

TRAVERSE COUNTY  
BOARD OF COMMISSIONERS

REGULAR MEETING  
TUESDAY, FEBRUARY 19, 2013  
START TIME: 9:30 A.M.

The meeting was called to order by Commissioner Chair Kevin Leininger. Other members present included Commissioners Todd Johnson, Jerry Deal, Don Appel, and Dave Salberg. The pledge was recited. The agenda was amended to remove the presentation scheduled by Joe Vene, regarding NACO membership. Vene was added to the Social Service agenda, prior to this meeting, to save him some time on the road with the weather conditions. The amended agenda was approved unanimously upon a motion by Appel and second by Deal.

**Dianne Reinart/Assessor-** Reinart presented a memo from the Department of Revenue regarding setting a date for the Board of Equalization meeting. By consensus, the date was scheduled for June 19th at 6:30 PM.

**Larry Haukos/Highway Engineer-** Haukos presented his department update. A Board action request was made to purchase five dumpsters for the County Park, Pete's Park, and Mustinka river access from Pro-Trainer, for \$745.00 each or a total of \$3,725.00. The request was approved unanimously upon a motion by Appel and second by Deal.

He discussed his budget and available funds from 2012 project close-outs. The construction account balance as of February 2013 is \$3,200,000.00. He then discussed the five year road plan. He is proposing construction on CSAH #11 North, CSAH #11 South, CSAH #3--3/4" Blade Level and 1 1/2" Bit Surface, and CSAH #4-- 3/4" blade level and 1 1/2" Bit surface. A public hearing will be scheduled for April 2, 2013 at 11:00AM.

**LaVern Hoffman/St Francis-** Hoffman appeared before the Board to discuss the Traverse Care Center. He expressed his interest in working with the Board in some regard. He presented the Board with a question as to why the County would be interested in making a change at this time. Deal explained the history and the request from the current management company regarding reducing the lease payments. He also expressed the concern that the lease expires in November of this year and also his concerns as to payment delays of the lease payment and other vendors that have expressed concern to Deal as to payment issues. In addition to financial concerns, staffing concerns have also been expressed in terms of shortages. Deal expressed his interest is in not being at the mercy of a single vendor and looking at some options moving forward. Hoffman expressed the need to access some additional information, such as financials and audits, before he could make a meaningful offer. Hoffman addressed rates and reimbursements, cuts in elderly waiver and Medicare, so financial conditions are no better right now than they were three years ago when they considered the RFP. The result is that they could not purchase it for a price equal to current debt levels. T. Johnson expressed his appreciation with their willingness to speak and broaden their perspective as to options. Leininger also stated the Board is interested in options. Deal asked if the current lease holder were to not renew the lease, would St Francis be willing to step in in some capacity. Hoffman indicated they could probably do something in the interim, on a short-term basis, while the Board makes a more permanent decision.

Carol Raw, from St Francis, also discussed the difficulties of staffing and the challenging demographics in the rural area. She wouldn't make any promises that these challenges would improve under their management. Also, without increases in rates, the financial conditions will continue to be a struggle. Capacity issues exasperate the problem. This is typical of rural facilities. She also expressed that they could potentially share some roles with their other two facilities to ease staffing concerns.

**Craig Abbott/Health Dimensions Group-** Abbott appeared before the Board to discuss the Traverse Care Center lease. He expressed his appreciation for Board time and for the previous decision of the Board to reduce the lease to the current Bond payment. He discussed the history of their relationship and financial concerns. Three years ago when they responded to the RFP, they were the only management company willing to take a risk. Abbott desires

an open relationship, and indicated they have nothing to hide in terms of the current situation. He'll be cooperative with any information the County needs to make a decision. He also expressed his discouragement in the lack of information sharing and partnership by the Board. He indicated it was frustrating and upsetting to their staff to read about concerns expressed by the Board in the paper. He expressed his willingness to always come and appear and answer questions. Since his initial appearance before the Board in December, occupancy has increased to a point that is fiscally manageable. He did indicate that the market base norm is not consistent with the current lease payment and that they are interested in a variable rate payment based on occupancy.

He addressed concerns around staffing and shared that staffing ratios are at or above the state averages. They do not staff at levels that will diminish quality. They also had a State survey in December which yielded only five minor citations, which is a very good survey. He also shared that resident satisfaction surveys are at 95% satisfaction and family surveys are at 80% satisfaction. He asked the Board what their plan is and if they are not interested in continuing or extending the lease, they should talk exit strategy. His company is willing to help in any way they can in transition. He also indicated that they are open to other ideas and would welcome a meeting to discuss those.

Appel asked what they would need in order to continue. Abbott replied that they would need a Long-term recognition that the lease payment is locked in. Occupancy rates drive what is feasible, so a variable approach is what they need. They would be willing to be transparent in reporting on a regular basis. T. Johnson prefers considering a variable schedule that doesn't change the annual amount, but rather how it's paid. He desires flexibility for them but the best return on our debt. T. Johnson also expressed his desire to not micro-manage the management company. He's comfortable with the satisfaction surveys. He would propose a variable lease with monthly financial reports provided.

Deal asked about how they will make up the difference at year end. Abbott said the only way would be able to is to forego the fee to Health Dimensions. Franzese expressed exploring a 3rd party guarantor. Abbott said they could explore that as well.

JulieAnn Froemke appeared before the Board and spoke about the fear people have for negative repercussions if they speak out on an issue. She expressed concern over the reporting in the paper but acknowledged that she is going to speak out on this business because it is important to her family and the future of the community. She discussed previous leadership training she participated in through the Blandin Foundation. The training focused on learning about community and building community in a positive way. She emphasized positive communication as the key for any successful relationship and that it should be done in a respectful way to get the best outcome that you can. She reiterated her comments from the last meeting regarding the quality staff at the Care Center and personal satisfaction.

Deal questioned the transparency of Health Dimensions and LSS of Traverse County, a non-profit agency. Abbott said LSS has been around since 2000, with eight properties that are a part of LSS. They are a stand-alone business and their legal structure is a common business structure. He also offered to have Eric Lunde, Board Chair for LSS, return and meet with the Board.

T. Johnson expressed his impression of Health Dimension's request to be one of cash flow, not overall reduction in payments. This minimizes the risk for the County by making a variable adjustment. Deal asked about how they would pay a balloon payment without any equity. K. Johnson suggested receivables which could be used to reconcile the balance and Abbott agreed.

T. Johnson made a motion to adjust the lease payment to a \$20,000 monthly minimum, based on occupancy, with the full annual amount still due at year end. This payment should be paid up within 30 days of the date the lease expires. He included a provision that the County Attorney draw up an amendment to the lease. After further discussion, he rescinded the motion. Upon a motion by T. Johnson, second by Salberg, the Board voted unanimously to set up a committee of Franzese, Antrim, K. Johnson, Abbott, T. Johnson and Salberg to review options and make a recommendation to the full Board.

**Rhonda Braaten-Antrim/County Coordinator-** The minutes of the February 5, 2013 meeting were approved unanimously upon a motion by Deal and second by Appel. The following bills were approved unanimously upon a motion by Salberg and second by Appel.

Rainbow Rider	2,025.00
Mrcc	2,135.00
Traverse County Hra Trust Account	2,300.00
Wheaton-Dumont Elevator	2,402.40
American Communications Inc	2,597.00
Ziegler, Inc.	2,714.80
Kratochwill & Anderson, P.A.	2,961.50
Lss Of Traverse, Llc	3,090.00
Mn State Auditor	3,336.00
Dlt Solutions, Inc.	3,405.88
Computer Professionals Unlimited Inc.	3,409.89
Traverse Electric Coop Inc	3,703.71
L & O Acres Transport, Inc.	4,228.64
Tri County Coop	4,913.51
Braun Intertec Corporation	5,017.00
Stevens Traverse Grant Public Health	5,315.33
Tri County Coop	5,891.95
Larson Oil, Inc	11,346.29
Charlie & Sons Electric Inc.	15,110.00
Mn State Auditor	26,180.34

Pursuant to M. S. 375.12, the number of claims less than \$2000.00 were 98, amounting to \$49,5677.22.

Antrim distributed the Bond refinancing schedule. She also updated the Board that the Watershed District Board position of Jerome Deal will expire in May, 2013 so she will begin the process for filling that.

Antrim also updated the Board that she received a request from a private party to rent the County Park for a wedding in 2014. Upon a motion by Appel and second by Salberg, the request was denied unanimously.

Antrim also reminded the Board of the employee appreciation banquet on March 1, 2013.