

Fertile City Council Minutes
Special Meeting
May 25, 2017

The Fertile City Council held a special meeting on Wednesday, May 25, 2017 at 6:30 p.m. at the Community Center. Present were: Mayor Daniel Wilkens and Council members Linda Widrig, Reid Jensrud, Todd Wise, and Stanton Wang. Also present were City Administrator Lisa Liden, Fair Meadow Administrator Angie Leiting, Director of Nursing Peggy Erickson; Advisory Board members Kathi Lindberg, Marla Swenson, Alyssa Raaen, Carolyn Christian, Jeremy Hovde, and John Swanson. Also present were the following members of the public and Fair Meadow staff: Richard and Sherry Wellman, Tammie Radermacher, Linda Raaen, Lynae Sather, Julie Bak, Jeanice Horton, Linda Aanenson, Lynda Baskerville, Bev Drellack, Barbara Flakne, Darlene Swenby, Joe Leiting, Chloe Leiting, Cindy McCollum, Heather Cavalier, Corbin Holcomb, Peter Cavalier, Shirley Hassel, Kathy Swanson, Luther and Marilyn Halstengard, Bruce Ring, Gayle Haugen, Jamie Fuchs, Vicki Krogstad, Amber Finseth, Stephanie Berhow, Steve Poissant, Myles and Barb Jensrud, Kristy Langved, Tammy Franklin, Jacklynn Dahl, Paula Tice, Teresa Christianson, Ann Hanson, Sara Iverson, Dani Nelson, and Jenn Derosier.

The meeting began with those present reading two letters that had been distributed, one from Mayor Wilkens and another from City Council explaining about the upcoming assessment and why it was necessary.

For the record, Mayor Wilkens asked who had called for the special meeting since he had not. Administrator Liden replied that Council members Wang and Jensrud had called for the meeting. Wilkens then explained that the reason for the meeting was to address the rumors regarding the operational assessment that Council had called for. He explained further that the purpose of the assessment was to improve operations of Fair Meadow Nursing Home for the long run. He then asked for questions and comments from those present.

Sherry Nolte Wellman began by distributing to Council some information she had gotten online regarding Health Dimensions Group (HDG). She stated that she was interested in what was happening at the home since she had four family members who had been there and that she anticipated she would need nursing home care herself in the future. She then asked whether the City had received bids from other companies on having the assessment done and when the decision was made. She also expressed her concerns about HDG since they own nursing homes and frequently buy out homes that are in financial trouble.

Mayor Wilkens explained that Council made the decision to have the assessment done since other facilities like Riverview have them done all the time and there had never been one done at Fair Meadow. He stated that Council felt it was important that they have an outside third party take a look at operations. He went on to explain that Fair Meadow had reserves in the past, but those are now gone and the City has had to step in and help financially. He explained further that with the assisted living bond and the renovation bond for the nursing home that the City has now “bonded out” and that the City itself will need money real soon for other City projects.

Mayor Wilkens then asked City Administrator Liden to explain the process that was followed to find the firm that was decided upon. Liden explained, first of all, that consultation firms that do assessments of nursing homes are not very common. When asked by Council to research the matter, Liden first contacted MN Department of Health and Human Services, who then referred her to Leading Age Minnesota. When contacted by email, Leading Age had given the names of two firms that specialize in nursing home assessments and HDG was one of the firms named. Liden then emailed both of the firms that were recommended by Leading Age and requested proposals. Both firms, Pathway and HDG submitted proposals, but the proposal from Pathway was very limited on what service they would provide and was more of a contract than a proposal. The proposal from HDG, however, was very thorough on what each stage of their assessment involved and the information that would be obtained as a result of each stage. HDG also had a total cost listed for their services whereas Pathway did not have any firm total given for their assessment. Liden explained also that she had emailed Pathway to request a ballpark total for their services and they had not responded.

Several audience members then inquired as to why the Nursing Home Administrator had not been tasked with doing research on a firm to come in. Council member Wise replied that it wouldn't be proper procedure for the Nursing Home Administrator to research and recommend a firm to perform an assessment on the home.

This was followed by general comments and discussion on whether an assessment is really even necessary and questions about whether the City should pay for it rather than having the nursing home pay for it. Mayor Wilkens commented that there had been no final decision made on who would pay for the assessment.

This was followed by several audience members berating Council for leaving the Administrator out of all the discussions regarding the assessment. After several demanded an apology from Council, Council members Widrig and Jensrud gave their apologies stating that there could have been better communication with Administrator Leiting through the decision process. Leiting then commented that the whole question about the assessment was not about just her that it was about the whole nursing home.

Then the audience began questioning whether the City could still get out of the contract that was signed with HDG and if the \$5,000 retainer was non-refundable. Advisory Board member John Swanson then asked why the assessment was even necessary when Fair Meadow is audited each year by Eide Bailly and questioned if the Council had even read the audit report. City Administrator Liden then explained to those present that the annual audit is just to confirm that the financial reports are a fair representation of the financial condition of the home and that the annual audit does not even look at operational costs or maximizing revenues.

Dani Nelson then addressed Council wondering how they could cut costs unless it meant cutting jobs. Council again assured those present that any decisions made based on the recommendations of the HDG assessment would be done together with the Fair Meadow Administrator and the Advisory Board.

Jenn Derosier then questioned the timing of the signing of the contract with HDG and stated that it “was probably signed even before the May meeting since Council had it in early April” and she also questioned whether the contract was even read before signing. City Administrator Liden referred to the letter of engagement with HDG stating that it was signed on May 15, 2017 which was one week after Council had approved going forward with the assessment and that Mayor Wilkens had indeed reviewed it before signing.

This was followed by more general discussion from the audience whether the City could get out of the contract. Peggy Erickson then asked if Council could make a formal motion to not go forward with the assessment. Mayor Wilkens stated that Council is limited on the action they could take at a special meeting and that a formal decision would have to wait until the June 12th regular Council meeting.

Then someone in the audience inquired whether the Council had any specific reasons or concerns that they wanted to address by having the assessment done. Council member Jensrud then replied that Council did have a short list of some questions and concerns they had based on the financial and personnel information that Administrator Leiting had submitted to them.

Council member Jensrud began by stating that it would appear that FMNH has inconsistent hiring practices. According to the information provided to Council, there are several instances where length of employment with FMNH and employees’ pay on the wage scale are inconsistent. Administrator Leiting referred Council to the employee handbook that states that employees are given credit for previous employment that directly applies to their position. This credit is at the discretion of the Administrator.

Council member Wang then stated that the benefits package appeared to be unfair and possibly in violation of the Affordable Care Act. The same insurance plans are offered to all employees, but not all employees have to pay the same amount for the coverage. Leiting explained that the insurance had been done this way for years and that the free insurance was a benefit offered to attract and keep quality management staff. This was followed by a discussion between FMNH management staff and some of the nursing staff that were present at the meeting who had further questions regarding the free insurance benefit that management had.

Council member Widrig then explained that some of the FMNH employees appeared to be incorrectly classified. Some of the staff were considered exempt under the Fair Labor Standards Act when they possibly didn’t qualify as exempt by the nature of the work they do. Leiting stated that she would be willing to look at those classifications and change the non-exempt salaried staff to hourly if need be.

Council member Jensrud then brought up the fact that there still was no time clock at the nursing home and that employees were paid according to the hours that are on the schedule rather than the hours that are worked, and that it was not a very effective way to track actual work hours for payroll. Jenn Derosier commented that she had been working on researching various time tracking systems since January and that she had not found one that would work the way they wanted it to. She also commented that it would hard to find a good time frame for getting one

installed since it would require a lot of time to input all of the necessary employee data that would be required during set up.

Council member Wang then explained that Fair Meadow was not following policy in regard to the timing or amount of mid-month checks. According to the personnel policy, mid-month checks were to be distributed on the 15th of the month and were to be less than half of an employee's net pay for the month. However, there were two times already this year that the checks were given out considerably early in the month and there were also a few instances where an employee was paid more than 50% of their net pay on their mid-month check. As a result, employees were being paid for work that had not even been performed which could be a problem if an employee were to leave employment owing work hours for pay that has already been received.

Jenn Derosier replied that sometimes checks were issued early to some employees due to personal circumstances and that they didn't do that regularly. Also, some employees were given more than 50% of their net for the same reason and that Fair Meadow was simply being "Minnesota nice" by doing that.

The final item addressed by Council member Jensrud was low employee morale. Both former and current staff have approached individual Council members with their concerns about the work environment at the home due to perceived special treatment of some staff in regards to scheduling, work duties and promotions. This was followed by a long discussion on employee morale with some Fair Meadow management stating that most of the complaints were from disgruntled former employees. Council member Wang then commented that he had heard quite a few times from management that various complaints were from disgruntled employees and that just the fact that so many former staff members are apparently "disgruntled" was a problem in and of itself. Council member Widrig then added that some of the concerns that had been addressed to her were from current, long standing employees.

This was followed by further requests from those present that Council pass a motion to cancel having the assessment done. Mayor Wilkens responded that the matter would be taken up further at the June 12th regular Council meeting and that in the interim he would have Administrator Liden contact Health Dimensions to put the assessment on hold for the time being.

There being no further business, the meeting was adjourned.