

Stephenson Nursing Center Committee Minutes  
December 9, 2010

Present: Benny Brown, Jerry Clay, Christopher Clukey, Linda Dotson, Charles, Hilton, George Kinney. Excused: Lynn Koch. Also present: John Blum, Tom Gilmour, Russell Mulnix, Darnell Fortney, Dorene Lagerstam.

Meeting called to order at 6:35 pm by Mr. Hilton, chairman.

Motion to approve – before motion was made Mr. Kinney questioned why the review of the bills was moved to the end of the agenda? Mr. Fortney responded that this action was moved due to the time it takes to review the bills. Mr. Kinney and Ms. Dotson both noted that they would prefer the bills to be reviewed at the beginning of the meeting. Motion to approve agenda was made by Mr. Kinney, seconded by Ms. Dotson – unanimously carried.

Motion to approve minutes of 11/04/10 meeting was made by Ms. Dotson, seconded by Mr. Brown. Mr. Clay and Mr. Clukey both requested copies of the minutes for their review; they didn't wish to vote on this since they were not present for the meeting. Mr. Blum noted that they should not vote since they were not at that meeting. Motion voted on: four yea votes, the two new members abstained from this vote – motion carried.

#### Administrators Report

Census as of 11/30/10: IDPH = 83, Medicare = 12, Veterans Administration = 6, Private Pay = 16, Hospice = 3 for total census of 120.

Questions RE: census as follows:

- 1) Mr. Clay questioned what the facility capacity was? Mr. Fortney responded 162. Mr. Kinney noted that the budget was based on census of 115.
- 2) Ms. Dotson questioned why the census breakdown was not included in the written report? After discussion Mr. Hilton requested that from now on the census number breakdown be included in the written reports that committee members receive.
- 3) Mr. Blum questioned Mr. Fortney Re: his hesitation in reporting the census breakdown numbers, i.e.: if presenting this information in public records could affect marketing, etc.? Mr. Fortney responded yes, the competition could view these numbers and this could affect our admissions, marketing, etc. Mr. Fortney noted that since this facility is a County facility there is some information that must be public. Ms. Dotson questioned what the negative affect of publishing the census number breakdown is? Mr. Fortney responded that marketing personnel could see these numbers and not give recommendations for admission to this facility. Mr. Blum noted that IDPA is the primary pay source for most of our residents. Private pay residents may go to other facilities initially and when their funds run out often the facility discharges them and then they come to this facility.
- 4) Mr. Kinney suggested that Mr. Fortney explain the reimbursement rates to the new committee members. Mr. Fortney responded that IDPA rate is \$109.00 to \$110.00 per day. He further notes that it costs the facility \$143.00 per day per resident; the difference is made up by Veterans Administration admissions,

Medicare admissions and private pay admissions. Mr. Fortney also noted that the private pay room rate has not increased in two years and that we are still the lowest rate per day in the area. Mr. Fortney also notes that the facility has to build up the Veterans Administration, Medicare and private pay admissions. He also notes that we are the only Veterans Administration certified facility in the area.

- 5) Question raised as to what the Medicare and/or Veterans Administration rate is? Mr. Fortney responded ranges from \$300.00 to \$589.00 per day; the rate depends on what the resident is assessed at. Mr. Blum notes that Veterans Administration and Medicare admissions are usually high maintenance/care, etc.
- 6) Mr. Mulnix questioned what the cost of care is for a Medicare or Veterans Administration resident compared to an IDPA resident? Mr. Fortney responded they are about the same. Mr. Fortney notes that this facility does not charge extra for meals, laundry services, etc. and that some facilities do charge extra.
- 7) Mr. Kinney questioned what these facilities weaknesses are? Mr. Fortney responded the parking lot; he notes that this facility has no "curb appeal". Mr. Fortney said that people base their judgment on appearance; they see our parking lot and think that the care here is poor.

Personnel Report – members received written report, no questions raised.

#### Cash Flow

- 1) Mr. Fortney explained to the new members that a cash flow report is sent to members via e-mail two times monthly.
- 2) Mr. Hilton noted \$40,000.00 was recently transferred from facility funds to County's general fund, this is not reflected in the report presented at tonight's meeting. The request for funds came from Ms. Becker to Mr. Fortney to help with shortfalls in the County general fund and payroll.
- 3) It is noted that with the \$40,000.00 transfer the total amount that the facility owes to the County now is \$260,000.00.
- 4) Mr. Kinney suggested that another loan repayment be made at this time to help with the County's shortfalls. Mr. Blum responded that Ms. Becker is anticipating receiving additional funds into the general fund from other sources and additional funds from the facility is not needed at this time. Mr. Blum also notes that Ms. Becker is working on tax anticipation warrants for other departments (not the nursing center).
- 5) Mr. Blum notes that there is \$225,000.00 in the roofing fund. Mr. Kinney questions if any bids had been solicited? Mr. Mulnix notes that we do not have specs for this yet so bids can't be solicited yet. Mr. Kinney noted that this committee said that the roofing project should be done first, then the parking lot.
- 6) Mr. Kinney questioned if funds are needed (for General fund) what can be done? Mr. Mulnix responded that Ms. Becker makes those decisions. Mr. Mulnix also explained the Income Tax payments. Mr. Mulnix notes that Ms. Becker is feeling positive that payroll will be okay.
- 7) Mr. Clay questioned what the Tax Warrant is? Mr. Mulnix explained it's "borrowing" money until the taxes come in.

Mr. Clay made motion to pay \$260,000.00 to the County (the amount remaining from the loan), seconded by Mr. Kinney. Discussion as follows:

- 1) Mr. Brown notes he is not in favor of this payment.
- 2) Mr. Clay notes that this would avoid the County having to borrow money and would pay the loan off.
- 3) Ms. Dotson questioned what Mr. Hilton's feelings were on this? Mr. Hilton responded that he feels this should not be done at this time, he further notes that at previous meetings the decision was to make loan repayment in April 2011.
- 4) Mr. Clay notes that paying off this loan would not drain the budget, there would still be \$300,000.00 remaining.
- 5) Mr. Blum notes that he has concerns about the suggested loan payment, i.e.: if the State misses a payment to the facility it could be devastating to the facility (if the loan payment is made). Mr. Blum notes that the AARA program ends in December (this program makes payment to public facilities a priority).
- 6) Mr. Fortney notes that in 2008 (before he was employed here) the facility had difficulty making payroll and paying bills and had to take tax warrant money, he feels that it is not a good idea to spend so soon in the fiscal year.
- 7) Mr. Hilton notes that there is downfall in income at this time of year.
- 8) Mr. Kinney questions when tax warrants would be pursued? Mr. Mulnix responded that this is Ms. Becker's decision. Mr. Mulnix also notes that a large portion of funding comes in June for both the facility and the County. Mr. Mulnix also notes that this facility is in excellent position to meet its bills vs. income.
- 9) Ms. Dotson notes that she feels comfortable not making loan repayment at this time.
- 10) Question raised as to if payment is not made and County General fund needs additional monies how is this done? Mr. Fortney responded that Ms. Becker can take monies from other county funds without approval from Department Heads but that as courtesy she always contacts the Department Head in question. Mr. Hilton notes that in this instance Ms. Becker contacted Mr. Fortney and then Mr. Fortney contacted him regarding the \$40,000.00 transfer.
- 11) Mr. Clay notes that there is \$225,000.00 available in another fund that the facility has access to short term. Ms. Dotson explained that this is for the roofing project and that bids were going to be obtained soon to get a better price. Mr. Hilton further explained that during economic down times it is possible to get lower bids. Mr. Clay questioned if we would pay prevailing wage and if we do you can't get a lower bid. Response was that businesses would make a lower bid and possibly absorb a lower profit margin.

Roll call vote on loan repayment of \$260,000.00: Mr. Kinney, yea – Mr. Clay, yea – Mr. Hilton, nae - Ms. Dotson, nae - Mr. Brown, nae – Mr. Clukey, nae – motion did not carry.

#### IDPH Status

- 1) Mr. Fortney reports there are no tags or violations. He did note that the facility is in the window of time frame for its annual inspection and that the facility is ready for this inspection.

#### Old Business

- 1) Mr. Kinney questioned the status on employee background checks? Mr. Fortney responded that this was resolved, that this matter was not brought up at the last meeting. Mr. Fortney further explained that employees are hired on conditional employment pending the return of their background checks. Mr. Fortney also

notes that effective this past summer any fingerprinting and background checks will follow healthcare employees, that facilities can look this information up on the internet and that is what this facility has been doing. Mr. Kinney again expressed concern RE: having employees start work before their background check is in.

Other:

Amendment to budget – discussion as follows:

- 1) Mr. Mulnix presented proposed amendments to the 2011 budget. Mr. Mulnix explained that at the 11/29/10 full Board meeting RE: specific line items answers were not available at that time. Mr. Fortney and Mr. Mulnix met to discuss this and then Mr. Mulnix met with the Department Heads.
- 2) Without the proposed amendments there is a \$30,000.00 shortfall in the budget
- 3) Mr. Blum questioned what would happen if amendments were not passed? Mr. Mulnix responded that it would become a problem later in the year, and that Mr. Fortney and this committee would have to look at financial numbers month to month.
- 4) Mr. Fortney notes that he was not consulted about the 2010 budget, that funds were taken out of the budget he presented them without him being consulted. The funds removed were funds that the facility saved, i.e.: positions that were vacant, etc., he notes that the facility still needs the people that were taken out of the budget.
- 5) Mr. Blum notes that under a one time only Government program businesses were able to hire employees and the Government paid their wages, this program is no longer available; however the facility still needs these people/positions.
- 6) It is noted that Committee members made an uneducated decision Re: the budget and that is why the amendments are needed.
- 7) Mr. Clay feels that the facility should stick with the approved budget, that he has not seen the need for additional funding/people.
- 8) Mr. Blum notes that an error was made and that this Committee needs to fix that error.

No action was taken on proposed amendments.

Foundation Report

- 1) Mr. Mulnix reports that they are still waiting on tax credits.
- 2) Mr. Blum notes that Mr. Hilton is to represent this committee at Foundation Meetings.

Building and Grounds

- 1) Light fixtures will be ordered in January 2011.
- 2) Mr. Kinney questioned if (due to the Grant requirements) there wasn't a time limit for ordering/installing the light fixtures? Response was that the fixtures must be installed by March 2011.
- 3) Mr. Fortney notes that Mr. Remmers is the only qualified person on staff to install the fixtures.
- 4) Mr. Blum notes that Mr. Snavely and another Electrician will be installing the light fixtures at the Courthouse and that when they are done there they will be assisting Mr. Remmers at the facility.

- 5) Mr. Blum also notes that other agencies that received the same Grant appear to be ordering the same fixtures and that they are on backorder.
- 6) It is noted that facilities/agencies pay for the fixtures and then are reimbursed.
- 7) Mr. Hilton questioned who is paying for the extra Electrician? Mr. Mulnix responded that they haven't worked out all the details, but that the Grant should pay for him.

#### New Business

- 1) Mr. Blum notes that Committee Chairs are required to appoint a Vice-Chair. Mr. Hilton responded that he asked Mr. Kinney to Vice-Chair this committee.

#### Review of Bills (Mr. Kinney and Mr. Clay)

- 1) Mr. Fortney notes that as a courtesy he submitted three estimates for the purchase of a Booster system to be applied to the dishwashing machine. He has already made the decision as to which estimate he will accept. He notes that IDPH is focusing on Infection Control this year and that water temperatures in dishwashing machines must reach 180 degrees to be in compliance with State/Federal regulations.

Motion was made by Mr. Kinney, seconded by Mr. Clay to approve payment of bills totaling \$202,060.96 – unanimously carried.

Motion to adjourn meeting was made by Mr. Brown, seconded by Mr. Kinney – unanimously carried.

Meeting closed at 8:10 pm.

Respectfully submitted,  
Dorene Lagerstam  
Recording Secretary