

MINUTES OF SPECIAL MEETING OF THE NELIGH MAYOR AND CITY COUNCIL
May 24, 2018

A special meeting of the City Council of the City of Neligh was held on Thursday, May 24, 2018 at 4:00 P.M. at the Neligh American Legion. Present were Mayor Hartz and Council Members Leonard Miller, Ted Hughes, Dale Wilkinson and Steph Wanek. Also in attendance were City Attorney Jim McNally, Economic Development Director Gabriel Steinmeyer, Economic Development Assistant Lauren Sheridan-Simonsen, Rural Futures interns Rhiannon Cobb and Michayla Goedeken, City Supt. Dean Bly, news reporters Dylan Widger, Carrie Pitzer, Carissa Soukup and Tara Purdie, City Clerk Danielle Klabenes, Ken and Linda Klaasmeyer, many members from the Neligh Care & Rehab and the public. Notice of the meeting was given in advance thereof by posting in four public places on May 14, 2018. A copy of their acknowledgement of receipt of notice and the agenda is attached to the minutes. Mayor Hartz offered a prayer before opening the meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public. Mayor Hartz presided over the meeting and noted that a copy of the Open Meetings Law, located on the south wall of the American Legion was available for the public. Clerk Klabenes recorded the minutes. The Pledge of Allegiance was recited.

NELIGH CARE & REHAB DISCUSSION WITH KLAASMEYER & ASSOCIATES

Mayor Hartz welcomed the public for attending the meeting. He noted this was the first informational meeting for the city council to meet and learn information from Klaasmeyer & Associates. Ken Klaasmeyer presented a considerable amount of information with entering the receivership on March 23rd, to general facility information and options to consider for the future operation of the nursing home. He fielded many questions with informative answers from the both the audience and City Council.

Klaasmeyer reported the duration of the receivership was unknown as 21 facilities in Nebraska and additional facilities in Kansas and South Dakota were in receivership at the same time. He reported the process to input proper insurance coverages for employees and the facility and organized separate bookkeeping records for 21 facilities. He reported the heating and air conditioning needed work and other cosmetic improvements with offices and layout organization not found in older facilities.

He reported Skyline was leasing the facility from Golden Living who owned the building with the beds following the license and Golden Living held the license for 70 beds, which 42 residents currently resided. He reported Golden Living was interested in leasing the facility at approximately \$19,000 per month and were not interested in selling the facility. He reported 3 options for consideration which included a facility lease from someone outside of the community with no local control over the operation. A second option was to build a new facility and explained the cap on nursing home beds available in the state as determined by Nebraska Health & Human Services. He estimated a new 60 bed facility to cost approximately \$9,000,000. A third option was to lease the facility from Golden Living defining the terms of length of lease, capital improvements, operating funds and possibly a new Medicare number. Klaasmeyer reported that Golden Living was looking for a Letter of Intent of interest to pursue a lease.

Klaasmeyer reported Neligh's operation did cash flow and the only cap that exceeded was administrative expenses. He noted monthly expenses were approximately \$263,000 without all insurances. He reported one benefit to a city owned nursing home over a privately owned nursing home was the sales tax exemption of a city owned facility. He reported the Medicare number determined settlements and Skyline's debt would not follow the leasee. City Council members discussed looking at the current Neligh facility and touring other neighbor city owned nursing homes such as Clarkson or Verdigre. Discussion from the audience and City Council noted the high moral and high quality of care shown by the staff and employees of Neligh Care & Rehab before and during receivership and the City Council and audience together extended a round of applause.

Hughes moved to authorize the Mayor to enter into a confidentiality agreement for further information with Klaasmeyer & Associates. Seconded by Wanek. Roll call votes in favor were Miller, Wanek, Wilkinson, Hughes. Opposed: None. Motion carried.

Discussion was held for the June City Council meeting to include an agenda item for consideration to enter a non-binding Letter of Intent with Golden Living to begin negotiations.

There being no further business to conduct Council member Wilkinson motioned to adjourn the meeting, seconded by Wanek. Roll call votes in favor were Wanek, Hughes, Wilkinson, Miller. Opposed: None. Thereupon Mayor Hartz declared the meeting adjourned. Time: 5:32 P.M.

City of Neligh

Joe Hartz, Mayor

(ATTEST)

Danielle Klabenes, City Clerk

CERTIFICATION

I, the undersigned, City Clerk of the City of Neligh, Nebraska, hereby certify that the foregoing is a true and correct copy of proceedings had and done by the Council on May 24, 2018 that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

(SEAL)

Danielle Klabenes, City Clerk