

**JOINT EXECUTIVE COMMITTEE AND
HEALTH AND HUMAN DEVELOPMENT COMMITTEE MEETING
May 3, 2016**

IVES GROVE OFFICE COMPLEX AUDITORIUM
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, Miller, Dawson, Nielsen, and Buske. Also attending were Supervisors Maier and Kaprelian-Becker, County Executive Delagrave, Chief of Staff M.T. Boyle, Corporation Counsel Jon Lehman, Public Works & Development Services Director Julie Anderson, Finance Director Alex Tillman, Ridgewood Director Liam Doherty, Michelle Goggins, Anita Seils and former County Executives Bill McReynolds and Jim Ladwig,

Excused: None

Absent: Supervisors Snow and Shakoor, II

#2 – Youth in Governance Statement

Chairman Clark read the Youth in Governance statement.

#3 – Public Comments

There were no public comments.

#4 – County Executive’s Task Force on the Future of Ridgewood Care Center – Staff Answers to Questions from County Supervisors

County Executive Delagrave introduced attendees at the meeting and stated that during his last budget address, he had talked about the need to evaluate Ridgewood due to economic factors and rising costs. A Task Force had been created to review the information and made a recommendation on how to proceed, and that recommendation was to engage a broker to work at marketing the facility to make it sustainable and better going into the future. A list of questions had been asked at the previous meeting and he had a presentation that would provide a lot of those answers.

County Executive Delagrave proceeded through the presentation and provided information regarding the county’s past responsibilities, how services and philosophies have shifted to family care and keeping people at home rather than in a facility, and changes in long term care. He went on to explain the role and mission statement for Ridgewood and the issues that brought us to where we are today. He talked about needing a successful payer mix, competition that exists in the general area, the costs of providing care compared to Medicare reimbursements and the average daily census. He reviewed other matters regarding the facility such as the current capital budget, debt service and future projections regarding the loss of funding and rising costs. He talked about the changes in intergovernmental transfers and Medicare/Medicaid payments. The reality is that there are changing demographics with dwindling resources and that some aspects are not unique to Ridgewood, including other facilities that admit Medicaid covered individuals, strong state regulations regarding the industry, and consumer and employee protections. He provided an overview regarding the benefits of large scale operators and the economies of scaled they have to their advantage – whether in staffing flexibility, bulk purchasing or superior software and technology. He concluded that the recommendation from the Task Force had been to engage the services of a broker. He talked about Ridgewood’s market value, attractive qualities and the competitive process. With the projected shortfalls in funding, the county must evaluate the situation and conduct due diligence to explore all available options.

Mr. Rob Shlicht from Wipfli presented some information regarding the strategic planning study they had done, which encompassed a market study and analyzed various feasibility options. He reiterated what the County Executive had indicated about the changing landscape of long term care and the market share in the area.

QUESTIONS/ANSWERS

Q. Supervisor Miller asked why Wisconsin is the last in the country in reimbursements, what are other state rates and what are some counties doing that we could do. A. Wisconsin is near the bottom and there are varying factors including politics, not wanting to raise (state) taxes, some states pay a ‘bed tax’ and the difference in rate of return on intergovernmental transfers. Minnesota raised the tax levy on residents. He referenced nursing shortages all over. Some counties sold to private buyers, they are diversifying services, evaluating if they can add services provided they have the space. Family care pays for some services and is market driven. Some facilities have closed.

Q. Supervisor Bernberg asked what was the relationship between the states that are taking the (Federal) money. A. There is a different philosophy in Minnesota, where they pushed legislation to obtain more funding.

Supervisor Gleason said there is no magic bullet – either you raise revenues or reduce costs to continue to operate. This is an emotional issue for people. We need to make a responsible decision and it is good to engage a broker to get all the information necessary to make an informed decision.

Q. Supervisor Osterman asked if we had a market evaluation done, was there an appraisal of the property value, do we have a listing contract and does it contain a price? A. County Executive Delagrave explained that as part of the Task Force they had talked with a broker regarding the recent sale of the Jefferson County nursing home. They had looked at a number of variables and believe the property is worth approximately \$8-10 million, but that value could change. Corporation Counsel Lehman explained that once you have an agreement with a selected broker, part of the negotiations include a compensation of (x). Then you prepare a letter of interest that could be put on in the market place to allow others to submit an offer to purchase, vet the criteria and then bring the information back to the County Board. No asking price is needed for a listing.

Q. Supervisor Bernberg asked about the process for selecting a broker. A. County Executive Delagrave said a Request for Proposal (RFP) would be prepared, applications are taken and vetted, typically a panel interviews 3-4 and then the best one is chosen. The rate could be negotiated.

Q. Miller asked about the downsides and challenges of keeping it as we have it now. A future private entity could move those beds outside of the community. He asked if there could be a stipulation that the beds remain for a period of time and if there was any protection for the future needs of the residents. A. County Executive Delagrave explained that you work with the selected broker to draft those stipulations and they would be familiar with what could be binding on a buyer and enforceable. An example was that Jefferson County had negotiated beds for a specified time. Corporation Counsel Lehman said you can build in any number of contingencies, but you can insure against all futures events, such as bankruptcy of a business. That is why you look at high level purchasers who have a proven track record and reputation in the industry.

Supervisor Bernberg moved to proceed with authorizing the selection of a broker. Seconded by Supervisor Molnar. Discussion was held regarding the motion and whether it was appropriate for this meeting or if there were additional questions. The motion was withdrawn.

Another meeting would be scheduled for May 10, 2016, so the committee members could here more from a broker before proceeding.

#5 – Correspondence and Other Business

There was no correspondence or other business.

#6 – Set Future Meeting Date

Chairman Clark indicated that another meeting would be needed on this matter and the specifics on the date and time would be communicated.

#7 – Adjournment

Action: Adjourn the meeting at 7:05 p.m. **Motion Passed.** Moved: Supervisor Gleason. Seconded: Supervisor Miller. Vote: All Ayes No Nays.