

Minutes
EXECUTIVE COMMITTEE
December 7, 2004
@7:00 P.M.

The Executive Committee of the DeKalb County Board met on Tuesday, December 7, 2004 @ 7:00 p.m. at the Legislative Center's Freedom Room. Chairman Dennis Sands called the meeting to order. Members present were Marlene Allen, Sue Leifheit, John Gudmunson for the Forest Preserve, Julia Fauci for the Public Infrastructure and Development Committee, Roger Steimel and Ruth Anne Tobias. Others present were Ray Bockman, Gary Hanson, Eileen Dubin, Pat Vary, Jeff Whelan, Anita Turner, Vince Faivre, Sally DeFauw, Larry Anderson, Pat LaVigne, Eric Johnson, Robert Rosemier, Frank Van Buer and Julia Fullerton. Mr. Metzger was absent.

APPROVAL OF MINUTES

Moved by Ms. Leifheit, seconded by Ms. Tobias, and it was carried unanimously to accept the minutes of the November 2004.

APPROVAL OF AGENDA

Chairman Sands asked that the agenda be amended to include item #5a.) Land Acquisition.

Moved by Mr. Steimel, seconded by Ms. Allen, and it was carried unanimously to approve the amended agenda.

APPOINTMENTS

Chairman Sands recommended the following appointments:

DEKALB COUNTY NURSING
HOME FOUNDATION:

Ms. Marlene Allen, **reappointment**, for a term of 3 years until 12/1/2007.

Ms. Dorothy Dallinger, **APPOINTMENT**, for a term of 3 years, until 12/1/2007.

BOARD OF HEALTH:

Reappointments:

Ms. Debra Schelkopf, DVM

Dr. Mary Beth Shear

Mr. Russell Bishop, Psy.D.

All for a term of 3 years, until 12/1/2007.

And

Ms. Julia Fullerton, reappointment for a

term of 1 year until 12/1/2005.

Moved by Ms. Leifheit, seconded by Ms. Tobias, and it was carried unanimously to approve the appointments as presented by Chairman Sands, and to forward them to the full board for approval.

SUPPORTIVE LIVING FACILITY PARTNERSHIP PROPOSAL

Mr. Bockman, DeKalb County Administrator, introduced Mr. Michael Scavotto, the DeKalb County Rehab and Nursing Center CEO, Mr. George Dinges and Mr. Blair Minton of Blair Minton and Associates, who represent the private side of the partnership proposal for the supportive living facility. He also introduced Mr. George Daugherty, Ms. Jeannette Heinisch, Mr. Nate Kloster, Ms. Ruth Tobias and Ms. Eileen Dubin of the DeKalb County Rehab and Nursing Center Operating Board. Mr. Bockman said that the recommendation that's being made here this evening is that if the County Board does agree to go forward, that this project would be added to the responsibilities of the Operating Board as an additional facility of the nursing home. He then introduced Mr. Blair Minton of Blair Minton and Associates to the committee to begin the presentation.

Mr. Minton said that his firm is a fifteen-year old healthcare consulting company. Mr. George Dinges of Illinois Equity Fund is his partner who he introduced to the committee. They are the largest provider of supportive living services in the State of Illinois. They have built over \$90 million dollars worth of projects over the last 5 years. They manage nine projects and have three more under construction. They also do a lot of other work with hospitals and non-profit agencies. One of the hospitals closest to DeKalb County is Delnor Hospital in Geneva, Illinois. His background is that he is a registered nurse and hospital administrator. They have been working in the non-profit sector for 25 years now. They want to serve people that are not being served currently.

Mr. Minton continued by explaining the program that this project would fall under. This program is called the Supportive Living Facility Program and it is 5 years old. It was formed by the state legislature about six years ago. It allows the Illinois Department of Public Aid to license certain assisted living facilities and allows assisted living to be provided to people who have never had the service.

Mr. Minton explained that very few senior citizens have assets that would allow them to live for a long period of time in assisted living facilities. Seventy percent of people over 75 years of age do not have the assets to live in a market rate assisted living facility. Public Aid then created this program whereby if a person runs out of money, Public Aid will pay for you to live there. If a person doesn't have any money, Public Aid doesn't care they will pay for you to live there. Even if you have a lot of money and you want to live in one of our facilities, Public Aid doesn't care about that either, they will pay your way. Everyone gets the same amount, everyone gets the same service, no one knows any different, said Mr. Minton. He feels that this is a wonderful program. When this program first started, they were the first company to apply for the license, they had the first two licenses out of the first five that the State gave out, and their company

continues to grow.

Mr. Minton said that he feels that DeKalb County has the best nursing home in the State of Illinois. That was attractive to them and that is one of the reasons that they want to do the partnership with DeKalb County.

Mr. Minton continued by stating that they are currently working with Stephenson County and with other hospitals in the State on similar projects. They have a facility in Batavia, Illinois that they invited everyone to come visit and see what one of their facilities looks like.

He continued by stating that the financing of this program involves a 4% tax credit and non-taxable bonds. Nine million (\$9 million) is the amount for the project. This would result in the construction of a 76-bed facility. He said that the payroll equaled \$800,000 and that it will bring in new jobs and services that DeKalb County doesn't have presently.

Mr. Bockman said that he is reminded that the main motivation that was established by the operating board is really the public purposes one. The reason that the County feels comfortable in this partnership is that it accomplishes a purpose that either belongs to the public or should belong to the public and that is, providing care for people who financially could not provide it for themselves. Mr. Bockman said that there are some additional benefits that come to the project because of our participation and because of our demographics.

Mr. George Dinges, of Illinois Equity Fund, said that his funds come from various banks and corporations who invest in these types of ventures. One of the reasons this area is attractive is because this census tract appears to be showing a lower income level because of the university. Because of this we can get tax credits that amount to 30% more than we would normally get.

Chairman Sands asked Mr. Minton how long they have been working on the Stephenson County project? Mr. Minton said that they are working on it now and are a little bit further ahead than our county. Their county board has approved them and the city has approved the zoning.

Mr. Minton said that this project is all tied to the State's schedule when they announced that they would allow applications for assisted living facilities until 1/14/05.

The application process for these projects have been closed for the past three years now, continued Mr. Minton. The cycle has now been reopened for 60 days. The State will get 200 applications and will only approve 40 licenses. The State wants one project for each county and DeKalb County does not have one. They also want to see the local government to be part of the project, so that will be very positive for the project too.

Ms. Leifheit asked if there is a residency requirement? Mr. Minton said no there are no requirements. Most of the people come from the county. They see

70% of the population come from the existing county, 20% move into the county from outside of the county because family members live here in the project's home county and 10% move back to their home county from another state because their loved one has passed away.

Mr. Steimel asked what percentage of residents are on public aid? Mr. Minton said that 80% of the people that live in the facility have to make less than 60% of the median income of that county. The average amount of people on Medicaid is between 60 – 65% and the remaining residents are private pay residents. Mr. Minton continued by saying that there are three ways that they receive payment for their services, which are through the Social Security (SSI), Medicaid and Food Stamps. The only additional charges that a resident would be charged for is cable TV or telephone.

Another question that was asked of Mr. Minton was who decides who can enter into the facility and program? Mr. Minton said that the administrator does. The Department on Aging also has to approve everyone that is admitted. The administrator, marketing person and the director of nursing also have to meet with the applicant. They gather the financial criteria and then the person goes through a nurse interview, too.

Ms. Vary asked Mr. Minton how long does he foresee this partnership going till? Mr. Minton said that he is looking at this partnership for the long haul. He continued by saying that the minimum time would be 15 years.

Mr. Faivre asked that with the county's involvement in the project are there real estate taxes paid? Mr. Dinges said that yes, this is a for-profit organization and therefore we will be paying taxes.

Mr. Minton continued by stating that there will be a board formed for this new facility that he and Mr. Dinges will sit on. Mr. Bockman said that there will also be a proposal to include members from the operating board to represent the County and that there are still other things that need to be worked out.

Mr. Bockman then asked the committee to look at the site plan that was included in their mailing and that the 6.749 acres of land is north of the entryway on Annie Glidden Avenue. The County is petitioning the Public Building Commission to transfer that parcel of surplus land to the County. The County will then put into the project an amount of land that is necessary to carry out the project. Our half ownership of the project will be financed by that contribution. The equity contribution of this project is based on the appreciated value of that land.

Ms. Tobias asked Mr. Minton how the facility would be staffed? Mr. Minton said that there will be 1 full-time Administrator, 1 full-time Marketing Director, 1 – full-time Activities Director, 1 full-time Food person, 1 full-time Maintenance person, 1 full-time Director of Nursing and then the CNA's. A total of approximately 38 full-time employees will be needed.

Ms. Fauci asked what would the wages be? Mr. Minton said that they typically pay market rates. They have a full insurance and benefit plan, 401K plans, etc. They usually have low turnover rates from their employees and that payroll costs equal \$800,000 plus another 26% or so for benefits. Their CNA's and housekeeping employees are the lowest paid at their facilities.

Mr. Bockman then explained that the resolution is asking for the county board to endorse the application and partnership and to send the project to the operating board. He said that it would require approval by legal counsel and the operating board before the project is finalized. One of the steps that may be taken is to form a non-for-profit corporation to represent the county's and the operating board's interests in this project. The County Board's support to launch the application in time for the January 14, 2005 deadline is what is really being sought tonight, said Mr. Bockman.

After further discussion it was moved by Ms. Leifheit, seconded by Ms. Fauci, and it was carried unanimously to endorse the application and partnership proposed and to forward this resolution to the full DeKalb County Board for approval.

LAND ACQUISITION PROPOSAL

Mr. Gary Hanson, Deputy County Administrator, approached the committee this evening regarding an inquiry that was made by a local real estate company regarding the sale of a home on Route 64 next door to the existing Clark Gas Station. They asked if the County would be interested in purchasing it before they make any decisions to sell it to someone else.

Ms. Fauci asked if the county would keep the home and rent it out or tear down the structure? Mr. Hanson said that he contemplates that the county would tear it down.

Ms. Vary asked where the money would come from to pay for this purchase? Mr. Hanson said from the opportunity fund.

He said that if we purchase the property now and they live in it for two years, they would be responsible for paying the homeowner's insurance and the real estate taxes.

The County usually offers the assessed value of the property times 3, which would make this property worth \$153,800.00.

Some of the committee members expressed concerns over the price and other matters. They also were not anxious to buy the property at this time.

It was agreed by the committee to wait on the project and have Mr. Hanson find out more information on the property and to get back to the committee with it.

APPROVAL OF THE COUNTY BOARD AGENDA

Mr. Bockman, County Administrator, reviewed the county board agenda for the board meeting to be held on December 15, 2004.

Moved by Mr. Steimel, seconded by Ms. Tobias, and it was carried unanimously to forward the county board agenda to the full board for approval.

GENERAL DISCUSSION

Ms. Fauci, from the Public Infrastructure and Development Committee, said that they burned the mortgage and celebrated John Wilson and Jim MacMurdo’s retirement from the county board.

Mr. Gudmunson, from the Forest Preserve Committee, said that they will be discussing a Bobcat replacement.

Mr. Steimel, Chairman of the Planning and Regulations Committee, said that they held three open houses around the county on the proposed changes to the zoning ordinance. Because of these meetings, he asked Mr. Miller, Planning and Zoning Director for DeKalb County, to draw up a frequently asked question memo for the county board to review. There will be a public hearing scheduled for December 16, 2004 @ 1:00p.m. at the Legislative Center’s Gathertorium.

ADJOURNMENT

Moved by Ms. Leifheit, seconded by Ms. Tobias, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

Chairman Dennis R. Sands

Mary C. Supple, Secretary
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