

**JOINT EXECUTIVE COMMITTEE AND
HEALTH AND HUMAN DEVELOPMENT COMMITTEE MEETING
May 10, 2016**

IVES GROVE OFFICE COMPLEX – COUNTY BOARD CHAMBERS
14200 WASHINGTON AVENUE
STURTEVANT, WISCONSIN 53177

The joint meeting of the Executive Committee and the Health & Human Development Committee was called to order at 6:00 p.m. by Chairman Russell Clark.

Meeting attended by: Vice Chairman Zenner-Richards, Supervisors Miller, Gleason, Osterman, Molnar, Cooke, Bernberg, Roanhouse, Dawson, Nielsen, Shakoor, II, Buske and Snow. Also attending were Supervisors Kaprelian-Becker, Maier, Grove, Hincz, and Pringle, County Executive Delagrave, Chief of Staff M.T. Boyle, Corporation Counsel Jon Lehman, Human Resources Director Karen Galbraith, Finance Director Alex Tillman, and Ridgewood Director Liam Doherty.

Excused: None Absent: None

#1 – County Executive’s presentation on Future of Ridgewood and related Q & A.

County Executive Delagrave gave an abbreviated presentation on the question and answers that had been discussed at the prior joint meeting. He said that the Task Force had done its homework on the issue and it had not been an easy task. He had talked about Medicare and bundled payments, shorter stays and lower admissions. Medicaid reimbursements have stayed flat while costs continue to go up. There are deficits and intergovernmental funding is shrinking. There has been a dramatic shift in the managed care and provision of family care. There are no longer waiting lists for entry to facilities and the census at Ridgewood is down. We have to adapt to a changing industry. There are benefits of having regional operators due to economies of scale, better technology and flexibility in staffing.

We have great employees that manage and operate our facility and we would probably have reached this point sooner if not for them. If we were to sell or transfer operations, our employees will still have jobs because those are dictated by the market place. He talked about who Ridgewood now serves vs. what had been provided in the past. There is a projected \$2.65 million annual deficit by 2020, which the Wipfli study pointed out. The question was how to fund those deficits, yet provide updated services and whether the county would need to pull from other required services to fund these shortfalls. We need to examine all of our options and the Task Force proceeded with due diligence when recommending engaging a broker.

Ray Giannini stated he had been a consultant to counties for some time and looked at the public records data. Ridgewood presents itself well, which was an advantage when looking at selling or leasing. It has a size of 200 beds, is located in a nice-sized city, the county has taken proactive steps in maintaining the facility, the setting is beautiful. It has a volume of business and is an extraordinary, successful program. It was built in 1985, which was relatively new as a facility. He had taken a tour and was impressed. When considering using a broker, you engage in the process. Regarding the fair market value, he found that counties are not necessarily interested in maximizing fair value, but rather looking for good legacy in the market, a promise to continue accepting Medicaid clientele and providing for the employees in terms of salaries. Mr. Giannini talked about the best way to approach the process. Once you have engaged a broker, you work to present and put together an entire package. He talked about the steps in the process and indicated that it takes approximately six months.

Q. Supervisor Miller asked how many offers you can expect to receive and how many visits would be required to have minimal impact and disruption of the facility. He also asked how enforceable promises are. A. Mr. Giannini indicated probably 8-12 potential buyers. It is generally operators already in the business with good histories. The process follows a predictable pattern and once you reach the end, a decision tends to be straight forward. The county is in control of the process. For some items, you can get a credible guarantee and have those items be written into a binding agreement.

Q. Supervisor Snow stated regarding the issues of conditions, wouldn't giving notice of them at the time the broker is trying to solicit offers be better since then you know a business is serious. A. Mr. Giannini indicated you need to be aggressive in terms of a transaction. You craft a letter of intent and then the broker puts together a marketing plan.

Q. Supervisor Osterman asked how many transactions Mr. Giannini had been involved with and when you run comparatives, do you intend to broker it as an on-going entity or real estate. A. Mr. Giannini answered he had done seven in Wisconsin and about 50 in total. The highest, best use of a facility is in the continued use of the facility on the real estate.

Discussion was held regarding other facilities in the state and how they compared in age, attractiveness, usefulness and sales price.

#2 – Action to be taken by Joint Committee to authorize the County Executive to recruit, and enter into an agreement with, a broker that is skilled and proven in the industry, and return and report all qualified offers for the sale or other disposition of Ridgewood Care Center to the Joint Committee at a time most convenient.

EXECUTIVE COMMITTEE MOTION

Action: To forward the Resolution By the Joint Executive and Health and Human Development Committees Authorizing the County Executive to Recruit and Enter Into an Agreement With a Broker to Market Ridgewood Care Center for Disposition to the County Board for 1st Reading at their meeting this evening. **Motion passed (see roll call vote below).** Motion: Supervisor Bernberg. Seconded: Supervisor Molnar.

Supervisor Miller stated we were fortunate to have Mr. Giannini here this evening and he had additional questions. He did not want to delay this unduly, but we were past the time for the County Board meeting to start.

Action: To adjourn the joint meeting. Motion: Supervisor Miller. **This motion died for lack of a second.**

Supervisor Miller said he objected to the language of the title and line 13 and that it should include the word “possible” before disposition. Discussion was held regarding the language. Corporation Counsel Lehman explained this resolution was not intended to authorize a sale. It simply authorizes the next step to retain the services of a broker to determine what the market will bear and gathers more information about a potential disposition or sale. Another resolution would be required when a decision regarding Ridgewood was reached.

Supervisor Shakoor, II, said he supports moving forward to enter into an agreement with a broker, but asked about a fiscal note for the resolution. Corporation Counsel Lehman explained that would be part of the next phase as those fees are negotiated. This is similar to other recruitments for services and he gave an example. It is part of the competitive process based on qualifications, fees charged, etc. and would be premature at this stage. County Executive Delagrave explained the county would issue an RFP for broker services. There would be a selection and interview process done by a panel and no dollar amount is attached to this until a broker is selected.

Supervisor Hincz asked the normal fees for this type of transaction. Mr. Giannini answered that generally it was not more than 3% of the total purchase, but there was not a set fee.

Supervisor Snow said at some point we need to move forward and asked if it would be better to come up with a set of conditions we wanted and then look at brokers. County Executive Delagrave explained that phase one is to get a broker in place, then discuss the necessary criteria with the broker as they have the knowledge base and expertise to work with us on those conditions and then the broker does the marketing.

Supervisor Miller indicated a point of order and said he wanted to have this body adjourn for the sake of the guests who were there to attend the County Board meeting. He then asked for unanimous consent to introduce this Resolution for 1st Reading at the County Board meeting. Supervisor Gleason objected stated there was already a valid motion on the floor from the Executive Committee that needed to be voted upon.

Executive Committee Roll call on the motion:

Supervisor Q.A. Shakoor, II - aye	Supervisor Bernberg – aye
Supervisor Gleason – aye	Supervisor Miller – nay
Supervisor Osterman – aye	Supervisor Roanhouse – aye
Supervisor Molnar – aye	Supervisor Zenner-Richards – aye
Supervisor Cooke – aye	Chairman Clark – aye

HEALTH AND HUMAN DEVELOPMENT COMMITTEE ACTION

Supervisor Miller asked for unanimous consent for the members of the Health and Human Development Committee to sign on to the joint resolution and forward it to the County Board for 1st Reading at the meeting this evening. No objections were heard.

#3 - Adjournment

EXECUTIVE COMMITTEE MOTION

Action: Adjourn the meeting at 6:50 p.m. **Motion Passed.** Moved: Supervisor Miller. Seconded: Supervisor Molnar. Vote: All Ayes No Nays.

HEALTH AND HUMAN DEVELOPMENT COMMITTEE MOTION

Action: Adjourn the meeting at 6:50 p.m. **Motion Passed.** Moved: Supervisor Miller. Seconded: Supervisor Zenner-Richards. Vote: All Ayes No Nays.