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CITY COUNCIL SPECIAL MEETING MINUTES

FEBRUARY 2, 2022

Members of the City Council of the City of Crawford, Nebraska, met in special session in the Crawford Community Building, 1005 First Street, Crawford, Nebraska on the 2nd day of February, 2022, at 5:30 o'clock p.m. The following individuals were present: Mayor Connie Shell, Council Member Ed Kuhnel, Council Member Ronnie Thompson, Council Member Susan Leeling and Council Member Zac Riggs. Absent: Attorney Adam Edmund.

Notice of the meeting was given in advance thereof by publishing in The Crawford Clipper/Harrison Sun as shown by the affidavit of publication filed in the City Clerk's office at City Hall and by posting in three public places as shown by the Certificate of Posting available at the City Clerk's office at City Hall. Availability of the agenda was communicated in the advance notice and in the notice of the Mayor and City Council of this meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

Mayor Shell called the meeting to order and declared a quorum present at 5:30 p.m. and announced to the public that a copy of the Open Meetings Act is posted on the wall in the Community Building. It is also available in pamphlet form at City Hall.

The Pledge of Allegiance was recited.

Council Member Kuhnel made a motion to approve the minutes of the January 25, 2022 regular council meeting. The motion was seconded by Council Member Leeling. The following Council Members voted AYE: Kuhnel, Leeling, Thompson and Riggs. Council Members voted NAY: None. Motion carried.

Mayor Shell opened the discussion on the status of the Ponderosa Villa with a summary of the time-line of events. She stated that on October 4th, there was a committee meeting at City Hall which was requested by the Villa, attended by Ralene Suchor, Stephanie Huffman, the Director of Nursing, Ronnie Thompson, Susan Leeling, Jane Dailey and myself. We were informed that the Villa was in trouble financially, had over \$200,000 in back bills and could we pay them. As much as I would have loved to do this, the City doesn't have that kind of money. Mr. Ross stated that the Villa was 30 days from filing critical status with the State, which basically means filing bankruptcy and closing. On October 15, Eric Bell from Senex called, heard the Villa was in trouble, and would we be interested in talking with them about taking over the Villa. I said we'd like to hear what they had to say. On October 19th was a townhall meeting to inform the public of the situation, with attendance including Ralene Suchor, Stephanie Huffman, Ron Ross, Ronnie Thompson, Susan Leeling, Jane Dailey, and myself and was very well attended by the public. On November 18th, we had an information-gathering committee meeting attended by Ralene Suchor, Bruce Hoem, Ronnie Thompson, Susan Leeling, myself, Eric Bell (Senex), Mitch Friedman (Senex) and Jeremy Summers (Senex). This was a question-and-answer time for the Villa/Council committee. On November 24th, Rhonda Schoenemann was told that no decisions had been made, nor were we anywhere close to making any decisions. On November 29th, the Clerk told Linda VerHage that no special meetings had been held, and no decisions had been made. On November 30th, Ralene Suchor contacted me, insisting we'd had a secret meeting. I explained we'd had no meetings except our regularly posted meetings. Ralene Suchor argued for a bit because one or more

Council Members had supposedly said we're definitely going with Senex, we'd signed the lease and it was a done deal. Ralene Suchor contacted me on December 1st, stating that the numbers were up and they were doing ok and we did not need to look at anything further. On December 3rd, I called Senex and told them the Villa was doing okay, could continue with no problems and we would not be looking any further into this unless the Villa came to us for help. Senex said they understood, that was fine, but if we ever need help, they would be interested. That stopped all conversations with Senex. About January 17th, Ralene Suchor informed me that Stephanie Huffman and RHD had resigned and asked if Senex was still willing to talk. Rhonda Schoenemann called and asked me to attend the January 24th Villa Board meeting. I called Adam Edmund on January 18th and was advised to call Eric Bell and ask if Senex was still interested in talking with us. Senex was, so I set up meetings with them, first with the Villa and the public at their special board meeting on February 1st, and then with the Council and the public at their special meeting on February 2nd.

Mitch Friedman from Senex said the company was based in Colorado, took over operations in Bridgeport; has been a great relationship; enjoy being in Nebraska and would like to expand. He has 42 years of experience, and collectively they have over 100 years of experience including the top management staff. In response to questions from the public, there may be more untapped federal money to apply for, would plan to recruit more staff so they can operate at full staff, which is a challenge right now. They have a lease with Bridgeport and they make lease payments to them, where it was losing money prior. Before covid, their buildings were mostly five-star, with good outcomes, but covid was a game-changer for everybody. They offer patient care, good care, customer satisfaction, are fully staffed. Federal aid (ERC funds) would be the best and first thing to pursue. While waiting for the money to come in, the entity would have to carry it, and if it's with a lease with Senex then Senex would carry it. They like a 10-year lease with a 10-year renewal option. There are no definite terms that would make it breakable, except possibly by mutual consent. The company was formed in 1989, is a Florida-based company; in 2004, they expanded to Colorado where they have four buildings. They have rehab services in those states and in Nebraska; and provide physical therapy and therapy oversight for nursing homes and hospitals.

Even though it is called Senex Foundation, it is for-profit. They are not looking to bring travelers here. They want to pay the current staff better than they are now to stay here, but they can't say an exact wage until they get all of the financials. This is not that far along, just pre-liminary discussions at this point. Sam Dyer stated that there are two pharmacies in Bridgeport. Senex said they use one, the other one was transitioned to remedy due to software in their systems, but they've realized that was a wrong decision and they should have used the other one as well. Sam said that there are other businesses that say you're not paying them: Bomgaars, hardware, grocery store, pharmacy and hospital - that they've had to sue your company to get paid. Mitch said that was fantasy, but appreciated them bringing it up. We pay our bills, the hospital billed us, we contested the amount, we settled, never went to court, they're happy, we're happy, they're paid. Sam asked Mitch if they are all lying: two hospital members on the board told her that they had to go to court to get paid, so you're saying they are lying. Sam continued to read a letter she received from the Director of Nursing that had been at the Heritage of Bridgeport facility for 10 years. The reading of the letter said they had gone through the sale to the City of Bridgeport and then through the sale to Senex, statements of not being allowed to celebrate with their residents, birthdays and anniversaries, Christmas and holidays were no longer important; it was becoming more and more about the money, even the bills were not being paid; they were put on a cash-only business; sometimes employees paid out of their pocket, maybe reimbursed later; she regretted going to work; they were hiring new nurses that were paid more than the current ones; used a pharmacy out of Colorado; brought in residents that had needs we couldn't meet; RHD can be costly, but have the best interests at heart; the old adage: if sounds too good to be true; she resigned her position, after 12-hour shifts as a charge nurse and Director Of Nursing; consider the outcome; Mitch and Jonathan talk about their success in Colorado, but Bridgeport and Crawford are not Colorado.

Mitch Friedman asked for a copy of the letter, which Sam declined to give. Sam said it was given to her in confidentiality. When Mitch asked who the source is, Sam said Jama Oenning.

Mitch replied that none of it was true, it was fantasy. He said he already disclosed the problem with the hospital and pharmacy. The vendors are all paid. No one put us on c.o.d. Ranking of their facilities was brought up, and sites of abuse. Mitch reiterated that prior to covid, most of their facilities were five-star.

CMS regulations regarding abuse state that when a resident hits another resident, the facility failed to prevent that abuse, no matter what the situation. The resident-to-resident altercation and failure to report was similar to what the Villa went through in 2019 and 2021 in failure-to-report abuse allegations – they went through the same thing at Sandrock Ridge. Regarding infection control surveys: in Colorado, they were very punitive. With covid, they became much more helpful. They did have a housekeeper that did not go left-to-right, top-to-bottom, clean-to-dirty and get all the high-touch surfaces and they received a deficiency. Questions were asked about who from the city investigated them. There had just been conversations, then it was put on hold. The Mayor stated that if the Villa Board can find some other options, let her know. She put in a call to Ron Ross and was told he was on extended vacation – she wanted to ask to extend the time so we could have more time to make a better decision. Rhonda Schoenemann stated that she found out we can get a special provisional license for 6 months to give us time to look into things and to find the right fit – we are not rushed for time. She has calls in to a couple of different people. The Mayor said she was told that most towns with just an administrator still hire a company for consulting services. Others stated that several towns said it's better to stay privately owned and operated, than going with a corporation. DHHS has a list of nursing homes and information on administration. It appears that easily half are self-administrated. Other topics included investigation of companies, availability of financials, communication problems, not getting answers, questions not even being asked, the Villa is behind on paying RHD, getting into financial trouble when the last administrator provided by RHD was hiring so much traveling agency help and they couldn't keep up with it. Ralene Suchor stated that the Villa has \$500,000 in accounts receivable and almost \$300,000 in accounts payable; the problem is that the last stimulus was supposed to be over \$200,000 and it was only \$5,000 or \$7,000. Covid is what did them in - and staffing. Agency help was costing \$87,000 per month, and they don't show up on the financials until the next month, and by the time the board gets them, you already have 2 or 3 months in there. The previous administrator was not disclosing this, and that's why they fired her. The plan for the next 6 months is to try to find a private administrator, but they would like to have RHD and Stephanie stay – they are slowly getting out of the hole, census is better, better staff, down to 1 or 2 agency people, but due to the uncertainty of “do I have a job or not”, we lost out; are trying to get RHD back; if not, use an interim, administrator, some management thing; need honest communication; there were rumors we were going to hire a company, fire the board and such. Mayor Shell asked for the names of the council members that said that, so they can respond.

Stephanie Huffman stated that Ronnie Thompson had donated a bed to the facility and brought in the manual. He told her that he had been meeting with Mitch and this is a done deal. We are going with Senex. It's a great company and if your buyout is not too high, all of us would like you as the administrator. Stephanie said she then went on to do her research and she did not want to work for this company. So, your city councilman has told me it was a done deal. Dan Brown clarified that Ed Kuhnel had not told him it was a done deal.

Council Member Ronnie Thompson stated that he had not met with Mitch except that one time when he stepped in for Council Member Riggs. Council Member Thompson also stated: I don't believe I said it's a done deal; we're looking into them of sorts; I don't remember saying it was a done deal. I didn't get a chance to check on those guys, but Council Member Riggs just showed me some of the same paperwork that he heard you pointed out. I only met that one time. I'm going to say it, and you all know what I'm going to say. We don't get the information that you get. It's not brought to us as far as the Council. It stayed within the office. Riggs has information like you have. I admit I didn't do it, but I never said it's a done deal; not going to say that's a bald-faced lie, but not going to get ostracized for it. If you know who I am, I'm an honest person, but if you're going to accuse me, I'm going to back myself up. I am not going to lie to people. If you want that, then you already got it in other parts of the Council. You already got it as far as the Mayor. You already got it as far as the Clerk. If you want me to be like them, pull me out, I'll step down and I mean that whole-heartedly. A member of the public said that has nothing to do with it. Thompson said the hell it don't. A member of the public asked who else on the council are you calling liars? Thompson replied that he's not saying liars. Several people commented that's what they heard. That's not what I said, I said in the office. Comments stated: You said on the Council.

Mayor Shell stated that we are just in preliminary talks, just trying to find a way to keep the Villa open. This may not be the answer, but we do want to find a way to keep it open and if there's a better way, I'd love to hear it because I'm willing to work with you guys. When asked, Council Member Riggs had not yet shared his information with the Council because he just got it tonight.

Drew Petersen spoke on the importance of continuing business in Crawford, the hardship if they lost the Villa business; have only been open here for 1 year, not profitable yet. Working with the Villa factored into the decision to come here.

Comments received to try to get along.

Mayor stated that the last thing she wants to see is for the Villa to close or the staff to go away.

A hospital social worker stated that people want to go to Crawford. We are going to get more people. If the Villa closes, where will they go? It's an amazing facility.

Ralene stated they've been working hard to keep paying wages, paying the bills. It's the council liaison's responsibility to report to the Council.

What could the City do to help? For-profits have to make a profit somewhere. The Villa was hanging in there until covid hit. There are vaccination exemption forms; most of the payment to RHD goes to the administrator; have talked to Sam Dyer about the Foundation, but there is this uncertainty.

RHD's reason for leaving was that Stephanie was resigning and Ralene thinks RHD didn't have another administrator.

Take more time, that's why Mayor Shell tried to contact Ron Ross, to get more time.

Why can't the City help? If you lose that economic impact, Crawford's going to go down in the dumps.

Why can't Keno be allocated to the nursing home? Use is defined as community betterment and where this is the City of Crawford dba Ponderosa Villa, the City will sure ask. There was mention of the ARP money and helping with the water bill. Council Member Leeling suggested possibly using Keno to cover the water bill, but probably not using all the whole Keno funds. The Clerk asked Council if they would like the water bill and using Keno money on the next agenda and they replied yes. Sam Dyer asked if it was true that the nursing home had to find a donor to pay the City to take the Villa residents to go downtown and look at Christmas lights. Mayor Shell explained, that no, several people volunteered to pay for that. Sam asked that the City could not pay for that. The Clerk explained that there are a lot of laws from NDOT regulating use of the vehicles. One we just got today was that we can use the vehicle for "incidental" use such as delivering meals, but the cost of using the vehicle has to be billed to a different department, however that is determined. This is how particular they get. They do not allow us to give free rides. Sam asked if the City can't use Keno funds for that? The Mayor replied, why would we when we are willing to donate the money ourselves – us in the office and some council members? But we do have to show payment to the City for the rides. We discussed paying it amongst ourselves even before the matter came up.

Comments: finger-pointing and complaining has got to stop. Do something positive. Talking about the past doesn't help. Move forward.

Parking lot needs repair. The sidewalk patch needs replaced. Ramp needs work. Get back on topic.

Mayor Shell asked the board to work together with the City on finding a solution. The City will look, but the Villa needs to look too and we can jointly come to a conclusion. We are not considering anything at this point. Tonight was a meet-and-greet. Council Member Thompson said the Mayor told her that we're going to discuss it and then go into executive session and make a decision as to hiring them. He accused her of lying. Comments: we have to do something, can't let it close; need to look at other options. The Mayor was asked to ask Stephanie to please stay, which she did. Stephanie replied that she's already interviewed and accepted another position. Stephanie said she was told that the Council can fire us at any time and make their own determination. Rhonda Schoenemann had received a copy of Ordinance 308 and it said Council could fire them all.

The Clerk read an excerpt from the Mayor's Corner in the 12-1-21 issue of the Crawford Clipper, which included the Villa was not closing, the City is looking at any and all options to keep it open and if any changes are made, they will not happen without more meetings. This evening's timeline at the beginning of the meeting also stated all of the times it was stated that no decisions have been made. No one at this (council) table is experienced in health care. The Villa board is very experienced and good at it. This meeting was to decide whether or not to move forward.

Barb Moody Richards had family in the nursing home. Her comments: we have to figure out a way to do this. Ever since she moved back, she said every board member that she has ever talked with has said the City is so hard to deal with, and it's not the Council and it's not Jennie, it's the staff. So how can we make this better? Crawford is a wonderful place. The Mayor stated that sometimes the way people say things, it's as an accusation instead of trying to work together. Barb said she's on the Library Board, she knows. The Clerk wanted to clarify: so that's where you're speaking from, pointing your finger at me being difficult to work with, Library-Board wise. Because there are laws we have to follow. Barb stated that that's her observation, if she's wrong, she apologizes. Council Member Leeling expressed there are many state laws, county laws, municipal laws, health laws. It was suggested that maybe Barb needs to come down and visit with Jane. Barb said she'd actually interviewed for Jane's job and was glad she didn't get it.

Someone asked if the City was the one to make the decision. It was clear the City does not want to make any decisions without the Villa's approval. Who approved RHD – the City of the Villa Board? Ralene believed the first one was signed by the City, the current one by the Villa Board. So, it's confusing and unclear, but it was clear that the City would not proceed without the Villa's approval. Ralene passed on information from one company that was interested in buying it. There was not much interest in selling it.

Sam Dyer asked about a steering committee. Isn't that what the Ponderosa Villa board is for? But no rural people can be on that board. The Mayor agreed that might be the way to go. Rural just can't be voting members. The Mayor asked Rhonda Schoenemann if they would like a steering committee, and Rhonda said she'd just like to have the rural people come to the board meetings. Meetings are on the 4th Mondays at the Villa conference room at 5:30 p.m.

When asked about the structure, Mitch stated appreciation in being asked to come tonight, but he doesn't think we are ready to consider a lease; would like to wait until we determine collectively that we're ready; they are happy to help, that's what they do.

The consensus was to not rush into anything and needing more time. Everyone wants to keep the Villa open, and we all need to communicate and work together. The rumors and finger-pointing are ridiculous. The Villa's bylaws need to be updated. Villa board members are Ralene Suchor, Rhonda Schoenemann, Bruce Hoem, Twila Vogl and Kris Mader. Mayor suggested they might want to consider having their meetings at the community building since the Villa's conference room is rather small.

Mayor Shell stated that since we are not moving forward with Senex, will the Villa Board be working on more stuff and then come to us with more options? If they want anything specific on the agenda, let us know by Friday.

Council Member Kuhnel made a motion to approve bills and claims, including the requisition order for the rake attachment. It will cost around \$600 and save on labor raking, especially if we're short on seasonal help. The motion was seconded by Council Member Leeling. The following Council Members voted AYE: Kuhnel, Leeling, Thompson and Riggs. Council Members voted NAY: None. Motion carried.

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| BAKER & ASSOC | WTR PROJECT | 4,500.00 |
| BAKER & ASSOC | PROF. FEES - SEWER, MAPS, PERMIT | 438.75 |
| CITY OF CRAWFORD | UB DEPOSITS APPLY TO ACCOUNTS | 375.20 |
| CITY OF CRAWFORD | GARBAGE | 112.75 |

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| ENVIRO SERVICE | SWR LAB FEES | 107.00 | |
| HAWKINS | CHLORINE/CYL RENT | 5.00 | |
| HERREN BROS | SU | 215.24 | |
| MOBIUS | PHONE/FAX/INT | 593.95 | |
| SECURITY FIRST | MTHLY ACH FEE | 5.00 | |
| SECURITY FIRST | CUSTOMER'S NSF FEE 1-14-22 | 3.00 | |
| SECURITY FIRST | CUSTOMER'S RETURNED CHECK 1-19-22 | 133.49 | |
| SECURITY FIRST | CUSTOMER'S RETURNED CHECK 1-31-22 | 133.49 | |
| SECURITY FIRST | CUSTOMER'S NSF FEE 1-19-22 | 3.00 | |
| SECURITY FIRST | CUSTOMER'S NSF FEE 1-31-22 | 3.00 | |
| SKAVDAHL, EDMUND | LEGAL FEES/MILE REIMB | 1,056.59 | |
| US POST | POSTAGE - UB BILLS | 177.48 | *Dept. Head Resolution |
| VERIZON | CELL PHONES | 400.72 | |
| TOTAL | | 8,263.66 | |

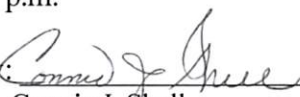
Requisition/Pre-approvals

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| AMAZON | LIB BKS | 351.46 | APPROX |
| | RAKE ATTACHMENT | approx. \$600 | AS APPROVED |

Council Member Leeling made a motion to adjourn at 7:12 p.m. The motion was seconded by Council Member Kuhnel. The following Council Members voted AYE: Leeling, Kuhnel, Thompson and Riggs. Council Members voted NAY: None. Motion carried.

The February 2, 2022 special meeting of the City Council adjourned at 7:12 p.m.

Minutes by: 
 Jane Dailey
 City Clerk/Treasurer

Approved by: 
 Connie J. Shell
 Mayor