

Fertile City Council Minutes

January 8, 2024

The Fertile City Council held its regular meeting on Monday, January 8, 2024 at 6:30 p.m. at the Community Center. Present were Mayor Daniel Wilkens and Council members Mary Kiefert, Matthew Massman, Todd Wise, and Amanda Bosman. Also present were City Administrator Lisa Liden, Deputy City Administrator Stacy Erickson, Public Works Director Kevin Nephew, Joe Lancello with KRJB, and Nicole Rivera from the Fertile Journal. Several community members were also present.

The meeting was called to order by Mayor Wilkens at 6:30 p.m. and began with those present reciting the Pledge of Allegiance.

Under agenda approval Mayor Wilkens noted that there were a couple of people from Cornerstone present at the meeting and he would like to add their presentation to the agenda following the public comment period. Administrator Lisa Liden stated that Kalie Crayton, Fair Meadow Administrator asked for Council to address putting in a pre-application for the distressed nursing home loan program and that it could be added to the agenda under the nursing home department report. A motion was made by Council member Massmann to approve the agenda as amended. The motion was seconded by Council member Bosman and was carried.

Tracy Johnson asked to address City Council during the public comment period. She noted that her father is a resident of Fair Meadow. She asked for Council to document the financial stability of the nursing home and to show that Council understands the value of having Fair Meadow Nursing Home in the community. She stated that she was concerned about the financial status of Fair Meadow with the outsourcing of positions including management. She went on to state that with the closing of 23 nursing homes within Minnesota in recent years it was becoming increasingly difficult for families to find nursing home care for their loved ones. She noted that her father is comfortable and cared for at Fair Meadow and she noted the many benefits to her father and her family in having him close to home.

The next item on the agenda was a presentation by Cornerstone Nursing and Rehab Center. Mayor Wilkens noted that Cornerstone had contacted him awhile back and after following the news about Fair Meadow, they had asked to make a presentation to Council. The presentation began with Kari Swanson introducing herself as the Administrator and CEO of Cornerstone which operates a long-term care facility located in Bagley and assisted living facilities in Bagley, Fosston, and Kelliher. She stated that Cornerstone has been in the long-term care business for 50 years. She noted that she has worked as a nursing home Administrator for over 25 years. She stated that she knows the challenges that nursing homes are facing and understands the concerns that people have about Fair Meadow. Swanson also noted that with their facilities located in smaller towns in a rural area that she understands the dynamics of small towns and how important the facilities are to the community as a whole.

David Mortenson from Cornerstone introduced himself and noted that he has worked with Cornerstone for 10 years and is currently the acting CFO and also the administrator of the assisted living facilities. He stated that Cornerstone has significant experience working in long-term care and they also understand the impact and importance their facilities have in the towns that they serve. He went on to say that Cornerstone offers very competitive wages and benefits to their staff because they recognize the importance of retaining quality staff to care for their residents. Mortenson went on to explain that he realizes the struggles faced by stand-alone facilities. As a larger organizational, Cornerstone has access to more resources to ensure the success of their facilities.

Kari Swanson addressed the group again by stating that the reason they had asked to speak with Council because they were interested in exploring possibly purchasing Fair Meadow. She noted that she had a non-disclosure agreement that she could leave for signatures if Council was interested in exploring that option as well. Mayor Wilkens asked if there were any questions.

Council member Massmann asked Kari Swanson if she had reached out to Mayor Wilkens or if anyone on Council had initiated contact with Cornerstone. Swanson stated that she had been following the story about Fair Meadow on the news and on social media so she had reached out to Mayor Wilkens recently and asked to attend a Council meeting. Council member Massmann then asked for clarification of Cornerstone's business as a regional organization rather than a large corporate organization. Swanson stated that they operated only in this area of the state and they were not interested in buying and selling facilities like larger corporations. They were truly interested in keeping facilities such as Fair Meadow open and operating.

After some questions and comments from audience members, Mayor Wilkens thanked Kari Swanson and Dave Mortenson for coming and they left the meeting. After further commentary from audience members, Council member Massmann made a statement regarding the increased difficulties faced by stand alone nursing homes. He noted that of the 383 facilities in the state, only seven are owned and operated by cities when not many years ago many more small communities owned and operated them. With the increased regulations and costs associated with running long-term care facilities it was becoming nearly impossible for small stand-alone facilities to survive. He went on to state that he fully understands the importance of keeping Fair Meadow open and running and that in order to ensure its long-term viability he feels Council needs to explore the option that Cornerstone has offered.

A motion was made by Council member Massmann to sign the non-disclosure agreement with Cornerstone to further explore the option of selling Fair Meadow. The motion was seconded by Council member Wise and was carried.

The minutes of the December 7, 2023 special meeting, the December 11, 2023 regular meeting, the December 20, 2023 special meeting, and the December 27, 2023 special meeting were approved on a motion by Council member Kiefert that was seconded by Council member Massmann and was carried.

Administrator Lisa Liden gave the Treasurer's Report. Liden noted the out of the ordinary receipts for the month of December which included local government aid, MN public safety aid, property taxes, and tax-increment revenue. In the check listing, Liden noted the check to Mid Valley Electric for electric work on the nature center shop addition, the check to J & R Wastewater for their annual jetting of sewer mains, and the check to Community First National Bank for the annual payment on the new fire truck. Liden noted that in last month's report there was a receipt from the fire department for \$40,000 for that payment. The balance sheet and profit and loss report were also reviewed.

The Treasurer's Report was approved on a motion by Council member Wise that was seconded by Council member Kiefert and was carried.

Mayor Wilkens asked audience member Doug Nephew if he had a question since he had his hand up. Nephew asked what would happen if City residents all didn't pay the City portion of their property taxes. His second question for Council was what was most important to each of them. His third question/comment was that he had recently been told that the nursing home would never be sold and he wanted to know when that had changed.

Mayor Wilkens answered that the most important thing to him at his age was his health. As for the property tax question, he said that he didn't believe you could only pay part of your taxes. As for selling the nursing home, that there were always rumors flying around about what was being said and that for him, the most important thing was for Fair Meadow to stay open. He recognized that the nursing home was important to Fertile economically and that his priority was for it to stay open. With that in mind, he felt it was necessary to explore the option of selling to Cornerstone and that nothing could be determined regarding that without further information for both sides.

Under department reports, for the airport, Liden noted that she had sent a grant request letter to MnDOT for a small grant for replacement of the card reader for the fuel pump. The cost of the new reader would be between \$20,000 and \$30,000 and the state would pay 95% of the cost.

There was nothing to report for the City engineers.

For the Fair Meadow report Mayor Wilkens asked about the loan application that Kalie Crayton had asked to have on the agenda. Administrator Liden explained that it was a loan program for distressed nursing homes and that the pre-application for the program was due shortly. Liden noted that the loans under the program were interest free and that the repayment period began after 18 months and the repayment period was 72 months.

A motion was made by Council member Kiefert to approve Kalie Crayton submitting the pre-application for the distressed loan program. The motion was seconded by Council member Massmann and was carried.

Next, the Fair Meadow report was given by City Administrator Lisa Liden. Liden went over the balance sheet which showed a checking account balance of \$654,390.47. Liden noted that \$196,400 of the balance was the facility grant from the state and \$157,000 was for the retention grant. Liden also noted that the large deposit from the state had come in late in the month on December 22nd and at about that time she had gotten sick with the flu and then with the holidays after that, there were bills in December that didn't get paid until early in January. The profit and loss for the month of December showed a combined profit of just over \$201,000 with the nursing home showing a profit of nearly \$179,000 and the assisted living a profit of nearly \$23,000. Liden noted again that many of the December bills had not been paid until early January, so the month end numbers reflected that as well. For the year to date the combined profit was over \$477,000 with the nursing home showing a profit of just over \$452,000 and the assisted living a profit of \$24,000. There were no questions on the check listing for the month of December.

Under department reports, Public Works Director Kevin Nephew was next to give his report. Nephew had nothing to report so he asked if Council had any questions. Nicole Rivera with the Journal asked about the snow build-up at the curb in the downtown area and if the City could scrape that down. Nephew stated that normally the individual contractors hired by the businesses take care of that but since there had been so little snow, most of the contractors hadn't been clearing the snow in the downtown area. Nephew said that he would come in early one day and get the snow scraped off to the curb downtown.

The City Administrator's report was next on the agenda. Liden reported that she had finalized the liquor and tobacco licenses for 2024, finalized and submitted the annual levy paperwork to the county and state, and completed the annual renewal for the city's property and liability insurance. Liden had also worked with MnDOT on the grant for the airport chip reader and had continued her work with the engineers on the Community Center project. Liden reported her continued work with Pemberton Law on pending matters, work with Health Dimensions on the administrator search, and her continued work at Fair Meadow with payroll and accounts payable. Liden had also prepared for and attended three special council meetings.

There was nothing to report for the Learning Center.

For the Fire Department Council member Bosman reported that they had responded to five calls. One call was for a grass fire, two were medical assists, and two were for car accidents.

There was nothing to report for the City Personnel Committee.

Under new business, the first item to be addressed was Resolution #1-1-24 for the annual appointments. Mayor Wilkens briefly reviewed the first appointments on the list for the official newspaper and posting locations. Discussion was held on the start time for regular meetings and whether that should be changed from 6:30 to 7 p.m. It was decided to change the start time to 7 p.m. Nothing was changed with the official depositories or the City attorney. Council member Wise was appointed as Vice Mayor, Council members Kiefert and Massmann

were appointed to the Fair Meadow Advisory Board. Kiefert and Bosman were appointed to the EDA Board. The appointments to the Emergency Management Team would change due to the changes in officers for the fire department, so Fire Chief Jeff Haaven would take the place of Jason Haas. There were no changes with the City Personnel Committee. The Fair Meadow Personnel and Budget Committees would remain the same with the exception of Michelle Cote who no longer wished to serve on the committees since she was no longer on the Advisory Board.

Resolution #1-1-24 the Resolution of Annual Appointments was approved on a motion by Council member Massmann that was seconded by Council member Wise and was carried.

The next item on the agenda was the annual question regarding waiving statutory liability limits. Administrator Liden explained that there were set liability limits and that cities could choose whether or not to waive those limits to provide for increased liability coverage. For cities such as Fertile the statutory limits were sufficient to cover any potential losses. For larger cities that operate something like a city owned bus line, they may want to raise those limits and pay higher premiums to cover potential losses.

A motion was made by Council member Wise to not waive the statutory liability limits. The motion was seconded by Council member Bosman and was carried.

Pay application #4 for the community center project was the next item on the agenda. The application was for a payment of \$104,284.97 for the work completed since the last application. A motion was made by Council member Wise to approve payment on application #4. The motion was seconded by Council member Kiefert and was carried.

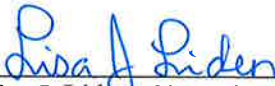
The final item to be addressed was skating rink staffing. Administrator Liden explained that they had done some research on wage rates with some of the other local employers who hire high school students and it was learned that most of the employers in town pay \$11 per hour and the current rate at the rink was \$10 per hour, so Liden would like to raise the starting pay at the rink to \$11. For the lead position, the current rate of pay was \$13 per hour and Liden would like to increase that to \$14 since it was a supervisory position. Liden also noted that there had been no applicants to date for the rink, but that three people had picked up applications.

A motion was made by Council member Massmann to increase the starting pay for rink attendants to \$11 per hour and \$14 per hour for the rink lead position. The motion was seconded by Council member Wise and was carried.

Under announcements it was noted that the office would be closed on Monday, January 15th for Martin Luther King, Jr. Day.

There being no further business, the meeting was adjourned at 7:21 p.m. on a motion by Council member Wise that was seconded by Council member Massmann and carried.


Daniel Wilkens, Mayor


Lisa J. Liden, City Administrator