

Lake County Illinois

*Lake County Courthouse and Administrative Complex
18 N. County Street
Waukegan, IL 60085-4351*



Agenda Report - Final

Tuesday, January 10, 2017

11:00 AM

Assembly Room, 10th Floor

Health and Community Services Committee

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Approval of Minutes**
- 3.1 [17-0036](#)
Minutes from October 4, 2016.
- 3.2 [17-0037](#)
Executive Session Minutes from October 4, 2016.
4. **Added to Agenda**
5. **Public Comment**
6. **Chairman's Remarks**
7. **Old Business**
8. **New Business**

Attachments: [HCS 10.4.16 Minutes Final](#)

WORKFORCE DEVELOPMENT

- 8.1 [17-0006](#)
Joint resolution approving an emergency appropriation to accept the Illinois Department of Commerce and Economic Opportunity (DCEO) Trade Adjustment Assistance (TAA) grant and authorizing an emergency appropriation in the amount of \$471,781.76.
 - The TAA grant of \$471,781.76 is a federally funded grant for tuition and related training expenditures for unemployed individuals and the overhead costs associated with payment processing.
 - Forty-four eligible individuals enrolled in occupational training from thirteen certified lay-off events, will continue training through this grant.
 - The grant period is October 1, 2016 through September 30, 2017.

HEALTH DEPARTMENT

- 8.2 [17-0017](#)
Joint resolution accepting the Health Resources and Services Administration and Illinois Children's Health Foundation grants and authorizing an emergency appropriation in the amount of \$189,661 for fiscal year (FY) 2016.
 - The Health Resources and Services Administration awarded \$105,161 in quality improvement funding. These funds will be used for quality-related training, conferences, technology, and supplies for the period September 1, 2016 through August 31, 2017.
 - The Illinois Children's Health Foundation awarded \$84,500 for mental health first aid training. These will funds be used for supplies, training, and to offset existing staff costs for the period January 1, 2017 through December 31, 2018.

Attachments: [Emergency Appropriation for FY16](#)

8.3 [17-0018](#)

Joint resolution accepting the Illinois Department of Health and the Health Resources and Services Administration grants and authorizing an emergency appropriation in the amount of \$228,418 for fiscal year (FY) 2017.

- The Illinois Department of Public Health awarded an additional \$121,490 for the Illinois Breast and Cervical Cancer Program. These funds will be used for project management costs and clinical costs for uninsured women for the period July 1, 2016, to June 30, 2017.
- The Health Resources and Services Administration awarded \$106,928 in Delivery System Health Information Investment funding. These funds will be used to purchase server licenses for the period September 1, 2016, through August 31, 2017.

Attachments: [Emergency Appropriation for FY17 November 2016](#)

COMMUNITY DEVELOPMENT

8.4 [16-0872](#)

Joint resolution approving First Amendment to the 2016 Housing and Urban Development (HUD) Action Plan.

- HUD requires the submission of an Annual Action Plan and associated amendments to govern expenditure of federal housing and community development funding for each year of grant funding.
- The Lake County HOME Investment Partnership (HOME) Consortium is comprised of Lake County and the Cities of Waukegan and North Chicago; all three jurisdictions receive Community Development Block Grant (CDBG) funding.
- The proposed Action Plan amendments reflect recommendations made by the Housing & Community Development Commission (HCDC) on September 14, 2016. The proposed changes are highlighted in yellow in the attached Action Plan.
- At the final HCDC action and Public Hearing held on November 9, 2016, the proposed amendments received no negative public comment.

Attachments: [First Amendment 2016 HUD Action Plan](#)

WINCHESTER HOUSE

8.5 [17-0035](#)

Joint resolution approving Change Order Number One for Agreement #14198 for the lease and management agreement between the County of Lake, Illinois, and Transitional Care of Lake County, LLC, (TCLC) of Rosemont, Illinois.

- In 2015 Lake County and TCLC entered into an Operations Transfer Agreement and a Lease and Management Agreement (collectively, the "Agreements") for the County's skilled nursing facility known as Winchester House in the amount not to exceed \$6,714,133.
- Since 2015, the need has arisen to modify the current lease and management agreement due to revenue shortfalls at Winchester House, which rendered the original pro forma, which was part of the lease and management agreement, inaccurate.
- The revenue shortfalls were attributed, at least in part, to an unforeseen, inaccurate and lower-than-expected census at Winchester House, with some residents having no

payor source identified by the prior management company, Health Dimension Group (HDG).

- To remedy the shortfalls, the County worked with TCLC to rework the pro forma and negotiate a modification to the previously approved 2015 Lease and Management Agreement.
- The modifications require County Board approval because the recommendations are changes to the original 2015 agreement.
- The proposed modification includes extending the original three-year deal into a fourth year, if TCLC requires the additional time due to construction and regulatory delays and providing an additional six months of incentive payments in the amount of \$192,000.
- The County has negotiated revisions to various milestones to better reflect the progress thus far, and the anticipated progress which, again, may go into a full fourth year.
- The 2015 agreement's pro forma has been replaced with a revised pro forma.
- Importantly, the agreement modifications are contingent on TCLC doing the following: (1) Closing on the property in Mundelein for which the company has a real estate contract; and (2) Soliciting bids for construction.
- The proposed modified agreement includes the following additional notable County concessions:
 - Reduced rent and utilities payments. (This reduction is due, in part, to the fact that TCLC is using significantly less of the facility than originally anticipated.)
 - The County will also forgo future rent and utilities to the extent that delays are due to construction or regulatory challenges outside of TCLC's control.
 - Forgiveness of \$900,000 in already-budgeted start-up capital. (This is money the County has already paid to TCLC at the beginning of our agreement, not new money that the County must appropriate.)
 - Future forgiveness of the remaining, already-budgeted, start-up capital (\$1,031,957), provided construction milestones are met. (The \$1,031,957 start-up capital is already included in the original lease amount of \$6.7 million. Also, if construction does not begin by June 22, 2018, then the County does not agree to forgive this part of the start-up capital.)
 - The parties are deleting the "Shared Saving" provision of the Lease to simplify the financial accounting going forward.
- TCLC's major concessions include the following:
 - In lieu of shutting down Winchester House without a completed transition, TCLC will continue working with the County to surmount the various operational and development issues that the company has faced, and will continue towards the parties' ultimate goal of safely transitioning the residents of Winchester House to a modern, much improved facility in the near future.
 - The company releases the County from claims it might have had arising from "the revenue shortfalls due to residents without payor sources, the unanticipated expenses for health care, and the unanticipated expenses for workers' compensation."
- Change order #1 increases the amount of the lease incentive payments by \$192,000 from \$6,714,133 for a total of \$6,906,133.
- In accordance with Article 8, Section 101 (1) of the Lake County Purchasing Ordinance it is hereby requested that the County Board Chair be authorized to enter into Contract Modification #1.

Attachments: [Resolution for Change Order Number One for Agreement # 14198](#)

- 9. Executive Session**
- 10. County Administrator's Report**
- 11. Members' Remarks**
- 12. Adjournment**