

Minutes of the **PUBLIC HEARING** of the Common Council of the City of Chetek held on Tuesday, June 9, 2015 at 5:30 p.m. in the council chambers, 220 Stout Street, Chetek, WI.

Mayor Mike Linton presiding.

Meeting was called to order. Roll call was taken.

In attendance: Cliff Bronstad, Bill Waite, Mike Linton, Mark Edwards, Shirley Morley

Absent: none

Also in attendance: Randi Osberg, city attorney, Bob Parkins - Atrium, Mike Christensen & Randy Bestul – Grace Lutheran. Numerous staff and residents from Knapp Haven/Pelican Place (KH)

Mayor Linton announced the purpose of the hearing is to receive public input on the proposed management contract or sale of Knapp Haven Nursing Home and Pelican Place living units

Randi Osberg presented an overview of the marketing process and offers that have been presented for the sale or management of Knapp Haven/Pelican Place.

Paula Novak commented on the concerns regarding lack of certified nursing assistants. She asked Grace Lutheran (GL) representatives if they would hold training at Knapp Haven. Mike Christensen advised that they would make that available.

Don Sellek asked if any money would be paid upfront for the management contract. Randi Osberg advised that no money would be paid up front. The management fee option allows for the payment in lieu of taxes, a percentage of any profits (20%), and other items.

Shirley Morley asked if GL ever buys any of the facilities that they manage. Mike Christensen advised that they own Syverson Lutheran Home and several assisted living facilities but have managed the other nursing homes for many years.

Paula Novak asked if KH has ever been sued? Randi Osberg advised that while claims have been made, none have been paid.

John Hunsinger asked what the tax difference would be between a sale and a management contract? Randi Osberg advised that a sale would put the building back on the tax roll but at a lower value than the agreed upon value in the management contract. The City would retain their percentage of the taxes paid, while the management contract allows for a payment in lieu of taxes to be based on a value of \$4,000,000 and the City would retain the full amount paid. There could be changes in legislation where the PILOT payments would have to be shared with other taxing entities.

Audrey Smith asked if KH made a PILOT payment would that payment be reimbursable through the Inter-Governmental Tax funds? Randi Osberg responded that he didn't know if it would be allowed through the reimbursement under the current structure since KH is under the same federal ID number/owned by the City.

Janene Haselhuhn questioned if all of this got started for nothing since the affordable care act penalties may not be as much as they initially anticipated. Randi Osberg advised that there are other financial concerns that need to be addressed.

Mary Huset asked if they have looked into decertifying beds? Dave West responded that he was looking into reducing the beds prior to the discussions of marketing the nursing home.

? (name unknown) asked if KH can get the CNA training back? Dave West advised that WITC wanted to consolidate their classes at their location. They no longer wanted to have the classes held at the high school. Marge Jost advised that she has worked on trying to get the training back to no avail.

Susanne Olson asked if the GL CNA program has worked for them? Mike Christensen advised that they have the largest CNA training program in the Chippewa Valley. They worked with workforce development to bring the training back into the high schools.

Judy Anderson asked Atrium what they would propose to solve the CNA problem? Bob Parkins advised that the closest training for them is 1 ½ hours away, however; they do bring high school students into their facilities to receive hands on training. Their certification has to be done through another entity. Part of the problem is that some are getting certified as part of the requirements for nursing, and the other issue is the fact that state reimburses at a low rate for a CNA. The reimbursement rate dictates the wage facilities are able to pay.

?(unknown name) asked if most of the staff would be kept. Both Atrium and GL stated that they are prepared to keep staff as appropriate. Bob Parkins advised that staffing is center specific according to the care level of the residents.

Ken Jost ask if the council decided to not make a decision at this time would GL be willing to put a CNA training class at Knapp Haven? Mike Christensen advised that they may not be able to implement anything this summer but could look into something for fall.

Cliff Bronstad questioned Mike Christensen on their plans for running KH – he questioned what input they would have in running the home. Mike responded that they would develop an operating budget and their board of directors would review the budget and expect people to be accountable for their budgets. He advised that since it is would be a management agreement the City would still have control.

Mel Schaaf asked whether or not the council members received the same information that was provided to the Plan Commission members. The mayor advised that they did receive the same information.

John Hunsinger questioned how the census issue at KH would be handled. Mike Christensen advised that a reduction in beds would alleviate cost and allow for some short term rehab services to be put in place.

Bob Parkins responded that the State of Wisconsin does not issue new licenses to operate nursing homes. Short term services are important, however; there needs to be a careful balance in reducing beds. The beds have a value. A reduction in beds would likely mean a decrease in the Medicaid reimbursement. Once you eliminate beds licenses you cannot get them back.

Phoebe Vik asked if the bed count was reduced, what would be the process to get the beds back? Randi Osberg responded that the beds would no longer be available. A facility would have to be sure before eliminating any beds.

Kim Wojciechowski asked Bob Parkins what is Atriums staffing ratio? Bob responded that they staff 3 ½ to 4 hours per patient per day with CNA staffing. Kim stated that she knows someone who works for Atrium who advised that their hours are being cut. Bob responded that they do have a facility that has had census decline. They need to staff according to number of filled beds and long-term census projections.

Dave West thanked the council and plan commission members for their time in dealing with this decision. It has been a difficult process and there has been some animosity and he wants everyone to get through the process successfully. He stated that care is #1 along with a good reputation.

Kim Wojciechowski stated that the residents at Pelican Place are on a limited income and the cost for the rent is a concern.

Audrey Smith questioned whether the agent fee (\$250,000 agent fee for marketing the nursing home) is paid up front or at the end of the lease. Randi Osberg advised that the agent fee would be paid by the City up front and recovered through the sale proceeds or over time with the management contract.

Paula Novak asked if a sale or the management contract would be quicker. Randi responded that the management contract would be quicker to close since Atrium still has some due diligence items to complete and there are contracts that the nursing home has that would need to be canceled/dealt with.

Motion to adjourn the hearing made by Waite, 2nd by Bronstad. Carried.

Carmen Newman, clerk/treasurer