

MENAHGA CITY COUNCIL SPECIAL MEETING
Tuesday, September 2, 2014

A Special Meeting of the Menahga City Council was held in the Greenwood Connections Training Room on Tuesday, September 2, 2014. The meeting was called to order at 1:30 p.m. by Mayor Pat Foss.

Also present: Council Members Kim Rasmussen, Roger Henstorf, Gary Parvi, and Marty Ahlf, Nursing Home Board Members Jim Kangas, Maxine McNeece, Pat Slifer, Steve Koehne, Lyn Pinnick. Staff: City Administrator/Clerk/Treasurer Char West and Nursing Home Administrator Clair Erickson.

Purpose of the Special Meeting was to meet jointly with the Greenwood Connections Board to receive information on the Equitable Cost Sharing for Publicly Owned Nursing Facilities (ECPN) program and review the 2015 Greenwood Connections 2014/2015 Budget.

Administrator Erickson presented the Council and Board with three 2014/2015 Budget options.

Option #1 - non-use of ECPN; reflected a \$150,000 budget deficit, excluding pay raises, no state rate increase, plus a 7.5% health insurance rate increase and the mandated wage increases due to the increase in minimum wage.

Option #2 - use of ECPN with \$23.00 rate increase; includes a .50 per hr. pay increase with no change from the Option #1 budget. Reflected \$13,109 revenues over expenditures.

Option #3 - use of full ECPN rate of \$39.74; including across the board pay increases with no change from the Option #1 budget. Reflected \$235,628 revenues over expenditures.

Mr. Erickson reviewed the history of the State rate increases and State surcharges paid by nursing homes since 1993; half of the funds from the Federal and half from the State. He reviewed the ECPN program which now required the City, as owner of the facility, to pay the surcharge to the State instead of the Nursing Home.

Mr. Erickson reviewed the calculation of the ESPN based on the \$23.00 rate - \$278,496.20 to the Nursing Home and \$171,779.05 surcharge payment to State and the maximum rate of \$39.74 - \$480,219.97 to the Nursing Home

and \$296,698.44 surcharge payment to State. He pointed out that 32 of the 45 government or hospital district nursing homes within the state were participating in the ECPN program.

Mr. Erickson reviewed how other government entities were funding the surcharge expense for the ECPN program. He added that other Nursing Home Boards had decided to pay rent to the city and he felt it reasonable for GWC Nursing Home to pay rent to the City of Menahga for the assets owned by the City and used by the Nursing home at \$25,000 per month or \$300,000 per year.

Administrator West reported that the City's audit firm, CliftonLarsonAllen, informed her that rent from the Nursing Home to the City would be acceptable if the City leased the facility to another entity that made final decisions in its operations; suggested Payment in Lieu of Taxes (PILT) as an option.

Discussion was held regarding the transfer of funds between the Nursing Home and the City. It was also noted by Council Members of the desire to approve the full ESPN rate of \$39.74.

Motion by Henstorf, seconded by Rasmussen, to approve the following Resolution:

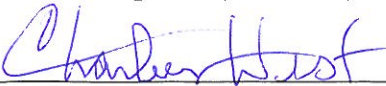
RESOLUTION 0902-2014
RESOLUTION ESTABLISHING AN ECPN PROGRAM

WHEREAS, the 2010 Legislature created an Equitable Cost-Sharing of Publically Owned Nursing Facilities (ECPN) Program as a mechanism to allow non-state government entities that own a nursing home facility and choose to contribute funds to the operation of that facility in order to receive Federal Medicaid matching funds for those contributions; and

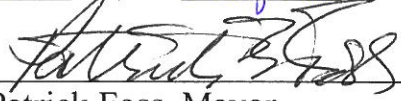
WHEREAS, the Greenwood Connections Nursing Home Board is recommending that the Council consider the establishment of the ECPN program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MENAHGA, MINNESOTA, to approve participation in the ECPN Program with the City of Menahga making the required monthly payment to the Minnesota Department of Human Services.

Adopted by the City Council this 2nd day of September, 2014.



Charleen West, Administrator

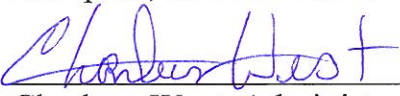


Patrick Foss, Mayor


Motion carried.

Ms. West informed the Council of a recent sewer main break that had occurred under T.H. 71 just south of the T.H. 71 and T.H. 87 intersection. City Engineer Chris Thorson had secured all of the necessary MnDOT permits as well as a contractor to repair the break, which was anticipated to occur within the week. Cost estimate of \$25,000 to \$30,000 at time and materials.

Motion by Henstorf, seconded by Ahlf, to adjourn the Special Meeting at 2:50 p.m., motion carried.



Charleen West, Administrator



Patrick Foss, Mayor