

# Minutes

**Operating Board of Directors  
DeKalb County Rehab & Nursing Center  
July 13, 2016**

Present Directors: Veronica Casella, Greg Millburg, Jeff Whelan, Rita Nielsen, Ferald Bryan  
Absent Directors: Ron Klein, Misty Haji-Sheikh

Also Present: Bart Becker, Gary Hanson, Gary Winschel

Veronica Casella called the meeting to order at 7:00 am.

Motion: Jeff Whelan moved to approve the agenda, Rita Nielsen seconded the motion.  
Voice Vote: Veronica Casella asked for a voice vote on the approval of the agenda. All Members voted yea.  
Motion carried unanimously.

A correction to the minutes was requested by Greg Millburg. The minutes from the May 11, 2016, meeting stated that the adjournment was seconded by Gary Hanson, it should have stated that the adjournment was seconded by Greg Millburg. The correction to the May 11, 2016, minutes will be made.

Motion: Greg Millburg moved to approve the May 2016, Operating Board minutes, Jeff Whelan seconded the motion.  
Voice Vote: Veronica Casella asked for a voice vote on the approval of the minutes. All Members voted yea. Motion carried unanimously.

**Public Comments:** There were no public comments.

**Old Business:** None

## **New Business**

New Board member, Ferald Bryan, was introduced and all in attendance introduced themselves.

## **Management Report:**

### **Operations and Finance:**

#### **Gary Winschel gave a report:**

May financial statements reflect a gain of \$97,462, which has the Home \$278,776 above the year-to-date 2016 budget. The following occupancy table compares year-to-date actuals to year-to-date budget. As a reminder, please note that IGT Revenue has been moved from Non-Operating Revenue to Operating Revenue. Since the IGT Revenue is part of Medicaid, it was agreed with the Auditors that this move was appropriate.

During May, Revenues exceeded budget by \$13,787, while expenses were under by \$44,932 - resulting in Net Income exceeding budget by \$58,719. The attached Actual vs. Budget Statement of Operations highlights the differences by department. The Nursing and Administrative departments lead the savings in May, \$20,637 and \$15,723 respectively. The following entry continues to be made:

1. Medicaid revenue adjustment decreasing booked revenue by 5% to account for Medicaid overpayments resulting from a lack of published 2016 rates.
2. Total ADC of 174.5 is 1.5 above budget

The May census decreased by .5, coming in over budget by 1.5; Medicare census was 1.4 over budget, Medicaid census was slightly lower than budget and Private Pay was slightly over.

The 723 conversion day's year-to –date increases Medicaid by 4.8 and decreases Private pay by the same. Approximately \$33,500 less revenue has been recognized this year.

Medicare A revenue year-to-date exceeds budgeted year-to-date by \$57,992. Net Revenues were over budget year-to-date by \$26,170. Expenses year-to-date are under budget by \$252,605. Nursing is under budget by \$100,465 and Administrative expenses are under by \$84,634. Net income through May 2016 was \$278,776.

As of Tuesday, May 5th, the Home's cash balance was \$5,211,585.

Gary Winschel discussed the future expansion plans of the Home. Pre-planning costs will be incurred, the Development Team will start to be assembled and Larson and Darby will be contacted to incorporate changes in the plans that were discussed. Engagement Letter for Project Management Development Services will be presented at the September Board meeting.

Mr. Winschel stated that he will have individual meetings with the board members to further explain the specifics of the building plans. The possible relocation of the gazebo was also discussed. He will bring an updated presentation of the plans to the individual meetings and the September 2016, Operational Board meeting.

**Bart Becker, Administrator for DCRNC, gave a report:**

Illinois Department of Public Health has not visited the facility for any complaint visits this year. The facility has no outstanding tags and is in compliance. IDPH sent the facility's two year license on July 1<sup>st</sup>.

Two air conditioning compressors were replaced on the 300 ton chiller. The compressors needed to be replaced immediately to assure safe and comfortable temperatures for the residents throughout the facility. Metal shavings, from the old compressors, were found in the lines/filters. The compressor replacement estimate was \$69,787.00, which exceeded \$30,000, which would require a Request for Proposals and the bidding process, so a ratification vote was needed to approve the expenditure and waive the bidding process, due to the emergency situation. An emergency back-up plan was immediately put in place (to assure resident safety) to have "spot coolers" available, if there was an air conditioning failure, prior to the repair, (to avoid evacuating the residents).

Motion: Jeff Whelan made a motion to approve the expenditure of \$69,787.00 for the emergency replacement of two compressors, Greg Millburn seconded the motion.

Roll Call Vote:

Those Members that voted yea were Veronica Casella, Greg Millburg, Jeff Whelan, Rita Nielsen, and Ferald Bryan. All Members that were present (5) voted yea.

Members of the Operational Board agreed to waive the bidding process due to the emergency situation. Mr. Becker explained that the CVS/Dementia Unit and hallways will be repainted and the wallpaper will be removed.

A resident's family member has been banned from the facility, effective June 30, 2016, due to her recent physical contact with two separate nurses as well as her history of inappropriate behavior/ statements towards staff in which the police have been involved. One nurse has filed charges against this visitor. This person has filed an appeal with the Illinois Department of Public Health. It is expected that a hearing will be held very soon.

The house in Genoa, that D.C.R.N.C. acquired, is now on the market for \$74,900.00. The sale of this house will help cover the outstanding balance of a former resident.

D.C.R.N.C. continues to be a five star facility.

The reduction of hospital re-admissions was discussed. The hospital re-admission rates for June were 6.7%. The percentages have been low this year, with the exception of May 2016, which was much higher.

The efforts to continue to reduce and eliminate agency staff (nurses and C.N.A.'s) continues to take place. The average agency C.N.A. usage in 2015 was 12.5 Full-Time Equivalents. Agency costs have dropped by almost \$20,000 per month. As of June 2016 the number has dropped to about 4.2 Full-Time Equivalents. Our Payroll Clerk is retiring, toward the end of July, and her replacement has already started.

**Gary Winschel gave information about the proposed Union contract.** Mr. Winschel distributed the proposed changes to the Union contract. He discussed the pending terms of the Union agreement. Mr. Winschel informed the board members that the Union had a ratification vote on Tuesday, July 12, 2016, and the proposed contract was rejected.

**Motion:** Rita Neilsen made a motion for a contingency approval of the proposed Union contract; based on no changes made to section B "Overtime Stipends" (on page one) and no higher than an 8.5% total employee increase (section D, on page one, "Wages"), throughout the proposed five year Union contract. The vote was also contingent upon "Earned Benefits (PHO)" not being reduced, (will stay the same as previously written, in the current contract). Letter D "Termination for 'Just Cause' " (employees terminated for 'Just Cause' would not be paid out their accrued Paid Hours Off) would be removed.

Greg Millburg seconded the motion.

**Roll Call Vote:**

Those Members that voted yea were Veronica Casella, Greg Millburg, Jeff Whelan, Rita Nielsen, and Ferald Bryan. All Members that were present (5) voted yea.

**Executive Session:**

No closed session took place

**Next Meeting:** September 14, 2016 at 7:00 a.m.

**Motion:** Jeff Whelan moved to adjourn the meeting, Greg Millburn seconded the motion.

Meeting adjourned at 8:11 a.m.

Respectfully submitted  
Bart J. Becker  
Recording Secretary