



CITY OF
BLOOMINGTON
SPECIAL SESSION
MEETING
APRIL 24, 2017

AGENDA



**SPECIAL MEETING SESSION AGENDA
OF THE CITY COUNCIL
CITY HALL COUNCIL CHAMBERS
109 E. OLIVE STREET, BLOOMINGTON, IL 61701
MONDAY, APRIL 24 2017; 5:00 P.M.**

1. Call to Order
2. Roll Call of Attendance
3. Public Comment
4. Consideration of approving the minutes of the Special City Council Meetings for April 10, 2017. *(Recommend that the reading of the minutes be dispensed and approved as printed.) (5 minutes)*
5. Closed Special Meeting
 - A. Collective Bargaining – Section 2(c) (2) of 5 ILCS 120/2 (30 minutes)
6. Adjourn Closed Session and Return to Open Session
7. Discussion and possible direction regarding the John M. Scott Trust. *(Review, discuss and provide a consensus on the operational structure of the John M. Scott Health Trust.) (Presentation by Don Davis and Dan Hughes of The Bronner Group 15 minutes and Council discussion 45minutes.)*
8. Adjourn *(approximately 6:30 PM)*



**SPECIAL SESSION MEETING
AGENDA ITEM NO. 4**

FOR COUNCIL: April 24, 2017

SUBJECT: Consideration of approval the minutes of the Special City Council Meetings for April 10, 2017.

RECOMMENDATION/MOTION: That the reading of the minutes be dispensed and approved as printed.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: The Special City Council Meeting Minutes have been reviewed and certified as correct and complete by the City Clerk.

In accordance with the Open Meetings Act, Council Proceedings are made available for public inspection and posted to the City's web site within ten (10) days after Council approval.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: Not applicable.

Respectfully submitted for Council consideration.

Prepared by: Cherry L. Lawson, C.M.C., City Clerk

Recommended by:

A handwritten signature in black ink, appearing to read "David A. Hales".

David A. Hales, City Manager

Attachments:

- April 10, 2017 Special Session Meeting Minutes

SPECIAL SESSION CITY COUNCIL MEETING

City Hall Conference Room
109 E. Olive Street, Bloomington, IL 61701
Monday, April 10, 2017; 5:15 PM

1. Call to Order

The Council convened in Special Session in the Council Chambers, City Hall Building at 5:15 p.m., Monday, April 10, 2017. The meeting was called to order by Mayor Renner.

2. Roll Call

Mayor Renner directed City Clerk, Cherry Lawson to call the roll and the following members of Council answered present:

Aldermen Joni Painter, Diane Hauman, Mboka Mwilambwe, Scott Black, Jim Fruin, Karen Schmidt, David Sage, Amelia Buragas and Mayor Tari Renner.

Absent: Alderman Kevin Lower

Staff present: David Hales, City Manager; and Steve Rasmussen, Assistant City Manager; Jeffrey Jurgens, Corporation Counsel; Cherry Lawson, City Clerk; Austin Grammer, Economic and Development Coordinator; and Diane Crutcher, Center of Performance Development, Inc.

3. Public Comment

There were no comments offered.

4. Consideration of approving the minutes of the Special City Council Meetings for March 27, 2017.

Mayor Renner asked for a motion to approve the minutes.

Motion by Alderman Hauman second by Alderman Schmidt to approve the minutes as presented.

Ayes: Aldermen, Painter, Schmidt, Sage, Mwilambwe, Hauman, Buragas, and Fruin.

Nays: None

Motion carried.

5. Closed Special Session Meeting

SPECIAL SESSION CITY COUNCIL MEETING
City Hall Conference Room
109 E. Olive Street, Bloomington, IL 61701
Monday, April 10, 2017; 5:00 PM
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- A. Land Acquisition 2(c) (5) of 5 ILCS 120/2
- B. Personnel –Section 2(c) (1) of 5 ILCS 120/2

Mayor Renner requested a motion to go into Closed Session per Section 2(c) (5) of 5 ILCS120, and Section 2(c) (1) of 5 ILCS 120/2.

Motion by Alderman Painter second by Alderman Hauman to enter into Closed Session Meeting per Section 2(c) (5) of 5 ILCS120, and Section 2(c) (1) of 5 ILCS 120/2.

Ayes: Aldermen, Painter, Black, Schmidt, Sage, Buragas, Mwilambwe, Hauman and Fruin.

Nays: None

Motion carried.

- 6. Adjourn Closed Session

Mayor Renner asked for a motion to adjourn the Closed Session Meeting.

Motion by Alderman Hauman seconded by Alderman Mwilambwe to adjourn the Closed Session Meeting.

Motion Carried (Viva Voce).

Motion to Return to Open Session

Mayor Renner asked for a motion to return to Open Session.

Motion by Alderman Hauman seconded by Alderman Mwilambwe to return to Open Session.

Ayes: Aldermen, Painter, Schmidt, Black, Mwilambwe, Buragas, Sage, Hauman and Fruin.

Nays: None

Motion carried

- 7. Presentation and discussion of the Legislative Advocacy Agenda (*Presentation by David Hales, City Manager 10 minutes, Council discussion 30 minutes.*)

- A. State Legislators Annual Work Session Meeting scheduled, April 17, 2017
- B. Illinois Municipal League 2017 Legislative Agenda, “Moving Cities Forward”

Mr. Hales acknowledged Melissa Hon, Assistant for the City Manager, who has been worked to pull together the agenda for the Annual Legislative Work Session with the state legislators. On April 17th at 5:15 pm, Council are scheduled to meet with our state legislators to talk about what is happening in Springfield, what the outlook might be for not only a state budget, but how can that state budget have an impact on the City. Over the years, one thing that seems to be the consistent message we continue to share with them is do not take away some of the state shared revenue that comes our way and to utilize that to help balance the state budget.

In this meeting, we want to reiterate how much the City does financially rely on money the state controls, and with that control can hold back or put a freeze on some of the state shared revenue and talk about some of the consequences of doing so. We also want to talk to them about some very key public projects that are reliant on some state grants or could be reliant on future state money that especially could be allocated through the Illinois Department of Transportation. Usually in these meetings, the City also talk about the priorities of the Illinois Municipal League, its legislative agenda priorities, and how the Council feels about those. Do we support all that they are trying to lobby, our state legislatures, or is there some that maybe we do not feel as strong about.

One thing that has come up in years past is that often times the legislators have individual conversations but they also want to know where does the majority of the Council feel, and do they support various projects or various legislative agenda issues that they hear from the Illinois Municipal League. The City wish to share some of those topics with Council, as the City has prepared for Council's consideration a Resolution for adoption which indicates where Bloomington City Council stand on any of these legislative issues. We thought this year it would be helpful to start out with two very critical capital projects, the Fox Creek Bridge and Road Widening Project - is one where we do have, and are hoping to have the state issue a grant to the City to help offset some of the costs of that project. We see advocating for their help to ensure that it makes its way in the final budget of the fiscal year 2018 state budget. This is a project the City hopes to get underway next spring. Hamilton Road, Bunn to Morrissey Street to Commerce could be a potential project for state funding. The other two, a feasibility study for Veterans Parkway and Illinois Route 9 rerouting the U.S. Route 150.

Ms. Hon stated, within the packet of materials, staff provided a proposed resolution for Council's consideration as well as the Illinois Municipal League 2017 legislative agenda. There were a couple of concerns raised by some citizens in regard to a specific Senate Bill 1360 which talks about prevailing wage, that they were in opposition to that. There is also a draft outline of the items we will be reviewing Monday at the legislative work session.

Alderman Buragas stated that she is concerned because the "Moving Cities Forward" pamphlet does state to some extent that these items included in the pamphlet are a priority that the IML does support. That by moving forward, Council would create the impression that there is unanimous support in Bloomington for some of those changes. One option would be for the Mayor of the City of Bloomington and whichever Aldermen want to sign to send a letter independently to IML saying that we believe that undermining prevailing wage is not to the benefit of "Moving

Cities Forward.” That might be one way to handle it to make sure our intent is clear without losing the opportunity to move forward on a few of these infrastructure projects that are vitally important to our community.

Alderman Black stated, there are issues in the packet that he does not have a strong opinion about. His question is how he could change the legislative agenda. What is the IML process, and he does not want to sign off on something, only to have it changed at a later point in time and say the City of Bloomington is on board with our legislative agenda when there may have been something added or taken off. He asked how that work does.

Mr. Hales stated, unfortunately we have not had much in the way of representation by the City of Bloomington governing board on some of the IML’s different committees. They do have various committees including kind of a legislative committee. This particular legislative agenda was the product of the representation they had on the legislative committee. IML represents hundreds and hundreds of cities, and these are big, small, medium-size, different political persuasions. It is a challenge to come up with one set of legislative agenda, issues and topics, knowing that there is some agree with certain elements and others disagree.

Alderman Hauman stated she appreciated the presentation that clarified some of our questions. She asked what we can do to make sure that it does not give the appearance that we are in favor, especially, of Senate Bill 1360. She would like something to be done to make sure that it does not look like we are in support of it.

Alderman Painter stated, in looking it over, it is not all bad, but there are a lot of things that she needs clarification on like Public Safety Pension Fund Consolidation and Public Safety Employee Arbitration Reform. She stated that she feels that a lot of these points give a Band-Aid to not having a budget, and she would really like to “hold their feet to the fire” and could not go for this.

Alderman Mwilambwe stated, it would be beneficial for Council to have a conversation ahead of time before we approve the agenda. He understand that Council could do a little bit of research, but it is always helpful to have conversation amongst ourselves before we sign our names to something. He stated he still had some questions about some of these things.

Mayor Renner stated, he and Mr. Hales talked about it and agreed to avoid confusion; we will pull it, and then see whether Council want to act on it subsequently.

Alderman Fruin asked whether Council would be meeting with the state legislatures on Monday.

Mr. Hales stated, Senator Bill Brady and Representative Keith Sommer has not acknowledged but usually does come, but changes could be made and others could attend. One legislative agenda item that he sees as a very high priority would be Automatic Appropriation Authority for Local Funds that tie in with state-shared revenue.

8. Adjournment

Motion by Alderman Hauman seconded by Alderman Schmidt to adjourn. Time: 6:50 PM.

Ayes: Aldermen, Painter, Lower, Schmidt, Black, Mwilambwe, Buragas, Sage, Hauman and Fruin.

Nays: None

Motion carried.

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk



SPECIAL SESSION AGENDA ITEM NO. 7

FOR COUNCIL: April 24, 2017

SUBJECT: Discussion and possible direction regarding the John M. Scott Trust.

RECOMMENDATION/MOTION: Review, discuss and provide a consensus on the operational structure of the John M. Scott Health Trust.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: On August 22, 2017, City of Bloomington Township Supervisor Deb Skillrud and members of the John M. Scott Commission (“Commission”) both gave presentations to the City Council outlining their vision for the future operation of the John M. Scott Health Trust (“Trust”). No decision was made at the meeting and instead the Council requested additional information and a formal evaluation of the Trust. Bronner Group, LLC was thereafter retained to do an audit and assessment of the Trust to help ensure the Council makes an informed decision on the best operational structure. As part of that assessment, they outlined the three abbreviated options below for how operation of the Trust may be structure. More in depth descriptions of the options can be found on pages 23 and 24 of Bronner’s attached audit and assessment.

Option 1. Maintain the Current Operating Model

- Contemplates continued provision of both direct services and grants;
- Allow both Commission and Township Supervisor to separately propose an operating budget to the City Council for final determination;
- Allows flexibility; and
- Would require evaluation and likely revision of various Trust documents to clarify roles and responsibilities.

Option 2. Transition to Grants Only Model

- Contemplates dissolution of the IGA and Township no longer serving as administrator;
- Commission would provide oversight of the grant making and monitoring process;
- More discussion needed on administrative functions and process (i.e., staff person, 501(c)(3) creation, City personnel, etc.);
- Would require evaluation and likely revision of various Trust documents; and
- Recommended by Bronner Subject Matter Expert

Option 3. Hire an Executive Director to Administer the Trust

- Essentially replace the Township as administrator of the Trust with a full-time Executive Director;
- Executive Director could help set vision (i.e., grants, direct services, or both);
- Has several open questions and could increase costs; and
- Would require evaluation and likely revision of various Trust documents.

Township Supervisor Skillrud has provided her response to the options offered by Bronner, along with a specific proposal offered by her. The Commission has also offered a specific proposal and vision statement. These documents, along with the 2016 Council Memo that outlines the background and existing Trust structure are all attached.

A representative from Bonner Group will be at the meeting to go over the different options and answer any questions related to its assessment. In addition, Township Supervisor Skillrud and representatives from the Commission will be in attendance to answer any questions and present on their proposals should the Council desire to hear from them.

The objective of the meeting is for the Council to reach a consensus on one of the options. Once an option is selected, staff will begin working on any necessary changes to the existing agreements and/or the Trust documents for formal approval at a future date.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: N/A

Respectfully submitted for Council consideration.

Prepared by: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



David A. Hales

Attachments:

- Bronner Audit & Assessment of the John M. Scott Health Trust
- Supervisor Skillrud Documents
 - Supervisor's Proposal
 - PowerPoint Slides
 - Supervisor's Response to Bronner Assessment
- JM Scott Commission Documents
 - Commission Proposal
 - Commission Vision Statement
- Memo from Trust Attorney Herr
- 2016 Council Memo & Attachments



**Audit and Assessment of
The John M. Scott Health Trust
FY 2014 - 2017**

Prepared for the City of Bloomington

February 2017

Prepared by Bronner Group, LLC

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Executive Summary

The John M. Scott Health Trust (JMS Trust) assists residents of McLean County obtain health care services that they would be financially unable to obtain without the assistance of the JMS Trust. The demand for assistance and services from the JMS Trust has changed due to the implementation of the Affordable Care Act. Acting as the Trustee, the City of Bloomington engaged Bronner Group, LLC (BRONNER) to conduct an audit and assessment of changes in demand for services and the related impact on the service delivery model.

Scope of Audit

As part of the engagement BRONNER reviewed and audited financial transactions, program activity, and existing Trust reports for the past three years including: expenditures, Investments and revenue, and program activity

Concerns on Expenditures

The results of this audit are provided in this report. Overall, the program is in compliance with JMS Trust requirements. However, it should be noted that there were three concerns related to expenditures.

1. The JMS Trust administrative costs are higher than industry standards.
2. The grant reporting and monitoring system is not adequate.
3. Additional clarity is needed on both the appropriateness of marketing expenses and, more critically, the governance structure and determination of appropriate expenditures.

Concerns on Governing Structure

The lack of clarity of the governing structure is a major concern that needs to be addressed. Entities involved in the management include:

- The City of Bloomington as Trustee
- The Bloomington Township Supervisor as Administrator
- The JMS Trust Commission as an oversight/advisory body
- Trustee Ad Litem to represent beneficiaries of the JMS Trust services
- Trust Attorney to represent the Trust

Currently, the trust documents do not clearly delineate roles and responsibilities of these entities. Rather the trust document language can be contradictory and confusing. While all parties involved displayed integrity and a clear intent to fulfill the goals of the JMS Trust, they expressed difference of opinions on interpreting their roles and the best way to achieve the goals of the JMS Trust. In particular, the role and responsibility of the Commission and the Township Supervisor need to be clarified.

Proposed Operating Structures

In light of shifting demands for services based largely on passage and now possible repeal of the Affordable Care Act (ACA), BRONNER has provided three alternative operating structures for consideration.

Background and Overview

Background on the JMS Trust

John M. Scott created a trust with the intent of funding a hospital. Due to the development of other local hospitals by the time the JMS Trust was implemented, the Trust's mission was refined to providing health care service for the indigent in McLean County. A judge overseeing the JMS Trust is responsible for establishing and approving changes to the governance structure, the scope of services, and eligibility of expenses. The Bloomington City Council serves as Trustee. The JMS Trust Lawyer, Tom Herr, indicated that within certain parameters the governance, scope, and eligibility are policy decisions, which can be altered at any time by the Bloomington City Council. The JMS Trust also established a "Commission" made up of representatives of different medical and non-profit agencies. In order to administer the JMS Trust, the City of Bloomington entered into a memorandum of understanding with the Township Supervisor to act as the Trust Administrator. One of the roles of the local township office is to provide assistance to people in need.

As discussed in the report, one open issue is the roles and responsibilities of the Commission and the Administrator. Currently it is not clear if the Commission role is purely advisory and if the Trust Administrator needs to follow policies established by the Commission.

Background on Changes in Healthcare Assistance

Increase in assistance through Affordable Care Act

The Affordable Care Act (ACA), also known as "Obamacare" was signed into law in 2010 by President Obama allowed states to expand Medicaid coverage to residents with low income (138% of federal poverty level). ACA Medicaid expansion in Illinois was signed into law on July 22, 2013 and enrollment into the ACA began on January 1, 2014. As of August 2016, approximately 650,000 people obtained coverage in Illinois through ACA. The increase in Medicaid coverage and other forms of medical insurance has resulted in a decrease in demand for the John M Scott Health Trust services. Information related to the demand for services is provided later in the report.

Potential decrease in assistance through repeal of Affordable Care Act

The new Presidential Administration and Congress have indicated that they will repeal ACA, although significant questions remain on what elements will be repealed and if some elements will remain in place. If the ACA is repealed or replaced with a program with less assistance, it is likely that the JMS Trust will see an increase in demand. The proposed changes will need to be monitored for impact.

Potential decrease in assistance due to changes in Medicaid assistance

There have been serious discussions of changing Medicaid funding. Similar to the repeal of the Affordable Care Act, there is limited knowledge of the scope and timing of the changes. Because the State of Illinois can quickly change the rules guiding reimbursements, there is more risk of the changes occurring rapidly. Again, it is important for involved parties to be aware of potential changes.

JMS Trust Program Guidelines

The purpose of the JMS Trust is to provide select health care services for the medically indigent persons residing in McLean County. Below is a brief summary of eligibility requirements followed by audits of compliance with the requirements. It should be noted that there is some flexibility with the eligibility requirements and thought should be given to establishing a process for making changes to reflect changing needs.

Eligibility Requirements

Below is a table outlining eligibility requirements for JMS Trust services based on interviews with the JMS Trust caseworker and informational pamphlets. No formal document was discovered that clearly outlines the eligibility standards.

John M Scott Health Trust - Client Eligibility Requirements	
Topic	Eligibility Requirement
Residency	McLean County resident for at least one year or have been living in McLean County for at least four months with intent to establish residency (e.g. signed lease agreement) College students who are not McLean County residents are not eligible.
Transients	Transients may be eligible if they require assistance "due to an accident or illness, which by its nature precludes prompt travel."
Insurance	Must not have insurance or be receiving assistance from the City of Bloomington Township or Public Aid
Employment	Must have some form of income
Income	Maximum Annual Income of 185% of Federal Poverty Level Guidelines. Family size is taken into consideration.
Financial Assets	Financial assets can be up to \$1,000 per person with a maximum of \$2,000 per household

Figure 1

Persons requesting services must bring to an eligibility screening interview at Township offices a state ID, a Social Security Number card, some proof of income for the prior thirty days (check stubs, receipts), a checking and savings account statement, a lease or proof of residency, and prescriptions from a doctor if requesting prescription assistance. It is JMS Trust policy that eligibility is re-verified every 12 months by the JMS Trust caseworker.

Eligible Program Services and Activity

The City of Bloomington Township Supervisor provided the following list of eligible JMS Trust services. All services require a small co-pay, typically \$4-\$6, from the recipient.

John M Scott Health Trust – Eligible Services	
Service	Description
Adult Client Dental Services	A voucher system to nine participating local dentists for x-rays, cleanings, fillings, etc. There is a \$500 limit per client per year (limit was recently increased from \$200 per client per year by JMS Trust Commission).
Adult Extraction Clinic	A voucher system to McLean County Health Department for exams and up to 2 extractions.
Prescription Medicine	JMS Trust covers financial assistance for prescription medicine for up to \$1200 per client per year for non-psychotropic drugs.
Mental health Medications	Through referrals from the Center for Human Services and Community Health Care Clinic. Allows for prescription psychotropic medications up to \$900 per client per year.
Medical Equipment & Supplies	Financial assistance through vouchers up to \$400 per client per year for diabetic testing, special orthotics, ostomy supplies, compression socks, CPAP mask and tubing, refurbished hearing aids.
Medical Office Visits	Financial assistance through vouchers for two doctor visits per fiscal year. Only outpatient procedures are allowed. These services are reimbursed at public aid rates. There is no set dollar limit.
Transportation to Medical Appointments	JMS Trust staff facilitates volunteer drivers for cancer patient and maternal/child medical appointments. Transportation is requested by the recipient. JMS Trust owns and maintains a vehicle used by the volunteers for the patient transport.
Grants	Grants-in-aid funding that John M. Scott provides to support community agencies. The JMS Commission selects grant recipients annually.

Figure 2

Determination of Eligible Services and Client Eligibility Requirements

The above lists of eligible services and client eligibility requirements were developed prior to the ACA. They may be too restrictive based on the passage of the ACA. As long as changes comply with the intent of the JMS Trust, the eligibility guidelines and spending limits are policy decisions, which can be altered at any time by the Bloomington City Council, who serve as the Trustees of John M Scott Health Trust.

The current process for changing the eligibility standards is not clear. It is recommended that a set process and methodology be established for determining changes to eligible services and client eligibility requirements. Both the Commission and the Trust Administrator need to provide input with the City Council making the final decision. The Commission provides a diverse set of local medical and social service views on the needs of the community. Township Administrator also sees the needs from the lens of the demands in the Township office and has the additional need to establish a program that can be implemented effectively and efficiently.

Audit of JMS Trust Expenditures

Patient Eligibility Audit – Scope and Process

For this engagement, BRONNER compiled a sample of JMS Trust patient files, to assess whether – and to what extent – patients receiving medical services were eligible for assistance. BRONNER’s sample consisted of 24 unique patients (two of whom were spouses), who had received JMS Trust medical and dental services during the 2014, 2015 and 2016 Fiscal Years. As many of the patients under review had received multiple services between 2014 and 2016, the testing sample consisted of approximately 114 observations.

BRONNER tested patient eligibility across five types of JMS Trust-approved medical services, which are summarized by number of observations in the table below:

Type of Medical Service Received	County of Eligibility Tests
Private Dental Procedures	24
MCHD Dental Procedures	1
Prescriptions	75
Medical Equipment and Supplies	9
Health Referral Orders	5
Total	114

Figure 3

Patient case files were reviewed to verify eligibility. These case files consisted of internal budget forms, case manager’s notes, and family information cards. BRONNER auditors reviewed these documents to verify adherence to the requirements listed in Figure 1.

Patient Eligibility Audit – Results

Overall, BRONNER’s audit revealed that JMS Trust patients have generally been eligible for the medical services received in the past three years. Among BRONNER’s sample of 114 received medical services, there were three instances (2.6%) where patient eligibility was called into question, all of which were in regards to Prescription Medications. As each finding was tied to a unique individual, the three potential eligibility issues identified by BRONNER accounted for three (12.5%) of the 24 patients in the sample. Among the three findings, BRONNER identified one instance from FY15 and two from FY16. All three findings were in regards to date of reassessment. In each instance, the official patient file did not contain evidence that eligibility was verified within 12 months of services received.

Expenditures Audit - Scope and Process

BRONNER spent two days at the City of Bloomington Township (“Township”) offices from January 25-26, 2017, conducting interviews and thoroughly reviewing JMS Trust expenditure documentation and program activity files. BRONNER’s review focused on determining if:

1. JMS Trust’s expenditures were for eligible services and within approved spending limits; or
2. JMS Trust expenditures were for appropriate administrative and overhead costs directly associated with providing services and programs
3. Expenditures were properly documented and approved by the Township Supervisor
4. The recipients of services met JMS Trust’s eligibility requirements

The scope of the audit focused on the past three (3) fiscal years of JMS Trust activity, FY 2014 – 2016. The JMS Trust fiscal calendar runs from May through April. BRONNER selected four months of expenditures from each fiscal year, 12 total months, and reviewed all expenditures made from the JMS Trust Bloomington Municipal Credit Union (BMCU) checking account within those months. In addition to the 12 months of expenditures in the audit sample, BRONNER identified 45 additional individual expenditures from the JMS Trust’s general ledger across FY 2014-2016 that warranted a review based on risk factors such as dollar amount, memo description, expenditure type, and payment date. Check stubs from the BMCU account, VISA bills, invoices, and receipts were the primary expenditure-related documents reviewed by the auditors. These documents are maintained by the Township Comptroller.

While reviewing the expenditures, BRONNER auditors checked to determine if the payment was for an eligible medical service or reasonable administrative activity, if the payment was approved by the Township Supervisor, and if the payment went to a preferred vendor, with whom JMS Trust had an established history. Questionable activity was flagged and raised to Township staff for clarification.

Expenditures Audit - Results

The expenditures reviewed within the sample size can be broken out into the following categories:

Service or Activity	# of Expenditures Reviewed
Administration and Overhead	115
Private Dental Procedures	47 across 13 VISA bills
McLean County Health Department Dental Procedures	23
Medical Equipment & Supplies	22
Prescription Medicine	20 invoices covering multiple persons and prescriptions
Mental health and other prescription medications	9 invoices covering multiple persons and prescriptions
Medical Office Visits	36
Grants	14
TOTAL	286

Figure 4

All expenditures reviewed within the sample related to the delivery of medical/dental services, prescriptions, equipment, and grants for eligible services as defined in the section above by the Township Supervisor.

Of the 115 Administration and Overhead expenses reviewed by BRONNER, the majority were for legitimate expenses associated with providing services and the related overhead expenses. There were fourteen (14) expenditures reviewed within the sample that were not directly related to administration or overhead of the JMS Trust upon BRONNER’s initial review. These expenditures are noted in the table below.

Non Admin or Service Expenditures			
Check #	Amount	Payment Recipient	Payment Reason
2297	\$5000.00	Community Health Care Clinic Inc.	JMS Trust Sponsorship of 2014 CHCC Fundraiser Luncheon
2335	\$74.85	Office Max (via VISA)	2014 Commissioner Planning Session – Binders
2350	\$42.10	Deb Skillrud	2014 Commissioner Planning Session – Lunch from Jimmy John’s
2469	\$306.88	Illinois State University	2015 Strategic Planning Session – Catering
2479	\$285.00	Illinois State University	2015 Strategic Planning Session – Room fee
2446	\$2100.00	Patricia Grogg	
2453	\$1500.00		

2463	\$1300.00		2015 Strategic Planning Session – Consultant and Facilitator selected by JMS Trust Commission
2481	\$600.00		
2494	\$800.00		
2513	\$800.00		
2465	\$41.98	Deb Skillrud	2015 Strategic Planning Session – Easel
2536	\$49.97	Stephanie Uzueta	April 2016 Volunteer Luncheon – Supplies
2537	\$80.20	Deb Skillrud	April 2016 Volunteer Luncheon – Food

Figure 5

The \$5000 expenditure (check #2297) to the Community Health Care Clinic was also raised by a few of the JMS Trust Commission members during interviews as a concern. This payment was initiated by the Township Supervisor without consulting the Commission for their review or approval before the payment was made. According to the Township Supervisor, the sponsorship provided outreach to the health community regarding JMS Trust’s collaboration/partnership. The intent of the sponsorship was to increase the Trust’s visibility and market JMS Trust to health care providers within the community. The JMS Trust was referenced as a sponsor in the luncheon materials distributed to the luncheon guests and other promotional materials associated with the event.

The other expenditures listed in the table above relate to a 2014 Commissioner Planning session, a 2015 Strategic Planning session, and a 2016 volunteer luncheon. The 2014 planning session was initiated by the Township Supervisor to provide orientation materials to new and older members of the Commission and discuss other topics relevant to JMS Trust among the Commission members. The 2015 planning session was initiated by the Commission members themselves. An outside consultant was hired to facilitate the process. The volunteer luncheon was hosted by the Township to honor the volunteers that support the JMS Trust by driving the van for doctor office visits. The Township generally hopes to host the volunteer luncheon annually, but sometimes holds it on a less regular basis.

The Township Supervisor signed off on all expenditures reviewed within the sample. Her initials were included on all invoices and billing statements in addition to all check stubs. According to interviews with the JMS Trust/Township staff, the internal payment process is as follows: JMS Trust caseworker does an initial review of all incoming invoices to verify the invoice matches services from the JMS Trust client records. The caseworker also reviews the invoices to ensure JMS Trust is receiving appropriate rates and discounts from suppliers and vendors. The Township Supervisor then performs a review to verify that the expenditures are within the JMS Trust program limits. Upon the review and approval by the Township Supervisor, checks from the JMS Trust’s BNCU account are created by the Township Comptroller. The Township Supervisor then performs an additional review of the checks and signs them before they are sent out.

The JMS Trust caseworker provided BRONNER with a partial list of vendors for all service categories that have traditionally accepted vouchers from the JMS Trust and agree to discount their services for JMS Trust referrals. While reviewing all expenditures within the audit sample, BRONNER auditors verified that the expenditures were being made to the vendors that accepted JMS Trust vouchers and discounted their services for JMS Trust referrals.

Assessment of Internal Controls

BRONNER noted that the controls surrounding the vendor master file, effectively the vendor list could be improved. Currently the vendor master file is maintained by the Township Comptroller without a formal process in place to establish accountability for changes made to the vendor master file. However, there is a log of the vendor master file, which maintains the history of changes within the file. While the log is beneficial, Township staff stated that there is no formal review process of the log. BRONNER reviewed the general ledger and noted there was an instance of a duplicate entry of a vendor.

Duplicate entries within the accounting system create multiple problems surrounding the accuracy and reliability of the reports output by the accounting system. BRONNER recommends that the Township implement a hard control within the accounting system that inhibits the creation of a vendor without entering the Taxpayer ID number or SSN. Furthermore, BRONNER recommends adopting a policy stipulating that the Taxpayer ID number or SSN cannot be entered into the system for multiple vendors. This would establish a preventative control against future duplicate entry of vendors.

BRONNER noted that supporting materials for a particular payment lacked formal procedure. Specifically, for a \$5,000 expense to pay for a Fundraiser Luncheon sponsorship, the only supporting documentation for check #2297 was a print out of an email conversation between the luncheon host and the Township Supervisor and the actual luncheon promotional materials with the JMS Trust logo. There was no supporting documentation of an invoice or purchase order from the luncheon host. The opportunity for payments without formal approval via an invoice or purchase order is a weakness within the payable process. Ideally, BRONNER recommends that the Township establish a hard control within the system for payments to undergo formal approval that requires an invoice or purchase order before a check is written.

Additionally, clear roles and responsibilities need to be established on budget and expenditures. The current governing structure does not provide clear guidance on who has final control over budget and expenditures. It is recommended that items that are not in the budget or over a pre-determined threshold require notice to the Commission and the City. The Commission can provide advice to the City on if the expenditure should be approved.

Review of JMS Trust Program Activity

Decline in Demand for JMS Trust Services

The Affordable Care Act and expansion of Medicaid within Illinois has reduced the demand for JMS Trust services. BRONNER’s review of FY2014 – FY 2016 medical expenditures showed a 63% decline in overall spending on client services. This decline in spending is noted in the table below:

JMS Trust Expenditures on Services FY 2014 - FY 2016				
JMS Trust Client Service Spending Categories	FY 2014	FY 2015	FY 2016	% Change FY 14 - 16
Physician Services	\$ 300	\$ 133	\$ 110	-63.29%
Client Dental Services	\$20,455	\$10,452	\$ 5,936	-70.98%
Labs & Other Medical	\$ 1,074	\$ -	\$ 542	-49.51%
Client Prescriptions (Formulary)	\$23,351	\$23,121	\$11,394	-51.21%
Special Prgm Exp (Med Supply)	\$ 3,185	\$ 2,436	\$ 1,148	-63.94%
Mental Health Services & Meds	\$ 4,547	\$ 2,694	\$ 267	-94.14%
Total Client Services	\$52,912	\$38,835	\$19,397	-63.34%

Figure 3

BRONNER also reviewed JMS Trust activity reports created by JMS Trust/Township staff. These monthly reports show the level of JMS Trust program activity by service category, although certain categories are aggregated together and are not broken out in granular detail. These reports also highlight a drop in demand for JMS Trust services. The Township Supervisor did point out that the JMS Trust/Township staff make a lot of referrals to other local services to area residents. These referrals are labor intensive and not reflected in the program metrics.

Below are a series of graphs that show the level of JMS Trust services over the past three years, although some of the services have incomplete records during that time period. The underlying data for these graphs can be found in the Appendix to this report and come from monthly City of Bloomington Township reports to the Township’s Board of Trustees. The level of program activity for the majority of JMS Trust services has declined over the past three years and is trending down.

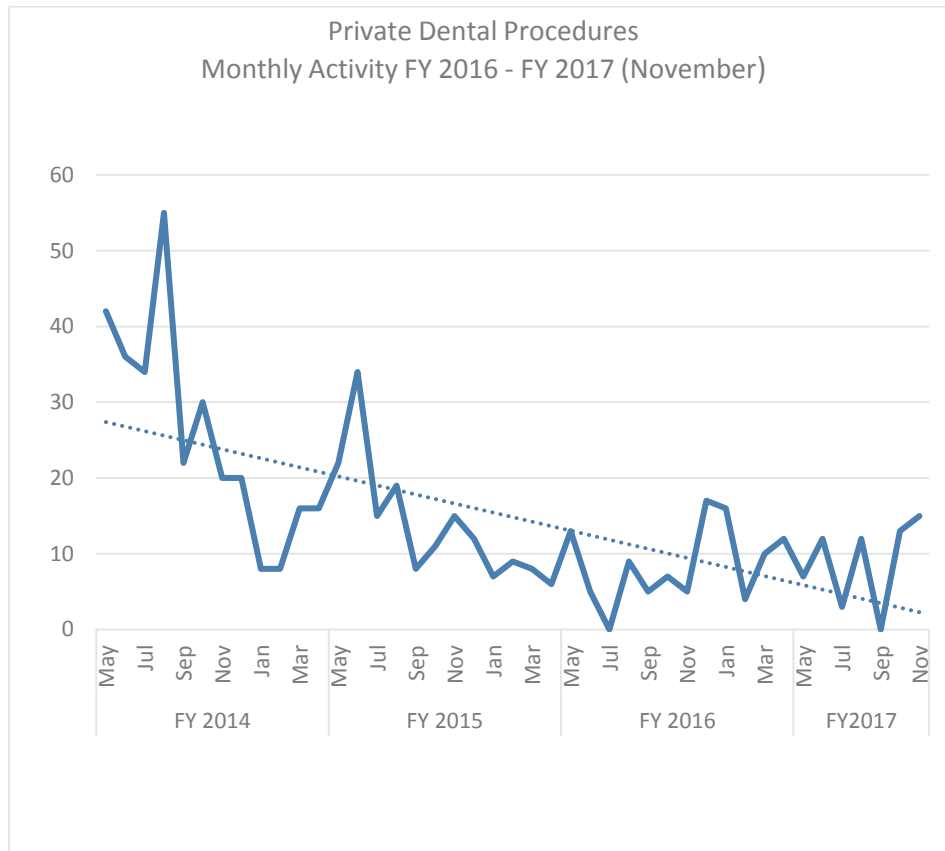


Figure 4

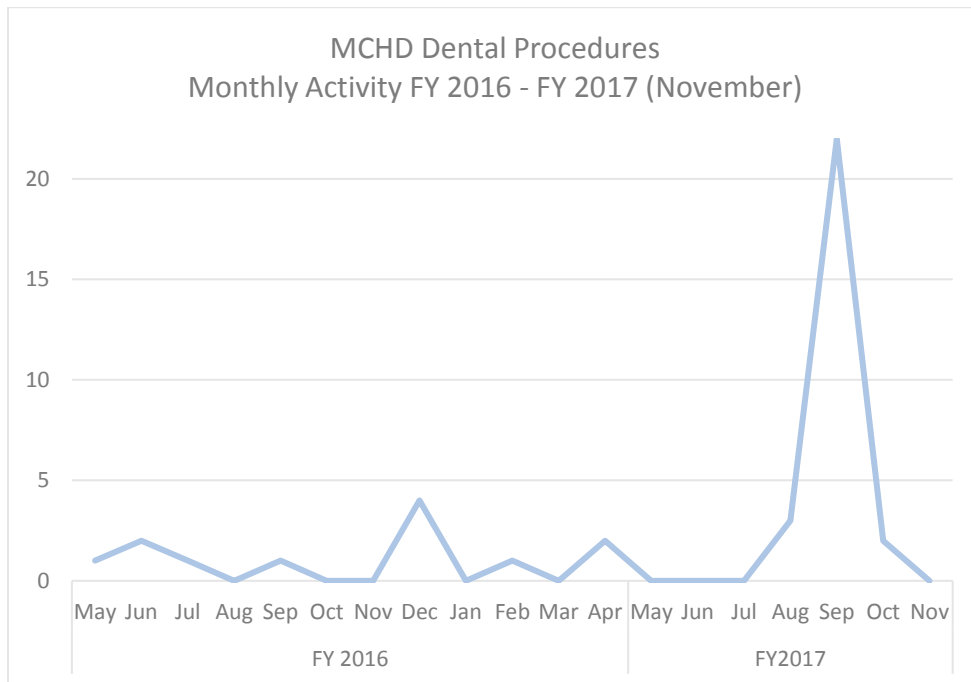


Figure 5

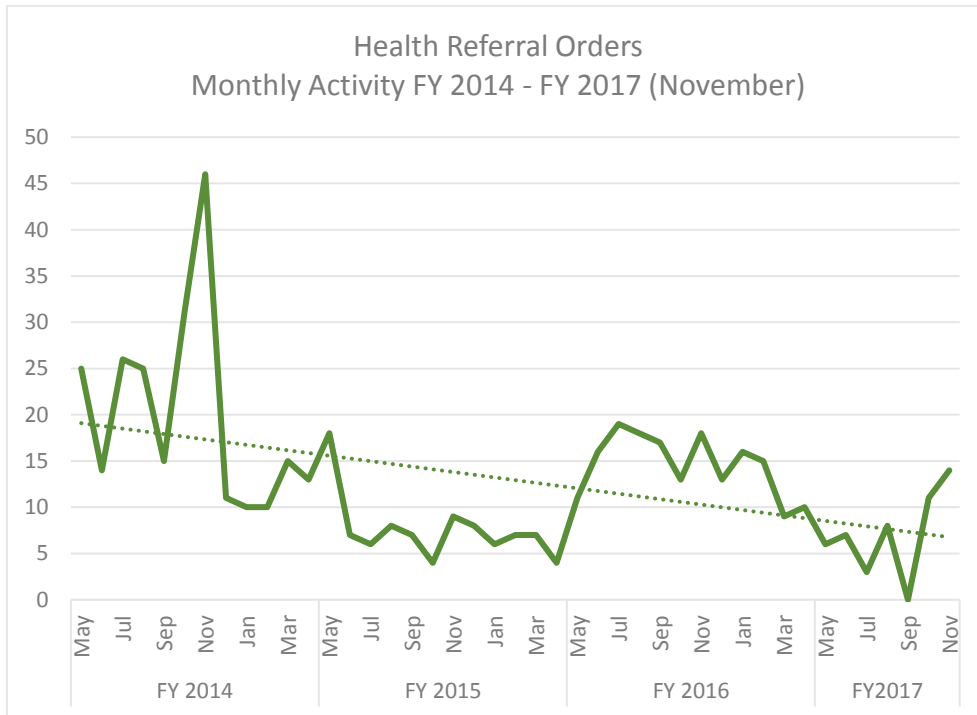


Figure 6

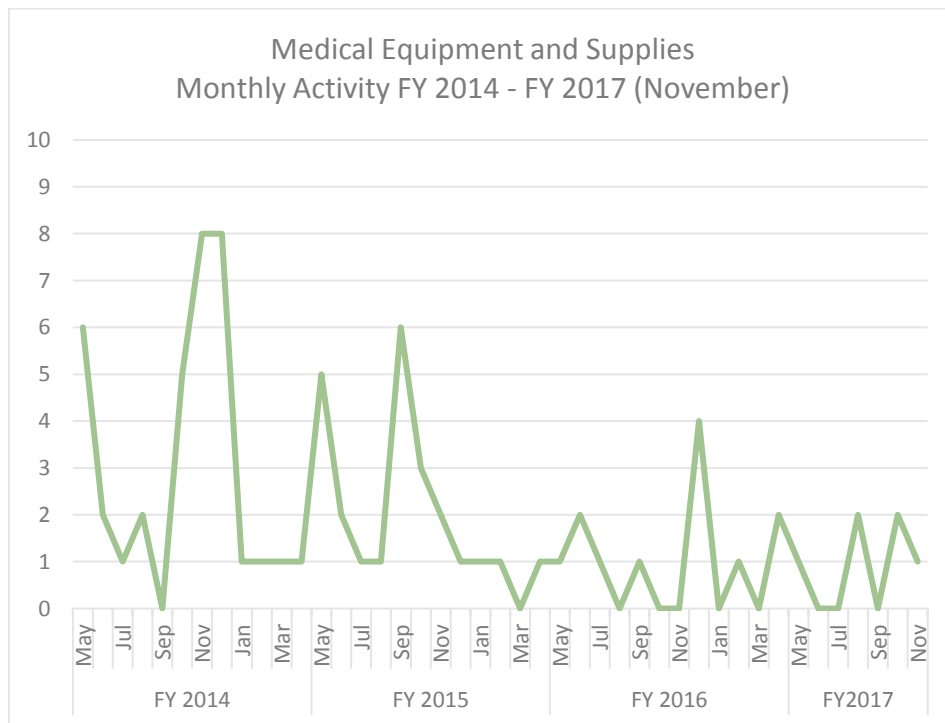


Figure 7

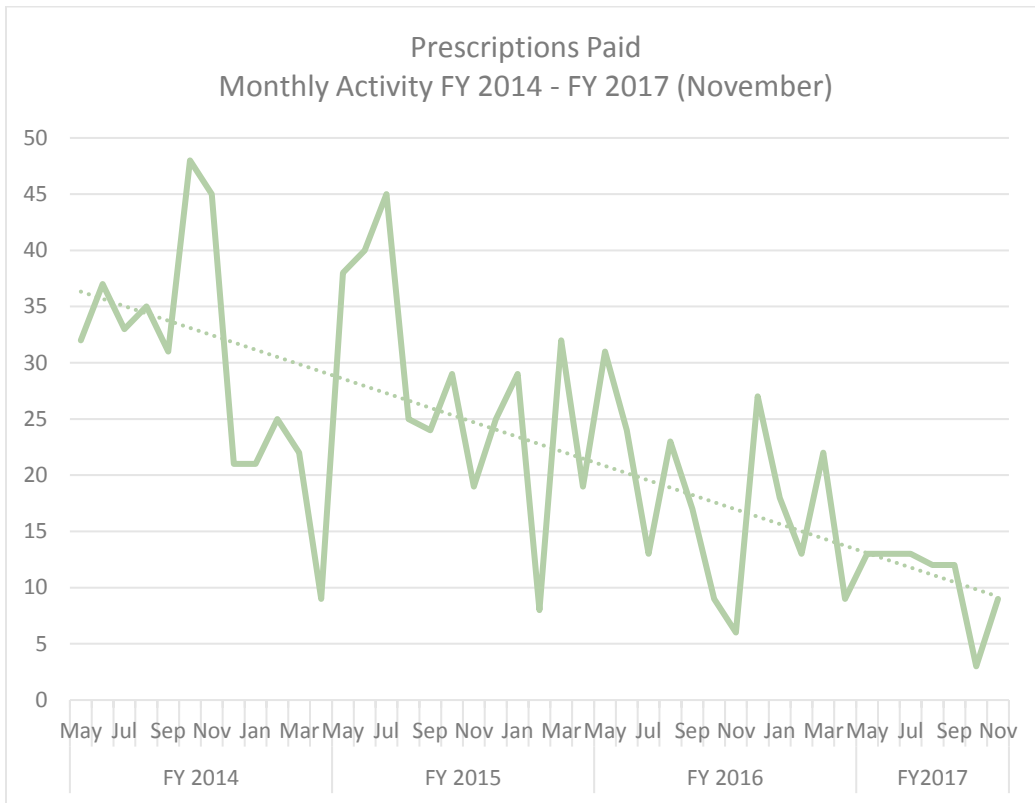


Figure 8

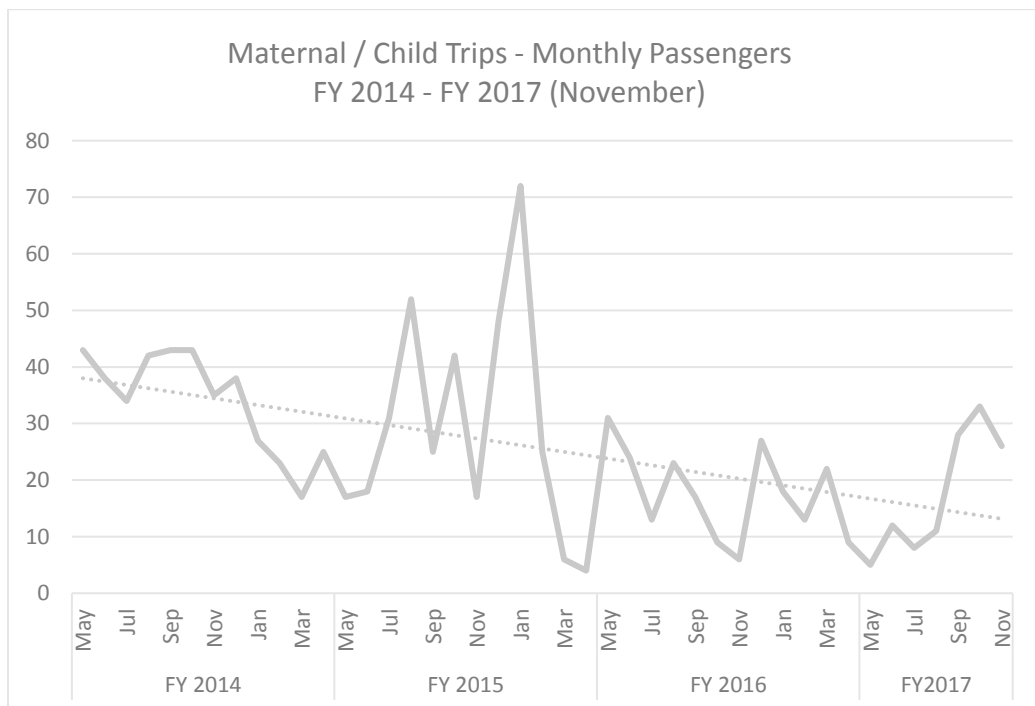


Figure 9



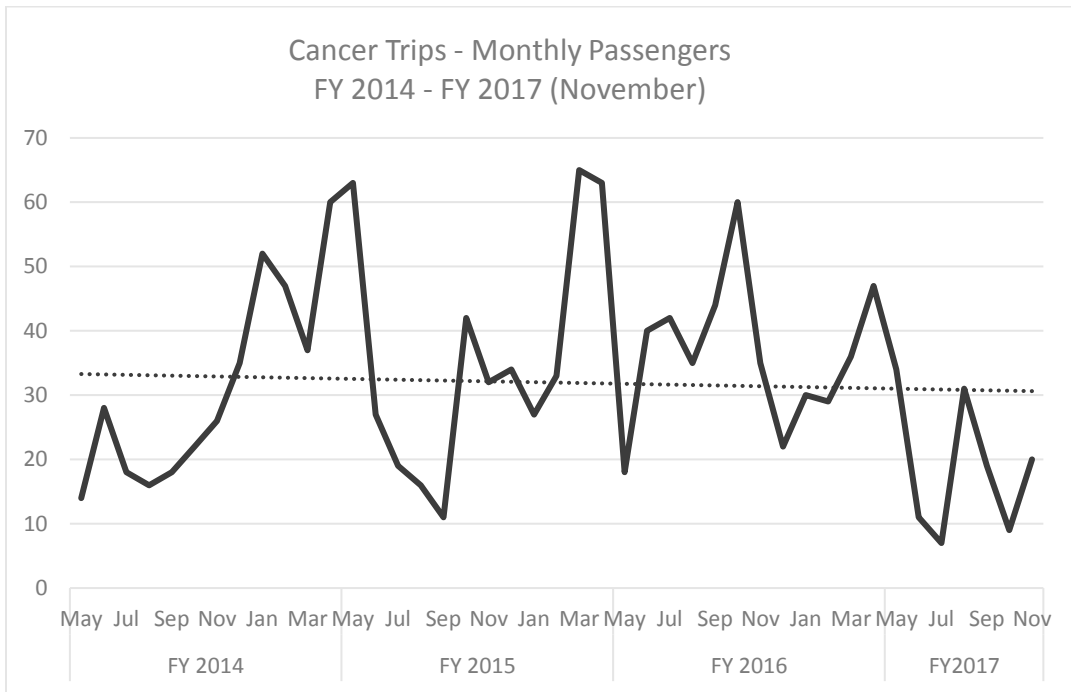


Figure 10

Grants

The JMS Trust provided approximately \$316,160 in total for grant funding in fiscal years 2014, 2015, and 2016. All grants made within these three fiscal years, save one, were agreed upon, and approved by the JMS Trust Commission. The one exception is the \$5,000 payment to the Community Health Clinic for a Fundraiser Luncheon Sponsorship, which was described in detail above in the expenditures section. This payment could be classified as either a grant or a marketing expense. Five organizations have received grants over the past three fiscal years. The following table provides a detailed breakdown of grant recipients and grant amounts by year.

Grant Recipient	Service	Fiscal Year	Amount
Community Health Care Clinic	Operations	2014	\$30,000
		2015	\$40,000
		2016	\$50,000
	Pharmacy Technician	2014	\$7,664
		2015	\$7,500
		2016	\$10,000
	Fundraiser Luncheon Sponsorship (could be classified as Admin Expense for Marketing)	2015	\$5,000
McLean County Health Department	Adult Dental Pain Control	2014, 2015, 2016	\$15,000 each year
	Valued Vision Eye Care	2014	\$1,000
McLean County Center for Human Services	Advance Practice Nurse	2014, 2015, 2016	\$25,000 each year
Center for Youth and Family Solutions	Operations	2014, 2015, 2016	\$10,000 each year
Peace Meals	Senior Nutrition Program	2015, 2016	\$7,500 each year

Figure 11

The JMS Trust has a formal grant application process that was established by the current Township Supervisor in 2014. The tracking of grant outcomes is still a work in progress. Many of the grantees report grant outcomes within their application for the next year's round of grant funding. Although a few grantees did provide separate reports outlining their outcomes and accomplishments, only one organization described in detail the specific impact of the JMS Trust grant funding. Others only provided general outcomes for their entire organization without detailing the specific uses of JMS Trust grant funds. The Township Supervisor has not received any grant outcome reports from the McLean County Health Department.

A standard practice for grant management is to require structured standardized reports by all grant recipients on a regular basis. Ideally, grantees should submit monthly or quarterly reports that detail how the grant money is being spent. Grants that help cover salary for a specific position, such as for a Pharmacy Technician at the Community Health Care Clinic or an Advance Practice Nurse at the McLean County Center for Human Services, require less reporting from the grantees since the JMS Trust will know exactly how the grant money is being spent at the outset.

Duplicate Services in Area

From interviews with the JMS Trust Commission members, BRONNER has learned of a number of additional organizations that provide similar or redundant services to uninsured or underinsured residents of McLean County. The November 2016 proposal for an alternative JMS Trust governing and operating model prepared by the JMS Trust Commission lists a number of such duplicate services and has been included as an appendix to this report. Some of these organizations are much larger than the JMS Trust and according to interviews with JMS Trust Commission, members have more streamlined operations.

A few of the organizations listed in the Commission proposal received grant funding from the JMS Trust in recent years, including the Community Health Care Clinic, the McLean County Center for Human Services, and the McLean County Health Department. The JMS Trust Commission should be consulted for further information regarding duplicate services in the community.

Case File Management System

JMS Trust uses neither an IT system nor any software programs (i.e. Excel, Access) to store and support its case management tasks. The JMS Trust caseworker maintains all files by hand. The Township does use an IT system to manage its case management services. The Township looked into integrating JMS Trust case management into its existing IT system but found that the Township system was not flexible enough to accommodate the needs of JMS Trust.

BRONNER's limited review of the case files shows that the files are well organized and methodically maintained by the JMS Trust caseworker. However, there are significant concerns and risks associated with this manual process. The BRONNER Healthcare Subject Matter Expert, upon learning that no spreadsheet program or electronic filing system like Excel is used to store program information, called this out as a critical issue. When a client requests new services, staff and the client must either manually fill out a substantial number of forms or review past case files to determine the date of most recent eligibility verification and whether the client has exceeded limits on the value of services received within a fiscal year. These manual verifications can take considerable time from staff and delay the delivery of medical services for individuals in need of medical care. This manual process also introduces the possibility of human error when repeated dozens of times in a year.

Analysis of JMS Trust Administrative Costs

A common concern raised during interviews with JMS Trust Commission Members and the JMS Trust lawyer was that the administrative and overhead expenses were out of proportion with the level of demand for services and the size of the JMS Trust budget. Some reports sent to BRONNER by Commission members showed administrative and overhead costs accounting for over 50% of the total budget in some years.

Program Costs vs. Administration Costs

Interviews with the Township Supervisor and Township staff suggested that the figures provided by Commission members were out of line with their internal allocation of salaries between program and admin costs. The Township believes that the work performed by the JMS Trust caseworker should be considered a program expense since the caseworker works on the front line with patients, connecting them with JMS Trust services. The BRONNER Healthcare Subject Matter Expert and BRONNER view the caseworker’s salary as a program expense because the work directly relates to fulfilling the purpose of the program. The other Township employees that provide reception, intake, and administrative support services to the JMS Trust were considered as administrative expenses as their work is primarily administrative in nature.

As such, the Township staff believe that the City of Bloomington’s accounting system, which uses the MUNIS software, does not properly distinguish between salaries and expenses associated with running JMS Trust programs & services and those associated with pure administration and overhead, leading to exaggerated administrative expenses. Specifically, the expenses categorized within account number 75070 within the City’s MUNIS system are inappropriately aggregated and counted as administrative expenses. According to the Township Supervisor and Township Comptroller, a more accurate representation of administrative expenses should be generated from the Township’s QuickBooks system. QuickBooks provides a more granular break down between program and administrative expenses than MUNIS does. The below table shows the allocation of JMS Trust program and administrative expenses. The JMS Trust caseworker salary is assigned to program expenses. The administrative expense rate is around 30% each of the three fiscal years, a high rate for a charitable trust.

Actual Program and Administrative Expenses												
Fiscal Year	Program Expenses					Admin Expenses					Total JMS Trust Expenses	
	Total Grants	Program Services	Program Salaries & Benefits	Total Program Expenses	% of Total	Office & Overhead Expenses	Consultant	Admin Salaries & Benefits	ERI*	Total Admin Expenses		% of Total
2014	\$93,664	\$54,570	\$68,262	\$216,496	69.0%	\$2,084	\$0	\$75,330	\$19,877	\$97,291	31.0%	\$313,787
2015	\$105,097	\$40,205	\$71,099	\$216,400	71.0%	\$2,564	\$0	\$66,116	\$19,877	\$88,557	29.0%	\$304,957
2016	\$117,500	\$21,094	\$36,675	\$175,269	67.7%	\$2,826	\$7,100	\$53,793	\$19,877	\$83,597	32.3%	\$258,866

*Early Retirement Incentive for prior JMS Trust Administrator

Figure 12



The Township did point out that in each of the last three years the JMS Trust was significantly under budget in the disbursement of grant money. In FY 2014, the JMS Trust had over \$20,000 remaining in its grant budget at the end of the fiscal year. The JMS Trust fell under budget for grants by approximately \$10,000 in FY 2015 and \$50,000 in FY 2016. If the JMS Trust had distributed the full budget allocation of grant money in those years, the administrative expense rate would be meaningfully lower.

The early retirement incentive of nearly \$20,000 per year that the JMS Trust has been paying since 2012 for a previous JMS Trust Administrator also has significantly increased the administrative expense rate. The below table shows a breakdown of program and administrative expenses if all grant budgeted grant monies had been spent and the early retirement incentive expense was disregarded. Even when those considerations are taken into account, the administrative expense ratio is between 22%-25% for each of the fiscal years under review. The Township Supervisor and Comptroller indicated that the JMS Trust has made in early 2017 the final early retirement incentive payment.

Program and Administrative Expenses - Scenario: All Budgeted Grant Funds Spent and No ERI												
Fiscal Year	Program Expenses					Admin Expenses						Total JMS Trust Expenses
	Total Grants	Program Services	Program Salaries & Benefits	Total Program Expenses	% of Total	Office & Overhead Expenses	Consultant	Admin Salaries & Benefits	ERI*	Total Admin Expenses	% of Total	
2014	\$115,000	\$54,570	\$68,262	\$237,832	75.4%	\$2,084	\$0	\$75,330	\$0	\$77,414	24.6%	\$315,246
2015	\$115,000	\$40,205	\$71,099	\$226,304	76.7%	\$2,564	\$0	\$66,116	\$0	\$68,680	23.3%	\$294,983
2016	\$167,500	\$21,094	\$36,675	\$225,269	78.0%	\$2,826	\$7,100	\$53,793	\$0	\$63,720	22.0%	\$288,989

*Early Retirement Incentive for prior JMS Trust Administrator

Figure 13

Township Staff Salary Allocation to JMS Trust

A significant portion of the administrative expenses are related to JMS Trust salaries and benefits. Due to the intergovernmental agreement between the City of Bloomington ("City") and the City of Bloomington Township ("Township"), the Township employees administer and run the JMS Trust program. Those Township employees that perform work for the JMS Trust have a portion of their salary drawn from the JMS Trust account. Below is an historical summary of the salary allocation of Township staff from the JMS Trust account. Figures were provided by the Township Comptroller during BRONNER'S January onsite visit.

FY 2014				
Employee	JMS Trust Role	Township Salary & Benefits	JMS Trust Salary Allocation Rate	Salary & Benefits Paid by JMS Trust
D. Beverly	Referral, Intake & Admin Support	\$52,464.35	50%	\$26,232.18
A. Coombs	Referral, Intake & Admin Support	\$54,315.60	50%	\$27,157.80
D. Skillrud	Administrator	JMS Trust Stipend \$19,286.88	100%	\$19,286.88
S. Uzueta	Case Worker	\$68,262.28	100%	\$68,262.28
			FY 2014 TOTAL	\$140,939.14

FY 2015				
Employee	JMS Trust Role	Township Salary & Benefits	JMS Trust Salary Allocation Rate	Salary & Benefits Paid by JMS Trust
D. Beverly	Referral, Intake & Admin Support	\$33,971.57	50% thru 9/20/14	\$16,985.79
A. Coombs	Referral, Intake & Admin Support	\$56,010.43	50%	\$28,005.22
C. Davis	Comptroller	\$89,158.57	10%	\$8,915.86
A. Howe	Referral, Intake & Admin Support	\$7,718.93	50%	\$3,859.47
D. Skillrud	Administrator	JMS Trust Stipend \$19,162.64	100%	\$19,162.64
S. Uzueta	Case Worker	\$71,098.99	100%	\$71,098.99
			TOTAL	\$148,027.95
FY 2016				
Employee	JMS Trust Role	Township Salary & Benefits	JMS Trust Salary Allocation Rate	Salary & Benefits Paid by JMS Trust
A. Coombs	Referral, Intake & Admin Support	\$22,528.46	50% thru 8/31/15	\$11,264.23
C. Davis	Comptroller	\$97,438.59	7%	\$6,820.70
A. Howe	Referral, Intake & Admin Support	\$32,760.44	50%	\$16,380.22
D. Skillrud	Administrator	JMS Trust Stipend \$19,188.72	100%	\$19,188.72
S. Uzueta	Case Worker	\$73,349.49	50%	\$36,674.75
			TOTAL	\$90,328.62
FY 2017 (5/1/2016 – 12/31/2016)				
Employee	JMS Trust Role	Township Salary & Benefits	JMS Trust Salary Allocation Rate	Salary & Benefits Paid by JMS Trust
C. Davis	Comptroller	\$69,852.34	3%	\$2,095.57
A. Howe	Referral, Intake & Admin Support	\$28,595.38	30%	\$8,578.61
D. Skillrud	Administrator	JMS Trust Stipend \$13,016.48	100%	\$13,016.48
S. Uzueta	Case Worker	\$51,208.27	20%	\$10,241.65
			TOTAL	\$33,932.32

Figure 14

Effort Tracking/Cost Allocation Methodology

There is no set methodology used by the Township Supervisor to determine the percentage of Township employee's salary that will be paid out of the JMS Trust account. There is no documentation trail that shows how the salary allocation rate is set. Based on interviews with the Township Supervisor, an estimate is made by the Township Supervisor when setting the budget for the next fiscal year.

Throughout the first year of the current Township Supervisor's term in FY 2014, all Township staff that

performed JMS Trust works maintained detailed time sheets by the hour of JMS Trust activity. This time tracking methodology was found to be too cumbersome and was not continued after the first year.

It should be noted that beginning in the upcoming fiscal year, commencing in May 2017, the Township Supervisor will no longer draw a stipend from JMS Trust and the Administrator role will be performed free of charge.

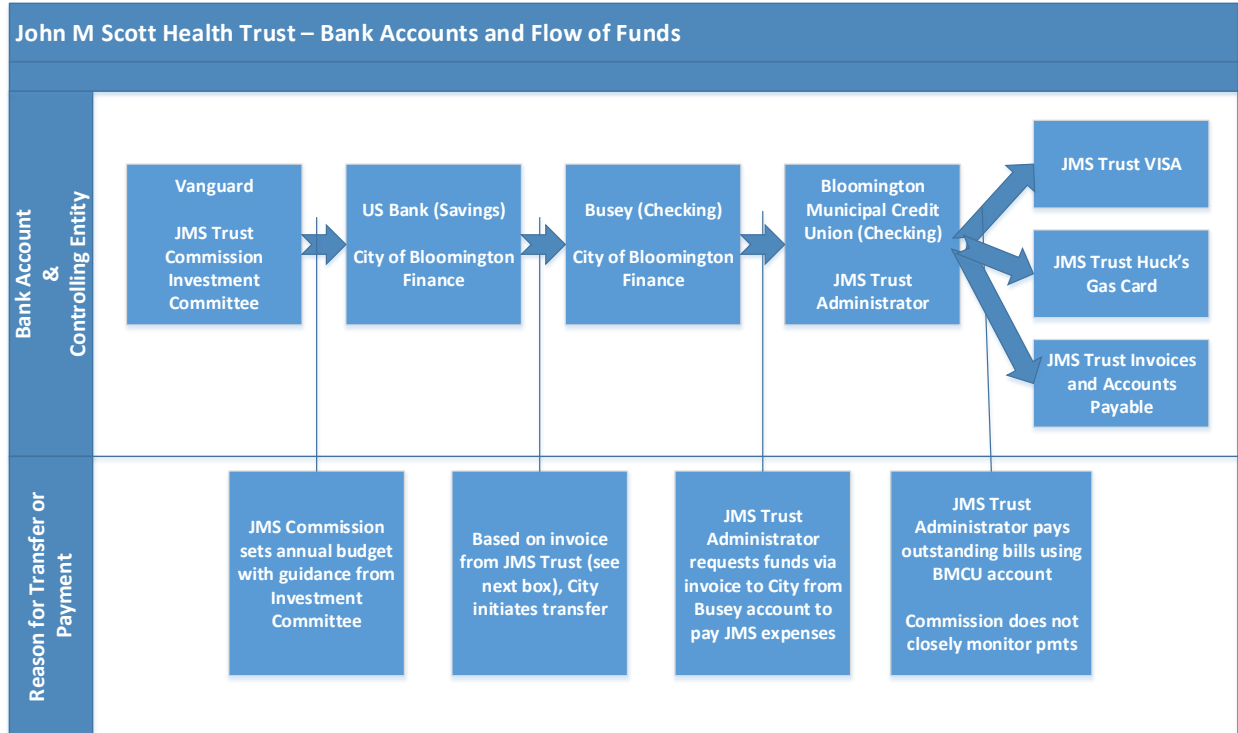
Marketing and Promotion of JMS Trust

Based on interviews with the Township Supervisor there are no initiatives underway that actively market or promote JMS Trust services within the community. As noted above, in 2014 the Township Supervisor did spend \$5000 of JMS Trust funds to sponsor the Community Health Care Clinic's fundraiser luncheon. This sponsorship was intended to build awareness of JMS Trust's services and partnerships within the community.

The BRONNER Healthcare Subject Matter Expert believes that with some strategic outreach and networking within the community, the JMS Trust should be able to receive in-kind donations and promotions to better market its services to those in need. Potential marketing partners and benefactors could include local hospitals and clinics, social service providers, large organizations in the area that make philanthropic contributions in the area (e.g. State Farm), and the City of Bloomington itself as the funds trustee.

Flow of Money Through JMS Trust-related Accounts

One issue raised was how the funds from the Trust move from the investments accounts to pay for the services. This transfer of funds is complicated by the fact that the City acts as the Trustee and the Township Supervisor acts as administrator. Below is a summary of the flow*.



*Based on interview with JMS Trust Commissioner Brandi Sweeney, Township Comptroller Catherine Davis, and Township Supervisor/JMS Trust Administrator Deb Skillrud.

Figure 15

BRONNER's review found that there was proper internal controls and documentation of the fund transfers.

Organizational Issues

As cited throughout the report, the roles, and responsibilities of the Commission, Trust Administrator and the City need clarification. It cannot be stressed strongly enough that all parties involved displayed integrity and a clear intent to fulfill the goals of the JMS Trust. Below is a discussion of the issue and potential organizational structures.

Role of JMS Trust Commission and Township Supervisor

During interviews with the JMS Trust Commission and the Township Supervisor, concerns were raised regarding the proper delineation of responsibilities between the Commission and the Township Supervisor. The Commission was concerned that the Township Supervisor made unilateral decisions on spending without review or approval by the Commission. The Commission members BRONNER has spoken with feel that their collective expertise in the delivery of health care services is not being considered or is being discounted by the Township Supervisor. The Township Supervisor questioned whether the Commission is a governing body or an advisory body. The Township Supervisor also mentioned that she reached out to the Bloomington City Council to better understand her role but has not gotten a clear reply.

These issues can be traced to a lack of clarity in the governing documents – the Declaration of Trust, the JMS Trust Bylaws, and the Intergovernmental Agreements between the City of Bloomington and the Township. The JMS Trust lawyer, Mr. Tom Herr, referenced these governing documents in a November 2016 memorandum in which he wrote “the John M. Scott Trust instrument, intergovernmental agreements, bylaws and other applicable governing instruments have issues regarding compatibility and consistency.”

The Bloomington City Council should confer with the JMS Trust Lawyer, Mr. Herr, to review the various governing documents and make appropriate updates to the bylaws to reflect its intent going forward. Clear definitions of the roles of the JMS Trust Commission and JMS Trust Administrator should be part of this exercise.

Alternative JMS Trust Structures

BRONNER has identified three alternative structures for the JMS Trust going forward. Alternatives were reviewed with a Healthcare Subject Matter Expert after providing background information on JMS Trust operations and services. Her insights are included below.

Option 1 – Maintain Current Operating Model

Under the current operating model, an annual budget is submitted to the Bloomington City Council to approve. The JMS Trust would continue to provide direct services and grants, although the exact services and the budget for those serviced can be adjusted year to year based on the healthcare landscape and areas of need within the region. The Township would continue to administer the JMS Trust through the intergovernmental agreement. The JMS Trust Commission can propose a budget to the Bloomington City Council for their approval. The Township Supervisor/JMS Trust Administrator has the ability to propose an alternative budget to the City Council as a non-voting member of the Commission if the Township Supervisor has a different vision for the Trust. The City Council retains its ability to approve the budget of its choice.

This option is advantageous due to the uncertainty around the future of the Affordable Care Act in the near term. Additionally, the Township's administrative costs are likely to decline further because the JMS Trust no longer has to pay for the early retirement incentive of a prior administrator and the current Township Supervisor will no longer receive a JMS Trust stipend beginning in FY 2018. However, there are significant concerns with this option as well. Administrative costs remain high compared with other charitable organizations. The current case management system is insufficient for a direct care service provider and requires some investment in time and resources to transition to an electronic system of some kind. The grant-reporting framework must also be enhanced to measure grantee outcomes and to ensure grant funds are being spent appropriately.

Option 2 – Transition to a Grants Only Model

This option was proposed by the JMS Trust Commission as recently as December 2016. This option would likely lead to dissolution of the intergovernmental agreement with the Township. The JMS Trust Commission would remain in place and provide oversight of the grant-making and grant-monitoring process. In a memorandum dated November 29, 2016, the Trust lawyer laid out the steps that should be taken to move toward this model.

The December 2016 proposal from the JMS Trust Commission outlines a number of benefits associated with transition to this model. The primary benefit is that less of the JMS Trust funds would be spent on administrative costs, maximizing the funds used for increased health benefits to the underserved in McLean County. The proposal lists a number of existing organizations that provide similar services to uninsured or underinsured residents of McLean County that are good candidates to receive grant funding. That list is included in the appendix to this report.

The BRONNER Healthcare Subject Matter Expert recommends the transition to the Grants Only model due to the

- limited overall budget,
- high administrative costs,
- the continued drop in requested services,
- the limited scope of services,
- the need due to State budget cutbacks, and
- the lack of case management software

A transition to the grant will require:

- policy guidelines and
- communication plan to potential applicants with timelines and requirements
- a plan for oversight of the grant making process
- a plan for reporting requirements

The Grant Request for Proposals can be tailored to cover only services the JMS is interested in funding, i.e., prescription drugs, dental services or behavioral health. It allows the Commission to decide what its priorities are for how the money should be allocated.

To properly manage the grant-making and grant-monitoring process, the JMS Trust may need to invest in grant-monitoring software or some system to manage the process. From discussions with JMS Trust Commission members, there may be opportunities to partner with a local foundation(s) to leverage their grant software. If this option is selected, potential partnerships should be identified as a means to further reduce administrative and overhead costs. It should also be considered that transition to a Grants Only model will not eliminate administrative costs. Grantees receiving funds will have administrative and overhead costs of their own. The JMS Trust should ensure that potential recipients of funds have administrative costs that are in line with industry standards.

Option 3 – Hire an Executive Director to Administer JMS Trust

Hiring a full-time Executive Director to oversee the JMS Trust is an opportunity to grow the Trust's role in the community. The Township Supervisor, whoever he or she may be, cannot always be anticipated to be well versed in the minutiae of the local health care needs within the community or a healthcare expert. The Commission has the local healthcare knowledge but not the focus or time commitment necessary to administer a program. This option has the most open questions, as it is not clear whether the JMS Trust would continue to provide services and grants or to shift direction based on the vision of the new Executive Director. It is likely that the intergovernmental agreement would be dissolved if this option were pursued. The role of the Commission in this model would also need to be closely examined to ensure the Bloomington City Council remains as the ultimate governing body due to their role as Trustees. Additionally, there will be significant additional administrative costs associated with hiring an Executive Director, especially one with deep health care knowledge.

About BRONNER

Established in 1987 by Gila J. Bronner, BRONNER is a certified CPA firm and woman owned business enterprise (WBE) focused exclusively on providing service to government agencies at the federal, state, and local levels. BRONNER has a long, successful track record of performing financial management, accounting, attestation, and consulting services for state and local governments, and other governmental entities. BRONNER experts work with government to create **strategy**, assist in the **transformation** of an organization, and ensure **accountability** to oversight officials and taxpayers.

BRONNER Auditors

The following BRONNER staff conducted the internal review of the John M Scott Health Trust:

- Don Davis BRONNER Director of Professional Services
- Dan Hughes BRONNER Government Services Consultant
- Joshua Diamond BRONNER Government Services Auditor
- Josh Nicholas BRONNER Government Services Auditor
- Gretchen Grieser BRONNER Healthcare Subject Matter Expert

Supporting Documents and Interviews

Reference Materials

- City of Bloomington Township Monthly Board of Trustee Packets
- 2009 Intergovernmental Agreement between City of Bloomington and City of Bloomington Township
- JMS Trust Bylaws, 2004
- Dunn Law Firm, LLP – Reorganization of Trust/Corporate Structure Memorandum, November 2016
- JMS Trust Commission - A Proposal for John M. Scott Health Care Trust Operation, December 2016
- JMS Trust Chart of Accounts
- JMS Trust General Ledger FY 2014 – FY 2016
- JMS Trust Check Stubs and Invoices FY 2014 – FY 2016
- Township of the City of Bloomington Employee Earnings Summary
- List of frequent JMS Trust vendors
- JMS Trust Grantee Reports and Grant Applications

Interviews held throughout the course of this engagement included:

- JMS Trust Commission members
 - Susan Albee-Grant, Chairperson
 - Donna Hartweg, Vice Chairperson
 - Brandi Sweeney
 - Dr. Jim Swanson
 - Dr. John Couillard
- Tom Herr, JMS Trust Attorney
- City of Bloomington Township staff
 - Deb Skillrud, Township Supervisor and JMS Trust Administrator
 - Stephanie Uzueta
 - Catherine Davis
- City of Bloomington
 - David Hales
 - Patti-Lynn Silva
 - Jeff Jurgens

Appendix: JMS Trust Program Activity: Fiscal Years 2014 – 2017

Data extracted from the monthly City of Bloomington Township Board of Trustee Reports

Scott Health Resources:	FY 2014													FY 2015												
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	YTD	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	YTD
Private Dental Procedures	42	36	34	55	22	30	20	20	8	8	16	16	307	22	34	15	19	8	11	15	12	7	9	8	6	166
MCHD Dental Patients																										
MCHD Dental Procedures																										
Health Referrals Orders	25	14	26	25	15	31	46	11	10	10	15	13	241	18	7	6	8	7	4	9	8	6	7	7	4	71
Med. Equipment/Supplies	6	2	1	2	0	5	8	8	1	1	1	1	36	5	2	1	1	6	3	2	1	1	1	0	1	24
Prescriptions Paid	32	37	33	35	31	48	45	21	21	25	22	9	359	38	40	45	25	24	29	19	25	29	8	32	19	333
# Maternal/Child Trips																										
# Maternal/Child Passengers	43	38	34	42	43	43	35	38	27	23	17	25	408	17	18	31	52	25	42	17	48	72	25	6	4	357
# Cancer Trips																										
# Cancer Passengers	14	28	18	16	18	22	26	35	52	47	37	60	373	63	27	19	16	11	42	32	34	27	33	65	63	432

Scott Health Resources:	FY 2016													FY2017							
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	YTD	May	Jun	Jul	Aug	Sep	Oct	Nov	YTD
Private Dental Procedures	13	5	0	9	5	7	5	17	16	4	10	12	103	7	12	3	12	0	13	15	62
MCHD Dental Patients	6	9	5	6	5	5	6	10	12	2	5	7	78	0	0	0	3	5	2	0	10
MCHD Dental Procedures	1	2	1	0	1	0	0	4	0	1	0	2	12	0	0	0	3	22	2	0	27
Health Referral Orders	11	16	19	18	17	13	18	13	16	15	9	10	175	6	7	3	8	0	11	14	49
Med. Equipment/Supplies	1	2	1	0	1	0	0	4	0	1	0	2	12	1	0	0	2	0	2	1	6
Prescriptions Paid	31	24	13	23	17	9	6	27	18	13	22	9	212	13	13	13	12	12	3	9	75
# Maternal/Child Trips	22	21	12	16	12	8	6	24	22	10	22	22	197	6	12	6	10	12	32	26	104
# Maternal/Child Passengers	31	24	13	23	17	9	6	27	18	13	22	9	212	5	12	8	11	28	33	26	123
# Cancer Trips	36	71	84	68	86	104	52	44	48	64	70	96	823	56	22	14	62	40	22	14	230
# Cancer Passengers	18	40	42	35	44	60	35	22	30	29	36	47	438	34	11	7	31	19	9	20	131



Appendix: JMS Commission Redundant Services

Examples of Current Service Providers to Uninsured or Underinsured in McLean County (a partial listing)

Since the creation of the John M. Scott Health Care Resource Center (JMS) in 1981, many new organizations now provide services to the underserved, uninsured, as well as those with Medicaid and other governmental resources. JMSHC currently provides grants to select provider agencies, with potential to serve significantly more through an enhanced grants program.

<i>Type of Service</i>	<i>Agency</i>	<i>Population</i>	<i>Scott Grant Recipient</i>	<i>Resources:</i>
PRIMARY CARE				
Primary Medical Care, with prescription services	Community Health Care Clinic	Uninsured; Underinsured;	Yes	<p>chcchealth.org/</p> <p>(This agency serves a similar population as JMS; It replaced JMScott's direct services such as physical assessment and treatment in the early 1990s).</p> <p>FY15-16: Served 967 unduplicated patients, with 8163 visits. 165 were new patients in this fiscal year. 19,647 prescriptions were dispensed; (retail value of \$2,114, 267.00)</p>
Hospital Care (collaborative program with the Community Health Care Clinic)	OSF St. Joseph; Advocate BroMenn	Uninsured; Underinsured-	No	<p>In-kind services provided by two hospitals to the Community Health Care Clinic patients (data provided by CHCC).</p> <p>FY15-16: Emergency Services: 539,347; Inpatient services: \$1,118,582 Imaging services: \$526, 245. Laboratory services: \$331,400. Therapy: \$96,256 Other: \$644,506.</p>

Primary Medical Care	Immanuel Health	Medicare; Medicaid; Uninsured; Underinsured	No	http://immanuelhealth.org/the-vision/
Primary Medical Care	Family Health Clinic	Insured; Medicaid; Medicare; and underinsured	No	www.advocatehealth.com/bromenn-family-health-clinic
Primary Health Care	Chestnut Family Health Center	Medicaid; Insured	No	http://chestnut.org/Family-Health-Center/Health-Center-Services (A Federally Qualified Health Center: https://en.wikipedia.org/wiki/Federally_Qualified_Health_Center)
BEHAVIORAL HEALTH				
Behavioral Health (Mental Health Services)	Center for Human Services	Insured; Medicaid; Medicare; Uninsured	Yes	Multiple services to all population; 24 hour crisis team, child and adolescent outreach services; counseling to all age groups; medication monitoring; recovery services.
Behavioral Health (Mental Health Services)	Chestnut Health Systems	Insured, Medicaid, Uninsured in Crisis Units	No	Provision of addiction treatment, mental health services for children and youth, community support services, crisis stabilization, psychiatric services http://chestnut.org
DENTAL HEALTH				
Dental Services	McLean County Health Department	Medicaid, uninsured (fee-for-service)	Yes	Children's basic dental services 4 days per week; adults are seen 2 Fridays per month currently www.health@mcleancounty.gov

Dental Services (pending the opening of their new clinic space)	Community Health Care Clinic	Uninsured	Yes	Qualification for services is yet to be determined
Dental Extraction Clinic (2x/year)	Dr. Doran, Capodice, Efaw, and Ocheltree	Uninsured, low-income	No	Volunteer oral surgeons and dentists perform 1-2 tooth extractions per person at no charge two Saturday mornings per year; usually accept 120 patients at each clinic
Dental Services	Lakewood Family Dental	Medicaid, insured	No	Private dental practice; do see folks with Medicaid coverage, including managed-care plans. Cleanings for adults are provided.
Dental Services	Everyone's Family Dental	Medicaid, insured	No	Private dental practice; do see folks with Medicaid coverage, including managed-care plans. Cleanings for adults are provided.
Dental Services	Optim Dental (new)	Insured, Medicaid	No	Private dental practice; do see folks with Medicaid coverage, including managed-care plans. Cleanings for adults are provided
TRANSPORTATION	Faith in Action	Free services; No income restrictions (medical and quality of life trips); ages 60+	No	25 congregations provide volunteers and also pay for taxi services, if needed. Sophisticated assessment service by nurses and caseworkers. 2015: Active Volunteer Drivers: 310 Active Care Receivers: 516 Total rides in system to date: 33,003 For 10/15-12/15: 2,290 rides
	YWCA Medivan	Assistance to Medicaid or Medicare individuals in McLean County	No	IN 2014-1015, YWCA provided 4,695 rides to 269 different individuals. \$93,257 was spent in transportation services for paid staff. Majority of riders pay nothing. Private pay rides are \$25 per trip. They would like additional grants to decrease this cost.

		to appointments; Charge for those without Medicaid or insurance. (This includes mothers/babies /children)		No age restrictions and one person allowed to accompany rider. Available to those in wheelchairs or with disabilities.
	Township	\$45,000.	No	General Assistance program: Aid is provided to help people deal with transportation needs. The assistance provided can include money to pay for gasoline, a bus ticket, and / or bus tokens.

sag/dlh/9-2016

**DOCUMENTS PRESENTED FROM
TOWNSHIP SUPERVISOR DEBORAH L. SKILLRUD**

A PROPOSAL
FOR THE CONTINUED OPERATION OF THE JOHN M SCOTT HEALTH RESOURCE
CENTER (JMSHRC)
THROUGH AN INTERGOVERNMENTAL AGREEMENT

PREPARED FOR THE BLOOMINGTON CITY COUNCIL WHO SERVE AS TRUSTEE OF
THE JMSHRC TRUST

BY

DEBORAH L. SKILLRUD
TOWNSHIP SUPERVISOR
SCOTT HEALTH COMMISSION MEMBER
STAFF ADMINISTRATOR

JANUARY 31, 2017

INTRODUCTION

A background history of Judge John M. Scott and the Scott Health Care Trust was summarized by Jeff Jurgens, City Corporation Council, in an August 22, 2016 Council Memo, (see attachment A).

After over three (3) decades, it is time to embrace change while at the same time retaining Judge Scott's legacy. Judge Scott moved to Bloomington in 1848. He practice law with Asahel Gridley in the Miller Davis Law Building. He served in a variety of local government positions: County School Commission, City Clerk, and Circuit Court Judge. He was appointed to the Illinois Supreme Court in 1870. He died in 1898 and is buried in Evergreen Memorial Cemetery.

The Trust has grown during the last thirty-six, (36), years. Trust assets have increased to over \$11.5 million. The past five, (5), year investment return has been 9.8%. In 1982, the Trust's value was \$5.4 million.

Since 1981, there have been five, (5), Administrators. From 1981 - 1988, the Township Supervisor acted as Administrator and Township staffed JMSHC. From 1988 - 2001, the City assumed JMSHRC administration and staffing. In 2001, Ruth Ann Sikora-Fraker, JMSHC Administrator was elected as Township Supervisor and the positions were merged. This remains true to this day.

Starting in 2012, JMSHRC program staff have been and remain Township employees with a percentage of their salary and benefits reimbursed to the Township from Scott Trust assets. Annual adjustments are made to the percentage of employee time.

This proposal suggests adopting a flexible and adaptable approach to determining and addressing unmet needs by clearly defining the intent of the Trust and supportive legal documents instead of reinventing it. This proposal does not suggest a re-organization of the existing framework.

Instead, this proposal addresses concerns and proposes recommendations presented by the Township Supervisor/Administrator.

SUMMARY

The Trust was established in 1981. In 2013, I was elected Township Supervisor. At the start of my term, there was a lot to learn. As Supervisor, I am responsible for all financial matters of the Township, the tax levy and budget ordinance, prevailing wage, the General Assistance program and Evergreen Cemetery. In addition, there was the JMSHRC, which is a unique entity.

I began by reviewing three, (3), key documents: 1.) Declaration of Trust, (see Attachment B); 2.) Commission By-Laws, (see Attachment C) and 3.) Intergovernmental Agreement, (IGA), with the City from August 2009, (see Attachment D). The Declaration of Trust is dated November 1981, the By-Laws were last updated in September 2004. The documents are not in alignment in the areas of roles and responsibilities. With the passage of time and personnel turnover, it is apparent that there is confusion regarding same.

There was also action by the federal government which had an impact. In 2010, the Affordable Care Act, (ACA), was signed into law. In January 2014, the health insurance marketplace also known as health exchanges were certified and enrollment commenced in October 2013. Under the ACA, Medicaid was expanded. Medicaid is a federal/state partnership with shared authority and financing which provides health insurance to low-income individuals, children, their parents, the elderly and people with disabilities. Medicaid includes CHIP, (Children Health Insurance Program). In Illinois, Medicaid was expanded under the ACA. This was voluntary action taken by the state. In 2017, the federal government will cover ninety-seven percent, (97%), of the cost. This will be reduced to ninety percent, (90%), in 2020 and thereafter. Currently, nineteen percent, (19%), of the state's population is enrolled in Medicaid and nine percent, (9%), remains uninsured. The income threshold for Medicaid eligibility is 138% of federal poverty guideline, (\$16,642 for an individual in 2017). This law impacted medical services and costs at the Township and for JMSHRC.

To date, the Congress has voted on sixty, (60), different occasions to repeal the ACA. At this time, it appears that there will be action to repeal and replace the ACA.

RECOMMENDATIONS

Challenge: The three, (3), key documents are not in alignment. Discrepancies in these documents result in ambiguity regarding roles and responsibilities.

Recommendation: Perform a legal review of these documents. Start with the Declaration of Trust and align and update the Commission By-Laws and the 2009 IGA with the Trust document.

Recommendation: Review and clarify roles and responsibilities of Trustees, Administrator, Commission and sub-committees, (if any).

Challenge: The Commission's proposal plans to change JMSHRC to a "grants only" program. I do not believe that this approach provides avenues to respond to unmet needs in the community. Grants and direct payments provide for needs that are already fulfilled in the community. Unmet needs should be targeted for qualified individuals that are recognized through an entry point. The Declaration of Trust, Article III Program, Section 2A. addresses unmet needs via caseworker assessment. The ACA has shifted unmet needs which should be addressed. JMSHRC has the unique flexibility to address same.

Recommendation: Allow Administrator to establish eligibility requirements as unmet needs present themselves through denials, telephone requests, statistics, walk-ins, etc. Following the ACA's implementation, individuals would have benefitted if the existing restrictions would have been addressed.

The Administrator and Township staff have recognized the following areas of unmet need:

- Remove eligibility restriction regarding recipients with no income.
- Remove eligibility restriction regarding recipients with other insurance or those that are receiving assistance from the City Township or Public Aid.
- Initiate a vision voucher program to private optometrists similar in structure and fee schedule as the private adult dental program.
- Expand transportation services to all medical, dental and vision appointments while continuing to search for an agency which will provide access to health care services as Judge Scott intended.
- Provide oral surgery coverage for complicated dental needs.
- Provide for dental flippers, bridges and dentures with a yearly budgeted amount.
- Remove prescription parameters to provide non-formulary psychotropic and diabetic medication coverage.
- Remove residency restriction. *(Suppose to serve all McLean County residents)*

Challenge: On boarding newly elected officials and commissioners of Judge Scott's history and the roles and responsibilities of the Trust.

Recommendation: Develop an orientation program which will assist newly elected officials and commissioners to be successful while focusing on the needs of the disadvantaged in our community.

- Develop process to pilot changes to direct services and programs.
- Review grants committee, policy and procedures with the Trustees.
- Full compliance with Open Meetings Act.
- Establish a conflict of interest policy.
- Process/procedure for budget adoption and implementation.
- Orientation would include review of framework and function of JMSHC.

Challenge: Compliance with Open Meetings Act to align with City's policy on openness and transparency.

The Declaration of Trust Article V. Administration, Section 1. States that the JMSHRC would be administered in accordance with the general plan expressed by John M Scott in Article 11 of his will. His intention was to have public oversight of his private dollars. Programs and services are paid for with private funds. The JMSHRC is housed in the Township building and staffed by Township employees. It has an advisory commission that meets in this building. All overhead costs are covered by the Township. To the average citizen, this is a public commission.

Recommendation: Full compliance with the Open Meetings Act. This would include posting agendas and minutes, participation at commission meetings, etc. This law has seen numerous amendments since 2004 with major changes made to the law in 2010.

PROGRAMS

Judge John M Scott was a justice of the Illinois Supreme Court in the 1800's and a resident of McLean County. He directed that a portion of his estate be used to ensure health care for persons unable to afford it themselves.

In 1981, the City become Trustees to \$5.4 million designated for a Health Resource Center. An eleven, (11), member Commission was established. Seven, (7), members are appointed by designated organizations and the four, (4), remaining members are appointed by the Trustees.

Program and service funding are paid from the Trust's investment revenue.

Under the Trust, provision is made for selected health care services for medically indigent person in McLean County, (185% of federal poverty guideline or \$22,311 for an individual in 2017). Scope of services includes purchase of care for individuals and grants in aid for community agencies without duplicating or supplanting services available through other agencies or payment sources.

Township employees and volunteers provide screenings, health care financing, information and referral, health education, transportation and advocacy. These efforts assist individuals to access needed health care, prescription medications, nutritious meals and other services that promote good health.

Current Programs:

Maternal/Child Health/Cancer Patient Transportation Program: provides safe and reliable transportation within Bloomington/Normal for pregnant women, sick children and cancer patients to medical appointments. All drivers are volunteers.

Gary S. Johnson Dental Clinic: provides free dental service twice a year through the offices of Doctors Doran, Capodice, Efaw & Ocheltree. Local dentists volunteer their services to treat patients, community volunteer handle registration process. Volunteers from State Farm Insurance provide interpretation services for Spanish speaking patients.

Medicare "Donut Hole" Prescription Assistance: provides help paying for medicine to individuals who have reached maximum coverage for prescription medications.

Prescription Medicine Fund: provides help paying for medicines for individuals with limited income and limited assets.

Indigent Patient Fund: provides help paying for health services not available through other organizations. There are annual maximum benefits per individual/household and copayments for dental services, physician services, medical equipment and supplies when ordered by a physician, and mental health medications.

Adult Dental Services: provides up to \$500 in dental services per client per year to be served by the McLean County Health Department Adult Dental Clinic and private dentists in the community.

Current Grants: Are provided to programs that follow the mission of Judge Scott.

Community Health Care Clinic (CHCC): Operations - \$50,000; Pharmacy Coordinator - \$10,000. 967 unduplicated patients; 165 new patients; 8,163 patient exams; 3,245 medication pick-ups, 19,647 prescriptions dispensed with a value of \$2,114,266.77; and 456 appointments with specialty physicians.

McLean County Center for Human Services: Psychiatric Services - \$55,000. 844 clients served.

Center for Youth & Family Services: Youth & Family Counseling referred by CHCC - \$10,000. 23 unduplicated individuals and 281 hours of counseling services.

Peace Meals: Home Delivered Meals in McLean County - \$7,500. 39,699 meals served; seventy percent (70%) of meals delivered to City residents.

The priority at this time is for JMSHRC to find collaborative means to address community needs. It is time to explore opportunities for new pilot projects in light of local community needs/assets, state financial situation and potential changes to health care at the federal level. There needs to be continued efforts to explore referral services, collaborative partnerships and direct service providers for McLean County residents in need of health care assistance.

BUDGET

In 2009, the City and City Township entered into an IGA that allowed the day to day operations of JMSHRC to be administered by the Supervisor. The City determined the programs and services provided by JMSHRC would be delivered best by utilizing Township personnel and facilities. This IGA enabled the Township and JMSHRC to provide services conveniently, efficiently and at a lower cost.

The Township is reimbursed for cost incurred for JMSHRC operations including labor. Revenue to cover these expenses comes from investment income. JMSHRC has no employees.

Health care programs and services are determined by the Trustees, (i.e. City Council), upon Commission recommendations. The Commission is an advisory body to program operation. Programs and services are implemented by the Supervisor.

In Fiscal Year, (FY), 2018, administrative expenses will decrease by 24.4% compared to FY 2017. This decrease is accountable to two, (2), events. This first is related to the retirement of Ruth Ann Sikora-Fraker. In 2009, Ms. Sikora-Fraker chose to retire under the City's IMRF ERI, (Illinois Municipal Retirement Fund Early Retirement Incentive), program. Ms. Sikora-Fraker had been employed by the City as the Scott Health Resource Director from 1992 – 2009. Her salary from this position qualified her for this program. There was a three and half, (3½), year period, (May 2001 – 2004), where Ms. Sikora-Fraker only received salaried compensation from the Township. The City paid Ms. Sikora-Fraker \$42,227 in OPEB, (Other Post-Employment Benefits), at the time of her retirement. In addition, the City charged back the employer cost of the IMRF ERI to Scott Health commencing in FY 2012. The annual payments of \$19,877 were paid over a six, (6), year time frame. The second is related to the Compensation Ordinance for Township Officials. In 2005, the Supervisor was provided with a stipend from JMSHRC. These dollars were not accounted for in past ordinances. In 2016, the Compensation Ordinance provides that the Supervisor's salary is paid with Township dollars. The Supervisor's position was full time and therefore the Township is responsible for the salary. The Supervisor does not receive additional compensation for her oversight role of the Evergreen Memorial Cemetery, (a component unit of the Township).

Township staff has worked to separate administrative costs from program costs. This has been down to align budgetary costs with other social services. JMSHRC is not charged for administrative overhead, (i.e. rent, utilities, (i.e. water, electric, gas, sewer, refuse), office supplies, information technology, insurance, etc.)

PROPOSED JMS BUDGET FY2018

COB CODE			ESTIMATED BUDGET	BUDGET TOTALS
	ADMINISTRATIVE EXPENSES			
75070		Salaries		
		JMS Administrator	\$0	
		Comptroller	\$2,500	
			\$2,500	
75070		Administration Benefits/Taxes		
		JMS Administrator	\$0	
		Comptroller	\$900	
			\$900	
89112		ERI	\$0	
		Office Expenses		
70690		Other Purchased Services	\$500	
71340		Telecommunications	\$650	
70010		Legal	\$5,000	
71017		Postage	\$500	
71010		Office Supplies	\$200	
70611		Printing	\$1,000	
			\$7,850	
		TOTAL ADMIN EXPENSES		\$11,250
	DIRECT SERVICES EXPENSES			
75070		Direct Services Salaries		
		Intake/Reception (30%)	\$11,100	
		Caseworker (20%)	\$12,100	
			\$23,200	
75070		Direct Services Benefits/Taxes		
		Intake/Reception (30%)	\$4,550	
		Caseworker (20%)	\$3,850	
			\$8,400	
		Other Client Services	\$52,000	
		Other Purchased Services & Supplies	\$1,500	
		Mobile Device	\$60	
70520		Vehicle Maintenance	\$1,000	
71070		Vehicle Gas	\$2,000	
70210		Labs & Other Medical	\$0	
70030		Client Dental Services	\$20,000	
79090		Client Prescriptions (Formulary)	\$20,000	
79980		Special Programs (Medical Supplies)	\$5,000	
79990		Mental Health Services & Meds	\$10,000	
70020		Physician Services (Office Visits , lab, xray)	\$3,000	
			\$114,560	
		TOTAL DIRECT SERVICES EXPENSES		\$146,160
	GRANT EXPENSES			
70190		COMMUNITY GRANTS		
		Contingency Grant (Unplanned)	\$10,000	
		Mental Health	\$30,000	
		Adult Dental - Restorative	\$20,000	
		CYFS	\$10,000	
		MCHD Adult Dental - Pain	\$15,000	
		Peace Meal	\$7,500	
		CHS - APN	\$25,000	
		CHCC - Operations	\$50,000	
		CHCC - Pharm Tech	\$10,000	
		Other	\$19,117	
			\$196,617	
		TOTAL GRANTS		\$196,617
	TOTAL EXPENSES			\$354,027

INVESTMENT COMMITTEE

In 1992, the JMSHRC had a budget crisis. By 1997, the revamped financial plan combined with cooperation from local social service agencies and budget tightened, meant a full recovery.

In 1981, JMSHRC was established with \$5.4 million trust. These funds were to provide health care for individuals who were unable to afford same. Generally, the interest on the trust equals the annual budget. JMSHRC receives no tax support.

From 1981 – 1992, interest rates went from 14.3% to 4.6%. This occurred at a time when need was growing. The McLean County Circuit Court granted permission to change from a low risk investment strategy to a higher risk plan. A portion of the trust was invested in stocks and bonds.

In 1993, an Investment Committee was formed. The new investments were completed. \$3 million was invested in higher risk stocks and bonds with the remainder invested in fixed securities. This committee was never added to the Scott Commission Bylaws.

By 1996, the market value of the trust was \$8.5 million. In 2017, the market value has grown to \$11.5 million.

The Investment Committee has stayed the course for trust fund investments since that time.

CONCLUSION

It is time to right the ship, not to abandon it. Judge Scott desired to have his assets serve the health care needs of disadvantaged individuals and that there would be follow through with their care. The City Township serves a similar population of individuals. The Township Supervisor/Administrator serves as the liaison to the City Council. As an elected official, my hope is to maintain Judge Scott's desire for public oversight. I recommend continued involvement of the Supervisor as JMSHRC Administrator.

Due to current unmet needs in the community and proposed changes to the ACA, JMSHRC needs to become proactively engaged.

The outcome of the document review and realignment would be to provide clear direction regarding the roles and responsibilities of the City Council as Trustees of the Trust, the Scott Commission as the advisory board, and the Administrator, to implement procedures to inform elected officials and to formulate a communication procedure which provides a channel to vet differing recommendations.

Township Response for Option 1
Township preference is for Option 1.

- There has already been a significant reduction in administrative costs; expenses which Township had no control over have now been finalized.
- Current Supervisor initiated first Strategic Planning (2014) meeting in over 6 years in anticipation of the ACA.
- Current Supervisor established a grant application process.
- Current Supervisor completed backlog of Annual Reports.
- Concerns regarding discussions at the federal government level regarding the repeal/replacement of the ACA and the current financial status of the State of IL.
- There is an opportunity to move forward in a positive direction.

Township Response for Option 2

- Question the dissolution of the IGA. The Township may be able to fulfill the role of Grant Administrator.
- This option stated that a software/system would be needed to manage grant making/monitoring. An average of 6.5 grants was issued in the last 4 fiscal years.
- In addressing RN recommendation #2, administrative costs continue to markedly decline as ERI, supervisor stipend, and unplanned consultant and legal expenses have finalized.
- In addressing RN recommendation #3, the Commission failed to take action to address eligibility in light of the ACA.
- Administrative and overhead costs are unknown. These costs would be present in any potential partnership and any/all grantees.
- Case management uses Munis software to store and support case management.

Township Responses for Option 2 continued...

- Commission during FY 14, 15 and 16 did not award all grant funds. The remainder of funds budgeted but not awarded was \$20,000, \$10,000 and \$50,000. Fully awarding all grant dollars would have lowered the administrative expense percentage in the years listed
- At Township, JMS does not pay rent, utilities, computer services, internet, business liability insurance, worker's comp, liability, snow removal/mowing, supplies, janitorial services, long distance phone service, building maintenance/repair, fax line.
- Through IGA with City, vehicle maintenance/repairs at reduced cost, vehicle licensing at reduced cost, cell phone for transportation service at reduced cost.

Township Response for Option 3:

Township finds option 3 is least desirable.

The future of JMS is undefined. The impact upon the IGA is unknown. The role of the Commission is unknown. It is believed that administrative costs would be higher than the other two (2) Options.

BRONNER REPORT OPTIONS **based on February 2017 “Draft” of audit**

Following is a summary of the advantages, concerns and additional comments regarding the Bronner Report options. Township’s response to these options is provided at the end of each option.

Bronner Group Option 1 - Maintain Current Model

Budget submitted to the City. Continue direct services and grants which can (and should) be adjusted annually based upon ongoing community needs assessment. Administered through an Intergovernmental Agreement, (IGA). Commission-proposed budget to the Council for approval. Supervisor/Administrator given the ability to propose an alternative budget to Council as Commission member if holds a different vision.

Advantages as presented by Bronner Group:

- 1) retain flexibility to respond due to uncertainty of Affordable Care Act (ACA) verses American Healthcare Act (HCA)
- 2) continued decline for Township administrative costs, (i.e. no more Early Retirement Incentive (ERI) payments, no stipend for Supervisor, no strategic planning consulting expenses, no unplanned legal expenses).

Concerns as presented by Bronner Group:

- 1) Investment in time and resources to transition to an electronic system for case management for direct care service provider.
- 2) Need for enhanced grant reporting framework to measure outcomes and appropriate expenditure of trust dollars.

Caution: The belief that administrative costs were high compared to other charitable organizations. Concerns which were raised by the Guardian Ad Litem over high administration costs have been finalized at fiscal yearend 2017: *ERI, Supervisor stipend, strategic planning consultant expenses, and unplanned legal expenses*).

Past/current practice: Supervisor/Administrator prepares draft budget, Commission reviews/recommends budget which is forward on to the City.

Township Response for Option 1: Township preference is for Option 1.

- There has already been a significant reduction in administrative costs; expenses which Township had no control over have now been finalized.
- Current Supervisor initiated first Strategic Planning (2014) meeting in over 6 years in anticipation of the ACA.
- Current Supervisor established a grant application process.
- Current Supervisor completed backlog of Annual Reports.
- Concerns regarding discussions at the federal government level regarding the repeal/replacement of the ACA and the current financial status of the State of IL.
- There is an opportunity to move forward in a positive direction.

Bronner Group Option 2 - Transition to Grants Only Model

Proposed by Commission in December 2016. Dissolution of IGA. Commission remains in place to provide oversight of grant making and monitoring. Trust's attorney laid out steps to move towards this model in November 2016.

Advantages presented by Bronner Group:

- 1) lower administrative costs
- 2) maximize dollars directed towards health benefits to underserved in McLean County
- 3) existing community organizations that provide services to underinsured/uninsured

RN (Bronner Group Consultant) recommended due to:

- 1) limited budget
- 2) high administrative costs
- 3) decline in service requests
- 4) scope of services offered
- 5) need due to State budget
- 6) lack of case management software

Transition would require:

- 1) policy guidelines
- 2) communication plan to applicants with timelines and requirements
- 3) plan for oversight of grant making process
- 4) plan for reporting requirements.

Caution: Recommendation assumes duplication of services from other service providers; however, it overlooks the fact that they serve different client bases and do not overlap.

Past/current practice: The Commission makes the decision regarding dollar allocation and priority funding for grants. Commission during FY 14, 15 and 16 did not award all grant funds. The remainder of funds budgeted but not awarded was \$20,000, \$10,000 and \$50,000. Fully awarding all grant dollars would have lowered the administrative expense percentage in the years listed. There should be a focus on awarding all budgeted grant dollars every fiscal year. An average of 6.5 grants was awarded each of the past 4 years.

Opportunity to partner with local foundation (i.e. IL Prairie Foundation?)

Potential partnership identified as a means to reduce administrative and overhead costs. But, the Grants only model will not eliminate administrative costs. Grantees who receive trust dollars will also have administrative and overhead costs.

Township Response for Option 2:

- Question the dissolution of the IGA. The Township may be able to fulfill the role of Grant Administrator.

- This option stated that a software/system would be needed to manage grant making/monitoring. An average of 6.5 grants was issued in the last 4 fiscal years.
- In addressing RN recommendation #2, administrative costs continue to markedly decline as ERI, supervisor stipend, and unplanned consultant and legal expenses have finalized.
- In addressing RN recommendation #3, the Commission failed to take action to address eligibility in light of the ACA.
- Administrative and overhead costs are unknown. These costs would be present in any potential partnership and any/all grantees.
- At Township, JMS does not pay rent, utilities, computer services, internet, business liability insurance, worker's comp, liability, snow removal/mowing, supplies, janitorial services, long distance phone service, building maintenance/repair, fax line.
- Through IGA with City, vehicle maintenance/repairs at reduced cost, vehicle licensing at reduced cost, cell phone for transportation service at reduced cost.
- Case management uses Munis software to store and support case management. There is no critical error issue as it was presented.

Bronner Group Option 3 - Hire an Executive Director

Hire a full time Executive Director who would be charged with growing JMS role in the community. Should be well versed in health care needs and have healthcare expertise.

Concern: Commission has local healthcare knowledge - not the focus or time commitment to administer.

Township Response for Option 3: Township finds option 3 is least desirable.

The future of JMS is undefined. The impact upon the IGA is unknown. The role of the Commission is unknown. It is believed that administrative costs would be higher than the other two (2) Options.

Open questions and concerns:

- 1) would JMS continue to provide direct services and grants or change direction;
- 2) what is the impact upon the IGA ;
- 3) role of the Commission would need to be examined as City Council is the ultimate governing body as Trustee; and
- 4) significant additional administrative cost.

The following items must be addressed regardless of direction chosen:

- 1) Declaration of Trust must be updated.
- 2) Determination of the Supervisor's role:
 - a) voting member of the Commission;
 - b) JMS Administrator – staff role/nonvoting Commission member; or
 - c) something new.

**DOCUMENTS PRESENTED FROM
JOHN M. SCOTT HEALTH CARE COMMISSION**

A PROPOSAL

For the
John M. Scott Health Care Trust Operation

Following Dissolution of Intergovernmental Agreement with
City of the Township of Bloomington

Prepared for the City Council of the City of Bloomington

By

The John M. Scott Health Care Commission
Susan Albee-Grant, Chairperson
Donna Hartweg, Vice-Chairperson

December 28, 2016

INTRODUCTION

The purpose of this document is to recommend a framework for John M. Scott Health Care (JMSHC) following the dissolution of intergovernmental agreements between the City of the Township of Bloomington and the City of Bloomington. This proposal will provide summary background information and outline future responsibilities of the City of Bloomington Council as Trustees, John M. Scott Board of Directors/Commissioners, and one staff director.

The information contained in this document is preliminary and based on investigation and study since 2015 when the John M. Scott Health Care Commissioners began intense strategic planning including review of the following: The McLean County Community Health Plan (2012-2017), The McLean County Mental Health Action Plan (2015), and the United Way Community Assessment Plan (2014). The goal was to envision a fiscally responsible future for the John M. Scott Healthcare Trust considering significant changes in health care funding and the burgeoning health care services existing for the underserved in this community. Since that time, committees have been formed and efforts made to better understand unmet health care needs of McLean County residents as well as existing services provided through other agencies. These include, in part, the Community Health Care Clinic, McLean County Health Department – oral health, Faith in Action and the YWCA- transportation services, Center for Human Services and Chestnut Health Care System for mental health services (See Table of Existing Services).

The Commissioners represent local health care professions and employers, are expert at identification and review of community needs, and are committed to honoring Judge Scott's significant gift to this community (See attached Commissioners' biographical information").

This proposal has one goal: To increase maximum funding from Judge John M. Scott's Trust to be used for increased health benefits to the underserved in McLean County.

GENERAL SUMMARY

This proposal has the potential to double the funds annually available to existing agencies through a grants-only program, thus increasing significantly those served through the Scott Health Care Trust . This would be accomplished through minimizing administrative costs and eliminating all costs associated with direct and referral services. As healthcare needs continue to grow in this community and are served by existing services, JMSHC will be able to provide greater support to existing programs and practices of local agencies and fund new initiatives where gaps exist in services.

The following summarizes background information on current services and programs provided by JMSHC.

1. Direct Client Service: At this time, John M. Scott Health Care Resource Center (JMSHR) provides only one direct client service – that of transportation to health care appointments by volunteer drivers and those employed at JMSHC. Other local agencies also support or provide sophisticated transportation services, such as Faith in Action and the YWCA. JMSHR continues with a small transportation service adding significant cost for staffing to maintain and coordinate a small group of volunteers (n=9 regular volunteers). Interestingly, JMSHR cancer clients are not screened for JM Scott eligibility which is inconsistent with Judge Scott’s goal to serve the needy. In addition, the City of Bloomington Township provides transportation through direct grants to such agencies. For example, FY17 Township budget includes \$45,000 for transportation.
2. Referral Services: All other programs at JMSHR are referrals to existing providers or services, such as prescriptions and dental services. By increasing grants to agencies providing these services to the underserved, JMS can help expand existing services without duplicating the expense of screening for eligibility with its concomitant staff expenses. Few individuals currently seek these referrals through JMSHR in comparison to the early

years (392 households in 1996; 38 in 2016). For FY17 (May through July), 9 households have been approved for service.

RECOMMENDED ORGANIZATIONAL FRAMEWORK

The following is one model for operationalizing a grants-only program.

Trustees: The City Council of Bloomington, acting as trustees for the estate, shall be the final authority for the following:

1. Bylaws approval
2. Board of Directors/Commissioner appointments
3. Program focus and administrative policy
4. Annual Budget
5. Trust fund investment policy
6. Review of annual audit from independent auditor

Board of Directors: The Board of Directors, representing diverse health care agencies and professions, shall serve as advisors to the Trustees, making recommendations on Bylaws, appointments, budget, program focus and health and investment policy.

The Board of Directors membership may include the following who serve at will according to terms identified in the Bylaws:

1. A representative of the McLean County Medical Society, selected by said Society
2. A representative of the McLean County Dental Society, selected by said Society,
3. A representative of Advocate BroMenn Health System, as selected by the governing Board
4. A representative of the Community Advisory Board of OSF St. Joseph Health System, selected by said Board

5. A representative for the Board of the McLean County Health Department, selected by said Board,
6. The elected Township Supervisor of General Assistance of the City of Bloomington Township
7. A representative of Second Presbyterian Church, as selected by the Church ruling elders of said church
8. Other representatives, not to exceed four (4) in number, as designated by the Trustees. These include representatives American Nurses Association – Illinois-McLean County (proposed by said organization); Bloomington Regional Optometric Society (proposed by said Society); Mid-Central Illinois Community Action (as proposed by said Board of Directors); and the United Way of McLean County (as proposed by said Board of Directors).

The Board of Directors shall elect officers and be organized into committees, including but not limited to a Grants Committee, Finance Committee, and Investment Committee. An annually appointed ad hoc personnel committee will be responsible for the position description, director search/hiring, and performance review of the one part time staff person.

Responsibilities include:

1. Recommend Bylaws, appointments, budget, investment and program policy to the Trustees
2. Recommend professional staff qualifications and appointment; and through ad hoc committee, conduct annual performance review
3. Identify types of grants for funding based on review of existing collaborative community needs assessments
4. Accept applications, review, and make recommendations for funding of grants based on accepted criteria.
5. Evaluate reports of all funded grants and make recommendations for future funding.

Operations: At least two options are proposed for management of the grants program for the John M. Scott HealthCare Trust.

Option 1: Staff Director: One part-time director will be responsible for organizational management.

1. Prepare annual budget and submit to Board of Directors for review, comment and recommendation to Trustees.
2. Prepare or cause to be prepared all records of receipts and disbursements for the program's operation. These will be maintained in a manner that all disbursements can be specifically identified with the approved budget and readily audited using accepted auditing practices. Cost control documents for audit will include the following verifications:
 - a. that costs incurred were necessary for proper operation of the program.
 - b. that costs were properly budgeted
 - c. that costs were properly authorized, and
 - d. that expenses provider were properly requested and received.
3. Prepare and submit regular financial statements to the Board of Directors and Trustees. These reports shall contain monthly and year to date expenditures as well as a comparison of current expenditures of the previous fiscal year. A comparison of actual expenditures and the approved budget will also be included.
4. Be responsible for causing the audit of financial affairs in accordance with sound auditing practices.
5. Serve as primary spokesperson to the Trustees, organization's constituents, the media and general public.
6. Establish and maintain relationships with various organizations and utilize those relationships to maximize John M. Scott's vision.
7. Oversee Board and committee meetings.
8. Oversee strategic planning and implementation

9. Report to and work closely with the Board of Directors on decisions related to policy recommendations and overall visibility of John M. Scott
10. Oversee the grant process in collaboration with the Grants Committee, including
 - a. establishment of priorities based on analysis of collaborative health needs assessment reports
 - b. sending out requests for proposals
 - c. providing support to Grants Committee for review, contracting, and evaluation of approved grants
11. Establish and maintain communication efforts via an active website that includes, but not limited to the following:
 - a. current grant application forms, processes, timelines, criteria,
 - b. operational reports, such as meeting schedule, meeting minutes, strategic planning documents, audits and financial reports
 - c. names of Board of Directors and Trustees
 - d. historical information on John M. Scott and John M. Scott Health Resources
 - e. John M. Scott Health Resources contact information
12. Prepare annual Court Trust documents for review, Board of Directors, Trustees, and Guardian Ad Litem and the Court.

Option 2: Contract with a local foundation for management of JM Scott Grants program. The Director functions and all grant activities could be managed through a contract with a local foundation. That Executive Director would operationalize the grants program and carry out the director's responsibilities. One example of a local foundation is the Illinois Prairie Community Foundation. Estimated expenses for all operations, including grants management and expenses, filing of taxes and court reports, would be less than 10% per year of annual budget. Other foundations would also be explored if the Trustees choose to utilize this approach.

GRANTS PROGRAM

To fully serve the community, the Commissioners propose the following grant categories. Based on review of needs assessment documents, the Commission would annually recommend a percentage be assigned to each category.

1. **Priority grants**, based on results of the new collaborative assessment conducted by OSF St. Joseph Medical Center, Advocate BroMenn Medical Center, McLean County Health Department, and United Way and other assessments conducted for newly identified needs.
2. **Sustaining grants**, to major providers who serve the JM Scott population, e.g. Community Health Care Clinic.
3. **Contingency grants**: A small portion of the annual budget would be used for initiatives for newly identified gaps in community services, for example, pilot projects.

Specific criteria will be developed for grant approval based on intent of the Trust. With the exception of transportation, eligibility standards have historically focused on those who have no other source of payment, such as insurance or Medicaid.

PROGRAM LOCATION AND FACILITIES

Since its founding, the John M. Scott Health Care Center or Healthcare Resources has been located on city property, first in a property adjacent to that designated by John M. Scott at the site he envisioned in his will for a hospital. In 2002-2003, the City and the Town of the City of Bloomington entered into Intergovernmental agreements that allowed for the day to day operations of the JMSCH programs and services to be housed in the same building. With a grants only program, and no direct services, this intergovernmental agreement for housing John M. Scott with City of the Township of the City of Bloomington building would no longer be necessary.

With a grants only program, the John M. Scott Healthcare Resource Director could work at an off-site location, for example, her/his home. If a foundation is utilized for said management, then the JMSHC business would be located at that site. Meetings could be held without cost in a city or county facility such as the McLean County Health Department or a local hospital. All records would be the responsibility of the City of Bloomington as Trustee and housed in a city office. The space for back records should not exceed one, four drawer file cabinet. New records would be kept electronically and stored in the same space or on a City of Bloomington server

PROGRAM BUDGET

The following are estimates based on input from legal counsel, a CPA firm, a grants organization, and one foundation. Attached is the FY17 adopted budget for your comparison.

For FY18, based on an estimated annual budget of \$400,000, we anticipate \$360,000 available for grants to existing organizations and \$40,000 (1/10 of budget) for operations. This compares to \$177,500 available for grants with the current FY17 budget of \$354,027.

I. FY18 may incur additional operational expenses with the transition.

(Transition costs would be a non-reoccurring expenses and are estimated as follows for FY18. Major legal expenses associated with revision of Bylaws, etc would be from the FY17 budget.)

Legal fees:

Trust Attorney	\$	1,000.00
Guardian ad litem annual review of court documents		500.00
Auditors fees:		5,000.00

Operating Budget:

Personnel:

Salary – Director @ \$60/hour. (8 hours per week by 50 weeks);	\$ 24,000.00*
Expenses for telephone/data plan/	\$1,000.00
Webmaster set up:	\$2,000.00
Grant software training	\$2,000.00

Equipment:

Computer and printer:	\$2,000.00
Other expenses (travel reimbursement, office Supplies)	\$1000.00

Total	\$38,500.00
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*Once the grants program is established, we expect the time commitment of the director to significantly decrease with routine grants management. If management of the Trust is contracted out to a local foundation, some expenses would decrease, such as need for computers, website management. Unknowns include expenses for liability insurance, if needed. We assume the Trustees liability is covered through City of Bloomington liability plans.

II. FY19 Proposed Budget (after establishment of grant system)

Legal fees:

Trust Attorney	\$ 500.00
Guardian ad litem annual review of court documents	500.00

Auditors fees: 3800.00

Operating Budget:

Personnel:

Salary – Director @ \$60/hour. (5 hours per week by 50 weeks);	\$ 15,000.00*
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Expenses for telephone/data plan/	\$1,000.00
Webmaster maintenance:	\$1,000.00
Other (travel, office supplies, etc).	\$1,000.00
	<hr/>
Total	\$22,800.00

*(Again, the cost of a part time staff director is expected to be significantly less following the first year of implementation. Once the operational system is established, the time allotment could be much less than the above projection.). Not included is expense of liability insurance, if needed.

The Commissioners look forward to discussing this proposal with the Trustees.

Attachments:

- 1) November 29, 2016 Memorandum from Tom Herr, Dunn Law Firm, LLP, Attorney for the JMS Trust regarding Reorganization of the Trust/Corporate Structure
- 2) John M. Scott FY17 Budget
- 3) Commissioners' Biographical Data
- 4) Table of Existing Services that serve many of the same needs and clients currently served by the Trust

Vision for the future of the John M. Scott Health Care Resources and Trust

Created by and Approved unanimously by the John Scott Health Care Commission
June 22, 2016

To create the best organizational structure for serving the current health care needs of the underserved population in the community (McLean County) through fiscally sound management to meet the intent of the Scott Trust.

1. Convert to a not-for-profit organization-501c(3) or other similar entity determined by the trustees, commission, and legal counsel
2. Create and empower a Board of Directors, with officers, who make recommendations on budget and policies to the City Council (as Trustee of the Trust)
3. Convert to a grants only program
4. Collaborate with existing service providers and other funders to assess and identify priority health needs in the community (assessment done every 3 years currently through a collaborative between Advocate BroMenn Medical Center, OSF St. Joseph Medical Center, the United Way, and the McLean County Health Department)
5. Provide direct funding to select entities who embody the intent of the Scott Trust (e.g. Community Health Care Clinic)
6. Consistent with common not-for-profit organizations, maintain administrative costs at recommended levels, usually around 10% of the annual budget
7. Focus grants on identified gaps in the healthcare in the community as identified by the most recent community assessment

MEMORANDUM

Date: November 29, 2016

To: John M. Scott Health Care Commission

From: Tom Herr, Dunn Law Firm, LLP

Re: Strategic Planning – Reorganization of Trust/Corporate Structure

Introduction.

In connection with the John M. Scott Health Care Commission's ("Scott Trust") strategic planning efforts, we have been asked to review the John M. Scott Trust instrument, intergovernmental agreements, bylaws and other applicable governing instruments with the goal of making recommendations as to the best organizational structure for serving the current health care needs of the underserved population in the community in a manner consistent with the original intent of the Scott Trust.

Since the implementation of the Affordable Care Act, the John Scott Health Resources Center has seen a significant decline in the number of persons seeking and qualifying for services. Concurrently, other providers and services in the community have emerged or expanded, such as a Federally Qualified Health Center, the expansion of services at the Community Health Care Clinic, and other non-profits such as Faith in Action that provides transportation for health care services.

The John M. Scott Health Care Commission engaged in comprehensive strategic planning over the last several years including a review of the following: The McLean County Community Health Plan (2012-2017), The McLean County Mental Health Action Plan (2015), and the United Way Community Assessment Plan (2014). Committees have been formed and efforts made to better understand unmet health care needs of McLean County residents as well as existing services provided through other agencies. These include, in part, the Community Health Care Clinic, McLean County Health Department – oral health, Faith in Action and the YWCA-transportation services, Center for Human Services and Chestnut Health Care System for mental health services.

The Commissioners represent local health care practitioners, professionals and employees who are considered experts at identification and review of community health care needs. The following objectives for the future of the John M. Scott Health Care Resources and Trust, were identified and approved on June 22, 2016 by the Commission:

1. To create the best organizational structure for serving the current health care needs of the underserved population in the community (McLean County) through fiscally sound management to meet the intent of the Scott Trust;
2. Convert to a not-for-profit organization-501c(3) under the continued supervision of the City of Bloomington as Trustee;
3. Create and empower a Board of Directors, with officers, who make recommendations on budget and policies to the City Council (as Trustee of the Trust);
4. Convert to a grants only program;
5. Collaborate with existing service providers and other funders to continually assess and identify priority health needs in the community;
6. Provide direct funding to select entities that embody the intent of the Scott Trust (e.g. Community Health Care Clinic);
7. Consistent with common not-for-profit organizations, maintain administrative costs at recommended levels, usually around 10% of the annual budget; and,
8. Focus grants on identified gaps in the healthcare in the community as identified by the most recent community assessment.

The Commissioners, with the exception of Bloomington Township Supervisor Deb Skillrud, have determined that it is in the best interests of the Trust to dissolve the intergovernmental agreements for the operation of the John M. Scott Health Care Programs and convert to a “grants-only” organization. The same Commissioners have also approved a separate proposal for the continued functional operations of the Trust. The proposal includes a recommended organizational framework, options for management of the grants program, identification of grant categories based on needs assessments, program locations and facilities and program budget.

Bloomington Township Supervisor Deb Skillrud believes that providing both direct services and grants under the current Intergovernmental Agreements will best serve the needs of the underserved population in the community and such an arrangement is consistent with the original intent and purposes of the Trust.

Reorganization Plan.

After review and consideration of various documents and discussions with Commission members, we recommend that the operational functions be converted from a trust to an Illinois Not For Profit Corporation organized under the General Not for Profit Corporation Act, 805 ILCS 105/101.01 *et seq.* Our recommendation is based in part on the following factors:

1. The nature of services and health care marketplace has changed over the last several years.
2. There are practical organizational challenges between the City of Bloomington, Township, Court and Commission that warrant reorganizing into a more formal corporate structure.

3. The John M. Scott Trust instrument, intergovernmental agreements, bylaws and other applicable governing instruments have issues regarding compatibility and consistency.
4. A new corporate organizational structure would provide better oversight and governance with appointed officers, an empowered board of directors, and comprehensive by-laws, procedures, guidelines and policies for all parties to follow.
5. Significant administrative cost savings may result from reorganization as the organization moves from providing direct services and more towards grant-making.
6. The new Not For Profit Corporation would apply for tax exempt status as a 501c(3) tax exempt organization and become eligible to receive tax-deductible contributions. Although the City of Bloomington is tax exempt as a governmental entity, the Trust is a separate legal entity and should be treated as such.
7. The Trust itself would remain in place as a court supervised trust with the City of Bloomington as Trustee, with the new Not For Profit Corporation being an asset of the Trust. Annual trust reports would be submitted to the court, the City of Bloomington and to the court appointed Guardian ad Litem for review and approval.
8. The Illinois Attorney General's Office would continue to have oversight under the Illinois Charitable Trusts and Solicitations Act, which provides for oversight of Charitable Trusts as well as Illinois Not for Profit Corporations.
9. The City of Bloomington as Trustee would retain authority to approve bylaws, amendments to bylaws, grant guidelines and directors in a manner consistent with the original trust intent. Alternatively, the City can delegate certain matters to the Board of Directors of the new Not For Profit Corporation.
10. The most-often cited advantages of becoming a 501(c)3 nonprofit organization include the following:
 - (a) Not for Profit corporations are eligible for state and federal exemptions from payment of corporate income taxes.
 - (b) Not for Profit corporations can attract and receive public and private grant funds and tax deductible donations (tax-exempt government foundations and private foundations and charities are usually required to donate their funds only to 501(c)3 tax-exempt organization).
 - (c) Protection from personal liability is generally afforded to non-compensated officers and directors, provided the officers and directors do not breach their fiduciary duties..

- (d) The organization has a separate legal existence; i.e., a corporation is a legal entity that is separate from the people who volunteer and work for it.
 - (e) Formal corporate documents, such as the articles of incorporation, bylaws, conflicts of interest policy, investment policy, meeting minutes, state and federal reporting requirements, and IRS rules regarding prohibited transactions provide structure and accountability to the organization.
11. The principal disadvantages of such a reorganization include additional tax filings, complex tax rules and IRS scrutiny with respect to the organization's mission, activities, compliance, governance, management, compensation, and financial information. However, the advantages of the Not for Profit Corporation structure far outweigh these administrative burdens.
12. To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.

Checklist for Reorganization.

The following is an abridged checklist of matters to be completed should all parties desire to move forward:

1. Dunn Law Firm LLP will draft a proposed Agreement and Plan of Reorganization ("Plan") to be approved by the City of Bloomington, John M. Scott Health Care Commission, John Yoder (Guardian ad Litem), the Illinois Attorney General and ultimately the Circuit Court of McLean County, Illinois.
2. As part of the Plan the following will be addressed:
 - a. Articles of Incorporation
 - b. Bylaws
 - c. Accurate and detailed budget projections
 - d. Conflicts of Interest Policy
 - e. Investment Policy
 - f. Periodic Audits
 - g. Other Recommended Policies
 - h. Other Needed Intergovernmental Agreements for shared resources
 - i. Transfer of Assets to Corporation
 - j. Federal Identification Number
 - k. Selection of Accounting Firm
 - l. Needs assessment for Executive Director and Compensation
 - m. Director and Officer Liability Insurance
 - n. Procedures for annual reporting to the City of Bloomington and the Court

3. Prepare and file a Petition with the Court for Approval of the Plan of Reorganization with notice to applicable parties. Conduct a Court hearing seeking court approval.
4. Prepare an agreement to terminate the current Intergovernmental Agreements.
5. Complete and file Form 1023, Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code. The application will require a Statement of Revenues and Expenses for the prior 4 years and a balance sheet.
6. Annual tax filings to be completed by Certified Public Accountant.



**SPECIAL CITY COUNCIL MEETING
AGENDA ITEM NO. 8**

FOR COUNCIL: August 22, 2016

SUBJECT: Presentation and discussion on the John M. Scott Trust and Future Direction.

RECOMMENDATION/MOTION: Accept information and begin the process of evaluating proposals and providing direction on the operation of the John M. Scott Trust.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: Judge John M. Scott was a Justice of the Illinois Supreme Court in the 1880's. He was a resident of McLean County and was head of the McLean County Historical Society in 1892. Judge Scott died on January 1, 1898, and in accordance with his Last Will and Testament, money was to be set aside upon the death of the last surviving annuitant in a trust to erect and construct a building suitable for a hospital to be used for hospital purposes, to be forever under the direction and control of the City of Bloomington. The hospital was to be for the "benefit of all sick or otherwise disabled persons, male or female, old or young, with-out regard to nationality or religious beliefs no matter what cause such sickness or disability may arise...and who may not be able to pay for needed care and attention in such hospital and in such numbers only as the capacity of such hospital will reasonably accommodate." The Last Will and Testament states:

It is particularly desired that all persons who may be injured by accident and who may have no friends at hand to care for them or who may have no money or other means to pay for care and medical or surgical services may be admitted into such hospital for treatment for such length of time as shall be reasonable under all the circumstances provided that any person who may wish to be admitted to such hospital for treatment or for human care, and who may be able to pay for the same, may be admitted and be charged only a reasonable sum for such care and treatment.

In the early 1980's, the last annuitant passed away and the Circuit Court took up how to handle the remaining assets of the trust. As a result, the court awarded 55% of Scott Trust assets (approximately \$5,400,000) to the City of Bloomington for the purpose of implementing the terms of the trust created under the will. Currently, there is approximately \$11,300,000, being held within the Trust.

In the 1880's, when Judge Scott's will was drafted, there were no hospitals in the Bloomington area. However, by the 1980's, when the trust became active, the Bloomington-Normal area had multiple hospitals and various other medical facilities. Accordingly, the trust, as created, was updated as necessary with the community's existing medical situation. Specifically, Article II of the Declaration of Trust that was approved by the Circuit Court stated the Trust's purpose as follows:

...to provide health care for the use and benefit of all sick or otherwise disabled persons, no matter from what cause such sickness or disability may arise, and who may not be able to pay for needed care and attention; and to conduct health-related informational and educational programs and activities to assist such persons in preventing illness and promoting good health.... Article II.

In accordance with the Article III of the Trust, the purpose outlined in Article II, was to be accomplished through the John M. Scott Health Care Program (“Program”). In accordance with the Trust, this Program is to:

- a. Provide access to the existing health care system for persons who may not be able to pay for needed care and attention by (1) performing limited, non-emergency, physical assessments for such persons who believe themselves to be ill or in need of treatment; (2) making referrals to appropriate doctors, dentists, clinics, hospitals, and similar professional personnel or facilities; (3) providing or arranging for transportation to and from such health care personnel and facilities; (4) acting as an advocate on behalf of such persons with respect to appointments, communications and administration within the health care system; and (5) making payments upon behalf of such persons to those persons and facilities who may have provided authorized services within the health care system.
- b. Provide care in existing, local hospitals (St. Joseph, Mennonite and Brokaw) for such persons who may not be able to pay for needed care and attention (1) by making direct payment for qualified, identified patients, and (2) by grants-in-aid. Such payments and grants-in-aid will be made and applied in accordance with published guidelines to be promulgated by the trustee for the purpose of establishing criteria and procedures determined to be necessary or desirable to identify qualified patients and to control expenditure of such grants-in-aid.
- c. Acquire diagnostic or laboratory equipment not otherwise readily available in the local health care system for use in local hospitals, clinics, and other health care facilities; or for use in the John M. Scott Health Care Center.

Under the Trust, a facility to be known as the John M. Scott Health Care Center (“Center”) was to be created. This was initially located within the City’s Township Building and it continues to be housed there today.

The Trust provides the Program is to be “forever under the direction and control” of the City, as Trustee. Further, under the continuing jurisdiction of the Circuit Court, the City Council, as trustee, retains and exercises responsibility for the policy direction, program priorities, budgeting and appropriation. The Trust further creates the John M. Scott Commission to be appointed to advise the City, as Trustee, on the following: (a) the development of the Center; (b) planning of the program; and (c) such other matters as directed by the Trustee from time-to-time.

The Commission is made up of the Township Supervisor, as well as representatives from various other medical and charitable organizations within McLean County.

Historically, the Center was managed out of the Township Supervisor’s office in the years of Maxine Shultz. In 1984, the City took over administration and staffing for the Center from the Township. The Director of the Center was then elected as Township Supervisor in 2001 and the

Center's administration moved back to Township. Accordingly, the City currently, through an Intergovernmental Agreement, utilizes the City of Bloomington Township Supervisor's Office as the entry point into the system in order to determine eligibility, refer clients to health care facilities or screening program, assess fees and approve payments from the Trust.

Prior to the Affordable Care Act, many programs and services were provided by the Center that served the needs of low income residents. Some of these programs included the provision of prescription medicine, adult dental, preventative adult dental in private offices, medical office visits, transportation for maternal/child and cancer treatment, mental health prescriptions, and valued vision.

Since the implementation of Affordable Care Act, the Center has seen a significant decline in the number of persons seeking and qualifying for services. In addition, the McLean County Health Department Valued Vision Program was cancelled.

The Center is now in a transition phase and direction is needed from the City Council, as trustee, on how to best meet the objectives of the Trust and Judge Scott's wishes. On Monday night, at least two visions for how the Trust could move forward will be outlined and presented. This may be the first of many meetings where these issues are discussed, and direction is sought, as the City Council fulfills its duties as Trustee of the John M. Scott Trust.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: N/A

Respectfully submitted for Council consideration.

Prepared by: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



David A. Hales
City Manager

Attachments:

- Declaration of Trust (with applicable portion of Last Will & Testament)
 - 1981 City Council Report
 - Intergovernmental Agreement
 - JM Scott Commission Bylaws
-

DECLARATION OF TRUST

The CITY OF BLOOMINGTON, a municipal corporation, TRUSTEE, in accordance with the provisions of an Order entered or to be entered by the Circuit Court of the Eleventh Judicial Circuit, McLean County, Illinois, in a certain cause entitled Burr v. Brooks, et al., in Chancery, No. 12415, hereby declares that it will hold all property transferred to it under the terms of said order, which property shall be described in a Schedule to be attached hereto, and all other property subsequently given to the trustee, in trust under the terms and conditions hereinafter set forth.

ARTICLE I

NAME

This trust is named and shall be known as "The John M. Scott Health Care Trust."

ARTICLE II

PURPOSE

The purpose of this trust is to provide health care for the use and benefit of all sick or otherwise disabled persons, no matter from what cause such sickness or disability may arise, and who may not be able to pay for needed care and attention; and to conduct health-related informational and educational programs and activities to assist such persons in preventing illness and promoting good health. All activities of the trust shall be conducted without discrimination because of race, color, religion, sex, national origin, ancestry, age, marital status, physical or mental handicap, unfavorable discharge from the military service, and any other factor subsequently determined by law to require protection from discrimination. It is intended that the income of

EXHIBIT A

this trust not be subject to federal, state or municipal taxation; and the trust shall not engage in any activities, conduct or pursuit which would preclude exclusion or exemption from such taxation.

ARTICLE III

PROGRAM

Section 1. The purpose of the trust will be accomplished through the John M. Scott Health Care Program.

Section 2. The John M. Scott Health Care Program will:

a. Provide access to the existing health care system for persons who may not be able to pay for needed care and attention by (1) performing limited, non-emergency, physical assessments for such persons who believe themselves to be ill or in need of treatment; (2) making referrals to appropriate doctors, dentists, clinics, hospitals, and similar professional personnel or facilities; (3) providing or arranging for transportation to and from such health care personnel and facilities; (4) acting as an advocate on behalf of such persons with respect to appointments, communications and administration within the health care system; and (5) making payments upon behalf of such persons to those persons and facilities who have provided authorized services within the health care system.

b. Provide care in existing, local hospitals (St. Joseph, Mennonite and Brokaw) for such persons who may not be able to pay for needed care and attention (1) by making direct payment for qualified, identified patients, and (2) by grants-in-aid. Such payments and grants-in-aid will be made and applied in accordance with published guidelines to be promulgated by the trustee for the purpose of establishing criteria and procedures determined to be necessary or desirable to identify qualified patients and to control expenditure of such grants-in-aid.

c. Acquire diagnostic or laboratory equipment not otherwise readily available in the local health care system for use in local hospitals, clinics, and other health care facilities; or for use in the John M. Scott Health Care Center.

ARTICLE IV

JOHN M. SCOTT HEALTH CARE CENTER

Section 1. The program described in Article III will be administered at a facility to be known as the John M. Scott Health Care Center.

Section 2. The John M. Scott Health Care Center will be located initially in the building commonly known as the Bloomington City Hall Annex at 314-320 S. Main Street, which is immediately adjacent to the property designated by John M. Scott as the site for the hospital described in Eleventh of his Will, upon which site his home was located and where an historical marker has been erected in his memory.

Section 3. The Trustee shall not invade corpus by expending in the aggregate any more than 5% of that part of the net estate awarded to it pursuant to said Court order without prior approval of the Circuit Court. Contributions received as provided in Article VIII and additions to principal under Article VII, Section 2.a. shall not be subject to or considered in calculating this 5% aggregate limitation of invasion of corpus.

ARTICLE V

ADMINISTRATION

Section 1. The John M. Scott Health Care Program will be administered in accordance with the general plan expressed by John M. Scott in the Eleventh Article of his Will. It will be "forever under the direction and control" of the trustee with the privilege, however, unto the Elders of the Second Presbyterian Church to visit the Center and advise as to its management and especially to see that persons seeking or receiving health care are kindly cared for and humanely treated.

Section 2. Under the continuing jurisdiction of the Circuit Court, the trustee's

City Council will retain and exercise responsibility for policy direction, program priorities, budgeting, and appropriations.

Section 3. A Commission consisting of an odd number of persons not in excess of 11 shall be appointed to be known as the John M. Scott Health Care Commission, which will advise the trustee as to: (a) development of the Center; (b) planning of the Program; and (c) such other matters as directed by the trustee from time to time. The Commission shall be made up of representatives from the community designated or selected as follows: (a) the elected Township Supervisor of General Assistance of the City of Bloomington-Township; (b) one member of the McLean County Medical Society, selected by said society; (c) one member of the McLean County Dental Society, selected by said society; (d) one member of the governing board of Brokaw Hospital, selected by said board; (e) one member of the governing board of Mennonite Hospital, selected by said board; (f) one member of the community advisory board of St. Joseph's Hospital of Bloomington, selected by said board; (g) one elder of Second Presbyterian Church of Bloomington, selected by the ruling elders of said church; (h) one member of the board of the McLean County Health Department, selected by said board; and (i) additional representatives of such other bodies or agencies, not to exceed 3 in number, as may be designated by the Trustee from time to time.

Section 4. The Program will be administered by a full time staff qualified in the following areas: nursing and physical assessment, health education, medically related (physical and mental) social work, accounting and clerical personnel, and such other areas as designated by the trustee from time to time.

ARTICLE VI

INVESTMENTS

Section 1. All trust funds remaining after improving and equipping the John M. Scott Health Care Center shall be held in trust as an endowment fund for the Center and shall be invested in safe and well secured interest bearing securities

which qualify as trust investments. Trust funds will not be invested in any other way unless the trustee applies for and secures prior approval from the Circuit Court.

Section 2. All trust funds shall be held separate and apart from all other funds belonging to or administered by the City of Bloomington.

Section 3. No person making payments of income or principal to the trustee shall be required to see to the application thereof.

ARTICLE VII

EXPENDITURES OF INCOME

Section 1. The annual income from the trust estate shall be used to fund the John M. Scott Health Care Program and to pay all expenses for the administration and operation of the John M. Scott Health Care Center.

Section 2. If annual income from the trust estate exceeds annual expenses for the trust estate then the trustee in its discretion may deal with the excess in any one or more of the following ways:

a. Any part or all of such annual excess may be added to the principal endowment fund of the trust estate, from which it may, if necessary, be withdrawn to pay annual expenses of the trust estate for or during any year in which expenses exceed income.

b. Any part or all of such annual excess may be used to acquire diagnostic or laboratory equipment, not otherwise readily available, for use in local hospitals, clinics and other health care facilities; or for use in the John M. Scott Health Care Center.

c. Any part or all of such annual excess may be divided and distributed among St. Joseph Hospital, Mennonite Hospital and Brokaw Hospital as a grant-in-aid to be used in accordance with the guidelines referred to in Article III, Section 2, paragraph b above; provided, however, that each such recipient has maintained its own exemption from income taxation under

Section 501 (c) (3) of the Internal Revenue Code.

Section 3. The trustee's decision with respect to the use or application of excess, annual income shall be final.

Section 4. The trustee, in its municipal corporate capacity, shall be entitled to reimbursement for expenses upon behalf of the trust and to payment for equipment, facilities and services furnished for the benefit of the trust.

ARTICLE VIII

RECEIPT OF CONTRIBUTIONS

The Trustee is authorized to receive contributions of money and property from any source to be held and administered under the terms of this declaration. No such money or property shall be received or accepted, however, if it is conditioned or limited so as to require use for other than the purpose expressed in Article II, unless the trustee first elects to apply for and receives prior approval from the Circuit Court.

ARTICLE IX

POWERS AND DUTIES

Section 1. In addition to any discretion, duty and power hereinbefore granted the trustee shall have the following powers:

- a. To retain any property or investment originally delivered to the trustee;
- b. To invest and reinvest the trust estate;
- c. To sell trust property for cash or on credit; and to exchange trust property for other property or for credit incident to the purchase of other property;
- d. To hold investments in the name of the trustee or a nominee,

with or without disclosure of the trust, the trustee being responsible at all times for the acts of such nominee as to any such investment;

e. To allocate receipts as between income and principal in accordance with the Illinois Principal and Income Act as amended from time to time;

f. To take any action deemed necessary, appropriate or expedient as to trust property, invested funds or any business matter of the trust;

g. To employ attorneys, auditors, accountants, depositories, proxies and agents with or without discretionary powers; and

h. To take all other actions necessary in the discretion of the trustee to accomplish the purpose of the trust provided that such action is authorized, expressly or impliedly, by the terms of this order or by law.

Section 2. In the exercise of any power or duty, the trustee shall not perform any act or engage in any activity, conduct or pursuit which causes trust income to be subjected to federal, state or municipal taxation.

Section 3. Annually, the trustee shall prepare and file each and every return or report required by the laws of the United States of America and the State of Illinois.

Section 4. Annually, the trustee shall prepare and file a report, as to its cash receipts and disbursements, investments, and assets with the Circuit Court.

ARTICLE X

AMENDMENT

This declaration shall not be amended unless the trustee first applies for and receive approval of the proposed amendment from the Circuit Court.

ARTICLE XI
TERMINATION AND DISSOLUTION

The trust established by this declaration is intended to be perpetual; but in the event of termination and dissolution the assets of the trust shall be distributed pursuant to order of the Circuit Court to one or more entities which are at that time exempt from income taxation under Section 115(1) or Section 501(c)(3) of the Internal Revenue Code.

ARTICLE XII
ACCEPTANCE

The City Council, for and on behalf of the City of Bloomington, hereby accepts this trust, to be held upon the terms and conditions hereinbefore set forth, and authorizes execution of this Declaration of Trust by its Mayor and Clerk.

_____, 1981.

THE CITY OF BLOOMINGTON

By _____
Its Mayor

Attest:

Its Clerk

SCHEDULE OF PROPERTY TRANSFERRED TO THE JOHN
M. SCOTT HEALTH CARE TRUST

Pursuant to the terms of a final Judgment entered by the Circuit Court of McLean County, Illinois on November 20, 1981, in Chancery No. 12415, entitled Luman Burr, Plaintiff vs. James R. Brooks, et al., Defendants, the following described property, to wit:

<u>Date of Receipt</u>	<u>Description</u>	<u>Pursuant to Order Of Distribution Dated</u>
24 Dec. 81	\$5,369,100.00	11 December 1981
24 Dec. 81	32,340.00	18 December 1981
26 Jan. 82	<u>711.10</u>	26 January 1982
Total	\$5,402,151.10	

was distributed to and received by the City of Bloomington, Trustee of the John M. Scott Health Care Trust, and is reported on this Schedule to be attached to Declaration of Trust dated November 9, 1981 and filed herein November 25, 1981.

THE CITY OF BLOOMINGTON

By _____
Its Mayor

ATTEST:

City Clerk

EXTRACTS FROM PROVISIONS OF THE WILL OF
JUDGE JOHN M. SCOTT
PROVIDING FOR HOSPITAL AND BEARING
ON THE HEALTH CENTER TO THE EXTENT APPLICABLE

By Eleventh of his Last Will and Testament, John M. Scott
provided as follows:

"Upon the death of the last surviving annuitant herein named it is my will and I hereby direct . . . that said City of Bloomington, with said trust funds or such portion as shall be deemed necessary for that purpose, through its officers or such discreet persons as it may appoint, erect and construct . . . a building suitable for a hospital and to be used for hospital purposes and to be forever under the direction and control of the said City of Bloomington, with the privilege, however, unto the Elders of the Second Presbyterian Church of said city to visit said hospital and advise as to its management and especially to see that patients that may be admitted to said hospital are kindly cared for and humanely treated. This privilege shall be forever accorded to the Elders of said church and the hope is expressed that they will faithfully observe it. No more of the said trust estate shall be used for the erection and furnishing suitable hospital buildings than the amount of said trust estate will justify in the judgment of reasonable persons who may be appointed by said city to have the charge of the erection and furnishing of said hospital buildings. The said hospital when erected and furnished shall be called the "Scott City Hospital" and I trust it will not be deemed irreverent if I now in this solemn way invoke God's divinest blessing to rest upon and be ever with said institution if it shall be erected and completed, and upon all who may have charge of it or minister in any way in it. Whatever trust funds or property may remain after the erection and furnishing said hospital buildings shall be held in trust by said City of Bloomington as an endowment fund for said hospital and shall be invested in safe and well secured interest bearing securities, provided no funds belonging to said trust estate shall be loaned on other than real estate securities. Said hospital when so erected as aforesaid by the said City of Bloomington shall be for the use and benefit of all sick or otherwise disabled persons, male or female, old or young, without regard to nationality or religious beliefs no matter from what cause such sickness or disability may arise (except the managing officers of such hospital shall in no case, unless in their discretion, be required to admit persons having any contagious disease) and who may not be able to pay for needed care and attention in such hospital and in such numbers only as the capacity of such hospital will reasonably accommodate. It is particularly desired that all persons who may be injured by accident and who may have no friends at hand to care for them or who may have no money or other means to pay for care and medical or surgical services may be admitted into such

hospital for treatment for such length of time as shall be reasonable under all the circumstances provided that any person who may wish to be admitted to such hospital for treatment or for human care, and who may be able to pay for the same, may be admitted and be charged only a reasonable sum for such care and treatment.

In Twentieth of his Will he then provided, in part, as follows:

"As my estate or the residue of it is eventually to be set apart for a great charity I wish to impress upon it the sacred character of a trust. . . ."

DUNN, BRADY, GOEBEL, ULBRICH,
MOREL, KOMBRINK & HUNDMAN
600 Peoples Bank Building
P.O. Box 3488
Bloomington, Illinois 61701
Phone: (309) 828-6241

FOR COUNCIL: DECEMBER 28, 1981

To: Honorable Mayor and City Council

From: William L. Vail, City Manager

Subject: Recommendation to Receive Report on John M. Scott Health Care Program and Refer to Work Session.

As you are aware a committee consisting of Herman Dirks, Ben Boyd, and Maxine Schultz, has been diligently working on a proposal for establishing a John M. Scott Health Care Program for the Community. After considerable amount of work a final report has been developed which I believe will establish the framework for the Health Care Program. There were certain stipulations contained within the trust which served as guidelines for this proposal. It will also be necessary for us to appoint a committee to help oversee the policy and direction of this Health Care Program. It is my recommendation that the report on the John M. Scott Health Care Program be received and referred to a work session which has tentatively been scheduled for January 4, 1982.

Certainly there are individuals and agencies that may have a significant interest in this program that would also be interested in attending the work session.

Respectfully,

William L. Vail
City Manager

Motion:

That the report be received and referred to a work session.

Made by: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman While				Alderman Bittner			
Alderman Simms				Alderman Smart			
Alderman Kroutil				Alderman Pierce			
Alderman Atwood				Mayor Buchanan			

COMMENTS:

RECOMMENDATIONS CONCERNING THE
ESTABLISHMENT AND OPERATION
OF THE
JOHN M. SCOTT
HEALTH CARE PROGRAM

Prepared for:
The City Council of the
City of Bloomington

Prepared by:
McLean County Regional
Planning Commission
McLean County Health Department
Bloomington City Township
Supervisors Office

Date:
October 30, 1981

INTRODUCTION

The John M. Scott Health Care Program has been designed to meet the provisions of the Order of the Circuit Court awarding 55% of Scott Trust assets to the City of Bloomington for the purpose of implementing, cy pres, the terms of the trust created under the Eleventh Article of the Last Will and Testament of John M. Scott, deceased, and the terms of the Declaration of Trust executed by the City of Bloomington pursuant to said Order.

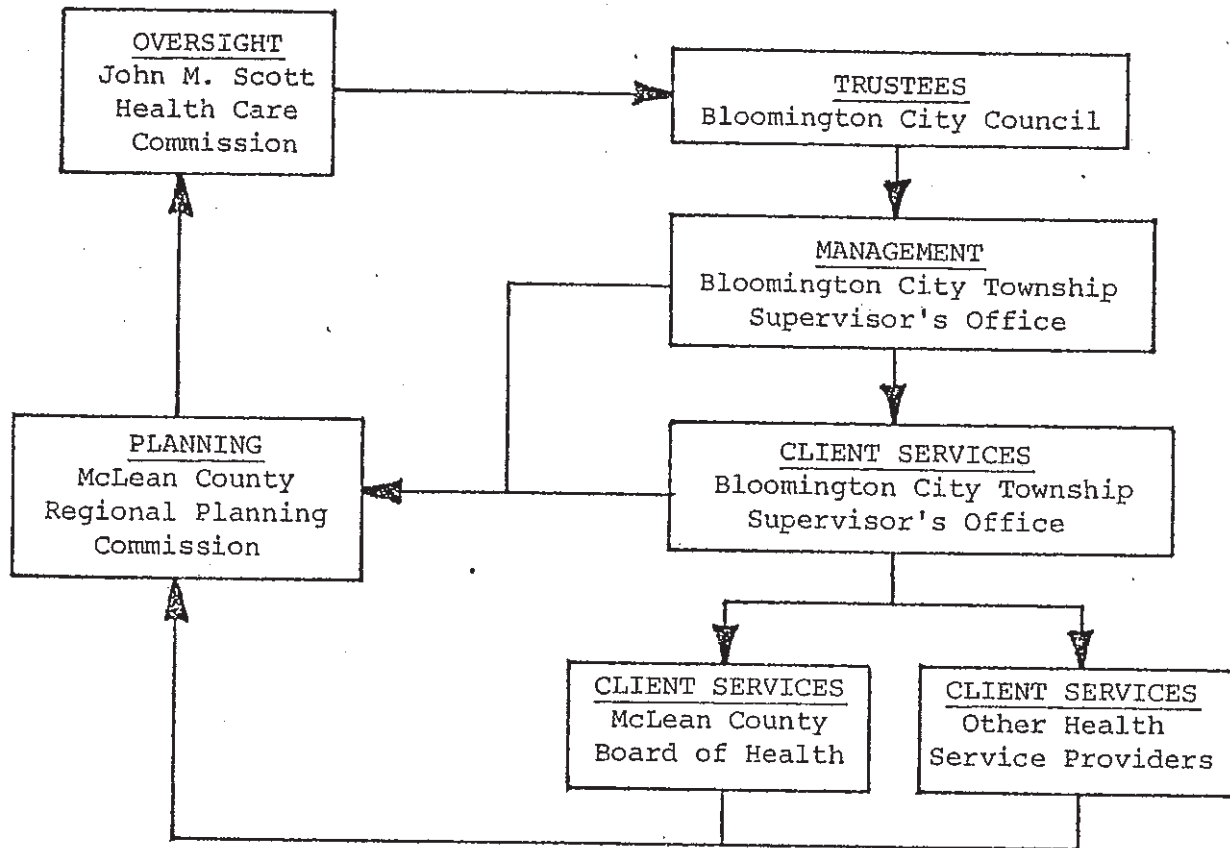
The primary goal of the program is to provide health care to all sick or otherwise disabled persons who may not be able to pay for the care needed and to conduct health related informational and educational programs to assist in preventing illness and promoting good health.

The purpose of this document is to set forth a recommended basic framework for the establishment of the program including the responsibilities of various local agencies concerning program management and client services. In addition to the above major program components, information is also provided concerning the proposed location of the John M. Scott Health Center and a preliminary budget for the establishment and operation of the program. The information contained in this document is, by necessity, preliminary in nature and much work needs to be accomplished before the program will become operational. It is estimated that the necessary details could be worked out within ninety (90) days after the agencies involved have been given a notice to proceed.

The program, as outlined, has great potential to provide a comprehensive program that will prevent the development of illness and promote the continuation of satisfactory health status for eligible citizens at no cost to the individual or the tax paying citizens of the City of Bloomington.

PROGRAM RESPONSIBILITIES:

The following diagram depicts the relationship between the major groups that will provide for the trust fund management and services to the clients of the program under the continuing jurisdiction of the McLean County Circuit Court.



These responsibilities are described in greater detail below, however, the listing is not intended to describe the service to be performed. Service descriptions will be presented in subsequent section of this report.

TRUSTEES - The City Council of the City of Bloomington, acting as trustees for the estate would be responsible for:

1. Program content and administration policy;
2. Budget approval and appropriations;
3. Trust fund investment; and the
4. Provision and maintenance of the physical facilities.

MANAGEMENT - The Bloomington City Township Supervisor's Office would be responsible for:

1. Budget preparation;
2. Income and expenditure records;
3. Client referral and follow-up records;
4. Program fund disbursements; and
5. Financial reports and audit of accounts.

These responsibilities would be performed under an agreement with the City Council which would include standards of performance and method of reimbursement from program funds.

CLIENT SERVICES

1. The Bloomington City Township Supervisor's Office would be responsible for:
 - a. Client identification, and casefinding including publicizing the availability of health care services through the program;
 - b. Client intake including the processing of client's applications and the determination of eligibility for payment of services;
 - c. Client referral including:
 - (1) a preliminary assessment of need;
 - (2) appointment confirmation;
 - (3) transportation arrangements; and
 - (4) follow-up.
2. At such time as authorized by the trustee, it is recommended that the McLean County Board of Health should be responsible for conducting multiphasic screening and health education programs as defined in the client services section for this report.
3. Other Health Service Providers such as physicians, dentist and hospitals will be responsible for the care and treatment of clients in

accordance with purchase of services agreements with the Bloomington City Township Supervisor's Office.

PLANNING - The McLean County Regional Planning Commission shall be responsible for evaluating the program and making recommendations for program modifications to the John M. Scott Health Care Commission. These recommendations may be made at any time on an emergency basis; however, a comprehensive report must be submitted to the Health Care Commission annually at least three (3) months prior to the beginning of the next fiscal year.

OVERSIGHT - The John M. Scott Health Care Commission shall be established by resolution of the Bloomington City Council. The membership of the Commission shall include:

1. A representative of the McLean County Medical Society appointed by the Society;
2. A representative of the McLean County Dental Society appointed by the Society;
3. A representative of Brokaw Hospital appointed by the Board of Directors;
4. A representative of Mennonite Hospital appointed by the Board of Directors;
5. A representative of St. Joseph's Hospital appointed by the Board of Directors;
6. A representative of the Second Presbyterian Church appointed by the Board of Elders; and
7. Three (3) citizens of the City of Bloomington appointed by the Mayor with the consent of the City Council.
8. The elected Township Supervisor of General Assistance of the City of Bloomington Township; and
9. One member of the board of the McLean County Health Department, selected by said board.

Dental - Dentistry - Meoc

The members of the Commission shall serve at will until replaced by the appointing authority. The Commission shall be responsible for advising the Trustees on such matters as development of the Center, planning of the Program and such other matters as directed by the Trustees from time to time.

The above evaluations shall take into consideration reports prepared by the McLean County Regional Planning Commission with the assistance of the Board of Health and the Bloomington City Township Supervisor's Office. These evaluations shall be the basis of recommendations prepared by the Commission for presentation to the Bloomington City Council in advance of the budget approval and appropriation of funds.

The Commission may also recommend minor administrative and program modifications to agencies providing services at any appropriate time during the fiscal year.

PROGRAM MANAGEMENT

The Bloomington City Township Supervisor's Office will be responsible for program management under the direction of the Trustees. The specific components of the management program are outlined in this section of the John M. Scott Health Care Program.

ANNUAL BUDGET

After consultation with the trustees, the Health Care Commission and parties providing health care services, the person responsible will prepare an annual line item and program component budget for the operation of the John M. Scott Health Care Program. The proposed budget will be submitted to the Health Care Commission for review, comment, and recommendation to the trustees. After due consideration, the trustees may approve the budget or request that amendments be made prior to approval.

INCOME AND EXPENDITURE RECORDS

The person responsible will prepare, or cause to be prepared, records of all receipts and disbursements for the program's operation. These records will be maintained in a manner that all disbursements can be specifically identified with the approved budget and readily audited using accepted audit practices.

The cost control documents for audit purposes will include the following verifications:

1. that the costs incurred were necessary for the proper operation of the program;
2. that the costs were properly budgeted;
3. that the costs were properly authorized; and
4. that the services provided or items purchased were properly requested and received.

FINANCIAL REPORTS AND AUDIT

The Supervisor's Office will prepare monthly financial reports to be submitted to the Health Care Commission and the Trustees. These reports shall contain monthly and year-to-date expenditures as well as a comparison of current expenditures of the previous fiscal year. A comparison of actual expenditures and the approved budget will also be included.

The Supervisor's Office will be responsible for causing an audit of the financial affairs of the program to be made in accordance with sound auditing practices.

PAYMENT FOR SERVICE

A. Alternative Payment Plans:

1. Establishment of Grant-in-Aid agreements with health care providers. The agreements would provide for specific service to all John M. Scott Health Care Center referrals under the contracted Grant-in-Aid amounts.
2. Individual payments to health care providers for services rendered. John M. Scott Health Care Center reimbursement rates could be developed in line with other assistance provider rates (Medicare, Medicaid, IDPA, etc.).
3. Grants-in-Aid may be used to acquire diagnostic or laboratory equipment not otherwise readily available for use in local hospitals, clinics, and other facilities.

B. Assessment of Payment Methods:

Individual payments for services provided may be necessary in the initial years of operation. Once experience factors are established, data comparing the benefits of the individual payment method versus the Grant-in-Aid payment method, and other methods, could be evaluated for use.

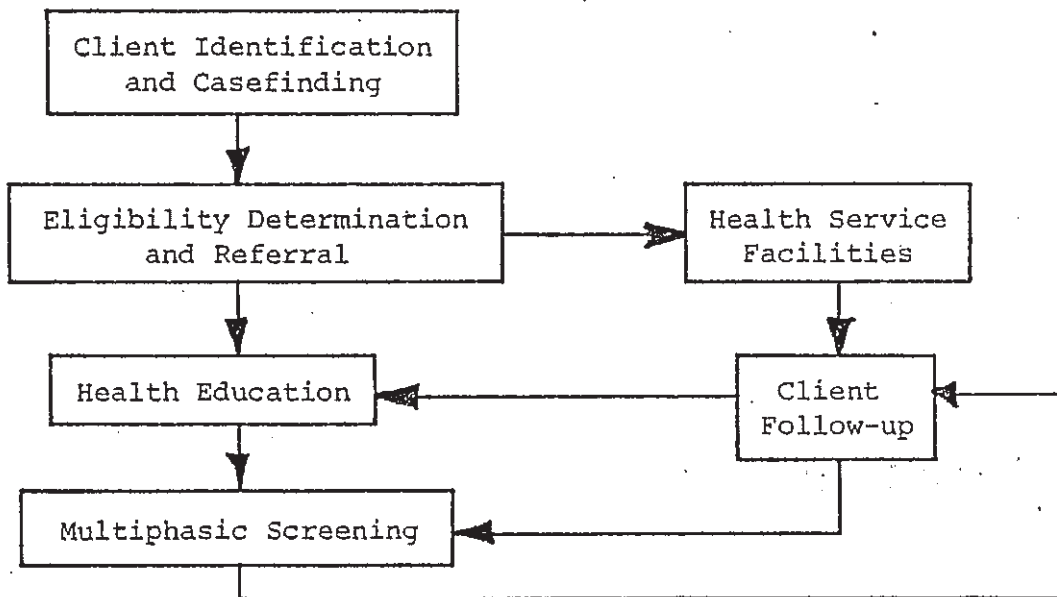
CLIENT SERVICES

The general goals of the overall program are to:

1. Identify and locate those individuals eligible for services and encourage them to participate in a multiphasic health screening program for the purpose of early detection of medical and/or dental disorders; and,
2. Provide the further care and treatment of those individuals in need and defined as eligible using existing community-based facilities and personnel wherever practical.

The proposed system includes the City of Bloomington Township Supervisor's Office as the entry point into the system in order to determine eligibility, refer clients to health care facilities or the multiphasic screening program, assess fees and approve payment from the Trust. The Health Department would be responsible for performing the multiphasic screening services; referral to care providers and medical follow-up of clients.

In order to execute the protocol outlined in the most cost efficient manner, a basic station to station ambulatory clinic methodology should be employed. Briefly, this involves the patient appearing at various stations to receive the designated services to be offered. Below is a flow chart of the services offered.



BLOOMINGTON TOWNSHIP SUPERVISOR'S OFFICE (JOHN M. SCOTT HEALTH CARE CENTER)

Client Identification and Case Finding

The John M. Scott Health Care Center is responsible for identification and casefinding efforts. These efforts are designed to bring about public awareness of available health care services and to direct those in need

of said services to the John M. Scott Health Care Center. Several methods could be used to accomplish this effort:

1. screening Township General Assistance applicants;
2. interfacing with existing community information and referral systems;
3. notifying other agencies of the program services available to the public; and
4. use of brochures and public information media.

Program Eligibility Determination:

The purpose of the John M. Scott Health Care Center is to provide for health care and health education to those who have no other source for payment. Eligibility standards need to be designed so a duplication of eligibility with other programs is avoided. The Health Care Center has the responsibility to assist the applicant in exploring other means of payment before allowing eligibility under the John M. Scott Health Care programs.

The City of Bloomington Township Supervisor's Office has an established process for screening, intake, and eligibility determination in the General Assistance Program. The John M. Scott Health Care Program eligibility determination procedures would be interphased with this existing process.

Some resources for payment of health care services that require additional procedures are:

1. Illinois Department of Public Aid - Medical coverage (including Medicaid, Medical Aid grant, Medical Aid no grant and Aid to Medically Indigent;
2. Social Security Administration - Medicare;
3. Hill-Burton match and others as determined from time to time.

Client Referrals:

Client intake procedures are also intended to determine what type of health services are necessary. These procedures would result in:

1. referral for screening measures at the Board of Health; or
2. referral to other health care facilities for consultation and/or treatment;
3. coordination of referral procedures with health care system; and
4. referral follow-up management procedures through the care and treatment system.

Transportation

The transportation of clients from the John M. Scott Health Care Center to treatment and/or screening locations and between screening and treatment facilities will be arranged by the Health Care Center. The cost of the transportation to eligible clients will be paid by the program. The Health Care Center will utilize existing transportation systems to provide this service.

McLEAN COUNTY HEALTH DEPARTMENT

Comprehensive Multiphasic Health Screening:

Objective - Develop a comprehensive multiphasic health screening service for the purposes of:

1. emphasizing the importance and benefit of good preventive health care; and,
2. early detection of disease and disorder.

The rationale for this objective is based, in part, on L. Breslow's observation reported in Multiphasic Health Testing Services*, that, "(a) series of preventive services including primary and secondary measures tailored to each age-sex group has been developed and is available for incorporation into personal health services. The measures include prophylaxis, screening for early detection of disease, patient education and

*Multiphasic Health Testing Services, Morris F. Collen, ed., John Wiley & Sons, New York, 1978.

counseling toward specific behavior change. The specific measures have been shown by conclusive evaluation or strong scientific evidence to have value in health maintenance and disease prevention. The preventive services packages should be incorporated into a set of comprehensive personal health services aimed primarily at health maintenance."

The primary activity needed to accomplish this objective is the multi-phasic health screening component. The age-specific activities based on experience gained in the Kaiser-Permanete system are suggested. See Figure I.

These could, of course, be modified based on changing conditions and/or recommendations of the McLean County Medical and Dental Societies.

As noted elsewhere, many of these procedures are available in the County for diagnostic purposes, presenting more a problem of organizing than the development of new resources. In order to initiate a comprehensive screening service it would be first necessary to inventory resources that are currently available and secure the necessary agreements for their use as an organized whole.

Health Education

The health education component would differ from public information in that attempts would be initiated to modify health behaviors that are injurious to personal well-being. This could be accomplished in both individual and group settings. Health education activities would be instituted to modify behaviors toward preventive illness and/or improved health and personal well-being. This would be accomplished via telephone, brochure(s), classroom, group and/or personal counseling for all aspects of health related problems with emphasis on prevention. Health information would be interfaced with other informational programs within the health care system.

Educational program types would include:

1. Infant nutrition and behavioral development of the child;
2. Pregnancy hygiene, nutrition, preparation of labor, infant care, family planning;
3. Dental care;
4. Nutrition education;
5. Importance of medications for hypertension, diabetes, etc.;
6. Caring for disabled relatives in the home; and
7. Other items as so determined from time to time.

Client Follow-up

Medical follow-up of patients entering the health care system through the John M. Scott Health Care Center is essential to prudent patient care management. Follow-up of patients can be categorized into three groupings:

1. Direct Referral Patients: Patients referred directly from the John M. Scott Health Care Center intake component into the treatment sector must be followed in order to determine disposition of the medical problems that occur. John M. Scott Health Care staff would inform the Health Department follow-up component of patients served through direct referral. Health Department personnel would contact the patient in order to determine care status. Patients would be referred to the multiphasic screening component in order to monitor health status and make subsequent treatment referrals when appropriate.
2. Multiphasic Screening Referrals: Patients with abnormalities detected through the multiphasic screening component would be referred to the treatment sector for care. Screening information would be transmitted directly to the medical provider for case reference. The provider would,

in turn, transmit written confirmation of treatment action taken to the follow-up component of the Health Department. When appropriate, the Health Department would then schedule the patient for follow-up screening at a later date to monitor health status.

3. Internal Multiphasic Screening Referrals: Patients having all test results normal, or those patients requiring a re-test in order to confirm the results of the first procedure, would be referred and followed up for future re-testing and/or continue physical screening as the protocol dictates.

A detailed patient tracking system is mandatory to the overall effectiveness of not only the follow-up effort, but the entire program as well. Patient identification and tracking will allow for a high degree of coordination and program effectiveness between the administration and service components of the program.

Community Health Care Facilities

The multiphasic health screening activity is but one facet of the Scott Health Care Program. Multiphasic screening is simply intended to screen and detect previously unknown abnormalities among a given patient population. The second phase of the total system involves referral, treatment and follow-up. The treatment segment within the system would involve private physicians, dentists and hospitals. An annual allocation of funds from the trust would be used to defray the cost of treatment for those eligible under the systems' intake criteria. Establishing payment limitations, reimbursement rates, procedures eligible for payment and similar standards would be the province of the City Council of Bloomington or its designated agent.

Age Group

17-35

36-64

65+

History
 Height and weight
 Blood pressure
 EKG
 Hearing and vision
 Chest x-ray
 Laboratory examinations
 Serum Cholesterol
 Serum triglycerides
 Serum glucose
 Serum uric acid
 Serum SGOT
 Hemoglobin/hematocrit
 Blood count, complete (exclude differential smear)
 RPR
 Urinalysis
 Gonococcal culture (females)
 Pap smear (females)
 Physical examination, general
 Breast examination (females)
 Rectal examination
 Pelvic examination (females)

History
 Height and weight
 Blood pressure
 EKG
 Vision
 Tonometry
 Spirometry
 Mammography (females)
 Chest x-ray
 Laboratory examinations
 Serum cholesterol
 Serum triglycerides
 Serum Glucose
 Serum uric acid
 Serum SGOT
 Serum BUN
 Serum creatinine
 Serum calcium
 Hemaglobin/hematocrit
 Blood count, complete (exclude differential smear)
 RPR
 Urinalysis
 Gonococcal culture (females)
 Pap smear (females)
 Stool guaiac
 Tuberculin
 Physical examination, general
 Breast examination (females)
 Rectal examination
 Pelvic examination (females)
 Sigmoidoscopy

History
 Height and weight
 Blood pressure
 EKG
 Vision
 Tonometry
 Hearing
 Spirometry
 Mammography (females)
 Chest x-ray
 Podiatric examination
 Dental examination
 Laboratory examinations
 Serum cholesterol
 Serum triglycerides
 Serum glucose
 Serum uric acid
 Serum SGOT
 Serum BUN
 Serum creatinine
 Serum calcium
 Serum triiodothyronine (T3)
 Serum thyroxine (T4)
 Hemoglobin/hematocrit
 Blood count, complete (exclude differential smear)
 Urinalysis
 RPR
 Tuberculin
 Pap smear (females)
 Stool guaiac
 Physical examination, general
 Breast examination (females)
 Recal examination
 Pelvic examination (females)
 Sigmoidoscopy

PROGRAM PLANNING

In order to ensure that the Program remains responsive to the needs of its clients, the McLean County Regional Planning Commission will conduct an annual evaluation of the program. This evaluation will be designed to:

1. identify unmet needs;
2. identify duplication of services;
3. evaluate the effectiveness of client services; and
4. make recommendations to the John M. Scott Health Care Commission and the Trustees concerning needed Program modifications.

The Program evaluation should take into consideration the comments of persons and agencies providing services as well as other health status and socio-economic data available. This evaluation will be submitted to the John M. Scott Health Care Commission for their review and comment prior to its submission to the Trustees. The submission to the Trustees shall be accomplished prior to the formulation and approval of the program budget for the next fiscal year. The evaluation shall be accomplished with the full participation of the Bloomington Township Supervisor's Office and the Health Department.

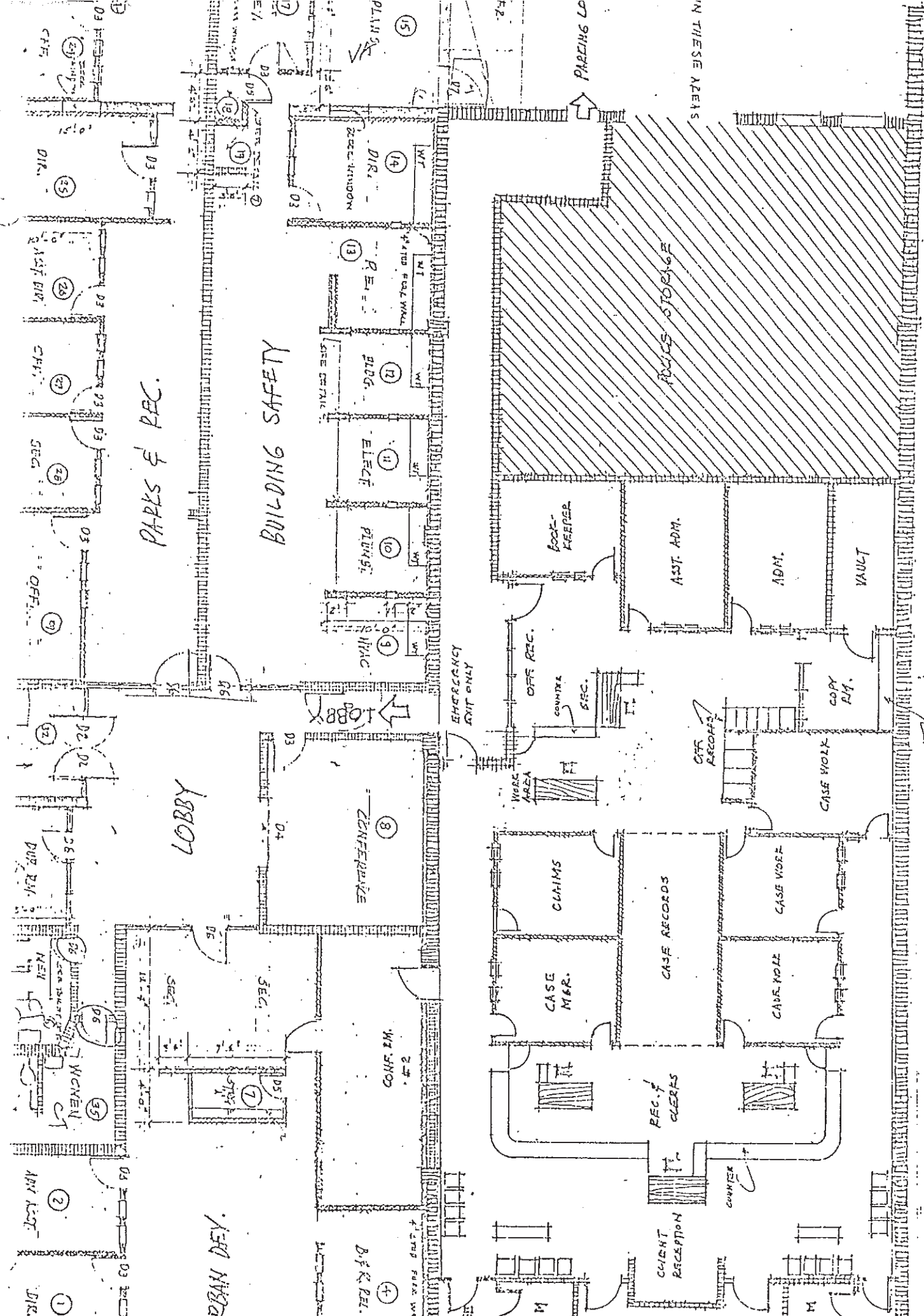
PROGRAM LOCATION AND FACILITIES

The John M. Scott Health Care Center is recommended to be located in a portion of the structure known as the "City Hall Annex." This structure will be suitably remodeled and equipped to provide adequate space for program management and those client services that will be offered by the Bloomington Township Supervisor's Office. This location has been chosen because:

1. it is located adjacent to the property designated by John M. Scott as the site for the hospital described in his will;

2. it is centrally located and readily accessible to the potential client population; and
3. it is adjacent to other City property which will facilitate ease of maintenance and operation.

It is estimated that the Supervisor's office could occupy up to 4,000 square feet of the facility, a portion of which will provide space for management personnel and the conduct of client services. Alternative floor plans of the renovated "City Hall Annex" are included following this page and labeled Exhibit 1 and Exhibit 2. A major portion of the multiphasic screening program and health education program will be located in the building occupied by the McLean County Health Department. This location has been chosen because existing Health Department personnel, equipment, and office space will be utilized. Client needs related to health care and treatment by community health care facilities will be provided at the site of existing hospitals, clinics, physicians, and dentists as needed.



PARKS & REC.

BUILDING SAFETY

LOBBY

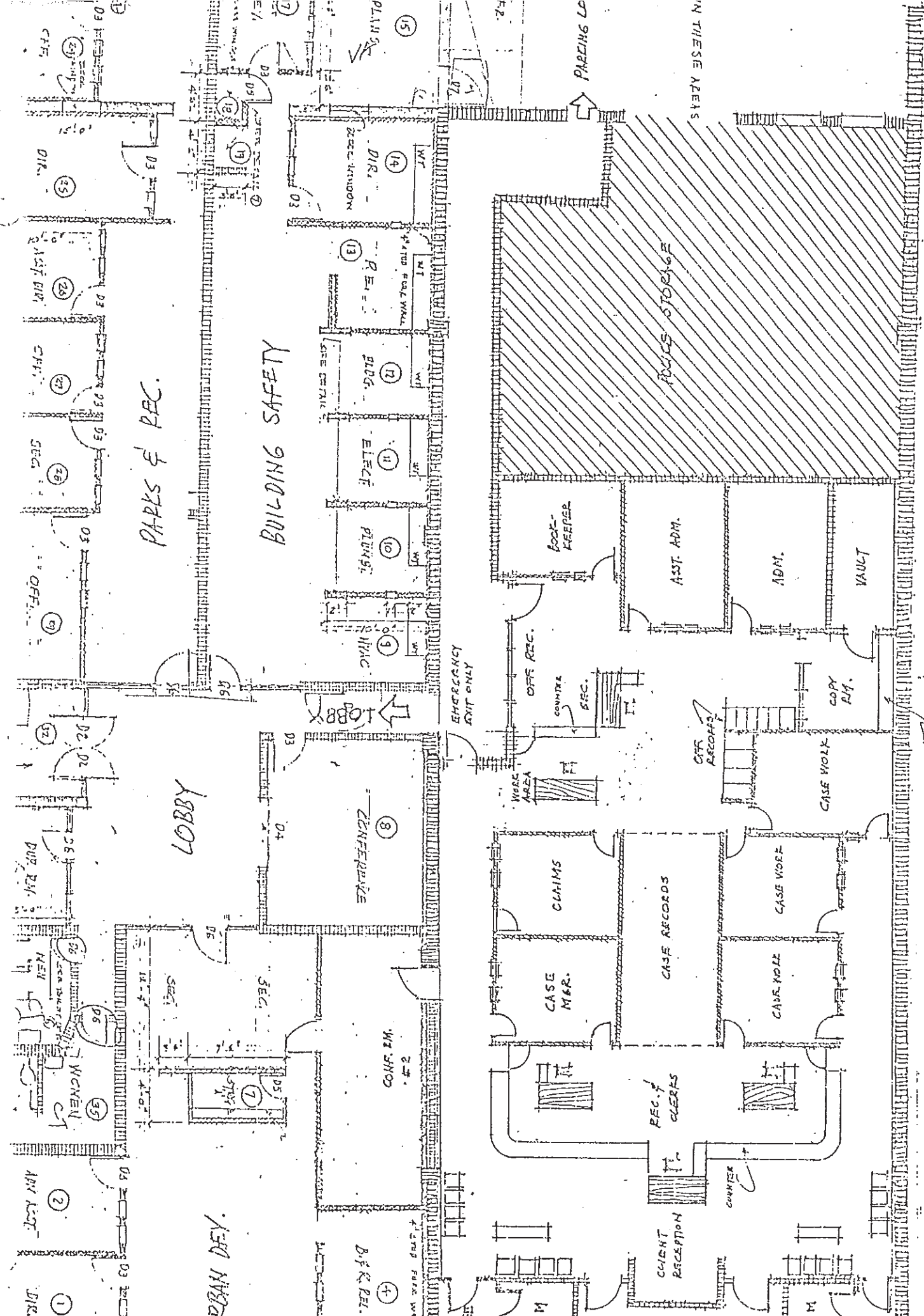
OBAN DEY.

IN THESE AREAS

PARKING LOT

ROSE HEALTH CARE & TRANSIT

TR. & ELECT.



PARKS & REC.

BUILDING SAFETY

LOBBY

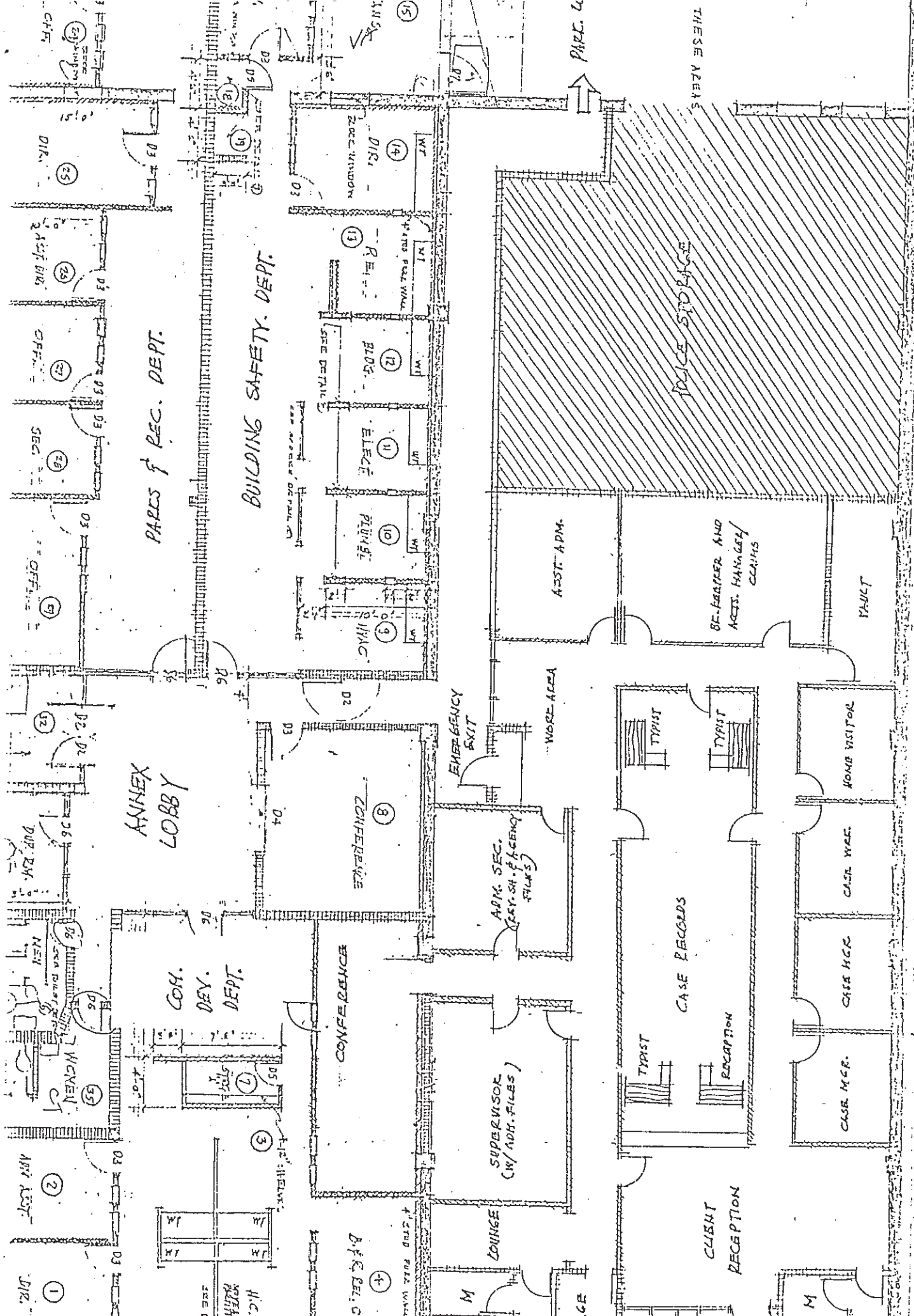
OBAN DEY.

IN THESE AREAS

PARKING LOT

ROSE HEALTH CARE & TRANSIT

TR. & ELECT.



Dosed HEALTH CARE & TOWNSHIP CENTER SCALE: 1/8" = 1' 12/11/81 P. as per M.S.

PROGRAM BUDGETNon-Recurring Start-up Costs

John M. Scott Health Care Center

Facilities

1. Building renovation costs		\$100,000
Initial furniture and equipment		
1. Office	\$ 5,500	
2. Reception/waiting area	\$ 1,500	
3. Health records equipment	\$ 5,000	
		<u>\$ 12,000</u>
		\$112,000

McLean County Health Department

Facilities and Equipment

1. Leasehold Renovations	\$ 4,000	
2. Equipment Purchase	\$ 8,000	
		<u>\$ 12,000</u>
		\$124,000

Operating Budget (Year One)

John M. Scott Health Care Center

Program Management

Personnel requirements

1. Clerk typist (2)	\$ 18,000	
2. Claims manager	\$ 15,000	
3. Cost for administration	\$ 10,000	
4. Benefits	\$ 8,500	
		<u>\$ 51,500</u>

B. Operating expense

1. Printing and stationery	\$ 1,000	
2. Office supplies and expenses	\$ 500	
3. Postage	\$ 1,000	
4. Telephone	\$ 1,000	
5. Rent and utilities	\$ 4,500	
6. Training, meetings, conferences, dues	\$ 500	
7. Equipment repair/rental	\$ 1,000	
8. Auditing expense	\$ 800	
9. Legal expense	\$ 1,500	
10. Planning expense	\$ 2,500	
11. Contingencies	\$ 1,000	
12. Data Processing	\$ 1,200	
13. Professional expense	\$ 1,000	
		<u>\$ 17,500</u>

\$ 69,000

Client Services

A. Identification and Casefinding

1. Publications, printing	\$ 1,000	
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(18)

2. Brochures	\$ 1,200
3. Media Services	\$ 800
4. Intake forms and supplies	\$ 1,500
5. Case manager	\$ 10,000
6. Personnel benefits	<u>\$ 1,500</u>

\$ 16,000

B. Referrals

1. Referral coordinator	\$ 3,000
2. Benefits	\$ 500
3. Telephone	\$ 800
4. Printing and stationery	\$ 900
5. Referral supplies and expenses	\$ 300
6. Postage	\$ 800
7. Training, meetings and conferences	<u>\$ 500</u>

\$ 6,800

C. Transportation (client)

\$ 6,000
\$ 28,800

McLean County Health Department

Multiphasic Screening and Health Education

A. Personnel requirements

1. Physician @ \$50/hr x 374 hrs	\$ 18,700
2. Receptionist @ \$4/hr x 10 hrs/wk x 52	\$ 2,080
3. Medical Assistant @ \$4/hr x 20 hrs/ wk (records mgt.) x 52	\$ 4,160
4. Vision & Hearing Tech. @ \$4.50/hr x 10 hrs/wk x 52	\$ 2,340
5. 3 RNs @ \$7/hr x 10 hrs/wk x 52	\$ 10,920
6. 1 laboratory tech. @ \$7/hr x 10 hrs/ wk x 52	\$ 3,640
7. Health educator @ \$7/hr x 10 hrs/ wk x 52	\$ 3,640
8. 1 dentist @ \$25/hr x 5 hrs x 24	\$ 3,000
9. Director \$35,007. x 10%	\$ 3,500
10. Executive Assistant \$22,900. x 10%	\$ 2,290
11. Director of Nurses \$29,450. x 10%	\$ 2,945
12. Supervisor of Nurses \$18,502 x 10%	\$ 1,850
13. Outpatient Therapist @ \$9/hr x 120 hrs	\$ 1,080
14. Fringe Benefits	<u>\$ 6,726</u>

\$ 66,871

B. Operating Expenses		
1. Reference Material	\$	500
2. Patient Education Material	\$	1,620
3. Office Supplies	\$	810
4. Medical & Nursing Supplies	\$	1,620
5. Dental Supplies	\$	300
6. Outside Printing	\$	600
7. Postage	\$	810
8. Advertising	\$	1,000
9. Space 3,000 sq. ft @ \$5/yr x 40%	\$	6,000
10. Instruction and Schooling	\$	1,000
11. Travel	\$	1,500
12. Malpractice/Liability Insurance	\$	3,000
13. Laundry and Cleaing	\$	250
14. Computer Rental	\$	3,000
15. Telephone	\$	2,000
16. Laboratory Charges \$40. x 1,620	\$	64,800
17. Contingency/ misc.	\$	<u>1,677</u>
		\$ 90,487
		<u>\$157,358</u>

Health Care and Treatment Services		\$244,842
1. Counseling and consultation		
2. Health Service Fees		
3. Grant-In-Aid Fees		
4. Prosthetic Materials and devices		

Operating Budget Summary

John M. Scott Health Care Center

Program Management	\$	69,000	
Client Services	\$	<u>28,800</u>	\$ 97,800
McLean County Health Department			
Multiphasic Screening and Education		<u>\$157,358</u>	\$255,158
Health Care and Treatment Services			\$244,842
			<u>\$500,000</u>

This Contract will be deemed effective as of the last date signed.

Motion by Alderman Purcell, seconded by Alderman Schmidt that the Contract with Bromenn Healthcare for right of way and temporary easements in the amount of \$11,204 be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Schmidt, McDade, Anderson, Hanson, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Intergovernmental Agreement between the City of Bloomington and the Town of the City of Bloomington for Operation of the John M. Scott Health Care Programs and Services

RECOMMENDATION: That the Intergovernmental Agreement be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

BACKGROUND: In 2002 and 2003, the City and the Town of the City of Bloomington Township entered into Intergovernmental Agreements that allowed for the day to day operations of the John M. Scott Health Care, (JMSHC), programs and services to be housed in the same building, thus allowing for clients to access both services at the same location.

In April 2009, Ruth Ann (Sikora) Fraker retired as the John M. Scott Director and Township Supervisor. At that time, staff worked with the incoming Township Supervisor Joe Gibson to review the current Intergovernmental Agreement to ensure that it meets the needs and vision of the City, the John M. Scott Trust and the Town of the City of Bloomington.

The Agreement reflects several conversations with Mr. Gibson, John Pratt, Township Attorney, Tom Herr, John M Scott Trust's attorney, and City staff.

At their regular meeting on August 12, 2009, the JMSHC Commission board members reviewed this agreement. They are recommending it to Council in their capacity as Trustees of the John M. Scott Estate. This item will appear on the Town of the City of Bloomington Township's September 26, 2009 meeting agenda.

The Agreement adds the following:

- Vans donated to or otherwise acquired by the John M. Scott Trust will continue to be titled under the name J.M. Scott and the City of Bloomington. Such vans will continue to be fueled at the gas pumps of the City of Bloomington and the expense for such fuel will be charged to the Township, to be reimbursed by the Scott Trust.
- The City will provide computer services; the Township will reimburse the City for such services.
- The City will provide mowing and snow removal to the Township lot; the Township will reimburse the City for such services.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: None. For Fiscal Year 2009 – 2010, dollars have been budgeted within the John M. Scott and Town of the City of Bloomington budgets.

Respectfully submitted for Council consideration.

Prepared by:

Reviewed as to legal sufficiency:

Barbara J. Adkins
Deputy City Manager

J. Todd Greenburg
Corporation Counsel

Recommendation by:

David A. Hales
City Manager

**INTERGOVERNMENTAL AGREEMENT FOR OPERATION OF JOHN M. SCOTT
HEALTH CARE PROGRAMS AND SERVICES**

AGREEMENT MADE THIS 29th day of September, 2009, between the City of Bloomington, a municipal corporation of McLean County, Illinois as Trustee of the John M. Scott Health Care Trust (“City); and the Town of the City of Bloomington, a duly created political Township under the statues of the State of Illinois (“Township”)

WITNESSETH:

RECITALS

1. PURPOSE OF THE JOHN M. SCOTT TRUST.

Under the Estate of John M. Scott, deceased.....:

A provision was made for the benefit of local residents for health care that included certain provisions for the establishment of the health care facility and conferred upon the City of Bloomington certain obligations in the establishment of such program. The guidelines, limitations and provision of such obligations were finally established incase No. 81 CH 135. In accordance with the Declaration of Trust, the City accepted its responsibilities as trustee of the John M. Scott. Health Care Trust and, in furtherance of its role as trustee, operates the John M. Scott Health Resource Center programs and services.

2. AUTHORITY OF TOWNSHIP SUPERVISOR; SIMILARIRT OF FUNCTIONS.

The Township, particularly the Township Supervisor, is by Sec. 70-50 of the township code, (60 ILCS 1/70-60) charged with the duty to administer the general assistance program in the Township as provided in Articles VI, XI, and XII of the Illinois Public Aid Code. Both City, under the Declaration of Trust and the Township under the Township Code perform similar functions and provide assistance to many of the same people.

3. FINDINGS OF TRUSTEE.

It is the determination of the City that the programs and services provided for in the Trust can best be delivered by utilizing the personnel in the office of the Supervisor of the Township, which political body is coextensive geographically with the City.

4. PRIOR AGRREMENT FOR BUILDING.

The Township and the City have been previously entered into an intergovernmental agreement whereby the City will construct, at the Township's expense, a building on land owned by the City, and the City will convey the underlying real estate to the Township for use, as Township offices, and said building will also serve as the offices for the John M. Scott Health Care Programs and Services.

5. EFFICIENT USE OF OFFICE SPACE

The operation of the John M. Scott Trust Programs and Services in the same building as the Township offices will enable both agencies to make their services more conveniently available to their clients and to provide services more efficiently and at a lower cost through sharing of personnel, joint purchases and other techniques.

6. AUTHORITY FOR AGREEMENT.

- (a) Parties to this Agreement derive their authority to enter into intergovernmental agreements from Article 7, Section 10 of the Constitution of the State of Illinois, which authorizes units of local government to contract and otherwise associate among themselves any manner not prohibited by law. Both the City and the Township are units of local government within the meaning of Article 7, Section 10 and the terms of this Agreement are not prohibited or restricted by law.

- (b) Article VII of the Declaration of Trust empowers the City as Trustee to furnish services for the benefit of the trust and to be reimbursed for the cost thereof.
- (c) Article X, Sec. 1 paragraphs (g) and (h) of the Declaration of Trust, empower the City as Trustee:
 - g. To employ attorneys, auditors, accountants, depositories, proxies, and agents with or without the discretionary powers; and
 - h. To take all other actions necessary in the discretion of the trustee to accomplish the purpose of the trust provided that such action is authorized, expressly or implicitly, by the terms of the order or by the law.
- (d) Section 85-10(d) of the Township Code [60 ILCS 1/85-10(d)] authorizes the Township to “make all contracts necessary in the exercise of the Township’s powers.”

AGREEMENT

1. TRUSTEE APPROVAL

Health care program and services of the John M. Scott Trust subject to this Agreement will be as determined by the Trustee upon recommendation of the John M. Scott Health Care Commission, which serves as the advisory body to the operation of this program. Such programs and services shall be submitted to the Township Supervisor for implementation.

2. TRUST EXPENSES

It is the intent of this agreement that all costs and charges incurred by the Township in respect to the operations of the Trust programs and services shall be borne by the Trust account of the said John M. Scott Estate Trust.

3. TOWNSHIP TO DELIVER SERVICES

The City Council, acting as Trustee for the Estate and as the Board of Trustees of the City of Bloomington Township, hereby authorizes the Supervisor of the Township to operate and direct the programs and services, implement the guidelines, rules and regulations as may be adopted by the City, authorize the disbursement of funds or contractual services as provided herein.

4. ESTIMATE OF COSTS; BUDGET.

For the purpose of establishing an estimate of the personnel and other costs required, the Township Supervisor will prepare a budget for each Township fiscal year utilizing best estimates available as to the amount of time required by personnel and the actual costs of services, equipment, and other overhead expense of the office of general assistance to provide the services to be delivered on behalf of the Trustee. Such budget shall be approved by the governing body

for each governmental unit, which is to say the members of the Bloomington City Council in their capacity as City Council and as the Board of Trustees. It is contemplated that this budget shall be revised from time to time based upon the experience in actual operation of the program and delivery of services. Persons newly hired to perform services both for the City and Township shall be Township employees.

5. HEALTH CARE COMMISSION.

The John M. Scott Health Care Commission is hereby designated by the City to oversee and service in an advisory capacity to the Supervisor in the operation of the John M. Scott Health Care Trust programs and services which are the subject of this Agreement. The Commission, subject to approval of the City, shall establish guidelines for the disbursement of funds for the purpose of the Trust.

6. TRANSFER OF FUNDS.

The City to transfer funds in the amount consistent with the budget to an account to be used by the Township Supervisor, which shall be a separate account under the name of John M. Scott Trust Account. The Township Supervisor may draw orders upon this account, and the use of the account, shall be as near as possible to the method used in the disbursement of funds for general assistance. Use of funds from this account shall be in accordance with Trust guidelines. The status of said account or accounts that may be established shall be reported by Supervisor to the Township Board of Trustees once each month, together with other Township funds. Both the City and Township agree to follow such procedures as may be required by their respective auditors to assure proper controls on the funds advanced hereby.

7. MISCELLANEOUS EXPENSES

(a) Vans donated to or otherwise acquired by the John M. Scott Trust will continue to be title under the name of J. M. Scott and the City of Bloomington. Such vans will continue to be fueled at the gas pumps of the City of Bloomington and the expense for such fuel will be charged to the Township, to be reimbursed by the Scott Trust.

(b) The City will provide computer services, including, but not limited to, such services as desktop hardware support, desktop productivity application support, workgroup and personal printer support, network file storage space with enterprise backup, networking hardware support, e-mail services and internet connectivity with virus scanning; the Township will reimburse the City of Bloomington for such services.

(c) The City will provide mowing to the Township lot and snow removal services for the Township parking lot; the Township will reimburse the City of Bloomington for such mowing and snow removal services.

8. SUPERVISOR STATURTOR DUTIES NOT AFFECTED.

Nothing herein contained shall conflict with or be contrary to or limit the authority or obligations of the Supervisor of the Township and conduct of the Supervisor's duties and control of the general assistance fund of the Township.

9. TERMS

This agreement shall be for an indefinite duration, but either party may terminate it by giving sixty (60) days written notice to the other party. Said termination shall not automatically terminate the position of any persons hired under this Agreement. Prior to termination of the Agreement, the City and Township shall meet and confer as to said employee's status after the end of the Agreement.

Executed this day of August 25, 2009.

City of Bloomington, a municipal corporation

By: Stephen F. Stockton
Mayor

ATTEST:

Tracey Covert
City Clerk

Town of the City of Bloomington, a governmental
Township of the State of Illinois

By: Joe Gibson
Supervisor

ATTEST:

Tracey Covert
Township Clerk

Motion by Alderman Purcell, seconded by Alderman Schmidt that the Intergovernmental Agreement be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

JOHN M. SCOTT HEALTH CARE COMMISSION

BY-LAWS

ARTICLE I--NAME

The name of this organization shall be the John M. Scott Health Care Commission.

ARTICLE II--PURPOSE

Section 1--Objectives. It shall be the objective of the Commission to advise the Trustees of the John M. Scott Health Care Trust. The purpose of the Trust is to provide health care for the use and benefit of all sick and otherwise disabled persons who reside in McLean County, Illinois, no matter from what cause such sickness or disability may arise, and who cannot pay for the needed care and attention; and to conduct health-related informational and educational programs and activities to assist such persons in preventing illness and promoting good health. All activities of the Trust shall be conducted without discrimination because of race, color, religion, sex, national origin, ancestry, age, marital status, physical or mental handicap, unfavorable discharge from the military service, or any other factor subsequently determined by law to require protection from discrimination. Working with those organizations that appoint Commission members, we endeavor to have a Commission with the diversity necessary to appropriately represent the various segments of our total population. The Commission shall advise the Trustees in three main categories:

1. development of programs at the John M. Scott Health Resources Center;
2. planning of a comprehensive health care program for the economically disadvantaged residents of McLean County, Illinois;
3. and such other matters as directed by the Trustees from time to time.

Section 1--Methods of Accomplishing the Objectives. The Commission shall proceed on the principle that there is a serious need to improve the health care of the economically disadvantaged residents of McLean County, Illinois. The Commission, acting as the advisor to the Trustees of the John M. Scott Health Care Trust, shall actively participate in selecting and recommending to the Trustees those goals and objectives (programs and activities) that are consistent with the intent of the Trust. In the spirit of a working partnership, the Commission shall specifically work to:

1. Inform itself of the status of the health care of the economically disadvantaged residents of McLean County.
2. Develop and implement health care programs and activities, which are consistent with the intent of the Trust. Financial assistance shall only be available to American citizens and registered legal aliens who reside in McLean County.
3. Assess, describe and address needs that cannot be corrected by other private and public health resources, to accomplish the purpose of the Trust.

4. Promote a broad understanding of the vital importance of assuring adequate health care opportunities for economically disadvantaged residents of the community.

ARTICLE III--DUTIES AND RELATIONSHIPS

Section 1--Source of Membership. The Commission shall be made up of representatives from the community designated or selected as follows:

- a. the elected Township Supervisor of General Assistance of the City of Bloomington Township;
- b. one member of the McLean County Medical Society (selected by said society);
- c. one member of the McLean County Dental Society (selected by said society);
- d. one member to represent the Governing Board of BroMenn Healthcare (selected by said Board);
- e. one member to represent the Community Advisory Board of OSF St. Joseph Medical Center (selected by said Board);
- f. one member to represent the Second Presbyterian Church of Bloomington (selected by the ruling elders of said church);
- g. one member to represent the Board of the McLean County Health Department (selected by said Board);

provided, however, that if no Board member from either BroMenn Healthcare, OSF St. Joseph's Medical Center or McLean County Health Department can serve on the Commission, an upper level management employee with overall responsibility for executing the policies and programs of those organizations, or a physician may serve as those organization's representative on the Commission as long as the organization seeking to substitute an employee for a Board member submits a written statement stipulating that no Board member is available to serve on the Commission; and additional representatives of such other bodies or agencies, not to exceed four (4) in number, as may be designated from time to time by the Trustees. As of the publication of the by-laws, the current four appointments made by the Trustees are:

- h. 9th District Nurses Association of Illinois (proposed by said Association);
- i. Bloomington Regional Optometric Society (proposed by said Society);
- j. Mid-Central Community Action, Inc. (proposed by said Board of Directors);
- k. United Way of McLean County (proposed by said Board of Directors).

The four representatives designated in the by-laws to be appointed by the Trustees shall, during their terms of office, serve at the pleasure of the Trustees. The Trustees alone reserve the sole right to make such future appointments without assistance or representation from any organization.

The Commission can appoint up to three (3) ad hoc members, as it deems necessary for specific projects or purposes. The ad hoc members will not have voting rights.

Section 2—Appointments. The Commission shall consist of eleven (11) members as designated in Article III; Section 1. With the exception of the elected Township Supervisor of General Assistance of the City of Bloomington Township, whose elected office is considered to be a permanent position on the Commission, the remaining ten (10) Commission members, who are appointed, shall serve for three (3) years in predetermined rotating staggered terms designated term period one, two, and three. The term periods shall expire as follows:

ONE—first Monday on June, 1987
TWO—first Monday in June 1988
THREE—first Monday in June, 1989

and in respective successive anniversary years thereafter. In conjunction with the staggered term of periods, there is need to establish permanent cohesiveness and continuity within the Commission, from its inception, by both the individual representatives and their organizations. Therefore, each of the representatives is assigned to one of the three groups as follows:

Group A (three members assigned by the Trustees), represented by the 9th District Nurses Association of Illinois, Bloomington Regional Optometric Society, and Mid Central Community Action, Inc.;

Group B represented by BroMenn Healthcare, McLean County Health Department, and OSF St. Joseph Medical Center;

Group C (the public sector) represented by the Township Supervisor of General Assistance of the City of Bloomington Township, Second Presbyterian Church of Bloomington, and United Way of McLean County; and

Group D (the medical/dental sector) represented by the McLean County Medical Society and the McLean County Dental Society.

TERM PERIOD ONE and TWO will contain one representative each from groups A, B, C, and D. TERM PERIOD THREE will contain one representative each from group A, B, and C. The initial assignment of the Commission members to a term period including the elected official described above was made by drawing lots at the first meeting following the initial adoption of by-laws by the Commission. The period for which each of the present members serves has developed from the initial adoption of by-laws. Any person appointed to fill a vacancy prior to the expiration of the term from which the predecessor was appointed shall serve for the remainder of such term. A Commissioner may serve more than one term, but no more than three consecutive terms, as a representative of any one of the stated bodies. Those members appointed to fill a vacancy may serve out the term of that Commissioner and then serve for three additional consecutive terms. Any Commissioner who has served three consecutive terms may serve as a Commissioner again one year after the expiration of the most recent term served by that Commissioner. A Commissioner who has served three consecutive terms may not be appointed to fill a vacancy unless that vacancy occurs at least one year after the expiration of the most recent term served by that Commissioner.

Section 3—Voting. Each member shall have one vote.

Section 4—Proxy Vote. Each organization identified in Article III; Section 1, may appoint a replacement from their organization to sit in place of the designated Commissioner's absence. The appointed replacement person shall exercise the right to vote in decisions facing the Commission until such time as the designated Commissioner returns.

Section 5—Removal. Each of the appointed Commission members may be removed by his/her respective organization for cause, either on its initiative or upon request of the Trustees. The organization involved shall immediately appoint a new representative. The Commission member who is an elected official may be removed for cause by the Trustees.

Section 6—Resignation. Any member of the Commission may resign by giving written notice to the Trustees and the Chairperson. Such resignation shall take effect at the time specified in the written notice.

Section 7—Relationship.

Trustees—The relationship of the Commission to the Trustees will be that of a trusted advisor as delineated in the Declaration of Trust in Article II. The Trustees will retain and exercise final responsibility for the policy direction, program priorities, budgeting and appropriations. To this end, as advisors, the Commission shall actively search for methods to improve the health care for the poor; participate in both selecting and maintaining meaningful health care programs and activities; initiate recommendations to the Trustees to either continue, alter, add, delete current/new health care programs and activities which are consistent with the Trust.

Staff Administrator—This person shall act as the primary administrative resource and advisor to the Commission. The Staff Administrator shall be a City employee. As such he/she shall be directly responsible for maintaining all administrative records and files, all financial documents and fiscal management in and for the name of the Trust, the Trustees, and the Commission. The Staff Administrator shall be a non-voting member on the Commission, and considered being a representative of the Trustees when so directed.

ARTICLE IV---OFFICERS

Section 1—Officers Enumerated. The officers of the Commission shall be Chairperson, Vice-Chairperson, and such other officers as may, in the judgment of the organization, be necessary, from within its own organization, together with the Staff Administrator. The officers of the Commission are to act as individuals and not as a member of a group they represent.

Section 2—Election of the Officers. Nomination of officers shall be made from the floor at the first meeting of May of each year. Candidates for each office receiving a

simple majority of the membership present (a quorum being necessary) at the specified meeting shall be declared elected and shall serve for one year, or until their successors are elected. No Chairperson or Vice-Chairperson shall serve more than three consecutive terms in the same office. Vacancies in offices shall be filled immediately by the election procedure specified above.

Section 3—Duties of Officers.

Chairperson—to preside at all meetings of the membership, appoint committees with approval of the membership.

Vice-Chairperson—to perform the duties of the Chairperson in the event of his/her absence, resignation or inability to perform his/her duties.

Staff Administrator—to see that minutes of all membership meetings are kept and have custody of the records and minutes of the Commission; to give advice and proper notice of all meetings of the membership and committees upon request by the Chairperson of the Commission or Chairperson of the committees.

ARTICLE V---COMMITTEES

Committees. The Chairperson may appoint committees to perform certain specific functions on a temporary basis. These temporary committees will be disbanded when their specific functions have been served.

ARTICLE VI--MEETINGS

Section 1—Regular Meetings. Regular meetings will be held during the second week of every month. The Staff Administrator and Chairperson shall prepare the agenda. The Commission members shall submit agenda items to the Chairperson one week prior to the scheduled monthly meeting. The Staff Administrator shall provide all members with a written agenda, or notice of cancellation, for these meetings not less than four (4) days in advance of the meetings.

Section 2—Special Meetings. Special meetings may be called by the Chairperson. The Staff Administrator shall notify all members in the manner directed by the Chairperson in advance of such special meetings. The notice shall specify the purpose of such meeting and no other business may be considered except by unanimous consent of the Commission members present.

Section 3—Quorum. A quorum shall constitute a total of six (6) voting members currently appointed, or one member over half the members. A quorum will be necessary to transact official business; however, informal discussion can take place when a quorum is not present. A simple majority vote of the voting members present shall be required to pass motions before the membership.

Section 4—Attendance at Meetings. Any Commissioner who misses three (3) regularly scheduled meetings during a term year without an excuse which is accepted by a simple majority of the membership present (a quorum being necessary) at which the question is raised, shall be given written notice by the Chairperson of such absences, and with said notice shall be requested to notify the Chairperson as to their intentions with respect to continued membership in the Commission. By a majority vote of the members present at a meeting at which the question is raised, the Commission may recommend appropriate action concerning the status of such member to both the Trustees and the Commissioner's organization, if any.

Section 5—Committee Meetings. Committees shall meet as determined by the Chairperson.

Section 6—Public Meetings. All meetings of the Commission and its committees, at which official action is taken, shall be open to the public at large in accordance with the official public meetings act.

Section 7--Citizen Participation. In keeping with the spirit and intent of the Trust, the Commission, during regularly scheduled meetings, may desire to receive input from concerned citizens, groups and/or agencies regarding unmet health care needs within McLean County. This will be accomplished in the following manner:

1. **Scheduled Participation.** Any person, group and/or agency having business, i.e., concerns for unmet health care needs, may speak when prior arrangements to do so have been made with the Chairperson. A specific time to speak will be reserved on the agenda. Committee advisors, i.e., pharmacists, physicians, nurses, etc. will be allowed to speak at committee meetings where topics related to their profession(s) are discussed.
2. **Unscheduled Participation.** Any person, group and/or agency having business, i.e., concerns for unmet health care needs, not having made prior arrangements with the Chairperson to speak before the Commission may be allowed to speak upon passage of a motion to suspend the Rules temporarily to allow citizens to address the Commission.

ARTICLE VII--PARLIAMENATRY AUTHORITY

Robert's Rules. The latest published "Robert's Rules of Order Revised" shall govern in so far as is applicable and consistent with these by-laws.

ARTICLE VIII---FINANCING

Section 1—Funds from the Trust. The Commission may request monies from the Trust or Staff Administrator from the City of Bloomington administration to enable it to adequately carry out its responsibilities, provided such requests are submitted in writing to the Trustees, and are in harmony with provisions of the Trust itself.

Section 2—Gifts and Donations. Any gift and/or donation received by the Commission from either the public or private groups and/or individuals to help them carry out the provisions of the Trust, shall be turned over to the Trustees to be used in accordance with the Trust itself.

ARTICLE IX---AMENDMENTS

Section 1---Amending the By-laws. These by-laws may be amended by eight (8) of the eleven (11) of the entire voting membership of the Commission provided the amendment shall have been submitted to the membership in writing at least two (2) weeks in advance of the meeting at which it is to be considered. The vote may be by a mailed written ballot.

Amended July 8, 1992
Amended January 9, 1995
Amended September 27, 2004



**SPECIAL CITY COUNCIL MEETING
AGENDA ITEM NO. 8**

FOR COUNCIL: August 22, 2016

SUBJECT: Presentation and discussion on the John M. Scott Trust and Future Direction.

RECOMMENDATION/MOTION: Accept information and begin the process of evaluating proposals and providing direction on the operation of the John M. Scott Trust.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: Judge John M. Scott was a Justice of the Illinois Supreme Court in the 1880's. He was a resident of McLean County and was head of the McLean County Historical Society in 1892. Judge Scott died on January 1, 1898, and in accordance with his Last Will and Testament, money was to be set aside upon the death of the last surviving annuitant in a trust to erect and construct a building suitable for a hospital to be used for hospital purposes, to be forever under the direction and control of the City of Bloomington. The hospital was to be for the "benefit of all sick or otherwise disabled persons, male or female, old or young, with-out regard to nationality or religious beliefs no matter what cause such sickness or disability may arise...and who may not be able to pay for needed care and attention in such hospital and in such numbers only as the capacity of such hospital will reasonably accommodate." The Last Will and Testament states:

It is particularly desired that all persons who may be injured by accident and who may have no friends at hand to care for them or who may have no money or other means to pay for care and medical or surgical services may be admitted into such hospital for treatment for such length of time as shall be reasonable under all the circumstances provided that any person who may wish to be admitted to such hospital for treatment or for human care, and who may be able to pay for the same, may be admitted and be charged only a reasonable sum for such care and treatment.

In the early 1980's, the last annuitant passed away and the Circuit Court took up how to handle the remaining assets of the trust. As a result, the court awarded 55% of Scott Trust assets (approximately \$5,400,000) to the City of Bloomington for the purpose of implementing the terms of the trust created under the will. Currently, there is approximately \$11,300,000, being held within the Trust.

In the 1880's, when Judge Scott's will was drafted, there were no hospitals in the Bloomington area. However, by the 1980's, when the trust became active, the Bloomington-Normal area had multiple hospitals and various other medical facilities. Accordingly, the trust, as created, was updated as necessary with the community's existing medical situation. Specifically, Article II of the Declaration of Trust that was approved by the Circuit Court stated the Trust's purpose as follows:

...to provide health care for the use and benefit of all sick or otherwise disabled persons, no matter from what cause such sickness or disability may arise, and who may not be able to pay for needed care and attention; and to conduct health-related informational and educational programs and activities to assist such persons in preventing illness and promoting good health.... Article II.

In accordance with the Article III of the Trust, the purpose outlined in Article II, was to be accomplished through the John M. Scott Health Care Program (“Program”). In accordance with the Trust, this Program is to:

- a. Provide access to the existing health care system for persons who may not be able to pay for needed care and attention by (1) performing limited, non-emergency, physical assessments for such persons who believe themselves to be ill or in need of treatment; (2) making referrals to appropriate doctors, dentists, clinics, hospitals, and similar professional personnel or facilities; (3) providing or arranging for transportation to and from such health care personnel and facilities; (4) acting as an advocate on behalf of such persons with respect to appointments, communications and administration within the health care system; and (5) making payments upon behalf of such persons to those persons and facilities who may have provided authorized services within the health care system.
- b. Provide care in existing, local hospitals (St. Joseph, Mennonite and Brokaw) for such persons who may not be able to pay for needed care and attention (1) by making direct payment for qualified, identified patients, and (2) by grants-in-aid. Such payments and grants-in-aid will be made and applied in accordance with published guidelines to be promulgated by the trustee for the purpose of establishing criteria and procedures determined to be necessary or desirable to identify qualified patients and to control expenditure of such grants-in-aid.
- c. Acquire diagnostic or laboratory equipment not otherwise readily available in the local health care system for use in local hospitals, clinics, and other health care facilities; or for use in the John M. Scott Health Care Center.

Under the Trust, a facility to be known as the John M. Scott Health Care Center (“Center”) was to be created. This was initially located within the City’s Township Building and it continues to be housed there today.

The Trust provides the Program is to be “forever under the direction and control” of the City, as Trustee. Further, under the continuing jurisdiction of the Circuit Court, the City Council, as trustee, retains and exercises responsibility for the policy direction, program priorities, budgeting and appropriation. The Trust further creates the John M. Scott Commission to be appointed to advise the City, as Trustee, on the following: (a) the development of the Center; (b) planning of the program; and (c) such other matters as directed by the Trustee from time-to-time.

The Commission is made up of the Township Supervisor, as well as representatives from various other medical and charitable organizations within McLean County.

Historically, the Center was managed out of the Township Supervisor’s office in the years of Maxine Shultz. In 1984, the City took over administration and staffing for the Center from the Township. The Director of the Center was then elected as Township Supervisor in 2001 and the

Center's administration moved back to Township. Accordingly, the City currently, through an Intergovernmental Agreement, utilizes the City of Bloomington Township Supervisor's Office as the entry point into the system in order to determine eligibility, refer clients to health care facilities or screening program, assess fees and approve payments from the Trust.

Prior to the Affordable Care Act, many programs and services were provided by the Center that served the needs of low income residents. Some of these programs included the provision of prescription medicine, adult dental, preventative adult dental in private offices, medical office visits, transportation for maternal/child and cancer treatment, mental health prescriptions, and valued vision.

Since the implementation of Affordable Care Act, the Center has seen a significant decline in the number of persons seeking and qualifying for services. In addition, the McLean County Health Department Valued Vision Program was cancelled.

The Center is now in a transition phase and direction is needed from the City Council, as trustee, on how to best meet the objectives of the Trust and Judge Scott's wishes. On Monday night, at least two visions for how the Trust could move forward will be outlined and presented. This may be the first of many meetings where these issues are discussed, and direction is sought, as the City Council fulfills its duties as Trustee of the John M. Scott Trust.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: N/A

Respectfully submitted for Council consideration.

Prepared by: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



David A. Hales
City Manager

Attachments:

- Declaration of Trust (with applicable portion of Last Will & Testament)
 - 1981 City Council Report
 - Intergovernmental Agreement
 - JM Scott Commission Bylaws
-

DECLARATION OF TRUST

The CITY OF BLOOMINGTON, a municipal corporation, TRUSTEE, in accordance with the provisions of an Order entered or to be entered by the Circuit Court of the Eleventh Judicial Circuit, McLean County, Illinois, in a certain cause entitled Burr v. Brooks, et al., in Chancery, No. 12415, hereby declares that it will hold all property transferred to it under the terms of said order, which property shall be described in a Schedule to be attached hereto, and all other property subsequently given to the trustee, in trust under the terms and conditions hereinafter set forth.

ARTICLE I

NAME

This trust is named and shall be known as "The John M. Scott Health Care Trust."

ARTICLE II

PURPOSE

The purpose of this trust is to provide health care for the use and benefit of all sick or otherwise disabled persons, no matter from what cause such sickness or disability may arise, and who may not be able to pay for needed care and attention; and to conduct health-related informational and educational programs and activities to assist such persons in preventing illness and promoting good health. All activities of the trust shall be conducted without discrimination because of race, color, religion, sex, national origin, ancestry, age, marital status, physical or mental handicap, unfavorable discharge from the military service, and any other factor subsequently determined by law to require protection from discrimination. It is intended that the income of

EXHIBIT A

this trust not be subject to federal, state or municipal taxation; and the trust shall not engage in any activities, conduct or pursuit which would preclude exclusion or exemption from such taxation.

ARTICLE III

PROGRAM

Section 1. The purpose of the trust will be accomplished through the John M. Scott Health Care Program.

Section 2. The John M. Scott Health Care Program will:

a. Provide access to the existing health care system for persons who may not be able to pay for needed care and attention by (1) performing limited, non-emergency, physical assessments for such persons who believe themselves to be ill or in need of treatment; (2) making referrals to appropriate doctors, dentists, clinics, hospitals, and similar professional personnel or facilities; (3) providing or arranging for transportation to and from such health care personnel and facilities; (4) acting as an advocate on behalf of such persons with respect to appointments, communications and administration within the health care system; and (5) making payments upon behalf of such persons to those persons and facilities who have provided authorized services within the health care system.

b. Provide care in existing, local hospitals (St. Joseph, Mennonite and Brokaw) for such persons who may not be able to pay for needed care and attention (1) by making direct payment for qualified, identified patients, and (2) by grants-in-aid. Such payments and grants-in-aid will be made and applied in accordance with published guidelines to be promulgated by the trustee for the purpose of establishing criteria and procedures determined to be necessary or desirable to identify qualified patients and to control expenditure of such grants-in-aid.

c. Acquire diagnostic or laboratory equipment not otherwise readily available in the local health care system for use in local hospitals, clinics, and other health care facilities; or for use in the John M. Scott Health Care Center.

ARTICLE IV

JOHN M. SCOTT HEALTH CARE CENTER

Section 1. The program described in Article III will be administered at a facility to be known as the John M. Scott Health Care Center.

Section 2. The John M. Scott Health Care Center will be located initially in the building commonly known as the Bloomington City Hall Annex at 314-320 S. Main Street, which is immediately adjacent to the property designated by John M. Scott as the site for the hospital described in Eleventh of his Will, upon which site his home was located and where an historical marker has been erected in his memory.

Section 3. The Trustee shall not invade corpus by expending in the aggregate any more than 5% of that part of the net estate awarded to it pursuant to said Court order without prior approval of the Circuit Court. Contributions received as provided in Article VIII and additions to principal under Article VII, Section 2.a. shall not be subject to or considered in calculating this 5% aggregate limitation of invasion of corpus.

ARTICLE V

ADMINISTRATION

Section 1. The John M. Scott Health Care Program will be administered in accordance with the general plan expressed by John M. Scott in the Eleventh Article of his Will. It will be "forever under the direction and control" of the trustee with the privilege, however, unto the Elders of the Second Presbyterian Church to visit the Center and advise as to its management and especially to see that persons seeking or receiving health care are kindly cared for and humanely treated.

Section 2. Under the continuing jurisdiction of the Circuit Court, the trustee's

City Council will retain and exercise responsibility for policy direction, program priorities, budgeting, and appropriations.

Section 3. A Commission consisting of an odd number of persons not in excess of 11 shall be appointed to be known as the John M. Scott Health Care Commission, which will advise the trustee as to: (a) development of the Center; (b) planning of the Program; and (c) such other matters as directed by the trustee from time to time. The Commission shall be made up of representatives from the community designated or selected as follows: (a) the elected Township Supervisor of General Assistance of the City of Bloomington-Township; (b) one member of the McLean County Medical Society, selected by said society; (c) one member of the McLean County Dental Society, selected by said society; (d) one member of the governing board of Brokaw Hospital, selected by said board; (e) one member of the governing board of Mennonite Hospital, selected by said board; (f) one member of the community advisory board of St. Joseph's Hospital of Bloomington, selected by said board; (g) one elder of Second Presbyterian Church of Bloomington, selected by the ruling elders of said church; (h) one member of the board of the McLean County Health Department, selected by said board; and (i) additional representatives of such other bodies or agencies, not to exceed 3 in number, as may be designated by the Trustee from time to time.

Section 4. The Program will be administered by a full time staff qualified in the following areas: nursing and physical assessment, health education, medically related (physical and mental) social work, accounting and clerical personnel, and such other areas as designated by the trustee from time to time.

ARTICLE VI

INVESTMENTS

Section 1. All trust funds remaining after improving and equipping the John M. Scott Health Care Center shall be held in trust as an endowment fund for the Center and shall be invested in safe and well secured interest bearing securities

which qualify as trust investments. Trust funds will not be invested in any other way unless the trustee applies for and secures prior approval from the Circuit Court.

Section 2. All trust funds shall be held separate and apart from all other funds belonging to or administered by the City of Bloomington.

Section 3. No person making payments of income or principal to the trustee shall be required to see to the application thereof.

ARTICLE VII

EXPENDITURES OF INCOME

Section 1. The annual income from the trust estate shall be used to fund the John M. Scott Health Care Program and to pay all expenses for the administration and operation of the John M. Scott Health Care Center.

Section 2. If annual income from the trust estate exceeds annual expenses for the trust estate then the trustee in its discretion may deal with the excess in any one or more of the following ways:

a. Any part or all of such annual excess may be added to the principal endowment fund of the trust estate, from which it may, if necessary, be withdrawn to pay annual expenses of the trust estate for or during any year in which expenses exceed income.

b. Any part or all of such annual excess may be used to acquire diagnostic or laboratory equipment, not otherwise readily available, for use in local hospitals, clinics and other health care facilities; or for use in the John M. Scott Health Care Center.

c. Any part or all of such annual excess may be divided and distributed among St. Joseph Hospital, Mennonite Hospital and Brokaw Hospital as a grant-in-aid to be used in accordance with the guidelines referred to in Article III, Section 2, paragraph b above; provided, however, that each such recipient has maintained its own exemption from income taxation under

Section 501 (c) (3) of the Internal Revenue Code.

Section 3. The trustee's decision with respect to the use or application of excess, annual income shall be final.

Section 4. The trustee, in its municipal corporate capacity, shall be entitled to reimbursement for expenses upon behalf of the trust and to payment for equipment, facilities and services furnished for the benefit of the trust.

ARTICLE VIII

RECEIPT OF CONTRIBUTIONS

The Trustee is authorized to receive contributions of money and property from any source to be held and administered under the terms of this declaration. No such money or property shall be received or accepted, however, if it is conditioned or limited so as to require use for other than the purpose expressed in Article II, unless the trustee first elects to apply for and receives prior approval from the Circuit Court.

ARTICLE IX

POWERS AND DUTIES

Section 1. In addition to any discretion, duty and power hereinbefore granted the trustee shall have the following powers:

- a. To retain any property or investment originally delivered to the trustee;
- b. To invest and reinvest the trust estate;
- c. To sell trust property for cash or on credit; and to exchange trust property for other property or for credit incident to the purchase of other property;
- d. To hold investments in the name of the trustee or a nominee,

with or without disclosure of the trust, the trustee being responsible at all times for the acts of such nominee as to any such investment;

e. To allocate receipts as between income and principal in accordance with the Illinois Principal and Income Act as amended from time to time;

f. To take any action deemed necessary, appropriate or expedient as to trust property, invested funds or any business matter of the trust;

g. To employ attorneys, auditors, accountants, depositories, proxies and agents with or without discretionary powers; and

h. To take all other actions necessary in the discretion of the trustee to accomplish the purpose of the trust provided that such action is authorized, expressly or impliedly, by the terms of this order or by law.

Section 2. In the exercise of any power or duty, the trustee shall not perform any act or engage in any activity, conduct or pursuit which causes trust income to be subjected to federal, state or municipal taxation.

Section 3. Annually, the trustee shall prepare and file each and every return or report required by the laws of the United States of America and the State of Illinois.

Section 4. Annually, the trustee shall prepare and file a report, as to its cash receipts and disbursements, investments, and assets with the Circuit Court.

ARTICLE X

AMENDMENT

This declaration shall not be amended unless the trustee first applies for and receive approval of the proposed amendment from the Circuit Court.

ARTICLE XI
TERMINATION AND DISSOLUTION

The trust established by this declaration is intended to be perpetual; but in the event of termination and dissolution the assets of the trust shall be distributed pursuant to order of the Circuit Court to one or more entities which are at that time exempt from income taxation under Section 115(1) or Section 501(c)(3) of the Internal Revenue Code.

ARTICLE XII
ACCEPTANCE

The City Council, for and on behalf of the City of Bloomington, hereby accepts this trust, to be held upon the terms and conditions hereinbefore set forth, and authorizes execution of this Declaration of Trust by its Mayor and Clerk.

_____, 1981.

THE CITY OF BLOOMINGTON

By _____
Its Mayor

Attest:

Its Clerk

SCHEDULE OF PROPERTY TRANSFERRED TO THE JOHN
M. SCOTT HEALTH CARE TRUST

Pursuant to the terms of a final Judgment entered by the Circuit Court of McLean County, Illinois on November 20, 1981, in Chancery No. 12415, entitled Luman Burr, Plaintiff vs. James R. Brooks, et al., Defendants, the following described property, to wit:

<u>Date of Receipt</u>	<u>Description</u>	<u>Pursuant to Order Of Distribution Dated</u>
24 Dec. 81	\$5,369,100.00	11 December 1981
24 Dec. 81	32,340.00	18 December 1981
26 Jan. 82	<u>711.10</u>	26 January 1982
Total	\$5,402,151.10	

was distributed to and received by the City of Bloomington, Trustee of the John M. Scott Health Care Trust, and is reported on this Schedule to be attached to Declaration of Trust dated November 9, 1981 and filed herein November 25, 1981.

THE CITY OF BLOOMINGTON

By _____
Its Mayor

ATTEST:

City Clerk

EXTRACTS FROM PROVISIONS OF THE WILL OF
JUDGE JOHN M. SCOTT
PROVIDING FOR HOSPITAL AND BEARING
ON THE HEALTH CENTER TO THE EXTENT APPLICABLE

By Eleventh of his Last Will and Testament, John M. Scott
provided as follows:

"Upon the death of the last surviving annuitant herein named it is my will and I hereby direct . . . that said City of Bloomington, with said trust funds or such portion as shall be deemed necessary for that purpose, through its officers or such discreet persons as it may appoint, erect and construct . . . a building suitable for a hospital and to be used for hospital purposes and to be forever under the direction and control of the said City of Bloomington, with the privilege, however, unto the Elders of the Second Presbyterian Church of said city to visit said hospital and advise as to its management and especially to see that patients that may be admitted to said hospital are kindly cared for and humanely treated. This privilege shall be forever accorded to the Elders of said church and the hope is expressed that they will faithfully observe it. No more of the said trust estate shall be used for the erection and furnishing suitable hospital buildings than the amount of said trust estate will justify in the judgment of reasonable persons who may be appointed by said city to have the charge of the erection and furnishing of said hospital buildings. The said hospital when erected and furnished shall be called the "Scott City Hospital" and I trust it will not be deemed irreverent if I now in this solemn way invoke God's divinest blessing to rest upon and be ever with said institution if it shall be erected and completed, and upon all who may have charge of it or minister in any way in it. Whatever trust funds or property may remain after the erection and furnishing said hospital buildings shall be held in trust by said City of Bloomington as an endowment fund for said hospital and shall be invested in safe and well secured interest bearing securities, provided no funds belonging to said trust estate shall be loaned on other than real estate securities. Said hospital when so erected as aforesaid by the said City of Bloomington shall be for the use and benefit of all sick or otherwise disabled persons, male or female, old or young, without regard to nationality or religious beliefs no matter from what cause such sickness or disability may arise (except the managing officers of such hospital shall in no case, unless in their discretion, be required to admit persons having any contagious disease) and who may not be able to pay for needed care and attention in such hospital and in such numbers only as the capacity of such hospital will reasonably accommodate. It is particularly desired that all persons who may be injured by accident and who may have no friends at hand to care for them or who may have no money or other means to pay for care and medical or surgical services may be admitted into such

hospital for treatment for such length of time as shall be reasonable under all the circumstances provided that any person who may wish to be admitted to such hospital for treatment or for human care, and who may be able to pay for the same, may be admitted and be charged only a reasonable sum for such care and treatment.

In Twentieth of his Will he then provided, in part, as follows:

"As my estate or the residue of it is eventually to be set apart for a great charity I wish to impress upon it the sacred character of a trust. . . ."

DUNN, BRADY, GOEBEL, ULBRICH,
MOREL, KOMBRINK & HUNDMAN
600 Peoples Bank Building
P.O. Box 3488
Bloomington, Illinois 61701
Phone: (309) 828-6241

FOR COUNCIL: DECEMBER 28, 1981

To: Honorable Mayor and City Council

From: William L. Vail, City Manager

Subject: Recommendation to Receive Report on John M. Scott Health Care Program and Refer to Work Session.

As you are aware a committee consisting of Herman Dirks, Ben Boyd, and Maxine Schultz, has been diligently working on a proposal for establishing a John M. Scott Health Care Program for the Community. After considerable amount of work a final report has been developed which I believe will establish the framework for the Health Care Program. There were certain stipulations contained within the trust which served as guidelines for this proposal. It will also be necessary for us to appoint a committee to help oversee the policy and direction of this Health Care Program. It is my recommendation that the report on the John M. Scott Health Care Program be received and referred to a work session which has tentatively been scheduled for January 4, 1982.

Certainly there are individuals and agencies that may have a significant interest in this program that would also be interested in attending the work session.

Respectfully,

William L. Vail
City Manager

Motion:

That the report be received and referred to a work session.

Made by: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman While				Alderman Bittner			
Alderman Simms				Alderman Smart			
Alderman Kroutil				Alderman Pierce			
Alderman Atwood				Mayor Buchanan			

COMMENTS:

RECOMMENDATIONS CONCERNING THE
ESTABLISHMENT AND OPERATION
OF THE
JOHN M. SCOTT
HEALTH CARE PROGRAM

Prepared for:
The City Council of the
City of Bloomington

Prepared by:
McLean County Regional
Planning Commission
McLean County Health Department
Bloomington City Township
Supervisors Office

Date:
October 30, 1981

INTRODUCTION

The John M. Scott Health Care Program has been designed to meet the provisions of the Order of the Circuit Court awarding 55% of Scott Trust assets to the City of Bloomington for the purpose of implementing, cy pres, the terms of the trust created under the Eleventh Article of the Last Will and Testament of John M. Scott, deceased, and the terms of the Declaration of Trust executed by the City of Bloomington pursuant to said Order.

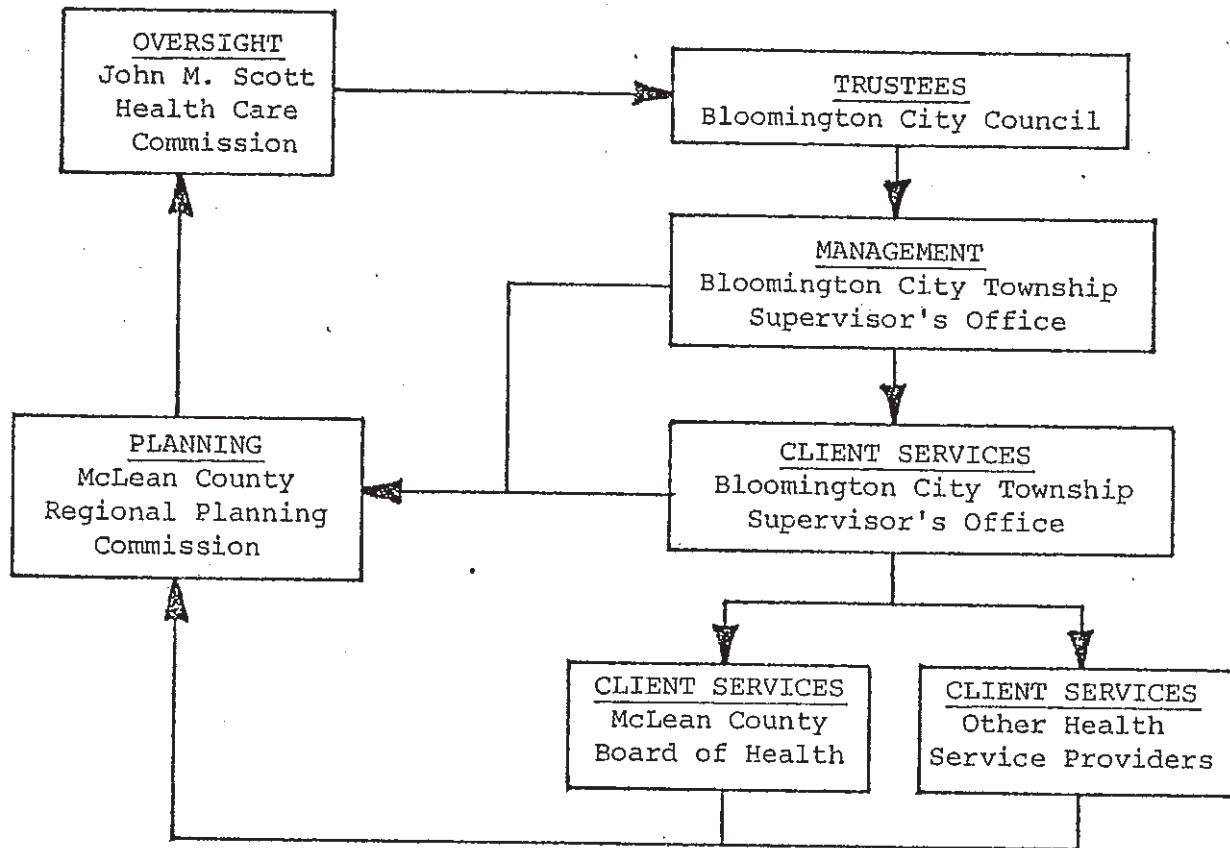
The primary goal of the program is to provide health care to all sick or otherwise disabled persons who may not be able to pay for the care needed and to conduct health related informational and educational programs to assist in preventing illness and promoting good health.

The purpose of this document is to set forth a recommended basic framework for the establishment of the program including the responsibilities of various local agencies concerning program management and client services. In addition to the above major program components, information is also provided concerning the proposed location of the John M. Scott Health Center and a preliminary budget for the establishment and operation of the program. The information contained in this document is, by necessity, preliminary in nature and much work needs to be accomplished before the program will become operational. It is estimated that the necessary details could be worked out within ninety (90) days after the agencies involved have been given a notice to proceed.

The program, as outlined, has great potential to provide a comprehensive program that will prevent the development of illness and promote the continuation of satisfactory health status for eligible citizens at no cost to the individual or the tax paying citizens of the City of Bloomington.

PROGRAM RESPONSIBILITIES:

The following diagram depicts the relationship between the major groups that will provide for the trust fund management and services to the clients of the program under the continuing jurisdiction of the McLean County Circuit Court.



These responsibilities are described in greater detail below, however, the listing is not intended to describe the service to be performed. Service descriptions will be presented in subsequent section of this report.

TRUSTEES - The City Council of the City of Bloomington, acting as trustees for the estate would be responsible for:

1. Program content and administration policy;
2. Budget approval and appropriations;
3. Trust fund investment; and the
4. Provision and maintenance of the physical facilities.

MANAGEMENT - The Bloomington City Township Supervisor's Office would be responsible for:

1. Budget preparation;
2. Income and expenditure records;
3. Client referral and follow-up records;
4. Program fund disbursements; and
5. Financial reports and audit of accounts.

These responsibilities would be performed under an agreement with the City Council which would include standards of performance and method of reimbursement from program funds.

CLIENT SERVICES

1. The Bloomington City Township Supervisor's Office would be responsible for:
 - a. Client identification, and casefinding including publicizing the availability of health care services through the program;
 - b. Client intake including the processing of client's applications and the determination of eligibility for payment of services;
 - c. Client referral including:
 - (1) a preliminary assessment of need;
 - (2) appointment confirmation;
 - (3) transportation arrangements; and
 - (4) follow-up.
2. At such time as authorized by the trustee, it is recommended that the McLean County Board of Health should be responsible for conducting multiphasic screening and health education programs as defined in the client services section for this report.
3. Other Health Service Providers such as physicians, dentist and hospitals will be responsible for the care and treatment of clients in

accordance with purchase of services agreements with the Bloomington City Township Supervisor's Office.

PLANNING - The McLean County Regional Planning Commission shall be responsible for evaluating the program and making recommendations for program modifications to the John M. Scott Health Care Commission. These recommendations may be made at any time on an emergency basis; however, a comprehensive report must be submitted to the Health Care Commission annually at least three (3) months prior to the beginning of the next fiscal year.

OVERSIGHT - The John M. Scott Health Care Commission shall be established by resolution of the Bloomington City Council. The membership of the Commission shall include:

1. A representative of the McLean County Medical Society appointed by the Society;
2. A representative of the McLean County Dental Society appointed by the Society;
3. A representative of Brokaw Hospital appointed by the Board of Directors;
4. A representative of Mennonite Hospital appointed by the Board of Directors;
5. A representative of St. Joseph's Hospital appointed by the Board of Directors;
6. A representative of the Second Presbyterian Church appointed by the Board of Elders; and
7. Three (3) citizens of the City of Bloomington appointed by the Mayor with the consent of the City Council.
8. The elected Township Supervisor of General Assistance of the City of Bloomington Township; and
9. One member of the board of the McLean County Health Department, selected by said board.

Dental - Dentistry - Meoc

The members of the Commission shall serve at will until replaced by the appointing authority. The Commission shall be responsible for advising the Trustees on such matters as development of the Center, planning of the Program and such other matters as directed by the Trustees from time to time.

The above evaluations shall take into consideration reports prepared by the McLean County Regional Planning Commission with the assistance of the Board of Health and the Bloomington City Township Supervisor's Office. These evaluations shall be the basis of recommendations prepared by the Commission for presentation to the Bloomington City Council in advance of the budget approval and appropriation of funds.

The Commission may also recommend minor administrative and program modifications to agencies providing services at any appropriate time during the fiscal year.

PROGRAM MANAGEMENT

The Bloomington City Township Supervisor's Office will be responsible for program management under the direction of the Trustees. The specific components of the management program are outlined in this section of the John M. Scott Health Care Program.

ANNUAL BUDGET

After consultation with the trustees, the Health Care Commission and parties providing health care services, the person responsible will prepare an annual line item and program component budget for the operation of the John M. Scott Health Care Program. The proposed budget will be submitted to the Health Care Commission for review, comment, and recommendation to the trustees. After due consideration, the trustees may approve the budget or request that amendments be made prior to approval.

INCOME AND EXPENDITURE RECORDS

The person responsible will prepare, or cause to be prepared, records of all receipts and disbursements for the program's operation. These records will be maintained in a manner that all disbursements can be specifically identified with the approved budget and readily audited using accepted audit practices.

The cost control documents for audit purposes will include the following verifications:

1. that the costs incurred were necessary for the proper operation of the program;
2. that the costs were properly budgeted;
3. that the costs were properly authorized; and
4. that the services provided or items purchased were properly requested and received.

FINANCIAL REPORTS AND AUDIT

The Supervisor's Office will prepare monthly financial reports to be submitted to the Health Care Commission and the Trustees. These reports shall contain monthly and year-to-date expenditures as well as a comparison of current expenditures of the previous fiscal year. A comparison of actual expenditures and the approved budget will also be included.

The Supervisor's Office will be responsible for causing an audit of the financial affairs of the program to be made in accordance with sound auditing practices.

PAYMENT FOR SERVICE

A. Alternative Payment Plans:

1. Establishment of Grant-in-Aid agreements with health care providers. The agreements would provide for specific service to all John M. Scott Health Care Center referrals under the contracted Grant-in-Aid amounts.
2. Individual payments to health care providers for services rendered. John M. Scott Health Care Center reimbursement rates could be developed in line with other assistance provider rates (Medicare, Medicaid, IDPA, etc.).
3. Grants-in-Aid may be used to acquire diagnostic or laboratory equipment not otherwise readily available for use in local hospitals, clinics, and other facilities.

B. Assessment of Payment Methods:

Individual payments for services provided may be necessary in the initial years of operation. Once experience factors are established, data comparing the benefits of the individual payment method versus the Grant-in-Aid payment method, and other methods, could be evaluated for use.

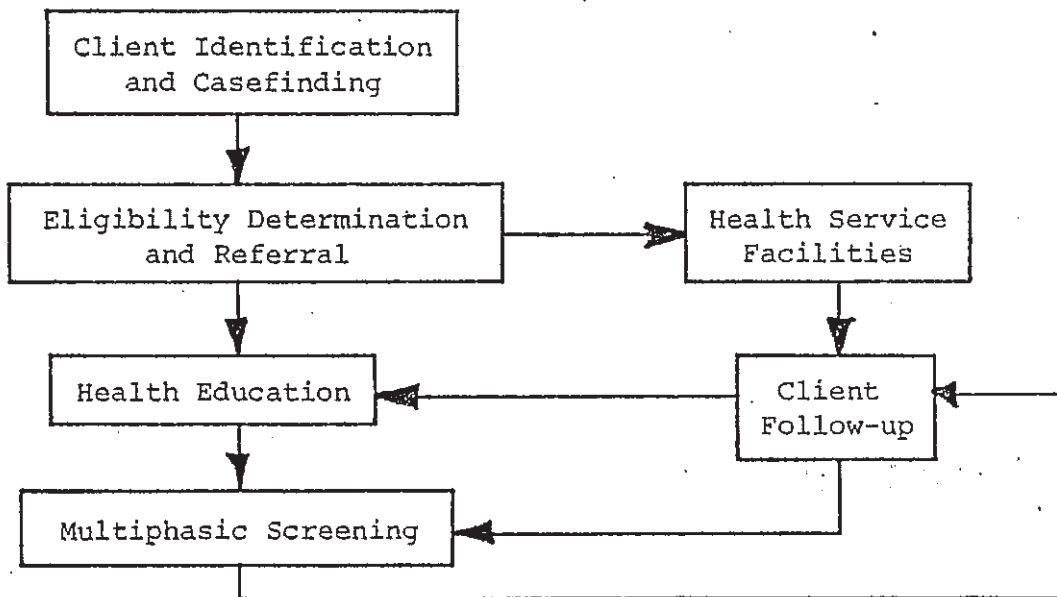
CLIENT SERVICES

The general goals of the overall program are to:

1. Identify and locate those individuals eligible for services and encourage them to participate in a multiphasic health screening program for the purpose of early detection of medical and/or dental disorders; and,
2. Provide the further care and treatment of those individuals in need and defined as eligible using existing community-based facilities and personnel wherever practical.

The proposed system includes the City of Bloomington Township Supervisor's Office as the entry point into the system in order to determine eligibility, refer clients to health care facilities or the multiphasic screening program, assess fees and approve payment from the Trust. The Health Department would be responsible for performing the multiphasic screening services; referral to care providers and medical follow-up of clients.

In order to execute the protocol outlined in the most cost efficient manner, a basic station to station ambulatory clinic methodology should be employed. Briefly, this involves the patient appearing at various stations to receive the designated services to be offered. Below is a flow chart of the services offered.



BLOOMINGTON TOWNSHIP SUPERVISOR'S OFFICE (JOHN M. SCOTT HEALTH CARE CENTER)

Client Identification and Case Finding

The John M. Scott Health Care Center is responsible for identification and casefinding efforts. These efforts are designed to bring about public awareness of available health care services and to direct those in need

of said services to the John M. Scott Health Care Center. Several methods could be used to accomplish this effort:

1. screening Township General Assistance applicants;
2. interfacing with existing community information and referral systems;
3. notifying other agencies of the program services available to the public; and
4. use of brochures and public information media.

Program Eligibility Determination:

The purpose of the John M. Scott Health Care Center is to provide for health care and health education to those who have no other source for payment. Eligibility standards need to be designed so a duplication of eligibility with other programs is avoided. The Health Care Center has the responsibility to assist the applicant in exploring other means of payment before allowing eligibility under the John M. Scott Health Care programs.

The City of Bloomington Township Supervisor's Office has an established process for screening, intake, and eligibility determination in the General Assistance Program. The John M. Scott Health Care Program eligibility determination procedures would be interphased with this existing process.

Some resources for payment of health care services that require additional procedures are:

1. Illinois Department of Public Aid - Medical coverage (including Medicaid, Medical Aid grant, Medical Aid no grant and Aid to Medically Indigent;
2. Social Security Administration - Medicare;
3. Hill-Burton match and others as determined from time to time.

Client Referrals:

Client intake procedures are also intended to determine what type of health services are necessary. These procedures would result in:

1. referral for screening measures at the Board of Health; or
2. referral to other health care facilities for consultation and/or treatment;
3. coordination of referral procedures with health care system; and
4. referral follow-up management procedures through the care and treatment system.

Transportation

The transportation of clients from the John M. Scott Health Care Center to treatment and/or screening locations and between screening and treatment facilities will be arranged by the Health Care Center. The cost of the transportation to eligible clients will be paid by the program. The Health Care Center will utilize existing transportation systems to provide this service.

McLEAN COUNTY HEALTH DEPARTMENT

Comprehensive Multiphasic Health Screening:

Objective - Develop a comprehensive multiphasic health screening service for the purposes of:

1. emphasizing the importance and benefit of good preventive health care; and,
2. early detection of disease and disorder.

The rationale for this objective is based, in part, on L. Breslow's observation reported in Multiphasic Health Testing Services*, that, "(a) series of preventive services including primary and secondary measures tailored to each age-sex group has been developed and is available for incorporation into personal health services. The measures include prophylaxis, screening for early detection of disease, patient education and

*Multiphasic Health Testing Services, Morris F. Collen, ed., John Wiley & Sons, New York, 1978.

counseling toward specific behavior change. The specific measures have been shown by conclusive evaluation or strong scientific evidence to have value in health maintenance and disease prevention. The preventive services packages should be incorporated into a set of comprehensive personal health services aimed primarily at health maintenance."

The primary activity needed to accomplish this objective is the multi-phasic health screening component. The age-specific activities based on experience gained in the Kaiser-Permanete system are suggested. See Figure I.

These could, of course, be modified based on changing conditions and/or recommendations of the McLean County Medical and Dental Societies.

As noted elsewhere, many of these procedures are available in the County for diagnostic purposes, presenting more a problem of organizing than the development of new resources. In order to initiate a comprehensive screening service it would be first necessary to inventory resources that are currently available and secure the necessary agreements for their use as an organized whole.

Health Education

The health education component would differ from public information in that attempts would be initiated to modify health behaviors that are injurious to personal well-being. This could be accomplished in both individual and group settings. Health education activities would be instituted to modify behaviors toward preventive illness and/or improved health and personal well-being. This would be accomplished via telephone, brochure(s), classroom, group and/or personal counseling for all aspects of health related problems with emphasis on prevention. Health information would be interfaced with other informational programs within the health care system.

Educational program types would include:

1. Infant nutrition and behavioral development of the child;
2. Pregnancy hygiene, nutrition, preparation of labor, infant care, family planning;
3. Dental care;
4. Nutrition education;
5. Importance of medications for hypertension, diabetes, etc.;
6. Caring for disabled relatives in the home; and
7. Other items as so determined from time to time.

Client Follow-up

Medical follow-up of patients entering the health care system through the John M. Scott Health Care Center is essential to prudent patient care management. Follow-up of patients can be categorized into three groupings:

1. Direct Referral Patients: Patients referred directly from the John M. Scott Health Care Center intake component into the treatment sector must be followed in order to determine disposition of the medical problems that occur. John M. Scott Health Care staff would inform the Health Department follow-up component of patients served through direct referral. Health Department personnel would contact the patient in order to determine care status. Patients would be referred to the multiphasic screening component in order to monitor health status and make subsequent treatment referrals when appropriate.
2. Multiphasic Screening Referrals: Patients with abnormalities detected through the multiphasic screening component would be referred to the treatment sector for care. Screening information would be transmitted directly to the medical provider for case reference. The provider would,

in turn, transmit written confirmation of treatment action taken to the follow-up component of the Health Department. When appropriate, the Health Department would then schedule the patient for follow-up screening at a later date to monitor health status.

3. Internal Multiphasic Screening Referrals: Patients having all test results normal, or those patients requiring a re-test in order to confirm the results of the first procedure, would be referred and followed up for future re-testing and/or continue physical screening as the protocol dictates.

A detailed patient tracking system is mandatory to the overall effectiveness of not only the follow-up effort, but the entire program as well. Patient identification and tracking will allow for a high degree of coordination and program effectiveness between the administration and service components of the program.

Community Health Care Facilities

The multiphasic health screening activity is but one facet of the Scott Health Care Program. Multiphasic screening is simply intended to screen and detect previously unknown abnormalities among a given patient population. The second phase of the total system involves referral, treatment and follow-up. The treatment segment within the system would involve private physicians, dentists and hospitals. An annual allocation of funds from the trust would be used to defray the cost of treatment for those eligible under the systems' intake criteria. Establishing payment limitations, reimbursement rates, procedures eligible for payment and similar standards would be the province of the City Council of Bloomington or its designated agent.

Age Group

17-35

36-64

65+

History
 Height and weight
 Blood pressure
 EKG
 Hearing and vision
 Chest x-ray
 Laboratory examinations
 Serum Cholesterol
 Serum triglycerides
 Serum glucose
 Serum uric acid
 Serum SGOT
 Hemoglobin/hematocrit
 Blood count, complete (exclude differential smear)
 RPR
 Urinalysis
 Gonococcal culture (females)
 Pap smear (females)
 Physical examination, general
 Breast examination (females)
 Rectal examination
 Pelvic examination (females)

History
 Height and weight
 Blood pressure
 EKG
 Vision
 Tonometry
 Spirometry
 Mammography (females)
 Chest x-ray
 Laboratory examinations
 Serum cholesterol
 Serum triglycerides
 Serum Glucose
 Serum uric acid
 Serum SGOT
 Serum BUN
 Serum creatinine
 Serum calcium
 Hemaglobin/hematocrit
 Blood count, complete (exclude differential smear)
 RPR
 Urinalysis
 Gonococcal culture (females)
 Pap smear (females)
 Stool guaiac
 Tuberculin
 Physical examination, general
 Breast examination (females)
 Rectal examination
 Pelvic examination (females)
 Sigmoidoscopy

History
 Height and weight
 Blood pressure
 EKG
 Vision
 Tonometry
 Hearing
 Spirometry
 Mammography (females)
 Chest x-ray
 Podiatric examination
 Dental examination
 Laboratory examinations
 Serum cholesterol
 Serum triglycerides
 Serum glucose
 Serum uric acid
 Serum SGOT
 Serum BUN
 Serum creatinine
 Serum calcium
 Serum triiodothyronine (T3)
 Serum thyroxine (T4)
 Hemoglobin/hematocrit
 Blood count, complete (exclude differential smear)
 Urinalysis
 RPR
 Tuberculin
 Pap smear (females)
 Stool guaiac
 Physical examination, general
 Breast examination (females)
 Recal examination
 Pelvic examination (females)
 Sigmoidoscopy

PROGRAM PLANNING

In order to ensure that the Program remains responsive to the needs of its clients, the McLean County Regional Planning Commission will conduct an annual evaluation of the program. This evaluation will be designed to:

1. identify unmet needs;
2. identify duplication of services;
3. evaluate the effectiveness of client services; and
4. make recommendations to the John M. Scott Health Care Commission and the Trustees concerning needed Program modifications.

The Program evaluation should take into consideration the comments of persons and agencies providing services as well as other health status and socio-economic data available. This evaluation will be submitted to the John M. Scott Health Care Commission for their review and comment prior to its submission to the Trustees. The submission to the Trustees shall be accomplished prior to the formulation and approval of the program budget for the next fiscal year. The evaluation shall be accomplished with the full participation of the Bloomington Township Supervisor's Office and the Health Department.

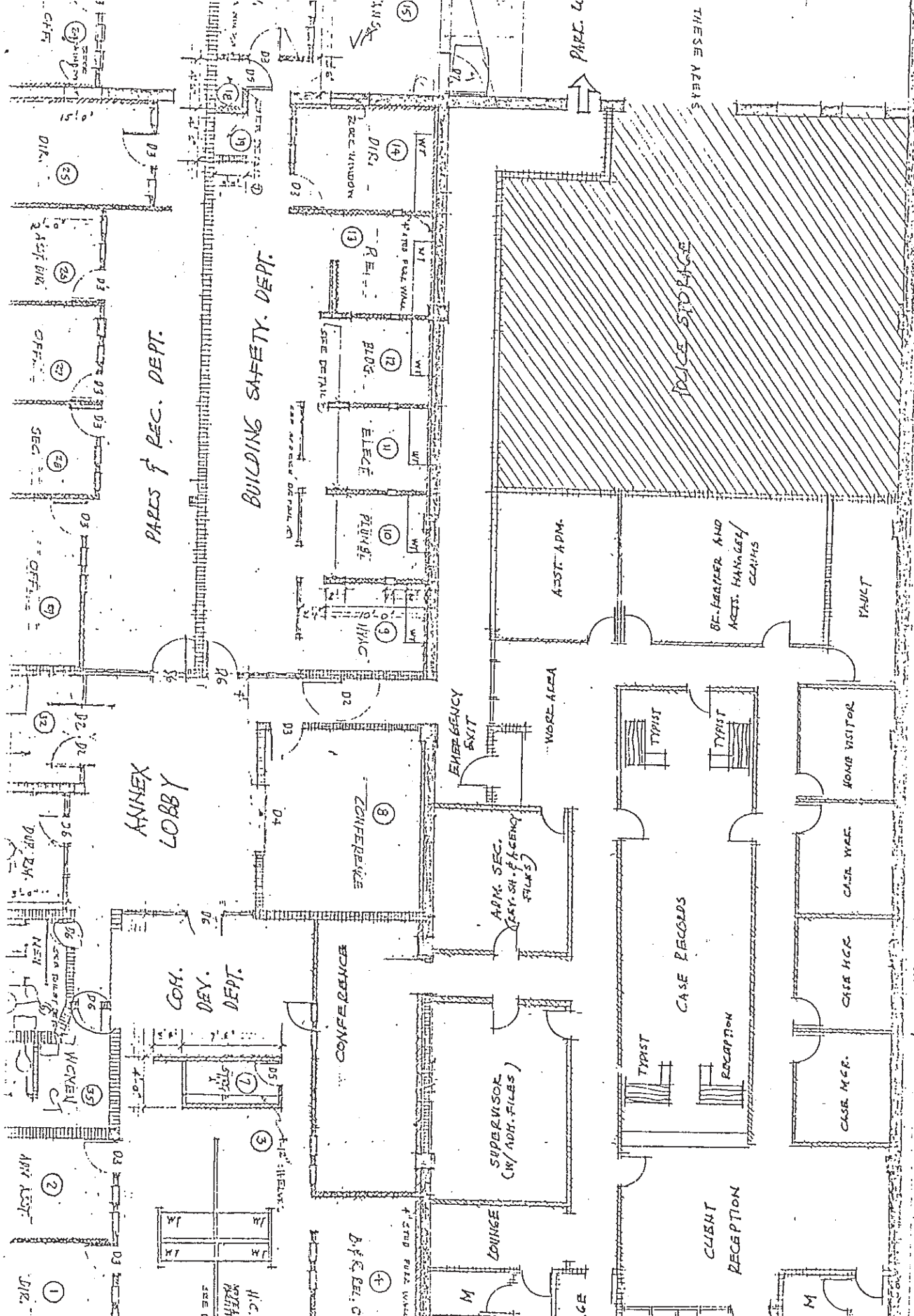
PROGRAM LOCATION AND FACILITIES

The John M. Scott Health Care Center is recommended to be located in a portion of the structure known as the "City Hall Annex." This structure will be suitably remodeled and equipped to provide adequate space for program management and those client services that will be offered by the Bloomington Township Supervisor's Office. This location has been chosen because:

1. it is located adjacent to the property designated by John M. Scott as the site for the hospital described in his will;

2. it is centrally located and readily accessible to the potential client population; and
3. it is adjacent to other City property which will facilitate ease of maintenance and operation.

It is estimated that the Supervisor's office could occupy up to 4,000 square feet of the facility, a portion of which will provide space for management personnel and the conduct of client services. Alternative floor plans of the renovated "City Hall Annex" are included following this page and labeled Exhibit 1 and Exhibit 2. A major portion of the multiphasic screening program and health education program will be located in the building occupied by the McLean County Health Department. This location has been chosen because existing Health Department personnel, equipment, and office space will be utilized. Client needs related to health care and treatment by community health care facilities will be provided at the site of existing hospitals, clinics, physicians, and dentists as needed.



Dosed HEALTH CARE & TOWNSHIP CENTER SCALE: 1/8" = 1' 12/11/81 P. as per M.S.

PROGRAM BUDGETNon-Recurring Start-up Costs

John M. Scott Health Care Center

Facilities

1. Building renovation costs		\$100,000
Initial furniture and equipment		
1. Office	\$ 5,500	
2. Reception/waiting area	\$ 1,500	
3. Health records equipment	\$ 5,000	
		<u>\$ 12,000</u>
		\$112,000

McLean County Health Department

Facilities and Equipment

1. Leasehold Renovations	\$ 4,000	
2. Equipment Purchase	\$ 8,000	
		<u>\$ 12,000</u>
		\$124,000

Operating Budget (Year One)

John M. Scott Health Care Center

Program Management

Personnel requirements

1. Clerk typist (2)	\$ 18,000	
2. Claims manager	\$ 15,000	
3. Cost for administration	\$ 10,000	
4. Benefits	\$ 8,500	
		<u>\$ 51,500</u>

B. Operating expense

1. Printing and stationery	\$ 1,000	
2. Office supplies and expenses	\$ 500	
3. Postage	\$ 1,000	
4. Telephone	\$ 1,000	
5. Rent and utilities	\$ 4,500	
6. Training, meetings, conferences, dues	\$ 500	
7. Equipment repair/rental	\$ 1,000	
8. Auditing expense	\$ 800	
9. Legal expense	\$ 1,500	
10. Planning expense	\$ 2,500	
11. Contingencies	\$ 1,000	
12. Data Processing	\$ 1,200	
13. Professional expense	\$ 1,000	
		<u>\$ 17,500</u>

\$ 69,000

Client Services

A. Identification and Casefinding

1. Publications, printing	\$ 1,000	
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(18)

2. Brochures	\$ 1,200
3. Media Services	\$ 800
4. Intake forms and supplies	\$ 1,500
5. Case manager	\$ 10,000
6. Personnel benefits	<u>\$ 1,500</u>

\$ 16,000

B. Referrals

1. Referral coordinator	\$ 3,000
2. Benefits	\$ 500
3. Telephone	\$ 800
4. Printing and stationery	\$ 900
5. Referral supplies and expenses	\$ 300
6. Postage	\$ 800
7. Training, meetings and conferences	<u>\$ 500</u>

\$ 6,800

C. Transportation (client)

\$ 6,000
\$ 28,800

McLean County Health Department

Multiphasic Screening and Health Education

A. Personnel requirements

1. Physician @ \$50/hr x 374 hrs	\$ 18,700
2. Receptionist @ \$4/hr x 10 hrs/wk x 52	\$ 2,080
3. Medical Assistant @ \$4/hr x 20 hrs/ wk (records mgt.) x 52	\$ 4,160
4. Vision & Hearing Tech. @ \$4.50/hr x 10 hrs/wk x 52	\$ 2,340
5. 3 RNs @ \$7/hr x 10 hrs/wk x 52	\$ 10,920
6. 1 laboratory tech. @ \$7/hr x 10 hrs/ wk x 52	\$ 3,640
7. Health educator @ \$7/hr x 10 hrs/ wk x 52	\$ 3,640
8. 1 dentist @ \$25/hr x 5 hrs x 24	\$ 3,000
9. Director \$35,007. x 10%	\$ 3,500
10. Executive Assistant \$22,900. x 10%	\$ 2,290
11. Director of Nurses \$29,450. x 10%	\$ 2,945
12. Supervisor of Nurses \$18,502 x 10%	\$ 1,850
13. Outpatient Therapist @ \$9/hr x 120 hrs	\$ 1,080
14. Fringe Benefits	<u>\$ 6,726</u>

\$ 66,871

B. Operating Expenses		
1. Reference Material	\$	500
2. Patient Education Material	\$	1,620
3. Office Supplies	\$	810
4. Medical & Nursing Supplies	\$	1,620
5. Dental Supplies	\$	300
6. Outside Printing	\$	600
7. Postage	\$	810
8. Advertising	\$	1,000
9. Space 3,000 sq. ft @ \$5/yr x 40%	\$	6,000
10. Instruction and Schooling	\$	1,000
11. Travel	\$	1,500
12. Malpractice/Liability Insurance	\$	3,000
13. Laundry and Cleaing	\$	250
14. Computer Rental	\$	3,000
15. Telephone	\$	2,000
16. Laboratory Charges \$40. x 1,620	\$	64,800
17. Contingency/ misc.	\$	<u>1,677</u>
		\$ 90,487
		<u>\$157,358</u>

Health Care and Treatment Services		\$244,842
1. Counseling and consultation		
2. Health Service Fees		
3. Grant-In-Aid Fees		
4. Prosthetic Materials and devices		

Operating Budget Summary

John M. Scott Health Care Center

Program Management	\$ 69,000	
Client Services	<u>\$ 28,800</u>	\$ 97,800
McLean County Health Department		
Multiphasic Screening and Education	<u>\$157,358</u>	\$ 255,158
Health Care and Treatment Services		<u>\$ 244,842</u>
		\$500,000

This Contract will be deemed effective as of the last date signed.

Motion by Alderman Purcell, seconded by Alderman Schmidt that the Contract with Bromenn Healthcare for right of way and temporary easements in the amount of \$11,204 be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Schmidt, McDade, Anderson, Hanson, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Intergovernmental Agreement between the City of Bloomington and the Town of the City of Bloomington for Operation of the John M. Scott Health Care Programs and Services

RECOMMENDATION: That the Intergovernmental Agreement be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

BACKGROUND: In 2002 and 2003, the City and the Town of the City of Bloomington Township entered into Intergovernmental Agreements that allowed for the day to day operations of the John M. Scott Health Care, (JMSHC), programs and services to be housed in the same building, thus allowing for clients to access both services at the same location.

In April 2009, Ruth Ann (Sikora) Fraker retired as the John M. Scott Director and Township Supervisor. At that time, staff worked with the incoming Township Supervisor Joe Gibson to review the current Intergovernmental Agreement to ensure that it meets the needs and vision of the City, the John M. Scott Trust and the Town of the City of Bloomington.

The Agreement reflects several conversations with Mr. Gibson, John Pratt, Township Attorney, Tom Herr, John M Scott Trust's attorney, and City staff.

At their regular meeting on August 12, 2009, the JMSHC Commission board members reviewed this agreement. They are recommending it to Council in their capacity as Trustees of the John M. Scott Estate. This item will appear on the Town of the City of Bloomington Township's September 26, 2009 meeting agenda.

The Agreement adds the following:

- Vans donated to or otherwise acquired by the John M. Scott Trust will continue to be titled under the name J.M. Scott and the City of Bloomington. Such vans will continue to be fueled at the gas pumps of the City of Bloomington and the expense for such fuel will be charged to the Township, to be reimbursed by the Scott Trust.
- The City will provide computer services; the Township will reimburse the City for such services.
- The City will provide mowing and snow removal to the Township lot; the Township will reimburse the City for such services.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: None. For Fiscal Year 2009 – 2010, dollars have been budgeted within the John M. Scott and Town of the City of Bloomington budgets.

Respectfully submitted for Council consideration.

Prepared by:

Reviewed as to legal sufficiency:

Barbara J. Adkins
Deputy City Manager

J. Todd Greenburg
Corporation Counsel

Recommendation by:

David A. Hales
City Manager

**INTERGOVERNMENTAL AGREEMENT FOR OPERATION OF JOHN M. SCOTT
HEALTH CARE PROGRAMS AND SERVICES**

AGREEMENT MADE THIS 29th day of September, 2009, between the City of Bloomington, a municipal corporation of McLean County, Illinois as Trustee of the John M. Scott Health Care Trust (“City); and the Town of the City of Bloomington, a duly created political Township under the statues of the State of Illinois (“Township”)

WITNESSETH:

RECITALS

1. PURPOSE OF THE JOHN M. SCOTT TRUST.

Under the Estate of John M. Scott, deceased.....:

A provision was made for the benefit of local residents for health care that included certain provisions for the establishment of the health care facility and conferred upon the City of Bloomington certain obligations in the establishment of such program. The guidelines, limitations and provision of such obligations were finally established incase No. 81 CH 135. In accordance with the Declaration of Trust, the City accepted its responsibilities as trustee of the John M. Scott. Health Care Trust and, in furtherance of its role as trustee, operates the John M. Scott Health Resource Center programs and services.

2. AUTHORITY OF TOWNSHIP SUPERVISOR; SIMILARIRT OF FUNCTIONS.

The Township, particularly the Township Supervisor, is by Sec. 70-50 of the township code, (60 ILCS 1/70-60) charged with the duty to administer the general assistance program in the Township as provided in Articles VI, XI, and XII of the Illinois Public Aid Code. Both City, under the Declaration of Trust and the Township under the Township Code perform similar functions and provide assistance to many of the same people.

3. FINDINGS OF TRUSTEE.

It is the determination of the City that the programs and services provided for in the Trust can best be delivered by utilizing the personnel in the office of the Supervisor of the Township, which political body is coextensive geographically with the City.

4. PRIOR AGRREMENT FOR BUILDING.

The Township and the City have been previously entered into an intergovernmental agreement whereby the City will construct, at the Township's expense, a building on land owned by the City, and the City will convey the underlying real estate to the Township for use, as Township offices, and said building will also serve as the offices for the John M. Scott Health Care Programs and Services.

5. EFFICIENT USE OF OFFICE SPACE

The operation of the John M. Scott Trust Programs and Services in the same building as the Township offices will enable both agencies to make their services more conveniently available to their clients and to provide services more efficiently and at a lower cost through sharing of personnel, joint purchases and other techniques.

6. AUTHORITY FOR AGREEMENT.

- (a) Parties to this Agreement derive their authority to enter into intergovernmental agreements from Article 7, Section 10 of the Constitution of the State of Illinois, which authorizes units of local government to contract and otherwise associate among themselves any manner not prohibited by law. Both the City and the Township are units of local government within the meaning of Article 7, Section 10 and the terms of this Agreement are not prohibited or restricted by law.

- (b) Article VII of the Declaration of Trust empowers the City as Trustee to furnish services for the benefit of the trust and to be reimbursed for the cost thereof.
- (c) Article X, Sec. 1 paragraphs (g) and (h) of the Declaration of Trust, empower the City as Trustee:
 - g. To employ attorneys, auditors, accountants, depositories, proxies, and agents with or without the discretionary powers; and
 - h. To take all other actions necessary in the discretion of the trustee to accomplish the purpose of the trust provided that such action is authorized, expressly or implicitly, by the terms of the order or by the law.
- (d) Section 85-10(d) of the Township Code [60 ILCS 1/85-10(d)] authorizes the Township to “make all contracts necessary in the exercise of the Township’s powers.”

AGREEMENT

1. TRUSTEE APPROVAL

Health care program and services of the John M. Scott Trust subject to this Agreement will be as determined by the Trustee upon recommendation of the John M. Scott Health Care Commission, which serves as the advisory body to the operation of this program. Such programs and services shall be submitted to the Township Supervisor for implementation.

2. TRUST EXPENSES

It is the intent of this agreement that all costs and charges incurred by the Township in respect to the operations of the Trust programs and services shall be borne by the Trust account of the said John M. Scott Estate Trust.

3. TOWNSHIP TO DELIVER SERVICES

The City Council, acting as Trustee for the Estate and as the Board of Trustees of the City of Bloomington Township, hereby authorizes the Supervisor of the Township to operate and direct the programs and services, implement the guidelines, rules and regulations as may be adopted by the City, authorize the disbursement of funds or contractual services as provided herein.

4. ESTIMATE OF COSTS; BUDGET.

For the purpose of establishing an estimate of the personnel and other costs required, the Township Supervisor will prepare a budget for each Township fiscal year utilizing best estimates available as to the amount of time required by personnel and the actual costs of services, equipment, and other overhead expense of the office of general assistance to provide the services to be delivered on behalf of the Trustee. Such budget shall be approved by the governing body

for each governmental unit, which is to say the members of the Bloomington City Council in their capacity as City Council and as the Board of Trustees. It is contemplated that this budget shall be revised from time to time based upon the experience in actual operation of the program and delivery of services. Persons newly hired to perform services both for the City and Township shall be Township employees.

5. HEALTH CARE COMMISSION.

The John M. Scott Health Care Commission is hereby designated by the City to oversee and service in an advisory capacity to the Supervisor in the operation of the John M. Scott Health Care Trust programs and services which are the subject of this Agreement. The Commission, subject to approval of the City, shall establish guidelines for the disbursement of funds for the purpose of the Trust.

6. TRANSFER OF FUNDS.

The City to transfer funds in the amount consistent with the budget to an account to be used by the Township Supervisor, which shall be a separate account under the name of John M. Scott Trust Account. The Township Supervisor may draw orders upon this account, and the use of the account, shall be as near as possible to the method used in the disbursement of funds for general assistance. Use of funds from this account shall be in accordance with Trust guidelines. The status of said account or accounts that may be established shall be reported by Supervisor to the Township Board of Trustees once each month, together with other Township funds. Both the City and Township agree to follow such procedures as may be required by their respective auditors to assure proper controls on the funds advanced hereby.

7. MISCELLANEOUS EXPENSES

(a) Vans donated to or otherwise acquired by the John M. Scott Trust will continue to be title under the name of J. M. Scott and the City of Bloomington. Such vans will continue to be fueled at the gas pumps of the City of Bloomington and the expense for such fuel will be charged to the Township, to be reimbursed by the Scott Trust.

(b) The City will provide computer services, including, but not limited to, such services as desktop hardware support, desktop productivity application support, workgroup and personal printer support, network file storage space with enterprise backup, networking hardware support, e-mail services and internet connectivity with virus scanning; the Township will reimburse the City of Bloomington for such services.

(c) The City will provide mowing to the Township lot and snow removal services for the Township parking lot; the Township will reimburse the City of Bloomington for such mowing and snow removal services.

8. SUPERVISOR STATURTOR DUTIES NOT AFFECTED.

Nothing herein contained shall conflict with or be contrary to or limit the authority or obligations of the Supervisor of the Township and conduct of the Supervisor's duties and control of the general assistance fund of the Township.

9. TERMS

This agreement shall be for an indefinite duration, but either party may terminate it by giving sixty (60) days written notice to the other party. Said termination shall not automatically terminate the position of any persons hired under this Agreement. Prior to termination of the Agreement, the City and Township shall meet and confer as to said employee's status after the end of the Agreement.

Executed this day of August 25, 2009.

City of Bloomington, a municipal corporation

By: Stephen F. Stockton
Mayor

ATTEST:

Tracey Covert
City Clerk

Town of the City of Bloomington, a governmental
Township of the State of Illinois

By: Joe Gibson
Supervisor

ATTEST:

Tracey Covert
Township Clerk

Motion by Alderman Purcell, seconded by Alderman Schmidt that the Intergovernmental Agreement be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

JOHN M. SCOTT HEALTH CARE COMMISSION

BY-LAWS

ARTICLE I--NAME

The name of this organization shall be the John M. Scott Health Care Commission.

ARTICLE II--PURPOSE

Section 1--Objectives. It shall be the objective of the Commission to advise the Trustees of the John M. Scott Health Care Trust. The purpose of the Trust is to provide health care for the use and benefit of all sick and otherwise disabled persons who reside in McLean County, Illinois, no matter from what cause such sickness or disability may arise, and who cannot pay for the needed care and attention; and to conduct health-related informational and educational programs and activities to assist such persons in preventing illness and promoting good health. All activities of the Trust shall be conducted without discrimination because of race, color, religion, sex, national origin, ancestry, age, marital status, physical or mental handicap, unfavorable discharge from the military service, or any other factor subsequently determined by law to require protection from discrimination. Working with those organizations that appoint Commission members, we endeavor to have a Commission with the diversity necessary to appropriately represent the various segments of our total population. The Commission shall advise the Trustees in three main categories:

1. development of programs at the John M. Scott Health Resources Center;
2. planning of a comprehensive health care program for the economically disadvantaged residents of McLean County, Illinois;
3. and such other matters as directed by the Trustees from time to time.

Section 1--Methods of Accomplishing the Objectives. The Commission shall proceed on the principle that there is a serious need to improve the health care of the economically disadvantaged residents of McLean County, Illinois. The Commission, acting as the advisor to the Trustees of the John M. Scott Health Care Trust, shall actively participate in selecting and recommending to the Trustees those goals and objectives (programs and activities) that are consistent with the intent of the Trust. In the spirit of a working partnership, the Commission shall specifically work to:

1. Inform itself of the status of the health care of the economically disadvantaged residents of McLean County.
2. Develop and implement health care programs and activities, which are consistent with the intent of the Trust. Financial assistance shall only be available to American citizens and registered legal aliens who reside in McLean County.
3. Assess, describe and address needs that cannot be corrected by other private and public health resources, to accomplish the purpose of the Trust.

4. Promote a broad understanding of the vital importance of assuring adequate health care opportunities for economically disadvantaged residents of the community.

ARTICLE III--DUTIES AND RELATIONSHIPS

Section 1--Source of Membership. The Commission shall be made up of representatives from the community designated or selected as follows:

- a. the elected Township Supervisor of General Assistance of the City of Bloomington Township;
- b. one member of the McLean County Medical Society (selected by said society);
- c. one member of the McLean County Dental Society (selected by said society);
- d. one member to represent the Governing Board of BroMenn Healthcare (selected by said Board);
- e. one member to represent the Community Advisory Board of OSF St. Joseph Medical Center (selected by said Board);
- f. one member to represent the Second Presbyterian Church of Bloomington (selected by the ruling elders of said church);
- g. one member to represent the Board of the McLean County Health Department (selected by said Board);

provided, however, that if no Board member from either BroMenn Healthcare, OSF St. Joseph's Medical Center or McLean County Health Department can serve on the Commission, an upper level management employee with overall responsibility for executing the policies and programs of those organizations, or a physician may serve as those organization's representative on the Commission as long as the organization seeking to substitute an employee for a Board member submits a written statement stipulating that no Board member is available to serve on the Commission; and additional representatives of such other bodies or agencies, not to exceed four (4) in number, as may be designated from time to time by the Trustees. As of the publication of the by-laws, the current four appointments made by the Trustees are:

- h. 9th District Nurses Association of Illinois (proposed by said Association);
- i. Bloomington Regional Optometric Society (proposed by said Society);
- j. Mid-Central Community Action, Inc. (proposed by said Board of Directors);
- k. United Way of McLean County (proposed by said Board of Directors).

The four representatives designated in the by-laws to be appointed by the Trustees shall, during their terms of office, serve at the pleasure of the Trustees. The Trustees alone reserve the sole right to make such future appointments without assistance or representation from any organization.

The Commission can appoint up to three (3) ad hoc members, as it deems necessary for specific projects or purposes. The ad hoc members will not have voting rights.

Section 2—Appointments. The Commission shall consist of eleven (11) members as designated in Article III; Section 1. With the exception of the elected Township Supervisor of General Assistance of the City of Bloomington Township, whose elected office is considered to be a permanent position on the Commission, the remaining ten (10) Commission members, who are appointed, shall serve for three (3) years in predetermined rotating staggered terms designated term period one, two, and three. The term periods shall expire as follows:

ONE—first Monday on June, 1987
TWO—first Monday in June 1988
THREE—first Monday in June, 1989

and in respective successive anniversary years thereafter. In conjunction with the staggered term of periods, there is need to establish permanent cohesiveness and continuity within the Commission, from its inception, by both the individual representatives and their organizations. Therefore, each of the representatives is assigned to one of the three groups as follows:

Group A (three members assigned by the Trustees), represented by the 9th District Nurses Association of Illinois, Bloomington Regional Optometric Society, and Mid Central Community Action, Inc.;

Group B represented by BroMenn Healthcare, McLean County Health Department, and OSF St. Joseph Medical Center;

Group C (the public sector) represented by the Township Supervisor of General Assistance of the City of Bloomington Township, Second Presbyterian Church of Bloomington, and United Way of McLean County; and

Group D (the medical/dental sector) represented by the McLean County Medical Society and the McLean County Dental Society.

TERM PERIOD ONE and TWO will contain one representative each from groups A, B, C, and D. TERM PERIOD THREE will contain one representative each from group A, B, and C. The initial assignment of the Commission members to a term period including the elected official described above was made by drawing lots at the first meeting following the initial adoption of by-laws by the Commission. The period for which each of the present members serves has developed from the initial adoption of by-laws. Any person appointed to fill a vacancy prior to the expiration of the term from which the predecessor was appointed shall serve for the remainder of such term. A Commissioner may serve more than one term, but no more than three consecutive terms, as a representative of any one of the stated bodies. Those members appointed to fill a vacancy may serve out the term of that Commissioner and then serve for three additional consecutive terms. Any Commissioner who has served three consecutive terms may serve as a Commissioner again one year after the expiration of the most recent term served by that Commissioner. A Commissioner who has served three consecutive terms may not be appointed to fill a vacancy unless that vacancy occurs at least one year after the expiration of the most recent term served by that Commissioner.

Section 3—Voting. Each member shall have one vote.

Section 4—Proxy Vote. Each organization identified in Article III; Section 1, may appoint a replacement from their organization to sit in place of the designated Commissioner's absence. The appointed replacement person shall exercise the right to vote in decisions facing the Commission until such time as the designated Commissioner returns.

Section 5—Removal. Each of the appointed Commission members may be removed by his/her respective organization for cause, either on its initiative or upon request of the Trustees. The organization involved shall immediately appoint a new representative. The Commission member who is an elected official may be removed for cause by the Trustees.

Section 6—Resignation. Any member of the Commission may resign by giving written notice to the Trustees and the Chairperson. Such resignation shall take effect at the time specified in the written notice.

Section 7—Relationship.

Trustees—The relationship of the Commission to the Trustees will be that of a trusted advisor as delineated in the Declaration of Trust in Article II. The Trustees will retain and exercise final responsibility for the policy direction, program priorities, budgeting and appropriations. To this end, as advisors, the Commission shall actively search for methods to improve the health care for the poor; participate in both selecting and maintaining meaningful health care programs and activities; initiate recommendations to the Trustees to either continue, alter, add, delete current/new health care programs and activities which are consistent with the Trust.

Staff Administrator—This person shall act as the primary administrative resource and advisor to the Commission. The Staff Administrator shall be a City employee. As such he/she shall be directly responsible for maintaining all administrative records and files, all financial documents and fiscal management in and for the name of the Trust, the Trustees, and the Commission. The Staff Administrator shall be a non-voting member on the Commission, and considered being a representative of the Trustees when so directed.

ARTICLE IV---OFFICERS

Section 1—Officers Enumerated. The officers of the Commission shall be Chairperson, Vice-Chairperson, and such other officers as may, in the judgment of the organization, be necessary, from within its own organization, together with the Staff Administrator. The officers of the Commission are to act as individuals and not as a member of a group they represent.

Section 2—Election of the Officers. Nomination of officers shall be made from the floor at the first meeting of May of each year. Candidates for each office receiving a

simple majority of the membership present (a quorum being necessary) at the specified meeting shall be declared elected and shall serve for one year, or until their successors are elected. No Chairperson or Vice-Chairperson shall serve more than three consecutive terms in the same office. Vacancies in offices shall be filled immediately by the election procedure specified above.

Section 3—Duties of Officers.

Chairperson—to preside at all meetings of the membership, appoint committees with approval of the membership.

Vice-Chairperson—to perform the duties of the Chairperson in the event of his/her absence, resignation or inability to perform his/her duties.

Staff Administrator—to see that minutes of all membership meetings are kept and have custody of the records and minutes of the Commission; to give advice and proper notice of all meetings of the membership and committees upon request by the Chairperson of the Commission or Chairperson of the committees.

ARTICLE V---COMMITTEES

Committees. The Chairperson may appoint committees to perform certain specific functions on a temporary basis. These temporary committees will be disbanded when their specific functions have been served.

ARTICLE VI--MEETINGS

Section 1—Regular Meetings. Regular meetings will be held during the second week of every month. The Staff Administrator and Chairperson shall prepare the agenda. The Commission members shall submit agenda items to the Chairperson one week prior to the scheduled monthly meeting. The Staff Administrator shall provide all members with a written agenda, or notice of cancellation, for these meetings not less than four (4) days in advance of the meetings.

Section 2—Special Meetings. Special meetings may be called by the Chairperson. The Staff Administrator shall notify all members in the manner directed by the Chairperson in advance of such special meetings. The notice shall specify the purpose of such meeting and no other business may be considered except by unanimous consent of the Commission members present.

Section 3—Quorum. A quorum shall constitute a total of six (6) voting members currently appointed, or one member over half the members. A quorum will be necessary to transact official business; however, informal discussion can take place when a quorum is not present. A simple majority vote of the voting members present shall be required to pass motions before the membership.

Section 4—Attendance at Meetings. Any Commissioner who misses three (3) regularly scheduled meetings during a term year without an excuse which is accepted by a simple majority of the membership present (a quorum being necessary) at which the question is raised, shall be given written notice by the Chairperson of such absences, and with said notice shall be requested to notify the Chairperson as to their intentions with respect to continued membership in the Commission. By a majority vote of the members present at a meeting at which the question is raised, the Commission may recommend appropriate action concerning the status of such member to both the Trustees and the Commissioner's organization, if any.

Section 5—Committee Meetings. Committees shall meet as determined by the Chairperson.

Section 6—Public Meetings. All meetings of the Commission and its committees, at which official action is taken, shall be open to the public at large in accordance with the official public meetings act.

Section 7--Citizen Participation. In keeping with the spirit and intent of the Trust, the Commission, during regularly scheduled meetings, may desire to receive input from concerned citizens, groups and/or agencies regarding unmet health care needs within McLean County. This will be accomplished in the following manner:

1. **Scheduled Participation.** Any person, group and/or agency having business, i.e., concerns for unmet health care needs, may speak when prior arrangements to do so have been made with the Chairperson. A specific time to speak will be reserved on the agenda. Committee advisors, i.e., pharmacists, physicians, nurses, etc. will be allowed to speak at committee meetings where topics related to their profession(s) are discussed.
2. **Unscheduled Participation.** Any person, group and/or agency having business, i.e., concerns for unmet health care needs, not having made prior arrangements with the Chairperson to speak before the Commission may be allowed to speak upon passage of a motion to suspend the Rules temporarily to allow citizens to address the Commission.

ARTICLE VII--PARLIAMENATRY AUTHORITY

Robert's Rules. The latest published "Robert's Rules of Order Revised" shall govern in so far as is applicable and consistent with these by-laws.

ARTICLE VIII---FINANCING

Section 1—Funds from the Trust. The Commission may request monies from the Trust or Staff Administrator from the City of Bloomington administration to enable it to adequately carry out its responsibilities, provided such requests are submitted in writing to the Trustees, and are in harmony with provisions of the Trust itself.

Section 2—Gifts and Donations. Any gift and/or donation received by the Commission from either the public or private groups and/or individuals to help them carry out the provisions of the Trust, shall be turned over to the Trustees to be used in accordance with the Trust itself.

ARTICLE IX---AMENDMENTS

Section 1---Amending the By-laws. These by-laws may be amended by eight (8) of the eleven (11) of the entire voting membership of the Commission provided the amendment shall have been submitted to the membership in writing at least two (2) weeks in advance of the meeting at which it is to be considered. The vote may be by a mailed written ballot.

Amended July 8, 1992
Amended January 9, 1995
Amended September 27, 2004