His understanding was the tablets were a gift to County from Society. They were open to taking them on.

The rumors about the missing doorknobs, the are not missing, the door knobs were sequestered. The sheriff's department had them stored away and we have them stored away.

Richard Brunk: This point the sheriff has a display case. Keeping some of them for that; donating to the historical society. Outside of that rest will go to auction. Any other thoughts or ideas?

Dewayne Cremeens: The pictures of past elected officials? Does anyone know what will happen to them?

Richard Brunk: The pictures in the courthouse were of former circuit judges Sheriff's department has turned them over to us. We make sure they are in a safe climate control area.

-2 weeks moved out. We have been contacted by the local media who wanted to take some photos. Down and in safe keeping.-

5) Management Performance Associates (MPA) Operational Audit & Management Analysis Proposal- Hope Creek Care Center

Jim Snider: In your packet is a memo and proposal, MPA proposal operational audit and management analysis. The Cost Benefit Analysis situation with HC, I think it's important to be clear any proposal is subject to your value, your direction. My job is to provide perspective technical analysis, data, review operation. Recap: From economic perspective I think there could be significant value in saying we have reached the end financially. Louisa went over the numbers Basically between short term debt, anticipation loans, loans to due to vendors, loans to health insurance funds that hasn't caught up yet. Over 4 million in short term debt; credit card debt. Mortgage, 9 years left on that; 1.6 million/yr.

We are into an operating shortfall of 1.3 million. No way are we going to balance budget through this next year. Economically speaking as a business, I believe there could be Reasonable discussion in what to do in divesting from this.

Then you have the other Perspective: strategic perspective. You had nursing home for 100 years, Made investment 20 years.

RIP to sell it. Put the work together and cut our losses.

Strategic 100 year investment. Best to take strategic approach. Allow us to make decision. If we do sell or save it, looking back 5 years we did everything we could to analyze and cover base.

Memo; Cost benefit analysis. Continued to work on feel for operation and data research and review. Hindered by lack of long term plan. No capital fund. No past reserve.

My job to give info. Need empowered with facts

County owned homes made without sufficient context. No comprehensive long term plan in place.

Reached out to MPA. They were good but not allowed to do job. My experience with is them positive.

Proposal management analysis. 29000 investment. Possibly productive. Divest ourselves from it. Avenues to save home. What decision you decide you
Serious drama from family members of clients, over 300 employees that will no longer be county employees. I can help you through that; I have 23 years' experience. Wise to look at strategic investigation where we are not doing well and cut into this 3.3 million shortfall.

Donald Johnston: Less than positive experience with MPA. Mostly our fault. One suspicion was that they wanted to purchase the home. They weren't geared towards saving it. Not a \$29,000 If you can't sustain

For \$29,000 don't you have to bid

Jim Snider: Professional services; don't have to bid on that. Reached out to MPA manages County owned homes. They understand the nursing home industry and the public sector scope of operation. They are really specific to our need. Personal experience with them is five stars. My reputation is out there with this recommendation. My first talking point here, maybe we don't need to do it. Maybe if you want to move forward with RFP we can do that. It's up to you.

R. Simmer: MPA; we were not given full story from administration. MPA tried to but. They were great people to have worked with. I never got that feeling. I was looking forward to

Richard Brunk; Just to clarify MPA doesn't own any homes?

Jim Snider: No. They manage homes. Stevenson County hired to manage DeKalb has been a real success. The managed Champaign county and they let them go and Champaign County is trying to sell their home. Trying to give my perspective

Donald Johnston: Who controls the employees?

Jim Snider: I see us trying to determine every opportunity to turn this around. If we don't we either look at leasing or Peoria County is one of the best county run governments in Illinois. Most recently entered agreement for OSF St Francis to manage home. This process would be valuable. Find a way to make sure home operates in some shape or form.

Kai Swanson: Is the scope of this contract a yes/no can you turn it around? Would it include this in the steps you need to make it more saleable?

No longer tenable. We have institutional culture and a lot of times we throw grenades at it. We'll support it unless we have better alternative. Would this give value beyond yes no question turnaround?

Jim Snider: You are going to have concrete data as to why there isn't a way to turn around. Great support for me as we go through this process. They will be able to guide if we transition to something else. We already spent money without investing in first place. I see it as a wise decision. Strategically, we have one county owned; private sector is always doing assessment and strategic analysis.

Ken Maranda: This area is totally saturated with this. My question is would they come back with indication that they might be in charge or put it on the market. RFP is the 18 million dollar figure? I don't know what the time table is. If we start with MPA shall we start in other directions also? What's timeline for everything?

Jim Snider: I see MPA doing two things; uncovering every opportunity to turn it around. Secondly, they will give us networking skills and objective skills as to repurpose home under their operation. They spend a month gathering .
Incorporate my goal is to have something by June 1 or before that. By June you will have some clear points to say this is where you're at. This is where you need to go.

Kenneth Maranda: How do we increase admittance? Trinity sends to Heartland; the VA contracts. Admittance is where the revenue is at. We are trying to go with MPA. If you brought them on board and the management aspect. Would that help with admittance and credibility?

Angie Normoyle: I was thinking I am new to this; \$30000 is a lot. they would bring would take infinitely longer and cost more. The question is go forward? This is an efficient way to get data. Either get data from these folks or not have data. I'd like to have data if I'm talking to people to say this is why we made this decision.

R. Simmer : The timeline; Are we going to have the funds to support it for that long? How long do we have?

Louisa Ewert: June 1st before first distribution for taxes. On Dec 1 we have bigger bond payment. I don't have those figures.

R Simmer: Do you have enough to last?

Louisa Ewert: We have a payroll coming up. I don't know what their expenses are.

Kenneth Maranda: When we talked, April, May we don't

Louisa Ewert: If they start to fall out of borrowing power we would turn to GF. Further we get is troubling. Credit readings. High alert.

Richard Brunk: Something to remember; Act in next 60 days closure or sale. Process to take place, notification and transfer operational month or year long process with State. Its still going to be over a year before we'd be halfway out from responsibility. This will provide data from specialist in this industry. CO home operations in this will provide solid information to make solid decisions.

Scott Noyd: 4-6 weeks they; have report?

Jim Snider: Once they finish. Late Feb to March April have some clear understanding what they will report. Also working other nursing home companies. Provided May or June Here's a way to save, here to sell it. Ready to move forward one way or another. Can't discount this; divesting. It will be like a bomb going off, if you put out an RFP to sell it. All of a sudden all the emotions and feeling and employees; This will be the most challenging decision go through if that's what we end up doing.

It's important to have time and info so when we get to arena that's the time to look at manually, What should I Do? Power to get through battle.

The battle is the nursing home industry. It's not going to be easy. The final report will also have direction. I'll be able to say this is a way out. The last thing you need is okay, let MPA do it, three months what do we do now? Remember, to sell it takes a 2/3 vote of board to sell it.

Dr. Simmer: If we did site this, we need to look at every option. Can they start immediately?

Jim Snider: Immediately if the board approves, they will start immediately. They'll be out in late February, March, review every aspect. The write from also have a verbal report. They will do analysis of personnel as well. The beauty of them is they'll tell you exactly; not afraid to tell you this or that. They will tell it like it is.

Dr. Simmer: Will they provide electronically to them or a hard copy?

Jim Snider: Electronically. Cassie is in charge with Honkamp and Kreuger, April, Louisa, month or so. They have financial people on staff. Report back preliminary by first of April.

Duane Cremeens: I was concerned we owe vendors 1.7 million dollars. I don't know how

long that goes back. We go into a slow revenue time for home. How long can we keep doors open?

L. Moreno: That is what we are asking Louisa. Can you provide a guesstimate?

Louisa Ewert: I can try.

April Palmer: 1.7 goes back to January 2018; A year behind on some, not all. Most of that in our county. Money owed to GF, EHB, retirees cost, liability insurance. We're talking 85 per of a 16-17 million dollar budgets. Can't predict. I'm looking at a report of actual money for end of December. Looking at budgeted 18 FY of revenue shortfall 3.859 million dollars short in one year. It's the revenue not coming in that's killing the home as needed.

Kai Swanson: Budgeted on optimistic

April Palmer: Vicariously close to budget time. Budgeting for home for another year. End of November. Special meeting to budget. Knowledge and expertise, want to keep things rolling. You're talking about coming vicariously close to budget time this year. We were on the deadline of approving the budget for the end of year. With Jim being here we want to keep things rolling.

Kenneth Maranda: It takes time. Can't force it because it pushes us too close to budget.

April Palmer: I wasn't indicating that.

Ken Maranda: Are they going to look services that could be contracted?
Champaign county

L. Moreno: Look at the MPA proposal: giving synopsis. Proposal has more information.

Don Johnston: Original committee for home was me and Ron Oelke. Not against this. But not vote for this. Well put together.

Jim Snider: Crisis management here. I welcome that. Don't want to miss it give false info. I need your help. If you want to push back.

Motion : Kenneth Maranda

2nd Angie Normoyle

Don Johnson voted No

6) Discussion and Consideration of a Development Agreement with Green Thumb Industries

Jim Snider: What I provided you today a draft memo of understanding between city of Rock Island and Butcher and Associates 3 pages down, Green Thumb Industries City has initiated. Two development agreements. Involved in incentivizing and assisting business to expand and create new jobs. The city and county and Rock Ridge School Corp is involved; abating Taxes

Butcher and Associates; Warehouse, distribution, assembly Estimating Est 38 employees; employee growth

Beginning construction this spring. The city incentivizing by \$30000 once they occupy. Asking us to do same and Rock Ridge School District. Generate jobs our costs \$8500. Pretty good deal for amount of jobs. Grow economy as a county. Deal is a no brainer

GTI proposing to build a new building 6600 sq. feet. Last page outlines talking points. Medical marijuana growing facility, plan a new building Double their size, invested 8 million of their own money. Approx. 125 new jobs, this is similar to other investment. Rock Ridge and ourselves provide tax abatement over 5 yr period 101600. I asked the city manager to be here today.

We would need to have agreements before board to complete our investment process. \$8500 process Grow as a County

Randall Tweet : City manager. Jim mentioned there is not a TIF district. Look for creative ways to do something. Any business coming in is looking for something from us. What we're proposing is short term rebate. After 5 years, see a jump in income with additional revenue. With GTI marijuana grower doubling size of their facility. 8 million dollar investment Hodge Construction is doing work; 10-12 million. Anyway, we are trying to look for incentives that are project specific. We have talked to Rock Ridge. They have nothing to gain. The city and county benefit. School Corp is partnering with us. They don't see the same benefit that we see and the jobs.

Kenneth Maranda: 125

Randall Tweet: 225 for facility after done for GTI.

Kai Swanson: I am in favor in this. TIFS are way too generous for way too long. County had to step back from some Regional economic development. Good way to show we are

players too. If something were to happen in the 5 year term; laws change; businesses get sold. What protections do we have? \$100,000 project do we recoup those rebated funds?

Jim Snider: We rebate annually as long as they perform. Annual accountability. Rebating annual taxes

Randall Tweet: Future money for this investment. It isn't as if you get less than there is now. Money wouldn't even be there.

Kai Swanson: Conceptually I think this is great idea.

Richard Brunk: This is exactly type of thing looking for County involved in; short term project specific. Doesn't lock the county or taxpayers in for 20+ years.

Dr. Simmer: Wouldn't support trying to appeal at the same time give them another tax break.

Randall Tweet: Assessment incorrect initially. Built new building and challenge assessment. Would affect rebate coming. Amount rebated back would be lower. Agreement is such either dollar amount or 5 yrs. Successful assessment incorrect to begin with.

Why is our portion \$25,000 more than the city's?

Larry Burns: Currently assessed at building costs. 8-10 million dollars. That is not true value of property. Agree with Randy. If they are successful County purchased an appraisal; appraisal

Kai Swanson : and 125 in jobs

Larry Burns: Everyone should be paying property taxes to support what county does. It does need to be fair. February 10th most of the morning if not into the afternoon.

Rodney Simmer: Thanks for the aggressive 5 year plan. Was that your idea?

Randall Tweet I'll take credit.

Motion: Kai Swanson
2nd Dr. Rodney Simmer
Motion carried

7) Discussion and Consideration of a Development Agreement with Butcher & Associates Agrosolutions

Kenneth Maranda: The old Coca Cola building?

Randy Tweet: The plan is as soon as Coca-Cola leaves; these guys are in there.

Motion: Kai Swanson

2nd

Motion Carried

8) Delinquent tax resolutions

- a. Permanent Parcel #1719107003 Taxpayer ID (11)2088; Moline Township
- b. Permanent Parcel #1704217022 Taxpayer ID (07)1875; South Moline Township
- c. Permanent Parcel #0734441003 Taxpayer ID (09)2269; Rock Island Township
- d. Permanent Parcel #1610212027 Taxpayer ID (10)1742: South Rock Island Township
- e. Permanent Parcel #1615202035 Taxpayer ID (10)1275-27; South Rock Island Township
- f. Permanent Parcel #1703301071 Taxpayer ID (07)631 South Moline Township
- g. Permanent Parcel #1602123007 Taxpayer ID (09)2722 Rock Island Township
- h. Permanent Parcel # 1627207029 Taxpayer ID (11)4388 Blackhawk Township
- i. Permanent Parcel #1627207006 Taxpayer ID (11)4398 Blackhawk Township
- j. Permanent Parcel #1627207003 Taxpayer ID (11)4401 Blackhawk Township
- k. Permanent Parcel #1627207002 Taxpayer ID (11)4402 Blackhawk Township
- l. Permanent Parcel #1627207001 Taxpayer ID (11)4403 Blackhawk Township

9) Consider transfers of appropriations

a) FY 2018

b) FY 2019

10) Consider appropriation resolutions for funds

a) FY 2018

b) FY 2019

Motion: Kenneth Maranda

2nd Dewayne Cremeens

11) Consider claims and TDs

Motion Kai Swanson

2nd Dr. Simmer

Motion carried

12) Consider Board member per diem/mileage report

Motion Angie Normoyle

2nd Ken Maranda

Motion carried

13) Consider Highway Item

a. Local Public Agency Agreement for Federal Participation.

This is a revised agreement, which allows the Highway Department to utilize Federal Funds to pay for a portion of the Knoxville Road project.

Motion Approve : Kai Swanson

2nd; Kenneth Maranda

Motion carried.

14) Committee member opportunity for brief comments (*no decisions will be made*)

Adjourn

2nd Kenneth Maranda

Future scheduled meetings on February 12th ,
March 12th , and April 9th