

SPECIAL SESSION CITY COUNCIL MEETING

City Hall Conference Room
109 E. Olive Street, Bloomington, IL 61701
Monday, April 24, 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 24, 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, Diana Hauman (Absent), Mboka Mwilambwe, Kevin Lower, Scott Black, Jim Fruin, Karen Schmidt, David Sage, Amelia Buragas and Mayor Tari Renner.

Absent: Alderman Diana Hauman

Staff present: David Hales, City Manager; and Steve Rasmussen, Assistant City Manager; Jeffrey Jurgens, Corporation Counsel; Cherry Lawson, City Clerk; Nicole Albertson; Human Resource Director; Angie Brown, Assistant Human Resource Director; Brian Mohr, Fire Chief and Lisa Calloway of Sorling Northrup Counselors.

3. Public Comment

There were no comments offered.

4. Consideration of approving the minutes of the Special City Council Meetings for April 10, 2017.

Mayor Renner asked for a motion to approve the minutes.

Motion by Alderman Black second by Alderman Painter to approve the minutes as presented.

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

Nays: None

Motion carried.

5. Closed Special Session Meeting
 - A. Collective Bargaining 2(c) (2) of 5 ILCS 120/2

Mayor Renner requested a motion to go into Closed Session per Section 2(c) (2) of 5 ILCS120.

Motion by Alderman Lower second by Alderman Black 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, Lower and Fruin.

Nays: None

Motion carried.

6. Adjourn Closed Session and Return to Open Session

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

Motion by Alderman Schmidt seconded by Alderman Painter to adjourn the Closed Session Meeting.

Motion Carried (Viva Voce).

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.)

Mr. Davis gave highlights of the report. The purpose of the report is to look at what has happened to the Trust since the Affordable Care Act became effective January 1st, 2014, and there have definitely been some changes on expenditures, in particular, and also a little bit of impact eligibility. In the big picture overall, there are no real issues and nothing that stuck out as a serious problem. Everybody is very dedicated and trying to do the best job possible.

We highlighted a few concerns; administrative costs were too high. There are two issues with that. One is there has been some changes with how things are being charged there. There was an early retirement, as well as other things that were charged. The other thing is that in doing more research, there is definitely a big movement in the industry to get away from trying to have these hard-core benchmarks on administrative costs. One concern is that there are grants being made in an effort to strengthen the grant-monitoring requirements. The current governing structure was the biggest issue in clarifying rolls and responsibilities. Everybody is trying to do the right thing, but there is definitely a lack of clarity, at times, as far as – say like the Advisory Council.

Are they purely advisory? When do they have oversight responsibilities? A couple of things to mention with the Affordable Care Act, one thing that makes this a very difficult report is no one knows exactly what is going on, so there can be changes and we do not know what those will be.

The Affordable Care Act it will move slowly, you will see the changes happening; it will get implemented at the state level. Another concern is changes in Medicaid by the State of Illinois. They can move quickly, and then that can impact participants in the programs and what are eligible costs and what are not eligible costs. There needs to be a process of being responsive whenever there is a change where if the State of Illinois suddenly says this is no longer and eligible expense and you have people with that need that no longer are being covered, how do you address it? Again, talking through it as a policy decision and thinking it through. We did an audit and one thing we looked at was eligibility for the people enrolled and again it was basically fine. Expenditure wise, one issue that came up was marketing budget and spending some money on a sponsorship. This gets into a number of issues of governance and the budget and what is the best approach.

Overall, internal controls were very good. Overall, definitely seeing big decreases in expenditures. It went down by about two-thirds over the course of two years. One of the complicating things for eligibility, people are not eligible if they have insurance but under Affordable Care Act, everybody should have insurance so it becomes a little Catch-22 there. With grants, again, looks fine. We do think that there should be improvement for the grant monitoring and reporting. There is a little issue of duplicate services. There are other entities that provide similar services. Administrative costs are currently a little bit on the high side, dropping, and definitely something to watch.

The other issue that gets hard here and it is complicated, there are also subsidies going in from the township office as far as use of a copy machine, use of office space, some of those type things. Another concern was the flow of funds. It is a complicated system because of the City actually being the trustee, but what we found was everything worked fine, the internal controls were fine, but it was just complicated. Organizationally, the biggest issue was just clarity of roles. We threw a couple of options and these were things that had been talked about. One was keeping things the same with the township administrator as the administrator of the trust. The one thing we would suggest there would be improving the case management system, improving grant monitoring and then just clarifying the roles better. Another option is going more grants only and providing grants to different entities. One thing that was suggested was parting with the foundation because they already have grant management systems in place. The third option was hiring and executive director. This was discussed again with a few people. The idea there is that they can run it independently. They could add more value as far as developing an expertise healthcare. This one I would downplay a little more. You increase your admin costs and you have the commission for that expertise.

Mayor Renner stated, in any kind of grants-only system, you lose a sense of control, and the thing that would concern him would be that we have an elected official who is responsible, and if we do not like what is going on, we can control that or we can defeat that person in the next

election, and they can be held accountable that way. In terms of the grants only, with indirect accountability, how is that going to work?

Mr. Davis stated that at one point it worked for the City of Chicago, and he was one of the people managing the Community Development Block Grant Program. There was annual cycle where people would apply for grants, we would then review them, go through a process, they would have a work plan, we would do a contract with them. It was an annual process and then they were monitoring visits, as well. Generally, it works well. There are also concerns with monitoring. There are some that do a better job than others. There is a lot of time involved with going through the process and reviewing RFP's, the proposals, monitoring them, etc.

Alderman Schmidt follow-up with Mayor Renner asking for clarification on his comments.

Mayor Renner stated that you lose control of your service delivery and that anytime you contract out, that is usually your trade off. If we were to contract out, for example, trash collection. Today, if something does not happen, I can call Jim Karch and somebody can get out there and pick it up. If you have a company out of Chicago, you can say we are going to remember this in two years when your contract is up. You lose control of the efficiency of your services.

Mr. Davis stated it would have to be a severe situation to cancel that contract before the end of the year.

Alderman Sage requested clarification on duplication of services and wanted to know if you have a number of different agencies competing against a shrinking client base, does not the idea of grants suggest, in this particular case, the commission could be more targeted in filling specific gaps where those duplicated services do not provide coverage. Mayor Renner stated, that when you have a situation, in anything, where you are contracting to multiple different groups for a particular year or two years or whatever the contract might be, that is different from when you have an elected official who is immediately in line charge with the delivery of a particular service.

Alderman Lower stated, we are dealing with a very volatile situation in terms of who is being covered when and by what, for what, and we are needing to fill those gaps. Over the next corresponding year or two until all of that is worked out at the federal and state level, we need to have system in place that is more adept at that change and filling those gaps in a more immediate circumstance, and that is what we have right now in our Supervisor. Ms. Skillrud is capable of monitoring that and making even a week-to-week change if we need to. If we move to a grant system, it is not quite as quick to change.

Mr. Davis stated that you have a commission made up of experts in healthcare. We have a little bit more finger on the pulse of what is happening there and to make sure that you are leveraging that knowledge as fully as possible.

Alderman Fruin stated that the commission is made up of a number of local healthcare professionals from a number of disciplines that do have their pulse on healthcare and are adapting to healthcare on a daily or weekly basis. When you look at the people that are on that commission

and the disciplines they service and the dedication they have had in the community, option 2 seems like the best approach.

Alderman Buragas stated this has been challenging because it is an unusual entity that perhaps has no counterpart. On the other hand, we are fortunate to have it in our community because it has the potential and the capacity to provide our residents a great level of service and to fill in some of the areas where people are not getting the assistance they need. She stated she is reticent right now to make any changes because she would like to see a better line of communication, and we are not interacting enough with the commission.

Alderman Mwilambwe asked if we went to a grants-only model, how would this entity, 501(c)3, be selected. Do we have the capacity in Bloomington to have such an entity to be able to do the job or do we have more than one so that we know we have something to select from?

Mr. Davis stated that one issue would be who would run it. Township administrator certainly has the capacity to run it. The City has the capacity to run it. The commission could do it if there was a commitment of time. The fourth option would be contracting out to a foundation to handle it.

Mayor Renner asked how that would save administrative costs. We have elected officials, advisory board, and another group to come in to administer grants and then we would have to monitor all of this. Mr. Davis agreed that it would be complicated. If a grant program is done, do a larger dollar amount and just a couple so it is a very simple program, easier to manage, and you do not have that complexity.

Alderman Buragas stated that the City was named as trustees of this because there was some confidence we would exist when this provision of the will was triggered. The question is given these complexities, these are a mechanism from which we would remove ourself as trustees of this particular entity and let it go do its thing .

Mr. Hur stated that he tried to address that issue early on when the commission members were trying to think about how to do this because it is unique to have a municipality as a trustee. One of the thoughts was to create a corporate entity that would be owned by the trustee, in effect, that would be separate and apart with the corporate board, by-laws, just like any not-for-profit corporation or even for-profit corporation where all of these administrative problems are taken care of in your by-laws and your committees and your structure. That would remove the trustee from some of its direct responsibility and then there is annual reporting or semi-annual, whatever type of reporting to the City as a trustee on a more formal basis. The City could petition the court to resign as trustee and have a substitute trustee appointed or trustees, whether it is a committee of trustees, co-trustees, a bank trust department. It is difficult to fit charitable trusts like this into the City structure. A corporate structure would provide a very good alternative but it would still be owned and be an asset of the trust.

Mayor Renner asked if there is some evidence that one of the reasons why that the City was intrusted is not only are we going to be here, but there would be some accountabilities for elected officials.

Mr. Jurgens stated that we do not know the background behind the intent. The will just clearly says that they hereby direct the City of Bloomington through its officers, etc., and forever under the direction control of the City of Bloomington, so it just talks about the City of Bloomington.

Mr. Hur stated that his review of the docket entries, the petitions and everything going way back, it seems to indicate that at the time, everybody was convinced there was going to be a City of Bloomington hospital of some sort going way back. It is a multitude of factors, and certainly that is one of them.

Alderman Schmidt stated she wanted to challenge the idea that doing a grant-run program is really complicated since we have the Illinois Prairie Community Foundation. She stated that what she got out of the audit is an overriding concern about what the role of the commission and the commissioners are. Whatever we do, we need to figure out how we leverage the knowledge that is there in the commission to make sure they are really overseeing the expenditures of the trust dollars.

Alderman Sage stated that as the governing board or the trustee for this, it is incumbent on us to clearly spell that out.

Mr. Jurgens stated that if the Council could come with some consensus that we want to move at a high level in the direction of grants only or and we can come back with options as to what that might like look. Maybe that includes just a restructuring of the current system. Maybe it includes some other type of system or set up, we can come back with options on that. At a high level, you like the current structure and just want to see some fine tuning to that, we can then come back with some potential options on that.

Mayor Renner stated that if we are still in transition and we are not sure what is going to replace the Affordable Care Act, do we want to restructure this now, or wait until we know what is happening. As Alderman Sage stated, whether the commission is advisory or has some other additional role that should be independent regardless of what the Affordable Care Act policy changes are.

Alderman Fruin expressed concern over the Affordable Care Act, stating do we really think that is going to be resolved in six months, 12 months or 18 months? That is going to be a constant change. Whatever the solution is here, let those people we designate to be in charge figure that out as we go. We cannot wait for something to be resolved with the Affordable Care Act.

Ms. Skillrud stated that what she has looked at as the Township Supervisor and the Administrator of the Trust is to go back to the basic, which is the declaration of trust. Everything that she does and that the Township office does is to meet the needs that are unmet needs.

Recognizing those unmet needs is the issue that she sees when you go to grants only. The grants only is fabulous for meeting the needs that already exists.

Ms. Grant, Supervisor of Community Health Services at the Health Department, stated that she deals with the people we are talking about on a daily basis. We know that healthcare is changing and has been changing for a very long time. John Scott has changed with the changing needs and that is why it is important to have the healthcare specialists that we have on the commission. We know who needs services, and their needs are being met. When we talk about an all grants, we intend to give the money to the people who are serving those same people, and they can do it much more effectively than one person walking into an office. Major changes have happened. The Affordable Care Act is going to change and who knows when and how. With an all-grants management plan there is a potential to nearly double the money that we are currently giving to the entities that are serving the folks Judge Scott intended to serve.

Alderman Black stated that the grants made him a little uncomfortable because of the accountability that goes along with it but would be open to exploring grants so long as a process is specified.

Alderman Painter stated her opinion is that the commission are experts at what they are doing and so is the Bronner Group. On a real high level, she does not think that elected officials should be meddling in administrative things like this, and should never become a political football.

Alderman Fruin stated that he would go with Option 2.

Alderman Schmidt stated Option 2.

Alderman Buragas stated that she did not think anything should be done without first clarification of roles and greater definition there.

Alderman Mwilambwe stated that when this conversation was started, he remembered there were some differences of opinion in how the John M. Scott Trust should be operated, but there were also some issues about administrative costs. Those, at least, were stated firmly prior to this meeting, but tonight from what he has heard is that, yes, there were some initial concerns about administrative costs but those are not as strong as they were initially. We have also heard about the Affordable Care Act and how things are moving or not moving and all of these make him a little uneasy about making a decision tonight. He would be interested in exploring, clarification of the roles, and enhancing the oversight ability of the commission because we should not overlook their expertise. He believes we could find a solution that meets the needs of everyone involved, particularly the populations that we are trying to solve.

Alderman Sage stated that he was in favor of the recommendation.

Alderman Lower stated he had not changed his mind and thinks that we should stay the course for now. Having Township involved right now until we have a little bit more definition in

terms of where the federal government and the state government are going to lie in terms of coverage – who is covered, on what terms, etc. – we need to stay the course.

Alderman Sage asked how the City move forward with the clear line of sight of the role and responsibility of the Scott Commission as oversight versus advisory.

Mayor Renner stated we could do one of a couple of things. We could come up with a couple of hybrid models where there might be some strengthened oversight. His understanding in looking at it and in talking to other legal counsel was that their role was purely advisory. We could continue to discuss this and figure out what are some of the other possibilities.

Alderman Sage stated that he would encourage and calendar some type of a followup on this so that it does not fall through the cracks.

Mayor Renner stated that we have two new Council members a week from today and a Council member who is not there, so what we need to do is begin the second phase. We do not know what the opinions of these three individuals are. If we do not have a clear consensus, then this has to be an ongoing discussion.

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