

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023



Lincoln County
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Introduction. Lincoln County Resolution 2022-06-20 (*Appendix A*) created the AD HOC Committee on Pine Crest pursuant to Lincoln County Ordinance 2.07(7). The scope and duties of the committee were set as follows:

- Review the existing financial obligations concerning Pine Crest, and to review the prudence of any future contractual obligations concerning Pine Crest made by either signed contract or County Board resolution.
- Review the original and current use of the Pine Crest building and grounds.
- Review the Nursing Home Management Agreement and the Memorandum of Understanding (repair and maintenance of durable medical equipment and removal/rearrangement of furniture) between Lincoln County and North Central Health Care as such documents relate to the building and bed licenses.
- Provide a report to the Lincoln County Board of Supervisors outlining the past and current successes, failures and status of the Pine Crest Nursing Home.
- Provide recommendations to the Lincoln County Board of Supervisors for consideration, detailing areas of improvement for Lincoln County’s overall position concerning Pine Crest Nursing Home.

Committee Composition. The Lincoln County Board appointed the following Supervisors to serve on the AD HOC Committee on Pine Crest at the June 21, 2022 County Board meeting:

- Ken Wickham (Chair)
- Marty Lemke
- Bill Bialecki
- Greg Hartwig
- Angela Cummings

Resolution 2022-06-20 assigned the following additional Lincoln County employees as ex officio (non-voting) members to participate on the Committee, as necessary:

- Administrative Coordinator
- Maintenance Director
- Information Technology Director
- Corporation Counsel

Schedule. Resolution 2022-06-20 further resolved that the Committee conclude its business no later than the March 2023 County Board meeting. Accordingly, The AD HOC Committee on Pine Crest executed their assignment between July 2022 and March 2023. Minutes of the Committee’s meetings are included in *Appendix B*.

Information Gathering Means and Methods. The Committee utilized a variety of techniques to gather information during the review. These are briefly captured below.

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

Although all the information developed is not cited in this report, it was very beneficial to the Committee to gain an understanding of the history of Pine Crest and how the facility and needs for nursing home services have evolved over the past six decades as well as past and present Pine Crest operations, successes, and challenges. The committee:

- Conducted personal interviews and discussions with the following individuals:
 - Dan Leydet, Lincoln County Finance Director (retired November 2022)
 - Samantha Fenske, Lincoln County Finance Director (effective December 2022)
 - Gary Olsen, North Central Health Care (NCHC) Managing Director of Finance/Administration (appointed as NCHC Executive Director in January 2023)
 - Tim Meehan, former Lincoln County Administrative Coordinator and prior Lincoln County Director of Pine Crest Nursing Home
 - Jarret Nickel, NCHC Managing Director of Nursing Home/Residential
 - Ryan Hanson, NCHC Director of Nursing Home Operations Pine Crest
 - Patrick Gierl, Lincoln County Maintenance Director
 - John Hanson, Lincoln County Maintenance leader for Pine Crest
- Reviewed agreements, memoranda of understanding, audits, financial reports, and budget documents concerning Pine Crest Nursing Home.
- Toured Pine Crest Nursing Home to gain an understanding of the facility layout, operations, maintenance, and material condition.
- Listened to and considered public input and comments at Committee meetings.

The Committee could not have completed its assignment without the exceptional contributions from our ex officio members, other Lincoln County government employees, NCHC leaders, current and former Pine Crest employees, and Lincoln County residents, all of whom provided invaluable insight and information into present and past Pine Crest operations. We extend our appreciation and thanks for their objective and constructive advice and support.

Conclusion. The findings and potential alternatives of the AD HOC Committee on Pine Crest are included in the following pages of this report. Appendices are included to elaborate on summary information, where appropriate.

Respectfully submitted,

Kenneth L. Wickham, Chair

Gregory D. Hartwig, Vice Chair

William R. Bialecki

Marty R. Lemke

Angela M. Cummings

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

Part 1 - Review

Background

Pine Crest Nursing Home has served Lincoln County for nearly 70 years. Initially constructed in 1954-1955, Pine Crest operated in the building currently utilized by Lincoln County Social Services. Pine Crest gradually transitioned to its current location and configuration through several phases of construction that occurred between 1975 and 2017.

Pine Crest is located at 2100 E. Sixth Street, Merrill, Wisconsin. The Nursing home sits on approximately 20 acres of land shared with the Lincoln County Government Services Center and the Lincoln County Department of Social Services building.

The Pine Crest facility is a nursing home consisting of approximately 150,000 square feet of building space. The main building entrance leads to a central hub which branches out in three spokes. The spokes connect to six additional wings/halls. Pine Crest is physically connected to the Lincoln County Social Services building via an access-controlled corridor. The building has asphalt parking lots that accommodate 273 vehicles. A diagram of the current building is included as *Appendix C*.

Wisconsin Statutes, Section 50.01(3) defines a nursing home as, “A place where 5 or more persons who are not related to the operator or administrator reside, receive care or treatment and, because of their mental or physical condition, require access to 24-hour nursing services, including limited nursing care, intermediate level nursing care and skilled nursing services.” The statute further states that, “Nursing home” does not include any of the following:

(c) A convent or facility owned or operated exclusively by and for members of a religious order that provides reception and care or treatment of an individual.

50.01(3)(d)

(d) A hospice, as defined in s. 50.90 (1), that directly provides inpatient care.

(e) A residential care apartment complex.”

The Pine Crest facility is owned and maintained by Lincoln County. North Central Health Care (NCHC), an organization under joint ownership of Langlade, Lincoln, and Marathon Counties, operates Pine Crest Nursing Home.

Pine Crest is currently licensed for 120 beds. The census as of January 2023 was 82 residents. Nearly four of the eleven halls are currently not utilized for housing Pine Crest residents.

Pine Crest Nursing Home received a 4 out of 5 overall rating from the Wisconsin Department of Health Services on February 10, 2022.

**Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023**

There are two privately owned nursing homes in Lincoln County, both located near Tomahawk. Table 1 below, using information that was current as of January 2023, is provided for comparison purposes:

Table 1 – Lincoln County Nursing Homes				
Organization	# Bed Licenses	Census	Beds Vacant	Rating (2022)
Pine Crest	120	82	38	4 out of 5
Riverview Health Services	61	45	16	4 out of 5
Tomahawk Health Services	83	41	42	4 out of 5
Total	264	168	96	

In 2022, Pine Crest provided service to approximately 165 residents between long and short term care. Of those 165 residents, 132 (80%) were from the 54452 zip code (Merrill), 21 (13%) were from other Lincoln County zip codes, and 12 (7%) were from non-Lincoln County zip codes. The population total of Lincoln County is 28,541. The 54452 zip code population comprises approximately 18,920 (66%) of Lincoln County’s population.

Chronology of Original and Current Use

The following is a summary of Pine Crest’s original facility and the transition over the last several decades to its current configuration and use:

- 1954-1955 – Pine Crest Nursing Home established in a newly constructed facility that currently houses Lincoln County Social Services.
- 1975 – Phase I, the current Pine Crest main building (presently the area used as the central hall and Dietary) was constructed in 1975 to expand the nursing home operations that were then provided from the building that Lincoln County Social Services now occupies.
 - 22,965 square feet plus basement
 - Unable to verify number of bed licenses
 - Nursing home was managed and operated by Lincoln County
- 1992/93 – Phase II addition completed. It appears that nursing home operations were totally relocated at that time from the building that now houses Lincoln County Social Services.
 - 50,273 additional square feet
 - 73,238 total facility square feet plus basement
 - Unable to verify number of bed licenses
 - Nursing home managed and operated by Lincoln County
- 2008 – Phase III addition completed
 - 3,400 additional square feet
 - 180 bed licenses
 - Nursing home managed and operated by Lincoln County

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

- 2017 – Phase IV addition completed
 - 30,902 additional square feet
 - Approximately 150,000 total facility square feet (including basement)
 - 180 bed licenses
 - Nursing home managed and operated by Lincoln County
- 2019
 - Approximately 150,000 total facility square feet (including basement)
 - Pine Crest Board of Trustees authorized NCHC to serve as interim management for Pine Crest Nursing Home per the Board of Trustees meeting minutes from May 13, 2019 (*Appendix D*)
 - Bed licenses reduced to 160 per minutes from the Pine Crest Board of Trustees meeting minutes from October 11, 2019 (*Appendix E*)
- 2020
 - Approximately 150,000 total facility square feet (including basement)
 - Nursing home management and operations transferred to NCHC per Lincoln County Resolution 2019-08-38 (*Appendix F*)
 - Lincoln County retained ownership of and maintenance responsibility for building and grounds
 - 160 bed licenses
- 2022
 - Approximately 150,000 total facility square feet
 - Nursing home management and operations continued to be the responsibility of NCHC
 - Bed licenses decreased to 120 per Lincoln County Resolution 2021-11-50 (*Appendix G*)
 - 92 beds budgeted by NCHC for estimating revenues and expenditures
 - Average occupancy 90
- 2023
 - Approximately 150,000 total facility square feet
 - Nursing home management and operations continued to be the responsibility of NCHC
 - 120 bed licenses
 - 89 beds budgeted by NCHC for estimating revenues and expenditures
 - Average occupancy 85

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

Governing Agreements in Place between Lincoln County and NCHC

Lincoln County and NCHC have entered into the following agreements pertaining to the management, operation, and maintenance of Pine Crest Nursing Home:

- I. **Amended and Restated Intergovernmental Agreement Establishing a Multicounty Department of Community Programs between Langlade, Lincoln & Marathon Counties** (*Appendix H*). The agreement establishes a Multicounty Department of Community Programs, which shall be known as North Central Community Services Program (NCCSP), for the purposes of administering a community mental health, alcoholism, and drug abuse services program pursuant to Wisconsin Statutes 51.42, 59.52(7), and 66.0301.
- II. **Nursing Home Management Agreement** (*Appendix I*). This agreement establishes responsibilities, authorities, obligations, and expectations for operating and managing the Pine Crest facility. Items of significance include:
 - The County designates NCHC as administrator and manager of Lincoln County's Pine Crest Nursing Home facility (paragraph 3).
 - The agreement does not transfer ownership of the facility (paragraph 3).
 - The County grants to NCHC the sole and exclusive authority to formulate and implement necessary policies, programs, and operations necessary with respect to the facilities (paragraph 3).
 - Paragraph 5 of the agreement mandates that NCHC provide the County with all necessary and appropriate services for the management of the facility so that the facility will be operated in a manner consistent with industry standards.
 - Paragraph 5 of the agreement designates the County Administrative Coordinator, or his/her designee, as the County representative for consent or approval when the agreement requires NCHC to obtain the consent or approval of the County.
 - Paragraph 5 of the agreement stipulates that NCHC will provide the facility with the services set forth in *Exhibit A* to the Nursing Home Management Agreement.
 - Paragraph 9 of the agreement states: **"Everything done by NCHC under Exhibit A, shall be done on behalf of the County and all related obligations incurred shall be at the ultimate expense of the County."**
 - *Exhibit C* to the Nursing Home Management Agreement contains a number of performance expectations that the County "shall have" of NCHC in their management of Pine Crest. Paragraph 5.a. provides, "Pine Crest's census will be managed with an appropriate payer mix to achieve financial viability given the County's annual tax levy appropriation."
 - NCHC through *Exhibit D* to the Nursing Home Management Agreement agrees to transfer the Maintenance Staff from Pine Crest to the County. The county agrees to fund these positions from tax levy funds. This appears to be a new additional cost for the County since the positions were previously funded by Pine Crest through their revenue stream.
 - NCHC through *Exhibit D* to the Nursing Home Management Agreement agrees to create a Nursing Home Operations Committee as a seven-person committee under the NCCSP Board to oversee the operations of Pine Crest and Marathon County's nursing home. The board shall be comprised of representatives from the NCCSP Board and the general public who are residents of Lincoln and Marathon County. Three of the members will be Lincoln County residents with not less than one of the three members being a Lincoln County appointee to the NCCSP Board.

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

- Per paragraph 4 of the Nursing Home Management Agreement, if the County fails to approve in substance NCHC's budget request, then negotiation on continuation of the Agreement shall commence forthwith. **NCHC may terminate the Agreement by written notice to the County within sixty (60) days following the County's action on the budget request if negotiations are unsuccessful**, in which case termination shall be effect at the start of the year to which the budget request applies.
- Paragraph 4 of the Nursing Home Management Agreement stipulates that the agreement is effective through December 21, 2024 and shall be automatically extended for one year additional terms unless either party provides written notice to the other prior to 180 days of the end of the term.

III. Memorandum of Understanding (MOU) Covering Maintenance and Repair of the Pine Crest facility and Durable Medical Equipment (DME)

(Appendix J). The MOU assigns to Lincoln County general responsibility for:

- Maintenance and repair of the Pine Crest Facility, meaning the real estate and building owned by Lincoln County and that are located at 2100 E Sixth Street, Merrill, Wisconsin.
- Maintenance and repair of durable medical equipment, meaning equipment that primarily serves a medical purpose, can withstand repeated use, and is appropriate for use in a home type setting. Examples of durable medical equipment include, but are not limited to, wheelchairs and hospital beds.
- Establishing emergency maintenance criteria.
- Providing up to four hours per week of County maintenance staff time for removal and rearrangement of furniture.
- Absolving County maintenance staff from servicing durable medical equipment which has a service agreement in place to avoid performing repairs of maintenance that is already contracted for or that could otherwise void any warranties. County maintenance staff also may decline to provide maintenance or repair work they believe requires specialized knowledge, training, licensing, or insurance requirements beyond their capabilities. In those instances, NCHC shall contract with an independent third party for that work and charge any cost back to the County in accordance with terms set forth in the Nursing Home Management Agreement.

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

Recurring Financial Obligations of Lincoln County

Lincoln County has recurring mandatory financial obligations for Pine Crest Nursing Home as stipulated in agreements between the County and NCHC. The following is a summary of those financial obligations:

- I. **Annual tax levy.**
 - A minimum **\$440,815** annual contribution from the tax levy per *Exhibit B* of the Nursing Home Management Agreement (*Appendix I*). The amount may be amended by Lincoln County during the annual budget process or by request from NCHC. Per paragraph 4 of the Nursing Home Management Agreement, "...if the County fails to approve in substance NCHC's budget request then negotiation on continuation of the Agreement shall commence forthwith. **NCHC may terminate this Agreement by written notice to the County within sixty (60) days following the County's action on the budget request if negotiations are unsuccessful**, in which case termination shall be effective at the start of the year to which the budget request applies"
- II. **Maintenance staffing**
 - Four full-time maintenance staff positions to serve the Pine Crest building and grounds and durable medical equipment per *Exhibit D* of the Nursing Home Management Agreement (*Appendix I*). The salary and fringe costs for these positions for Fiscal Year 2023 is estimated at **\$297,224**.
- III. **Annual debt service**
 - Debt service for the Pine Crest capital improvement project constructed in 2017.
 - Balance as of 01/01/2023: \$8,060,000 principal; \$2,048,107 interest
 - Debt service payments of approximately **\$630,000** annually are due through calendar year 2038. *Appendix K* provides a deb schedule for Lincoln County, including Pine Crest.
- IV. **Maintenance operations costs (non-staffing)**
 - Annual maintenance operations costs are shown in Table 2.
- V. **Maintenance of durable medical equipment outside the purview of Lincoln County maintenance staff**
 - Per the Nursing Home Management Agreement, the county shall cover the costs when NCHC contracts with an independent third party for durable medical equipment maintenance that involves specialized knowledge, training, licensing, or insurance requirements beyond the capabilities of County maintenance staff.

Recurring Reimbursements to Lincoln County from North Central Health Care

NCHC is required to reimburse Lincoln County for certain costs for Pine Crest Nursing Home. These include:

- I. **Natural Gas**

Natural gas usage for the Pine Crest facility.

 - Per paragraph 8 of the Nursing Home Management Agreement (*Appendix I*), NCHC is responsible for all contracts, leases, and/or use agreements and other agreements required in the ordinary course of business for the operation, maintenance, and service of the facility in the name of the County.
 - Prior to 2023, natural gas for Pine Crest is provided through the County contract for this service and NCHC reimbursed the County for Pine Crest's consumption.

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

- Pine Crest will contract directly with the vendor for natural gas beginning in 2023.

II. Debt service for Pine Crest

- NCHC reimburses Lincoln County for Pine Crest debt service in the amount of approximately \$630,000 annually.
- Through *Exhibit D* of the Nursing Home Management Agreement (*Appendix I*) NCHC agrees to assume the long-term liabilities balances as of January 1, 2020 on behalf of the County. Lincoln County continues to service all debt related to Pine Crest long-term liabilities with reimbursement from NCHC, as payments come due.

Unprogrammed Obligations for which Lincoln County is Ultimately Liable

There are numerous costs for which Lincoln County is ultimately liable although those costs may occur on a non-recurring basis. These include:

I. Operating Costs

- Pine Crest's operating costs have exceeded revenues since at least 2014. Lincoln County bore those excess costs until NCHC assumed operations at Pine Crest in 2020. NCHC has since covered Pine Crest deficits by utilizing fund balance or cash reserves. Unfortunately, these deficits have decreased NCHC's fund balance and cash reserves to the point where they have indicated that they have asked for an increased allocation from Lincoln County to cover 2022 and possibly future deficits.

II. Maintenance

- Lincoln County is fully responsible for all upkeep, maintenance, and repair needs for the Pine Crest facility. These include, but are not limited to:
 - Four full-time maintenance employees, plus management oversight and additional maintenance staff support as necessary;
 - Pine Crest structures, parking lot, and grounds;
 - Heating, cooling, and electrical systems;
 - Lawn care, landscaping, and snow removal;
 - Durable medical equipment (beds, wheel chairs, etc.); and
 - Emergency repairs and outages.
- Lincoln County contracted with EMG Corporation, an independent consultant, to conduct a Facility Condition Assessment of the Pine Crest facility in 2019. The consultant's written report is included as *Appendix L*. In addition to a narrative assessment, the report included a listing of material issues, including estimated, costs, that should be addressed through the year 2039.
- The Lincoln County Maintenance Director prepared a Maintenance Summary Report for Pine Crest (*Appendix M*) in January 2023. Included in the report is a listing of major repair projects split out over a ten-year time period. The estimated costs of those repairs total over \$8,000,000 in today's market. After adding \$3,000,000 for contingencies, the amount exceeds \$11,000,000 without accounting for future inflation.

**Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023**

Summary of Pine Crest Nursing Home Revenues, Expenses, and Deficits

Appendix N provides a summary of Pine Crest’s fiscal condition from 1998 through 2019 during which time the nursing home was managed and operated by Lincoln County. Pine Crest had consumed all its unrestricted net assets by 2018 and in 2018 and 2019 applied “loans” from the Lincoln County General Fund to balance their accounts.

Table 2 captures the revenues, expenses, and deficits for Pine Crest for the years 2014 to 2023. Information for 2022 and 2023 is tentative based on data available as of March 2023. Although the precise figures for 2022 and 2023 are not finalized, it is apparent that there will be significant deficits for those years. NCHC has indicated that they have exhausted their fund balance/cash reserves for Lincoln County and will be asking for Lincoln County to fund the Pine Crest deficit for 2022 (*Appendix O*).

Year	Revenues (w/o tax levy funds)	Tax Levy Funds Received from Lincoln County	Total Revenue (with tax levy funds)	Pine Crest Operating Expenses (before reimbursements made to Lincoln County)	Debt Service Reimbursed to Lincoln County	Maintenance Operations (Utilities) Reimbursed to Lincoln County	Total Pine Crest Expenses (including reimbursements to Lincoln County)	Pine Crest Deficit (total revenues minus total expenses)	Tax Levy Payment to Pine Crest	Pine Crest Maintenance Operations (after reimbursements from NCHC)	Salaries/ Fringe for Lincoln County Pine Crest Maintenance Staff	Additional Payment to Cover Deficit (and for 2019 Fund Balance Transfer)	Total Expense to Lincoln County Tax Payers
2014	\$11,931,693	\$499,000	\$12,430,693	\$12,514,162			\$12,514,162	-\$83,469	\$499,000				\$499,000
2015	\$12,219,752	\$568,600	\$12,788,352	\$12,846,161			\$12,846,161	-\$57,809	\$568,600				\$568,600
2016	\$11,691,511	\$546,800	\$12,238,311	\$13,241,871			\$13,241,871	-\$1,003,560	\$546,800				\$546,800
2017	\$11,685,879	\$632,756	\$12,318,635	\$13,679,182			\$13,679,182	-\$1,360,547	\$632,756				\$632,756
2018	\$13,302,980	\$556,942	\$13,859,922	\$14,709,589			\$14,709,589	-\$849,667	\$556,942				\$556,942
2019	\$14,226,597	\$440,815	\$14,667,412	\$15,947,339			\$15,947,339	-\$1,279,927	\$440,815				\$440,815
2020	\$14,129,097	\$440,815	\$14,569,912	\$14,289,773	\$632,850	\$122,847	\$15,045,470	-\$475,558	\$440,815	\$113,050	\$255,699	\$1,952,107	\$2,761,671
2021	\$12,189,330	\$440,815	\$12,630,145	\$13,772,742	\$632,050	\$68,652	\$14,473,444	-\$1,843,299	\$440,815	\$140,187	\$265,152		\$846,154
2022	\$11,774,453	\$440,815	\$12,215,268	\$12,703,847	\$631,980	\$77,239	\$13,413,066	-\$1,197,798	\$440,815	\$86,432	\$285,187	\$1,126,328	\$1,938,762
2023	\$11,949,294	\$440,815	\$12,390,109	\$12,886,803	\$632,010	\$0	\$13,518,813	-\$1,128,704	\$440,815	\$126,500	\$297,224		\$864,539
Totals:	\$125,100,586	\$5,008,173	\$130,108,759	\$136,591,469	\$2,528,890	\$268,738	\$139,389,097	-\$9,280,338	\$5,008,173	\$466,169	\$1,103,262	\$3,078,435	\$9,656,039

Pine Crest paid its debt service, maintenance staffing, and maintenance operations costs from its own budget while under operation of Lincoln County.

NCHC covered Pine Crest deficits from their fund balance/cash reserves in 2020 and 2021.

Final figures are not available for 2022 and 2023. NCHC has requested Lincoln County provide \$1,126,328 (unaudited) to fund the deficit for 2022.

NCHC began contracting directly with the vendor for utilities in 2023.

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

Successes and Failures/Challenges Associated with Pine Crest Nursing Home

Pine Crest has experienced immeasurable success throughout its existence. It has been a mainstay in community and served to provide solace to the County's residents by assuring them that there was a place for them when they could no longer adequately care for themselves, whether it be short or long term.

Pine Crest has not been without challenges, especially over the past several years. The emergence of alternatives such as assisted living and home health for those that do not require the level of care provided by nursing homes has enabled those individuals to maintain independence for longer periods of time and oftentimes more cheaply. These challenges are being experienced by nursing homes throughout the United States and aren't unique to Pine Crest.

I. Successes associated with Pine Crest Nursing Home

- Pine Crest has served Lincoln County for nearly 70 years. Care has been provided by dedicated health care and facility staff, most of whom are Lincoln County residents.
- Pine Crest currently holds a 4 (out of 5) rating from the State of Wisconsin.
- The Pine Crest facility appears neat, clean, and well maintained from a sanitary and appearance perspective.
- Pine Crest annual revenues with the Lincoln County tax levy fully supported the facility's operation, payroll, routine maintenance, and debt until approximately 10 to 15 years ago, with a few exceptions in previous years. Pine Crest began to experience a net operating loss every year beginning in 2014.
- Pine Crest has the only skilled nursing home beds in Merrill and is one of only three skilled nursing facilities in Lincoln County.
- Pine Crest employs approximately 150 staff, 128 of which are Lincoln residents.
- The NCHC organization possesses professional expertise across the entire spectrum of nursing home care and holds itself to high standards and oversight.
- It can be assumed that Pine Crest provides a higher level of skilled nursing care 24/7 because of its higher staffing ratio than that suggested by the Wisconsin Director of Nursing (DON) Council standards. Pine Crest staffing as compared to some local for-profit nursing homes:
 - Pine Crest ratios: 1:9 Certified Nursing Assistant (CNA), 1:18 nurse
 - Non-profits ratios: 1 nurse, 1 medical technician, 4 CNAs for 38 residents; 1 nurse, 2 CNAs for 25 residents
- A recent NCHC survey of Pine Crest staff reflected that NCHC has instituted innovation and enrichment conversations within the organization.
- Newly established increases to reimbursements for Medicaid should positively impact NCHC finances.
- NCHC reimbursements for Pine Crest's debt service have reduced the expense for Lincoln County by over \$630,000 per year since 2020.

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

- In an effort to decrease costs, Lincoln County reduced the number of bed licenses from 180 to 160 in 2019 and from 160 to 120 in 2022. The cost of each bed license currently is \$170 per month. Although the license reductions did not eliminate deficits, they did decrease the overall annual shortfalls.

II. Failures/challenges associated with Pine Crest Nursing Home

- Lincoln County is ultimately responsible for Pine Crest operating costs that NCHC cannot cover. Lincoln County tax levies currently provide over \$800,000 annually to fund Pine Crest routine maintenance, maintenance staff, and subsidize nursing home operations.
- Over 75 percent of the Pine Crest facility is 30 years old or older.
- It appears that Lincoln County had not allocated a maintenance budget or tracked maintenance costs for Pine Crest until the last few years.
- The county does not maintain a replacement reserve fund whereby funds are deposited each year to cover predicted costs in the future not classified as maintenance or operation. Such costs would be roof replacement, heating and cooling replacement, major system failures, parking lot paving, sidewalk replacements, etc.).
- Maintenance projects or updates have not been funded or completed as needed.
- The Pine Crest facility requires significant updates and major system replacements. It is conservatively estimated that \$8 million for major repair costs and updates (*Appendix M*) is required over the next 5 to 10 years, barring a catastrophic failure that would require action more quickly.
- The implementation and expansion over the past several years of family care, home health care, and assisted living concepts have decreased the resident population and associated revenues for Pine Crest.
- Pine Crest's solvency is highly dependent on government reimbursement programs (i.e., Medicare and Medicaid). These reimbursements have not kept up with operating costs for the past several years, resulting in Lincoln County taxpayers and Pine Crest/NCHC fund balances and cash reserves having to cover the deficits. In 2022, Medicaid reimbursement rates went up considerably; however, the supplement that the State of Wisconsin provides to Pine Crest as a county-owned nursing home was reduced by a corresponding amount.
- COVID-19 contributed to a significant reduction in Pine Crest's census. From 2017 to 2019 the daily census averaged between 150-160. With the onset of the pandemic in early 2020, the average daily census plummeted to 122 and has steadily decreased to 92 in 2021 and 90 in 2022.
- The number of applicants and residents in nursing homes has decreased for the past several years. This can be attributed in part to a desire of the elderly for greater independence, an upturn of home health care, and increased availability of assisted living facilities.
- The inability to recruit and retain qualified staff is an ongoing challenge. NCHC strives to maintain staffing to achieve a 5-star rating. Accordingly, the number of residents the facility is able to accommodate is reduced as the number of caregivers decreases.

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
March 21, 2023

Part II – Potential Alternatives

The information in Part I of this report clearly indicates that Pine Crest Nursing Home has been in financial peril for a significant number of years. Attempts to address those financial challenges have been unsuccessful. It seems that Lincoln County is at a crossroads where the County needs to decide whether to retain the Pine Crest facility and/or Pine Crest Nursing as County assets and, if retained, how to make and keep them solvent.

As tasked by Lincoln County Resolution 2022-06-20, the AD HOC Committee on Pine Crest identified several potential alternatives with options and corresponding measures to address the overall condition of Pine Crest Nursing Home. The alternatives, options, and measures in Table 3 are not listed in order of preference and are not individually exclusive. The AD HOC Committee on Pine Crest does not endorse any alternative(s).

Table 3 – Alternatives, Options, and Measures for Addressing Pine Crest Facility and Nursing Home

Alternative	Option	Measures Could Include	Comments
<p>1. Lincoln County continues to operate Pine Crest as a county-owned nursing home</p>	<p>1A. Generate additional revenues to support Pine Crest operations</p>	<ul style="list-style-type: none"> • Rent rooms in unused wings to Pine Crest employees for living quarters. • Add daycare for Pine Crest employees or expand to community daycare. • Add dialysis/dementia treatment capabilities to increase census. • Create an assisted living wing. • Create a space for foster care needs. • Ask NCHC to explore additional means to increase census (e.g., adjusting staffing levels, reconsidering previously denied placements that were due to staffing shortage or other correctable issues, etc.). • Adjust the annual County tax levy to cover the costs of Pine Crest debt service as authorized by Wis. Stat. 66.0602 (e.g., existing debt service and future debt service for maintenance and repair of Pine Crest facilities). 	<p>This could enhance recruitment and retention of Pine Crest employees.</p> <p>Appendix P provides an example of a potential means of increasing census and potentially revenue with current staffing levels.</p>

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
 March 21, 2023

Table 3 – Alternatives, Options, and Measures for Addressing Pine Crest Facility and Nursing Home (continued)			
Alternative	Option	Measures Could Include	Comments
1. Lincoln County continues to operate Pine Crest as a county-owned nursing home (continued)	1B. Decrease expenses for operating and/or maintaining Pine Crest	<ul style="list-style-type: none"> • Ask NCHC to perform a review to see if staffing patterns can be reduced. • Pursue grant funding for Pine Crest facility repairs. • Establish a replacement reserve fund to fund major maintenance/repair needs. • Sell or lease parts of the Pine Crest building for other uses. • Downsize the facility permanently to reduce maintenance and operation costs. • Demolish unused wings of the Pine Crest facility to decrease maintenance and operations costs. 	<p>Appendix P provides an example of a potential means of increasing census and potentially revenue with current staffing levels.</p> <p>Would create a “savings account” for future maintenance/repair needs.</p> <p>Would limit the nursing home operations to a set footprint and stop maintaining other areas.</p>
	1C. Pursue a new management arrangement for operating Pine Crest	<ul style="list-style-type: none"> • Renegotiate Nursing Home Management Agreement with NCHC. • Solicit competitive bids for non-governmental organizations to operate Pine Crest on behalf of Lincoln County. • Relocate Pine Crest Nursing Home to another existing facility (e.g., Aspirus Hospital Merrill). 	
	1D. Demolish existing Pine Crest facility and build new facility of appropriate size	<ul style="list-style-type: none"> • Demolish existing Pine Crest facility and construct a new, smaller facility. 	Construction of a new facility may be less costly than making needed repairs and upgrades to existing facility.

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
 March 21, 2023

Table 3 – Alternatives, Options, and Measures for Addressing Pine Crest Facility and Nursing Home (continued)			
Alternative	Option	Measures Could Include	Comments
2. Lincoln County ceases operating Pine Crest as a county-owned nursing home	2A. Find alternative uses for the Pine Crest facility	<ul style="list-style-type: none"> • Repurpose Pine Crest facility for other Lincoln County or external governmental or private uses. • Rent or lease the Pine Crest facility to others. • Demolish the Pine Crest building and retain the grounds for other Lincoln County needs. 	
	2B. Sell the Pine Crest facility	<ul style="list-style-type: none"> • Sell the Pine Crest Facility with stipulations that the property must be operated as a nursing home. • Sell the Pine Crest facility without conditions. • Demolish the Pine Crest facility and sell the portion of the grounds that do not encroach on the Social Services building. • Sell the Pine Crest and Social Services facilities. 	<p>The value of a nursing home is contingent on the number of bed licenses the facility holds.</p> <p>The footprint of Pine Crest overlaps with lands occupied by the Social Services building.</p> <p>This would require the County’s leasing back space in the Social Services building or finding a new location for Social Services.</p>

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
 March 21, 2023

Table 3 – Alternatives, Options, and Measures for Addressing Pine Crest Facility and Nursing Home (continued)			
Alternative	Option	Measures Could Include	Comments
3. Hold referenda to allow the voters of Lincoln County to decide whether Lincoln County should continue to operate, fund, and/or maintain Pine Crest Nursing Home	3A. To continue or not to continue Pine Crest as county-owned nursing home	<ul style="list-style-type: none"> • Ask if Pine Crest Nursing Home should continue to be operated by Lincoln County as a county-owned nursing home. 	<p>If a referenda option is pursued, it would be advisable to hold a special referendum as opposed to waiting for the next scheduled election in April 2024. The estimated cost to conduct a special referendum is \$20,000. However, expenses could be reduced if the Pine Crest special referendum were held in conjunction with the anticipated Merrill School District referendum later this year.</p> <p>This would require an additional referendum question to address funding.</p>

Lincoln County
AD HOC Committee on Pine Crest
Report of Review and Potential Alternatives
 March 21, 2023

Table 3 – Alternatives, Options, and Measures for Addressing Pine Crest Facility and Nursing Home (continued)											
Alternative	Option	Measures Could Include	Comments								
3. Hold referenda to allow the voters of Lincoln County to decide whether Lincoln County should continue to operate, fund, and/or maintain Pine Crest Nursing Home (continued)	3B. Funding for Pine Crest Nursing Home	<ul style="list-style-type: none"> Ask if Lincoln County should fully or partially fund the operations of Pine Crest Nursing Home. Ask for authorization for Lincoln County to adjust the tax levy annually to subsidize and balance Pine Crest Nursing Home revenues and expenses. The salaries and fringe benefits for Lincoln County maintenance department staff that support Pine Crest could possibly be included in expenses. 	The additional annual tax levy per \$100,000 of equalized value would be approximately \$34 for each \$1,000,000 to be raised for alternatives 3B, 3C, and 3D.								
	3C. Funding for Pine Crest facility maintenance	<ul style="list-style-type: none"> Ask to increase the tax levy for a specified amount and period (e.g., \$X for # years) to fund Pine Crest maintenance and repairs. 									
	3D. Replace existing Pine Crest facility	<ul style="list-style-type: none"> Ask to raise tax levy to fund construction of a new Pine Crest facility. 									

TOTAL COUNTY INTEREST	2,422,407.00	337,860.00	0.00	0.00	2,084,547.00	309,290.00	279,620.00	248,850.00	215,050.00	179,850.00	629,587.00	222,300.00	2,084,547.00
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APPENDICES

A - P

Appendix A

Resolution 2022-06-20

Motion By: Peterson
Second By: Brixius

Resolution to form an AD HOC committee on Pine Crest under Lincoln County Ordinance 2.07(7)

Dist.	Supervisor	Y	N	Abs
1	Bialecki			
2	Anderson-Malm			
3	McCrank			
4	Osness			
5	Peterson			
6	Ashbeck			
7	Rusch			
8	Thiel			
9	Friske			
10	Boyd			
11	Detert			
12	DePasse			
13	Callahan			
14	Hafeman			
15	Lemke			
16	Loka			
17	Brixius			
18	Wickham			
19	Allen			
20	Cummings			
21	Simon			
22	Hartwig			
Totals				
<input checked="" type="checkbox"/> Carried				
<input type="checkbox"/> Defeated				
<input type="checkbox"/> Amended				
<input checked="" type="checkbox"/> Voice vote				
<input type="checkbox"/> Roll call				

WHEREAS, Lincoln County committed millions of dollars in construction costs to the expansion of the Pine Crest Nursing Home building and grounds; and

WHEREAS, Lincoln County made the commitment to increase resident numbers and contract with North Central Health Care Center to provide experienced management and resident care at Pine Crest; and

WHEREAS, it recently became necessary to reduce the bed licenses at Pine Crest from 160 to 120 in an effort to save money; and

WHEREAS, the Lincoln County Board of Supervisors has an obligation to the tax payers of Lincoln County to be good stewards of the tax dollars spent; and

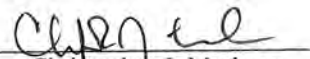
WHEREAS, the Lincoln County Board of Supervisors has an obligation to the residents of Pine Crest to ensure the quality of care and residential housing and treatment continue to be available.

NOW, THEREFORE BE IT RESOLVED, that the Lincoln County Board of Supervisors does create an AD HOC committee on Pine Crest pursuant to Lincoln County Code §2.07(7). The scope and duties of the committee shall be as follows: 1) Review the existing financial obligations concerning Pine Crest, and to review the prudence of any future contractual obligations concerning Pine Crest made by either signed contact or County Board resolution; 2) Review the original and current use of the Pine Crest building and grounds; 3) Review the Nursing Home Management Agreement and the Memorandum of Understanding (repair and maintenance of durable medical equipment and removal/rearrangement of furniture) between Lincoln County and North Central Health Care as such documents relate to the building and bed licenses; 4) Provide a report to the Lincoln County Board of Supervisors outlining the past and current successes, failures and status of Pine Crest Nursing Home; and 5) Provide recommendations to the Lincoln County Board of Supervisors for consideration, detailing areas of improvement for Lincoln County's overall position concerning Pine Crest Nursing Home.

NOW, THEREFORE BE IT FURTHER RESOLVED, the Committee on Pine Crest will meet at the call of the Chair after the June 2022 County Board meeting, will provide monthly updates to the County Board thereafter and will conclude its business no later than the March 2023 County Board meeting. The committee appointments will consist of five County Board supervisors, the Administrative Coordinator, Maintenance Director, IT Director and Corporation Counsel. Department heads shall be ex officio (non-voting) members and shall attend and participate on an as needed basis as determined by the Committee Chair. Any expenses of the Committee on Pine Crest will be paid from the County Board budget.

STATE OF WISCONSIN)
) SS
 COUNTY OF LINCOLN)

I hereby certify that this resolution/ordinance is a true and correct copy of a resolution/ordinance adopted by the Lincoln County Board of Supervisors on:
 June 21, 2022


 Christopher J. Marlowe
 Lincoln County Clerk

Dated: June 21, 2022

Authored by: Don Friske, District 9 Supervisor
 Co-Sponsored by: Angela Cummings and Jesse Boyd
 Committee: A & L Committee
 Committee Vote: 6-0
 Fiscal Impact: Minimal

Date Passed: June 1, 2022

Drafted by: Don Friske, District 9 Supervisor



Appendix B

**Minutes from AD HOC Committee on Pine Crest Meetings
July 27, 2022 through March 14, 2023**

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Wednesday, July 27, 2022, 1:00 PM
Room 247/248 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Angela Cummings, Greg Hartwig and Marty Lemke, IT Director Travis Spoehr.

MEMBERS EXCUSED: Administrative Coordinator Cate Wylie

MEMBERS ABSENT: Maintenance Director Patrick Gierl, Corporation Counsel Karry Johnson

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 1:06 pm
2. **Election of Vice Chair:** Bialecki nominated Hartwig, M/S (Motion/Second) Bialecki/Lemke, all voting aye.
Election of Secretary: Bialecki nominated Cummings, M/S Bialecki/Wickham, all voting aye.
3. **Review Resolution to Establish AD HOC Committee on Pine Crest**
 - 1) **Review existing financial obligations concerning Pine Crest, review the prudence of any future contractual obligations concerning Pine Crest made by either signed contract or County Board resolution**
 - 2) **Review original and current use of Pine Crest building and grounds**
 - 3) **Review Nursing Home Management Agreement and the Memorandum of Understanding (repair and maintenance of durable medical equipment and removal/rearrangement of furniture) between Lincoln County and North Central Health Care such as documents related to the building and bed licenses**
 - 4) **Provide a report to the Lincoln County Board of Supervisors outlining the past and current successes, failures and status of Pine Crest Nursing Home**
 - 5) **Provide recommendations to the Lincoln County Board of Supervisors for consideration, detailing areas of improvement for Lincoln County's overall position concerning Pine Crest Nursing Home.**
 - 6) **Monthly updates to be provided to the Lincoln County Board of Supervisors**
 - 7) **Conclude committee's business no later than the March 2023 Lincoln County Board meeting**

Committee members see the mission as Facility (building and grounds), Finance and Operations (how the facility is used. Bed licenses, past vs future demand.) Does NOT include day to day operations.

There are two other facilities in Merrill that do have openings for nursing home patients. Both of these are private.

Committee Members would like to get a walk-through of the facility with the IT Director Travis Spoehr and the Maintenance Director Patrick Gierl. Bialecki will attempt to schedule since the Public Property Committee also wants a tour.

Chair Wickham to obtain the following documents for the next meeting:

- 1) Profit and Loss Statements, all finances
- 2) Contracts
- 3) Maintenance agreement, all agreements
- 4) IT agreement
- 5) Actual signed agreement with North Central Health Care (NCHC)
- 6) Future Contractual Obligations
- 7) Decision by the Lincoln County Board, approx. 6 years ago, to contract with NCHC

Chair Wickham to request the following to attend the next meeting: Finance Director Dan Leydet and Director of Operations at Pine Crest Ryan Hanson.

4. Develop Work Plan and Timeline: This will be ongoing and assigned at each meeting.

5. Establish Meeting Schedule/Set Next Meeting Date: Committee agreed to meet bi-monthly to make sure timeline is met. Next Meeting Date: Thursday, August 18, 2022 at 4:00 pm

6. Adjourn: M/S Cummings/Bialecki, to adjourn at 2:05 pm, all voting aye.

Minutes prepared by,
Supervisor Cummings, Secretary

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Thursday, August 18, 2022, 4:00 PM
Room 247/248 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Angela Cummings, Greg Hartwig and Marty Lemke.

OTHERS PRESENT: Lincoln County Finance Director Dan Leydet, North Central Health Care Finance Director Gary Olsen. Numerous members of the public.

Minutes

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 4:04 pm
2. **Public Comment:** Kevin Stevenson said he requested this committee be formed. He's glad to see it was formed. He said there needs to be drastic changes at Pine Crest.
3. **Approval of Minutes from Previous Meeting:** M/2nd by Bialecki/Lemke to approve Minutes from the Wednesday, July 27, 2022 meeting. All Ayes - motion carried.
4. **Review/Discuss Financial Relationships, Obligations, and Costs between Lincoln County and North Central Health Care:** Amended and Restated Intergovernmental Agreement Establishing a Multicounty Department of Community Programs Between Langlade, Lincoln and Marathon Counties, with Exhibit A through D, a 17 page document was reviewed and placed on file.
5. **Review/Discuss Agreements and Memoranda of Understanding between Lincoln County and North Central Health Care.** Memorandum of Understanding, a 3 page document was reviewed and placed on file.
6. **Develop Work Plan and Timeline: Make Assignments for Next Meeting:** Wickham will set up an information gathering tour at the Pine Crest facility after the next meeting with Lincoln County Maintenance Director Pat Gierl. Gary Olsen will have Jarret Nichols ensure Ryan at the Pine Crest location will provide the tour from North Central Health Care.
7. **Set Next Meeting Date:** September 14, 2022 at 4:00 pm to start at 801 N. Sales St, Merrill, WI, and continue at the Pine Crest location, 2100 E 6th St, Merrill, WI.
8. **Adjourn:** M/2nd Cummings/Hartwig to adjourn at 5:45 pm. All Ayes - motion carried.

Minutes prepared by,
Angela Cummings, Secretary

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Wednesday, September 14, 2022, 4:00 PM
Room 247/248 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Angela Cummings, Greg Hartwig and Marty Lemke.

OTHERS PRESENT: Administrative Coordinator Cate Wylie, Maintenance Director Patrick Gierl. Numerous members of the public.

Minutes

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 4:00 pm.
2. **Public Comment:** Two people gave public comment.
3. **Approval of Minutes from Previous Meeting:** M/2nd by Bialecki/Lemke to approve Minutes from the Thursday, August 18, 2022, meeting. All Ayes - motion carried.
4. **NCHC Funding Request:** The finance committee received a verbal request from Gary Olsen and Mort McBain of NCHC for a \$675,000 projected loss for 2022 and a \$606,850 projected loss for 2023. They haven't asked previously but Gary Olsen is doing a forensic audit. They will provide an invoice with final numbers in 2023 after year end. They are maintaining it is contractual and provided page 2 of the three county contract with the first full paragraph at the top of the page highlighted.
5. **Review/Discuss Pine Crest Facility and Maintenance.** Maintenance Director Pat Gierl shared his spreadsheets of building and grounds maintenance. Explained what is Lincoln County's responsibility and what is NCHC's responsibility. 197 windows, 50,000 square feet of buildings. It is a 24/7 maintenance facility. There is shared electricity with the Social Services building.
6. **Review/Discuss Independent Audit of NCHC for years 2021 and 2020:** Discussed the audit. Agreed that committee members will read fully and discuss in more detail at the next meeting.
7. **Develop Work Plan and Timeline: Make Assignments for Next Meeting:** Wickham will attempt to consolidate the financial data/information into one document. Pat Gierl and John Hanson will create a spreadsheet with categories and finances that will go with any needed maintenance updates. Cate Wylie will contact Gary Olsen from NCHC and get budgets from the 2020-2021 years.
8. **Set Next Meeting Date:** Call of the Chair as there were conflicts with members calendars.
9. **Committee Tour of Pine Crest Nursing Home:** Went to the facility and was met by Ryan Hanson, Director of Nursing Home Operations. Took a tour of the facility.

Approximately 90 total residents. 18 beds on the rehab/LTC unit. 18 beds on south (LTC). 36 beds on north (LTC). 20 beds on Special Care (dementia/memory care). This information was taken from a handout provided by Ryan.

10. Adjourn: M/2nd Bialecki/Hartwig to adjourn at 6:55 pm. All Ayes - motion carried.

Minutes prepared by, Supervisor
Angela Cummings, Secretary

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Wednesday, October 12, 2022, 4:00 PM
Room 247/248 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Angela Cummings, Greg Hartwig and Marty Lemke.

OTHERS PRESENT: Administrative Coordinator Cate Wylie, Maintenance Director Patrick Gierl. Members of the Public.

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 4:00 pm
2. **Public Comment:** One person gave a public comment.
3. **Approval of Minutes from September 14, 2022 Meeting:** M/2nd by Bialecki/Hartwig to approve minutes. All Ayes - motion carried.
4. **Review/Discuss Independent Audit of NCHC for years 2021 and 2020 and North Central Community Services Program and Affiliates d/b/a North Central Health Care** Combined Financial Statements and Required Supplementary Combining Information for Years Ended December 31, 2021 and 2020 also discussed.
5. **Work on Summary of Information Gathered** Chair Wickham prepared a Working Paper Draft of information needed regarding facility. Maintenance Director Patrick Gierl wrote some answers to the Working Paper Draft and his document is titled WORKING DRAFT.
6. **Develop Work Plan and Timeline: Make Assignments for Next Meeting**
 - a) Cate Wylie to find the history of the facility. Meet with Corporation Counsel Karry Johnson to see how a survey can be implemented to get information from staff and the public. Attend the Pine Crest business meeting tomorrow. Will talk to Ryan and report back.
 - b) Ken Wickham to invite Ryan to the next meeting after speaking with Cate. Committee would like to know history, challenges and successes from his viewpoint.
 - c) Angela is getting financial documents from the Finance Department regarding bonding issues on the debt and repayment schedule of the debt.
 - d) Pat is to make a map. Details on what is in each section. What each section is named. How many beds are in each section. Square feet in each section.
 - e) Greg is to speak to former administrators and directors regarding the history of the facility. He will determine if they need to attend the next meeting.
7. **Set Next Meeting Date:** Call of the Chair
8. **Adjourn:** M/2nd Lemke/Bialecki to adjourn at 5:42 pm. All Ayes - motion carried.

Minutes prepared by, Supervisor
Angela Cummings, Secretary

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Wednesday, November 30, 2022, 4:30 PM
Room 247/248 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Angela Cummings, Greg Hartwig and Marty Lemke (virtual).

OTHERS PRESENT: Acting Administrative Coordinator Renee Krueger, Corporation Counsel Karry Johnson. North Central Health Care Gary Olsen, Finance Director. Members of the Public.

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 4:30 pm
2. **Public Comment:** One person gave a public comment.
3. **Approval of Minutes from October 12, 2022 Meeting:** M/2nd by Bialecki/Hartwig to approve minutes. All Ayes - motion carried.
4. **Pine Crest Past Operations, Successes, and Challenges discussion w/Tim Meehan** Tim was the Accountant, Business Manager and Administrator for Pine Crest. He was also the Administrative Coordinate for Lincoln County. He provided historical information regarding the running of Pine Crest during his tenure.
5. **Lincoln County Debt for Pine Crest** The debt information, dollar amounts and rates were discussed. Documents were provided by the Finance Department.
6. **NCHC Financials September 2022** Gary Olsen also brought the October 2022 financials which will be included with the minutes.
7. **NCHC 2023 Budget-Gary Olsen** Gary presented the budget for 2023 and answered questions. Gary also provided a small survey that was done with employees which will be included with the minutes.
8. **Develop Work Plan and Timeline: Make Assignments for Next Meeting**
 - a) Gary Olsen: Breakdown of how he budgeted and census. Will invite Jarret Nichols and Ryan Hanson to the next meeting. Will investigate if there is a grant available for new windows, roof, heating, etc. Calculate bed license fees. Future contracts-if any. Will provide information on unused space.
 - b) Ken Wickham will solicit input from Ad Hoc Committee Members about questions regarding successes or challenges that would help assist future meetings.
7. **Set Next Meeting Date:** December 12 at 4:45 pm
8. **Adjourn:** M/2nd Bialecki/Hartwig to adjourn at 6:20 pm. All Ayes - motion carried.

Minutes prepared by, Supervisor
Angela Cummings, Secretary

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Monday, December 12, 2022, 4:45 PM
Room 247/248 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Angela Cummings, Greg Hartwig and Marty Lemke (virtual).

OTHERS PRESENT: Acting Administrative Coordinator Renee Krueger, Corporation Counsel Karry Johnson, Maintenance Director Patrick Gierl, North Central Health Care (NCHC) Ryan Hanson, Director of Nursing Home Operations Pine Crest, NCHC Jarret Nickel, Managing Director of Nursing Home/Residential, NCHC Gary Olsen, Finance Director (virtual). Members of the Public.

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 4:45 pm
2. **Public Comment:** One person gave a public comment.
3. **Approval of Minutes from November 30, 2022 Meeting:** M/2nd by Bialecki/Hartwig to approve minutes. All Ayes - motion carried.
4. **Pine Crest Finances, Operations, Successes, Challenges, and Potential - NCHC (Jarret Nickel, Ryan Hanson, Gary Olsen):** Ryan Hanson stated the questions and answers provided in the December 12, 2022 Memo. Jarret assisted in answering questions with Ryan. Gary Olsen advised that the State cut the supplemental payments. That news just broke so he doesn't have a lot of information but will research and get back to the committee on what that means. This supplemental payment is only made to county nursing homes by the State. This could mean an \$800,000 loss for Pine Crest.
5. **Pine Crest Facility, Maintenance, Repair, and Use:** In 2017 a study was done. This resulted in the EMG Project. The spreadsheet numbers are five years old. Pat Gierl provided answers to the questions that were asked. Those will be scanned in with the minutes.
6. **Develop Work Plan and Timeline: Make Assignments for Next Meeting:** Ken Wickham will update the Summary of Information Gathered to Date, Working Paper Draft. Pat Gierl and Bill Bialecki will provide a report on a maintenance overview including risks and vulnerabilities. Angela Cummings will provide a financial overview of revenue vs expenses, debt and budget.
7. **Set Next Meeting Date:** Call of the chair.
8. **Adjourn:** M/2nd Cummings/Hartwig to adjourn at 6:53 pm. All Ayes - motion carried.

Minutes prepared by, Supervisor
Angela Cummings, Secretary

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Thursday, January 19, 2023, 3:00 PM
Room 255/257/260 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Angela Cummings, Greg Hartwig and Marty Lemke (virtual).

OTHERS PRESENT: Interim Administrative Coordinator Renee Krueger, Corporation Counsel Karry Johnson, Maintenance Director Patrick Gierl, Finance Director Samantha Fenske, IT Director Travis Spoehr (virtual), North Central Health Care (NCHC) Ryan Hanson, Director of Nursing Home Operations Pine Crest. Members of the Public.

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 3:00 pm
2. **Public Comment:** None
3. **Approval of Minutes from November 30, 2022 Meeting:** M/2nd by Bialecki/Lemke to approve minutes. All Ayes - motion carried.
4. **North Central Health Care (NCHC) Pine Crest Budget Update (NCHC Executive Director Gary Olsen):** Ryan Hanson advised that Gary Olsen had a conflicting meeting and couldn't attend the Ad Hoc Committee on Pine Crest meeting for Lincoln County. Ryan advised there will be no definitive changes in the reimbursement rates until June 2023. NCHC is estimating a \$1.2 million deficit for 2022 according to the current numbers. Ryan advised that Medicare and Medicaid reimbursements were increased in 2022; however, the supplemental payments were decreased by nearly corresponding amounts.
5. **Prepare the Draft AD HOC Committee on Pine Crest Report of Review and Recommendations (Lincoln County Finance Director Samantha Fenske and NCHC Executive Director Gary Olsen to provide technical assistance):** Chair Wickham went through the document titled "Lincoln County AD HOC Committee on Pine Crest Report of Review and Recommendations" included in the packet which contains 14 pages.

Suggestions/options from round table discussion:

Increase revenues by:

- a) "Renting" wings to employees for living quarters (400/700 wings)-charging rent
- b) In-house and/or community daycare wing (400/700 wings)-charging rent
- c) Increase staffing to increase census, look at denied placements due to staffing shortages
- d) Add dialysis/dementia wings to increase census (higher pay?)
- e) Create an assisted living wing
- f) Create a space for foster care needs

Decrease expenses by:

- a) Perform a review to see if staffing patterns can be reduced

Referendum ideas:

- a) Request referendum for cost of 5 year maintenance plan plus operations deficit

- 1) Fund Maintenance Yes/No
- 2) Fund Operations Yes/No
- 3) Build new facility. Yes/No
- 4) Have a two phased referendum:
Phase 1 Question: Is there support to keep Pine Crest?
Phase 2 Question: If you are supporting, Pine Crest needs to be funded, increase levy limit?

Per Finance Director Fenske \$100,000 = \$32 raise of taxes based on zero growth and equalized value.

Debt Service:

- a) Use Debt Service for repairs. Not subject to levy limits. But would include a property tax increase.

Address Facility Needs Only:

- a) Request grants for repairs
- b) Demo the building
- c) Downsize the facility permanently
- d) Demo these wings: 400/500/700 and 900(?)

Obtain new management:

- a) Put out an RFP for a different administration contract to run operations

Move Pine Crest to new or a different existing facility

Sell Pine Crest:

- a) Sell the building which would include Pine Crest and the Social Services Building with no conditions on sale
- b) Sell parts of the building
- c) Sell the building with conditions such as “sell as a skilled nursing home”
- d) Close the nursing home and repurpose the building for other county business

6. **Develop Work Plan and Timeline: Make Assignments for Next Meeting:** Ryan Hanson NCHC will provide an electronic version of the facility map. Karry Johnson Corp Counsel will provide copies of Resolution 2019-08-38 (bed reduction 180-160), Resolution 2021-11-50 (bed reduction 160-120), the 2019 document that placed NCHC in a temporary position and the questions raised on the management agreement. Sam Fenske Finance Director will verify the financial number provided from 2014-2019 when the facility was county run, fill in the highlighted “zeros” on the Draft Report of Review and the anticipated 2023 budget numbers due to changes in Medicaid and Supplemental payments. Pat Gierl Maintenance Director prepared a document from his viewpoint which he will provide to the committee.
7. **Set Next Meeting Date:** 1/31/2023 at 9:00 am tentatively
8. **Adjourn:** M/2nd Bialecki/Hartwig to adjourn at 5:10 pm. All Ayes - motion carried.

Minutes prepared and respectfully submitted by, Supervisor Angela Cummings, Secretary

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Thursday, January 31, 2023, 9:00 AM
Room 255/257/260 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Greg Hartwig and Angela Cummings (virtual).

MEMBERS EXCUSED: Marty Lemke

OTHERS PRESENT: Interim Administrative Coordinator Renee Krueger, Corporation Counsel Karry Johnson, Maintenance Director Patrick Gierl, Finance Director Samantha Fenske, IT Director Travis Spoehr (virtual), North Central Health Care (NCHC) Gary Olsen, Executive Director, NCHC Ryan Hanson, Director of Nursing Home Operations Pine Crest. Members of the Public.

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 9:01 am.
2. **Public Comment:** One person made a public comment.
3. **Approval of Minutes from January 19, 2023 Meeting:** M/2nd by Bialecki/Hartwig to approve minutes. All Ayes - motion carried.
4. **North Central Health Care (NCHC) Pine Crest Budget Update (NCHC Executive Director Gary Olsen):** Gary Olsen provided a recap of the funding changes between the Medicaid, the Supplemental and the CPE. He provided a memo that will be attached to the minutes. There is an effort to change the funding by contacting and meeting with DHS, legislators, etc. Chair Friske and Interim Administrative Coordinator Krueger will be invited to the discussions. The auditors will be there in a month to close out 2022. Executive committee will set the wage schedule at their next meeting. Then the Finance Director will look at where things stand and make suggestions.
5. **Review updated information for Draft AD HOC Committee on Pine Crest Report of Review and Alternatives (Lincoln County Finance Director Samantha Fenske and NCHC Representatives included for technical assistance):** Financial Fenske advised that previous losses for 2018 and 2019 were covered by an interfund of Pine Crests. 2020 an amount from the general fund was transferred to offset losses: 1.6 million. Fenske provided updated numbers on pages 10, 11 and 13 of the handout which will be provided with the minutes. Fenske also advised that the net position did decrease over time but will clarify and make sure there was no double counting for the next meeting.

Olsen advised that the financials for NCHC put the nursing homes together and implemented a formula. He is going to have Bobby break out the actual expenses for each location.

Maintenance Gierl provided updated documentation that he will provide electronically to be included with the minutes. A summary, option to remodel, option to build new, projections on projects and cost, annual operating budget and summary.

6. **Develop Work Plan and Timeline: Make Assignments for Next Meeting:** Committee agreed that one more meeting is needed before putting information together for the full County Board.

Hanson and Krueger will reach out to stakeholders and determine what will be affected for services for the adult population if Pine Crest closes.

Olsen will work on the numbers to see how much of the current loss will have to be covered by Lincoln County. Olsen will also keep committee updated on funding.

Johnson will research Statutes, get more background information and gather the remainder of the resolutions that allowed the contract between Lincoln County and NCHC. Johnson's research for this meeting will be attached to the minutes which include 7/31/2019 NCHC memo, 2020 Pine Crest Budget proposal from NCHC, Resolution 2019-08-38, Minutes from the Pine Crest Nursing Home Board of Trustees 10/11/2019 Meeting and Resolution 2021-11-50.

Krueger and Johnson will identify the process for selling or closing the facility.

Johnson and Cummings will review Wisconsin Statutes, the Administrative Code, any federal regulations etc regarding county nursing homes.

Hartwig and Fenske will put together the referendum information such as the amount it will cost, the proposed dollar amount that would need to be requested including maintenance and operations, time table needed and election dates.

Wickham Updated the draft with pertinent numbers from discussion and include in the packet for next meeting.

All Committee Members Read the original mission. Read the details on the draft. See if the work is able to be completed and presented to the full County Board.

7. **Set Next Meeting Date:** 2/22/2023 at 4:00 pm
8. **Adjourn:** M/2nd Hartwig/Bialecki to adjourn at 11:09 am. All Ayes - motion carried.

Minutes prepared and respectfully submitted by, Supervisor Angela Cummings, Secretary

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Wednesday, February 22, 2023, 4:00 PM
Room 255/257/260 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Bill Bialecki, Greg Hartwig, Marty Lemke (virtual) and Angela Cummings (virtual).

OTHERS PRESENT: Administrative Coordinator Renee Krueger, Corporation Counsel Karry Johnson, Finance Director Samantha Fenske (virtual), IT Director Travis Spoehr (virtual), North Central Health Care (NCHC) Executive Director Gary Olsen (virtual), NCHC Director of Nursing Home Operations Pine Crest Ryan Hanson (virtual), NCHC Managing Director of Nursing Home/Residential Jarret Nickel (virtual), NCHC Finance Director Jason Hake (via phone). Members of the Public in person and virtual.

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 4:00 pm.
2. **Public Comment:** Two people made public comments.
3. **Approval of Minutes from January 31, 2023 Meeting:** M/2nd by Bialecki/Hartwig to approve minutes. All Ayes - motion carried.
4. **North Central Health Care (NCHC) Pine Crest Budget Update (NCHC Representatives):** Gary Olsen provided a recap of the funding changes between the Medicaid, the Supplemental and the CPE. He advised the funding will not change in the next six months. January ended up \$61,000 profit for Pine Crest. Funding is split into two payments per year. The State's fiscal year runs from 7/1 to 6/30. \$652,650 was received in December for the previous six months for the Supplemental Payment. The Executive Committee for NCHC met today. They are looking at the contracts, will talk to Finance and come to Lincoln County to cover the loss.
5. **NCHC Potential Enhancements to Increase Census (NCHC Representatives):** Hanson advised that adding another dementia wing could increase the census. 5 units, 18-20 beds. It was proposed before and would need a physical change. In 2019 the cost was \$10-\$15,000 to install a firewall and/or door at the end of the 300 unit. Hospice was in that section but it didn't work out for them.

Nicke advised that if the census was raised from 16 to 18 residents that would equate to a \$183,000/annual increase. There is a word document and a financial document regarding this idea. It will be forwarded to Olsen & Hake for review. Once reviewed, one of those two will send the documents on to the committee members.
6. **Review Updated Information for Draft AD HOC Committee on Pine Crest Report of Review and Alternatives (Finance Director Samantha Fenske and NCHC Representatives included for technical assistance):** Went through draft where members suggested changes. Wickham to meet with Fenske to make sure numbers are correct. Wickham to meet with Krueger to suggest a better way to capture table information.

Hanson and Krueger will reach out to stakeholders and determine what will be affected for services for the adult population if Pine Crest closes. They reported there is no clear data on this. Unit Manager is working on date for Vicky Tylka, NCHC. It's hard to put a value on this.

Krueger and Johnson will identify the process for selling or closing the facility. Krueger and Johnson wrote a document. Krueger will have a conversation with someone who experienced the selling or closing of a facility. 60 days notice must be given. All residents have to be placed. It would run for at least six months.

Johnson will research Statutes, get more background information and gather the remainder of the resolutions that allowed the contract between Lincoln County and NCHC. These will be provided to Wickham.

Johnson and Cummings will review Wisconsin Statutes, the Administrative Code, any federal regulations etc regarding county nursing homes. Johnson advised there is no good language for county vs private nursing home. Medicare.gov had some negative impacts on the sale but it didn't appear they were objective.

Hartwig and Fenske will put together the referendum information such as the amount it will cost, the proposed dollar amount that would need to be requested including maintenance and operations, time table needed and election dates. This was done and is included in the Draft.

7. **Discuss Presentation for March County Board of Supervisors Meeting** Discussion on how to present information concisely and accurately. Next County Board Meeting is 3/21/2023.

8. **Develop Work Plan and Timeline: Make Assignments for Next Meeting:**

Wickham Will prepare final draft for committee review before presenting to the full county board. Will speak to Chair Friske and ask for direction on how the material should be presented, time allowed, if it will be a Question and Answer session, etc.

Olsen/Hake will work on providing the actual breakdown for shared services for Pine Crest vs the formula that was used for 2022. They will also work on the exact dollar amount that will be requested of Lincoln County for the 2022 year based on the deficit. Executive committee was to set the wage schedule for NCHC. Then the Finance Director was to look at where things stand and make suggestions. This committee was to be updated with those changes.

Fenske will clarify the net position of Pine Crest and make sure there was no double counting. She will also provide the actual dollars Lincoln County puts into Pine Crest each year.

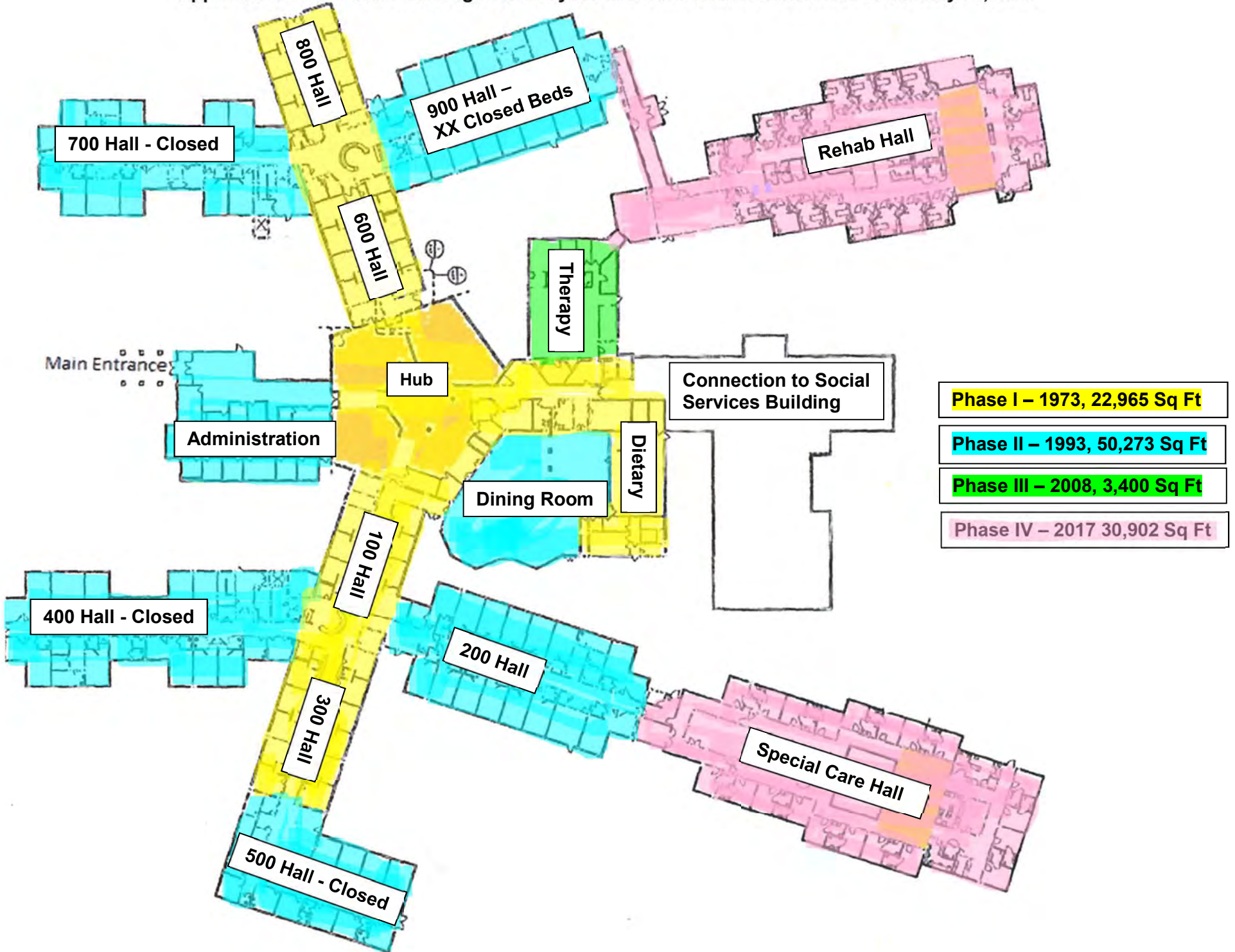
Hartwig and Fenske will research further if the referendum could ask for up to a certain dollar amount or if it has to be dollar specific. They will also research if a certain number of years can be put in the referendum or if it can be unlimited. **Johnson** will share the WCA document on referendums.

9. **Set Next Meeting Date:** Call of the Chair

10. **Adjourn:** Wickham adjourned meeting at 6:08 pm.

Minutes prepared and respectfully submitted by, Supervisor Angela Cummings, Secretary

Appendix C – Pine Crest Nursing Home Layout and Construction Phases as of January 31, 2023



Appendix D

Lincoln County – Pine Crest Nursing Home Minutes of Monday, May 13, 2019 Board of Trustees Meeting Pine Crest Nursing Home Conference Room

MEMBERS PRESENT: Bob Weaver, Paul Gilk, Patricia Voermans, Ken Neff and Kathy Wulf

VISITORS: Jason Hake, Lisa Gervais, Ryan Hanson, Gayle Preu, Michael Loy, Brenda Glodowski, Kim Gochanour

1. **Call Meeting to Order:** Chair Wulf called the meeting to order at 8:05 a.m.
2. **Approval of Minutes from 5/02/19 Meeting(s):** Motion by Voermans to approve minutes from the 5/02/19 meeting, seconded by Neff. All ayes. Motion carried.
3. **Census Report:** The average Monthly Census for April was 153, which puts the occupancy rate at 85%. There were a total of 21 admissions during the month and 26 permanent discharges. The report was placed on file.
4. **Financial Report:** Gervais stated we should be getting our ITP revenue shortly and it will be about \$2.1 million. The report was placed on file.
5. **2019 Budget Update**:** Hake stated that he worked with North Central Health Care to come up with a more accurate budget for 2019. That budget reflects a \$1.4 million deficit if we continue operating as is. The largest expenses that must be looked at are wages and contracted staffing. Hake stated that now we have the market study complete and a more accurate 2019 budget projection we can use that information to help assist in making necessary changes to get Pine Crest back to operating at a sustainable level.
6. **2020 Budget Creation****
7. **Approval to contract with North Central Health Care as Interim Administrator:**

Motion by Patricia Voermans to approve North Central Health Care as Interim Administrator, to assist in preparing the 2020 budget creation (item #6) and to authorize Jason Hake, Administrative Coordinator to sign the Interim Contract, second by Bob Weaver. All Ayes. Motion Carried.
8. **Corporate Compliance Policy:**
9. **Approval of Long Term Care Facilities Standards for MD's, Physician Assistants, and Nurse Practitioners:**

Motion by Weaver to approve the corporate compliance policy (item #8) and approval of long term care facilities standards for MD's, Physician Assistants, and Nurse Practitioners (item #9), second by Neff. All Ayes. Motion Carried.

10. Pine Crest Update

- a) **Staffing Update:** Ryan Hanson gave a verbal update on the staffing as well as the possibility to utilize Indeed for a percentage of the annual salary of the position that is recruited if the employee stays for 30 days or more. Under the agreement, if the employee does not stay for 30 days, Pine Crest does not have to pay the recruitment fee. General consensus in the room was this was a good idea to utilize this service.

Discussion also took place on the agency staffing and the difficulty to recruit good qualified staff for open positions in this area.

- b) **Quality/Risk Manager Vacancy Position:** Lisa Gervais explained the opening and the recruitment of this position. This position will also now include Transportation monitoring as well. This will be added to the job description.
- c) **Scheduler/HR Position**** Ryan Hanson and Lisa Gervais gave a verbal update on the offer that was made this morning to a scheduler that has experience in general HR. This is an important role at this time due to Pine Crest not having an HR. Many of these HR duties have been completed by Pine Crest staff and administrator.
- d) **Leading Choice Network Renewal**** Discussion was had on whether Pine Crest is getting enough out of this membership and if it is a good use of dollars. Motion by Weaver discontinue Leading Choice Network Renewal, second by Voermans. All Ayes. Motion Carried.
- e) **Approval for Out of State Conference for Environmental Director:** Discussion was had regarding setting a precedent for future requests. Motion by Patricia Voermans to deny out of state conference for Environmental Director, second by Weaver. All Ayes. Motion Carried.

11. Set Next Meeting, Tuesday May 28, 2019**

12. **Adjourn:** Motion by Voermans, second by Weaver to adjourn the meeting. All Ayes. Motion Carried.

Minutes prepared by Jason Hake, Administrative Coordinator & Lisa Gervais, Pine Crest Administrator

Appendix E

Lincoln County – Pine Crest Nursing Home Minutes of Friday, October 11, 2019 Board of Trustees Meeting Pine Crest Nursing Home Conference Room

MEMBERS PRESENT: Bob Weaver, Paul Gilk, Kathy Wulf, Ken Neff, Patricia Voermans

ABSENT: Ken Neff

VISITORS: Jason Hake, Kim Gochanour, Ryan Hanson, Gayle Preu, Michael Loy, Zach Ziesemer, Jarret Nickel

1. **Call Meeting to Order:** Chair Wulf called the meeting to order at 8:00 a.m.
2. **Approval of Minutes from Previous Meeting(s) – 9/16/19:** Wulf stated she would like to see “finding” in item #4 change to deficiency.

Motion by Gilk to approve the meeting minutes from the 9/16/19 meeting with the change of “finding” to deficiency in item #4, second by Voermans. All ayes. Motion carries.

Item #5 was moved up to item #3 in the agenda

3. **Wage Comparison of RN & LPN positions to NCHC:** Kim Gochanour and Jarret Nickel from NCHC reviewed the handout which reviewed the current wages for RN, LPN & CNA positions compared to market. The recommendation from NCHC is to increase wages to the proposed amount, effective December 1, 2019. This recommendation will have an annual estimated cost of \$178,644, which will be funded within the current Pine Crest budget.

Jason stated that by approving this it could have an effect on the rest of the county. The salary study that was implemented in 2017 placed employees on step 1, with step 6 being the market rate. By moving Pine Crest employees up to market rate what message does this send to other county departments?

Motion by Weaver to approve the proposed wage increases, effective December 1, 2019, second by Voermans. All ayes. Motion carried.

4. **Increase in Shift Differential Pay:** Kim Gochanour and Jarret Nickel from NCHC reviewed the handout, which reviewed the current shift differential rates and the proposal rate, that would align Pine Crest and NCHC’s shift differential rates. The estimated fiscal impact of increase shift differentials is \$32,952, which will be funded within the current Pine Crest budget.

Motion by Weaver to increase the shift differential pay to the proposed rates, second by Voermans. All ayes. Motion carried.

5. **Reduction of Bed Licenses:** Kim Gochanour reviewed the handout. The average census over the last 4 years has decreased from 162.98 to 153.68. The impacts of change if Pine Crest were to reduce bed size was also discussed. This would include a reduction of 1 RN FTE, wing consolidation and an annual bed tax savings of \$40,800.

Motion by Weaver to reduce bed license count from 180 to 160, second by Voermans. All ayes. Motion carried.

6. **Facility Assessment:** Jason Hake gave an overview of the facility tour he took with maintenance staff. The best way to sum up the assessment is much of the maintenance equipment is past its useful life and needs to be replaced. There will be a facility assessment completed in November and Pat Gierl will be working on creating a plan going forward.
7. **Adjournment:** Motion by Wulf to adjourn the meeting, second by Gilk. All ayes. Motion carried on a voice vote.

Minutes prepared by Jason Hake, Administrative Coordinator

Appendix F

Resolution 2019-08-38

Motion by:				
Second by:				
Dist.	Supervisor	Y	N	Abs
19	Allen			
6	Ashbeck			
1	Bialecki			
11	Breitenmoser			
13	Callahan			
12	Gilk			
20	Gorski			
14	Hafeman			
8	Heller			
9				
17	Koth			
15	Lee			
16	Loka			
3	Mueller			
21	Nowak			
22	Panfil			
10	Ratliff			
7	Rusch			
5	Saal			
18	Voermans			
2	Weaver			
4	Woellner			
Totals				
Carried				
Defeated				
Amended				
Voice vote				
Roll call				

Approval to Contract with North Central Health Care for the Ongoing Management of Pine Crest Nursing Home

WHEREAS, Lincoln County – along with Langlade and Marathon Counties – owns North Central Health Care, our AOD/mental health/developmental disability program provider; and

WHEREAS, North Central Health Care (NCHC), with whom we have an almost 50 year history of collaboration, manages Mount View Care Center, a 200 bed skilled nursing facility owned by Marathon County; and

WHEREAS, in May of 2019 when Lisa Gervais retired, to comply with a Wis. Admin rule requiring that every nursing home be supervised by a full-time administrator, the Pine Crest Board of Trustees approved NCHC as the Interim Administrator of Pine Crest Nursing Home (PCNH); and

WHEREAS, given the timing of this retirement, this appointment included the requirement that NCHC develop a budget (for 2020) for PCNH; and

WHEREAS, the PCNH Trustees have considered budget proposals for 2020 – one that continues the management/operations status quo which reflects a projected deficit of \$769,470 and one under which NCHC manages PCNH and trims the 2020 projected operating deficit to \$209,173; and

WHEREAS, in light of a six year history of substantial program (net operating) losses at PCNH, in order to secure the viability of our county-owned facility for county residents, it has been determined that contracting with NCHC for the ongoing management of PCNH is most advantageous to both PCNH residents and Lincoln County; and

WHEREAS, on 7/22/19, the PCNH Trustees unanimously approved the PCNH 2020 preliminary budget which is premised on NCHC assuming the ongoing management of PCNH; and

WHEREAS, at the same meeting, the PCNH Trustees unanimously voted to proceed with planning and approvals to contract with NCHC to manage PCNH going forward; and

WHEREAS, on 8/5/19, the PCNH Trustees unanimously approved contracting with NCHC for the ongoing management of PCNH via a written management agreement; and

STATE OF WISCONSIN)
COUNTY OF LINCOLN) ss

WHEREAS, under this management agreement, NCHC will assume the ongoing *management* responsibility for PCNH, with Lincoln County retaining ownership of the facility and its' capital/fixed assets; and

I hereby certify that this resolution/ordinance is a true and correct copy of a resolution/ordinance adopted by Lincoln County Board of Supervisors on:

WHEREAS, the management agreement will be developed by the Trustees, county administration/finance/legal staff (and NCHC management) consistent with County Board budget parameters; and

NOW, THEREFORE BE IT RESOLVED, that Lincoln County Board of Supervisors does hereby authorize a management agreement with NCHC for the ongoing management of PCNH.

Christopher J. Marlowe
County Clerk

Dated: August 20, 2019

Introduced by: Administrative & Legislative Committee; Finance Committee (based on PCNH Trustees action)
A & L Committee passed (7-0) on 8/7/19
Finance Committee passed (5-0) on 8/9/19

Fiscal Impact: The fiscal impact will result in an operating income savings of roughly \$500,000 in the first year; annual budgets will follow county budgeting protocols/approvals

Drafted by: Jason Hake, Administrative Coordinator (Consistent with Pine Crest Board of Trustees action)

Appendix G

Resolution 2021-11-50

Motion by:				
Second by:				
Dist.	Supervisor	Y	N	Abs
19	Allen			
6	Ashbeck			
1	Bialecki			
11	Breitenmoser			
13	Callahan			
9	Friske			
12	Gilk			
20	Gorski			
14	Hafeman			
8	Heller			
17	Koth			
16	Loka			
3	McCrank			
15	Nelson			
22	Panfil			
5	Peterson			
7	Rusch			
21	Simon			
18	Voermans			
2	Weaver			
4	Wendt			
10	Woller			
Totals				
Carried				
Defeated				
Amended				
Voice vote				
Roll call				

Reduction in Bed Licenses at Pine Crest Nursing Home

WHEREAS, Pine Crest Nursing Home, a County owned entity that is currently managed by North Central Health Care (NCHC), has been operating at a financial loss for several years. NCHC commissioned a study conducted by Clifton, Larson Allen Wealth Advisors (CLA) to understand future trends, needs and financial outlook for the nursing home industry; and

WHEREAS, CLA researched the nursing home market within our region and concluded that the ongoing need and viability of nursing homes is in decline. As such, CLA's recommendation, which is supported by NCHC, is to reduce the number of bed licenses at Pine Crest Nursing Home; and

WHEREAS, Pine Crest has been running at approximately 60% capacity since COVID. The projected ongoing census for Pine Crest will remain at or below 100 residents. Currently Lincoln County owns 160 bed licensing (at \$170 per license, per month). NCHC recommends reducing the bed licensing to 120 at this time, based on the CLA findings.

NOW, THEREFORE BE IT RESOLVED, Lincoln County, on the recommendation of NCHC and the CLA report, shall immediately reduce the bed licensing from 160 to 120 to provide some off-set to current financial loss and align with reported trends for nursing homes within the Lincoln County surveyed region.

Dated: November 9, 2021

Introduced by: Cate Wylie in collaboration with NCHC
 Endorsed by: A&L Committee
 Date Passed: 11/3/2021 Committee Vote: unanimous vote
 Fiscal Impact: \$81,600 annually for NCHC

Drafted by: Cate Wylie, Administrative Coordinator

STATE OF WISCONSIN)
) SS.
 COUNTY OF LINCOLN)

I hereby certify that this resolution/ordinance is a true and correct copy of a resolution/ordinance adopted by Lincoln County Board of Supervisors on:

 Christopher J. Marlowe
 County Clerk

**AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT
ESTABLISHING A MULTICOUNTY
DEPARTMENT
OF COMMUNITY PROGRAMS**

Between

Langlade, Lincoln & Marathon Counties

[DATE]

TABLE OF CONTENTS

I.	PARTIES.....	3
A.	Counties.....	3
B.	North Central Community Services Program.....	3
II.	PURPOSE.....	3
A.	Legislative Policy.....	4
B.	Legislative Purpose.....	4
C.	County Responsibility.....	4
D.	Required County Program.....	4
E.	Protective Services and Protective Placement.....	4
F.	Multicounty Agreement Requirement.....	4
G.	Joint Cooperation and Organizational Form.....	5
H.	Prior Joint County Agreements Superseded.....	5
I.	The Counties' Legislative Purpose.....	5
III.	NCCSP DUTIES.....	5
A.	Provision of Services.....	5
B.	Contract for Legal Services.....	5
C.	Program Implementation.....	6
D.	School Board Referrals; Interagency Cooperation.....	6
E.	Budget.....	6
F.	Reports, Surveys and Approvals.....	6
G.	Authorize Care.....	6
IV.	THE EXECUTIVE COMMITTEE.....	7
A.	Executive Committee Creation.....	7
B.	Executive Committee Composition.....	8
C.	Powers, Duties and Responsibilities.....	8
V.	NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD.....	9
A.	Purpose.....	9
B.	Appointment of North Central Community Services Program Board.... Error! Bookmark not defined.	
C.	Composition of the Board.....	10
D.	Board Representation.....	10
E.	Appointment of County Supervisors.....	10

F.	Term of Office.....	10
G.	Removal.....	11
H.	Vacancies.....	11
I.	Powers of NCCSP Board.....	11
VI.	COMMUNITY PROGRAMS DIRECTOR.....	12
A.	Appointment.....	12
B.	General Powers of the Director.....	12
C.	Specific Powers and Duties.....	12
VII.	GENERAL FINANCIAL PROVISIONS.....	14
A.	Accounting Period.....	14
B.	Accounting Practices.....	14
C.	Annual Audit.....	14
D.	County Appropriations.....	14
VIII.	TERMINATION OF THE AGREEMENT.....	17
A.	Term of the Agreement.....	17
B.	Termination of the Agreement.....	18
C.	Continuation of Sponsorship.....	18
D.	Liquidation of NCCSP.....	18
IX.	MISCELLANEOUS.....	19
A.	Other Arrangements.....	19
B.	Waiver and Modification.....	19
C.	Automatic Modification.....	19
D.	Captions.....	19
E.	Severability.....	19
F.	Construction.....	20
G.	Other Documents.....	20
H.	Entire Agreement.....	20
I.	Counterparts.....	20
J.	Parties Bound.....	20
K.	Immunity.....	20

AMENDED AND RESTATED AGREEMENT

Langlade, Lincoln and Marathon Counties (individually a “County” and collectively the “Counties”) hereby enter into this Amended and Restated Intergovernmental Agreement Establishing a Multicounty Department of Community Programs, which shall be known as North Central Community Services Program, for the purposes of administering a community mental health, alcoholism and drug abuse services program pursuant to Wis. Stat. §§ 51.42, 59.52(7) and 66.0301.

RECITALS

WHEREAS, the following recitals provide statutory, policy and historical context for the Counties’ creation and maintenance of the North Central Community Services Program (NCCSP):

A. **Wisconsin Law Enacted.** The Wisconsin Legislature originally enacted what is currently Wis. Stat. § 51.42 in Section 361 of Chapter 125 of the Laws of 1971, which imposed upon counties the obligation to provide programs of treatment and rehabilitative services for mental illness, developmental disabilities, alcoholism and other drug abuse.

B. **Multi-County Community Program Established.** Langlade, Lincoln and Marathon Counties each passed resolutions to combine with the others to establish the Community Mental Health Program to provide services in mental health, mental retardation, alcoholism and drug abuse pursuant to Wis. Stat. § 51.42. The Boards of Supervisors of Langlade and Lincoln Counties passed their resolutions on March 14, 1972 and the Board of Supervisors of Marathon County passed its resolution on March 17, 1972. The resolutions each also provided for the creation of a board of directors to be the governing and policy-making board for what was then called the “Community Mental Health Program.” The County resolutions provided for the election of twelve (12) directors to the board by Marathon County and one (1) director each to the board by Langlade and Lincoln Counties and for other provisions regarding the election and terms of office of board members. In July of 1972, the Counties enacted resolutions providing that the Marathon County Board of Supervisors would elect ten (10) members and the Langlade and Lincoln County Boards of Supervisors would elect two (2) members each to the board. In March of 2020, the Counties enacted resolutions providing that each member County’s respective number of directors would be based on each member County’s respective total budget expenditures determined as of the effective date of the new Joint County Agreement and that no County would have fewer than two (2) members. Based on the Counties’ historical budget contribution to NCCSP this Agreement provides that the Marathon County Board of Supervisors elects nine (9) members, the Lincoln County Board of Supervisors elects three (3) members and the Langlade County Board of Supervisors elects two (2) members each to the Board.

C. **Developmental Disabilities Program Established.** In 1973, the Legislature passed the Developmental Disabilities Act, which allowed Counties to form separate Developmental Disabilities Services programs or to provide the services through the Community Services Program under Wis. Stat. § 51.42. Lincoln County chose to form a

separate Developmental Disabilities Services Program, while Langlade and Marathon Counties joined together to provide services for the developmentally disabled.

D. Family Care Introduced. In 2008, Marathon County joined with Portage and Wood County to create Community Care of Central Wisconsin (CCCW), pursuant to Wis. Stats. sections 46.2804 through 46.2895, in order to provide regional care for Developmentally Disabled persons residing in those counties. In 2011, Langlade and Lincoln Counties also joined CCCW. Since joining, each County now pays a required liability directly to the State of Wisconsin for the operation of CCCW, or its successor organization(s) created for the provision of services for the developmentally disabled. NCCSP continues to be a service provider for the developmentally disabled persons, but the Counties are no longer required to provide these services. In 2020, Lincoln County transferred their Developmental Disabilities Services Program from their Social Services Department to NCCSP, effectively joining Langlade and Marathon Counties in having the NCCSP provided services for the developmentally disabled on behalf of the county.

E. Marathon County Nursing Home Administered. On November 13, 1973, the Marathon County Board of Supervisors passed a resolution providing for the administration and management of its Nursing Homes by the NCCSP Board. There has been a separate Nursing Home Management Agreement in existence since 1998. In December 2006, the NCCSP Board appointed a Nursing Home Operations Committee to assist in the oversight of the operations of the Marathon County Nursing Home (Mount View Care Center).

F. Lincoln County Nursing Home Administered. On September 17, 2019, the Lincoln County Board of Supervisors passed a resolution providing for the administration and management of its Nursing Home (Pine Crest) by the NCCSP Board. There was a separate Nursing Home Management Agreement executed following the adoption of the transfer. The NCCSP Board expanded the scope of the Nursing Home Operations Committee to assist in the oversight of the operations of both Pine Crest Nursing Home and Mount View Care Center.

G. Designated Protective Services and Protective Placement Agencies Established. Since 2009, following the implementation of Family Care, and pursuant to Wis. Stat. § 55.02(2)(a), the Chairpersons of the County Boards of Langlade, Lincoln, and Marathon Counties, have designated the NCCSP to serve as the Protective Services Agency responsible for planning for the provision of protective services and protective placement and for directly providing protective services and protective placement.

H. Initial Joint County Contract Executed. In July of 1983, the three Counties entered into a "Joint County Human Services Agreement" for the continued sponsorship of what is now known as the Community Services Program under a more detailed agreement than the provisions of the earlier County Board resolutions. The agreements were updated by action of the three counties in 1986, 1995 and 2008. In 2012, the counties initiated a process to again revise the agreement. As a result of the revision process, Lincoln and Langlade County each passed resolutions adopting the revised agreement; however,

the revised agreement was not ratified by Marathon County. In January of 2016, Marathon County adopted a resolution directing the examination of whether a different governance structure was more well-suited for the provision of services required under Wis. Stat. § 51.42. Thereafter, in September of 2016, Marathon County adopted a resolution directing Marathon County Administration to negotiate a new agreement with both Lincoln and Langlade Counties that was time-limited, provided greater county oversight and control of NCCSP, and was committed to (1) financial integrity, (2) program adaptability and consistency, and (3) ongoing quality measurement, reporting and improvement. Representatives from each of the member counties met on multiple occasions during the ensuing months. In December of 2016, all three Counties ratified a resolution for a new Joint County Agreement effective January 2017. Thereafter, in April of 2020, the Counties ratified a resolution for the most recent iteration of the Joint County Agreement effective as of May 1, 2020.

I. **Amended and Restated Agreement.** Following significant discussion and deliberation surrounding the appropriate structure by which to govern and administer the various programs and services of NCCSP, the Counties desire to amend and restate the Joint County Agreement on the terms and conditions set forth herein.

AMENDED AND RESTATED AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Counties agree to the following terms.

I. PARTIES

A. **Counties.** The Counties are political subdivisions of the State of Wisconsin, established pursuant to §§2.01(34), 2.01(35), and 2.01(37), Wis. Stats., respectively and exercise powers as bodies corporate pursuant to Wis. Stat. § 59.01, *et seq.*

B. **North Central Community Services Program.** There is hereby created a multi-county agency known as the North Central Community Services Program (“NCCSP”), which is also known, or referred to, as North Central Health Care or NCHC, which serves as a multicounty community services program established pursuant to Wis. Stats. §§ 51.42, 59.52(7) and 66.0301 and by this Agreement is also designated by the chairperson of each County’s Board of Supervisors to provide protective services and protective placement to residents of the Counties, pursuant to Wis. Stat. § 55.02. The Counties establish NCCSP with reservation of all rights, privileges and immunities of a county under Wisconsin law including, without limitation, the rights and immunities set forth in Wis. Stat. Chapters 893 and 895, and related statutes.

II. PURPOSE

The Counties’ collective obligation and the statutory basis for this Agreement is based on the following policies and mandates of the State of Wisconsin as found in the Wisconsin Statutes:

A. **Legislative Policy.** The Wisconsin Legislature has stated that it is the policy of the State to assure the provision of a full range of treatment and rehabilitation services in the State for all mental disorders including mental illness, alcoholism and other drug abuse.

B. **Legislative Purpose.** To carry out the policy of the State, the Legislature enacted Wis. Stat. § 51.42, stating the purpose of the statute as follows:

[t]o enable and to encourage counties to develop a comprehensive range of services offering continuity of care; [t]o utilize and expand existing governmental, voluntary and private community resources for provision of services to prevent or ameliorate mental disabilities, including but not limited to mental illness, developmental disabilities, alcoholism and drug abuse; [t]o provide for the integration of administration of those services and facilities organized under this section through the establishment of a county department of community programs; and [t]o authorize state consultative services, reviews and establishment of standards and grants-in-aid for such programs of services and facilities.

C. **County Responsibility.** The Legislature has decreed that county boards of supervisors have the primary responsibility for the well-being, treatment and care of the mentally ill, developmentally disabled, alcoholic and other drug dependent citizens and for providing protective services and protective placement to persons residing within their respective counties and ensuring that those individuals in need of such emergency services found within their respective counties receive immediate emergency services.

D. **Required County Program.** In Wis. Stat. § 51.42(3)(a), the Legislature has required that the county board of supervisors of every county, or the county boards of supervisors of two or more counties, shall establish a county department of community programs on a single-county or multicounty basis to administer a community mental health, developmental disabilities, alcoholism and drug abuse program, make appropriations to operate the program and authorize the county department of community programs to apply for grants-in-aid under Wis. Stat. § 51.423.

E. **Protective Services and Protective Placement.** In Wis. Stat. § 55.02(2), the Legislature has required that every county board of supervisors designate a county department to have the responsibility for planning the provision of protective services and protective placement and for directly providing protective services and protective placement.

F. **Multicounty Agreement Requirement.** Section 51.42(3)(c) of the Statutes provides that no grant-in-aid may be made to a multicounty department of community programs until the counties which established the multicounty department of community programs have drawn up a detailed contractual agreement, approved by the Secretary of the Department of Health Services, setting forth the plans for joint sponsorship. It is the Counties' intent that this Agreement satisfy the requirements of § 51.42(3)(c) of the Wisconsin Statutes.

G. Joint Cooperation and Organizational Form. The Counties intend this Agreement to be an agreement establishing a joint department, as provided herein, pursuant to Wis. Stat. § 59.52(7), which provides (in relevant part): “[i]f a county is required to establish or maintain an agency, department, commission, or any other office or position to carry out a county responsibility, and the county joins with another county or municipality by entering into an intergovernmental cooperation contract under s. 66.0301 (2) to jointly carry out the responsibility, the jointly established or maintained agency, department, commission, or any other office or position to which the contract applies fulfills the county's obligation to establish or maintain such entities or positions until the contract entered into under s. 66.0301 (2) expires or is terminated by the parties.”

H. Prior Joint County Agreements Superseded. This Amended and Restated Agreement supersedes all previous agreements between the Counties concerning the establishment of the North Central Community Services Program, including the Joint County Human Services Agreement entered in July of 1983, the updated Joint County Agreement entered in 1986, the updated Joint County Agreement entered in 2008, the updated Joint County Agreement entered in 2017, and the updated Joint County Agreement entered in 2020. Notwithstanding the foregoing, by executing this Amended and Restated Agreement, the Counties ratify and confirm the aforementioned agreements and all action undertaken in relation to such agreements.

I. The Counties’ Legislative Purpose. The Counties’ intent is to establish a multicounty department of community programs that is responsive to the needs and priorities of the Counties, operating as a county department of multiple counties under a government service model. The model reflected in this Amended and Restated Agreement arises following extensive research and review of potential governance options, as reflected in the memorandum of legal counsel to the Counties’ boards of supervisors dated [•]. This Amended and Restated Agreement does not create, and shall not be construed as creating, an entity with a separate and distinct existence from that of the Counties. Consistent with Wis. Stat. § 59.52(7), the Counties intend to provide for governance and oversight of the multicounty department of community programs in a manner akin to governance and oversight of a single-county department of community programs in a county with a county executive or administrator.

III. NCCSP DUTIES

The NCCSP shall perform the duties set forth in Wis. Stat. § 51.42 and other applicable statutes related thereto, as well as the following.

A. Provision of Services. NCCSP shall offer services and facilities in a manner authorized by the NCCSP budget process and the Executive Committee consistent with and as authorized in Wis. Stat. § 51.42, *et seq.*

B. Contract for Legal Services. Marathon County Corporation Counsel’s Office shall provide legal services to NCCSP. NCCSP shall reimburse Marathon County, on behalf of the member Counties, for legal services as established in a Legal Services

Agreement, which shall be executed by NCCSP and Marathon County from time to time, and a copy of the Legal Services Agreement shall be maintained on file at both NCCSP and the Marathon County Corporation Counsel's Office. The interest of each of the Counties, as it relates to the NCCSP, shall be represented by the Marathon County Corporation Counsel's Office, unless the Marathon County Corporation Counsel's Office believes it has a potential conflict of interest in the specific representation. In the event Marathon County Corporation Counsel has such a concern, it will convey that information to the Executive Committee and advise NCCSP, through its Director, to secure outside counsel for a limited-scope representation.

C. Program Implementation. Under the supervision of the Executive Director (also referred to herein as the "Director") (as appointed pursuant to Article VI of this Agreement), and using qualified personnel with training or experience, or both, in mental health or in alcoholism or drug abuse, NCCSP shall be responsible, as further described in this Agreement, for the planning and implementation of programs relating to mental health, developmental disabilities, alcoholism and drug abuse.

D. School Board Referrals; Interagency Cooperation. NCCSP shall acknowledge receipt of notifications received under § 115.812 (2) of the Wisconsin Statutes.

E. Budget. No later than August 1 of each year of this Agreement, the Director shall submit to the Executive Committee a proposed budget covering services based on the Local Plan for the succeeding calendar year. The Executive Committee shall take action on the Director's proposed budget. Once adopted by the Executive Committee, the Executive Committee shall transmit the budget to the county boards of supervisors of Langlade, Lincoln and Marathon Counties, no later than September 1 for approval by the County boards of supervisors and inclusion as part of the proposed County budgets. The Director shall transmit the final budget to DHS.

F. Reports, Surveys and Approvals. The Director, or their designee, shall provide all reports, conduct all surveys and obtain all approvals required by law, including but not limited to the following:

1. Annually report to DHS regarding the use of any contract entered into under Wis. Stat. § 51.87;
2. Except in an emergency, review and approve or disapprove all admissions to nursing homes of mentally ill persons under age 65 who are residents of the Counties; and
3. Submit to DHS in a timely fashion, as specified by DHS, any reports necessary to comply with the requirements under 42 USC 300x-52.

G. Authorize Care. The Director shall be responsible for authorizing all care of any patient in a state, local or private facility for which NCCSP is responsible.

H. Provision of Care. Within the limits of available State and County appropriations and maximum available funding from other sources, NCCSP may offer the following services and facilities to provide for the program needs of persons experiencing mental disabilities:

1. Pre-care, aftercare and rehabilitation and habilitation services.
2. Professional consultation.
3. Public informational and educational services.
4. Provide treatment services specified in a conditional release plan approved by a court to a county resident conditionally released under § 971.17 of the statutes and subject to the State's obligation to reimburse NCCSP for the treatment and services provided.

I. Service Allocation. NCCSP may allocate services among recipients based on the availability of its limited resources.

J. Facility Use Agreements. NCCSP shall develop Facilities Use Agreements with the Counties to govern control and maintenance of facilities owned by the Counties and occupied by NCCSP.

K. Real Property. Subject to the approval of the Executive Committee, NCCSP may own, lease or manage real property for the purposes of operating a treatment facility, as authorized by § 51.42(3)(aw)3. NCCSP must arrange for the maintenance of any property owned or leased directly by NCCSP and not owned by a County.

L. Other County Health Care. Upon approval of the Executive Committee, NCCSP may administer and manage, in accordance with the agreement negotiated between the Executive Director and the respective County(ies), other County health care programs or institutions that any of the three County boards of supervisors may designate, but the budget for such designated program or institution shall be separated from the general budget of NCCSP and the designating County shall fund such program or institution operations by separate appropriation.

IV. THE EXECUTIVE COMMITTEE

A. Executive Committee Creation. There is hereby created a commission to administer this Amended and Restated Agreement pursuant to Wis. Stat. § 66.0301(3), which commission shall be the Executive Committee of the NCCSP ("Executive Committee"). The Executive Committee shall serve as the designated entity within the NCCSP to exercise all powers and authority, consistent with the terms of this Agreement, not otherwise specifically vested in (i) the NCCSP Board under Wis. Stat. § 51.42(5a) or this Agreement; or (ii) the Director under Wis. Stat. § 51.42(6m) or this Agreement. The Executive Committee shall focus on ensuring that the NCCSP organization remains

responsive to the member Counties and works to establish and sustain a strong working relationship between the NCCSP and the member Counties.

B. Executive Committee Composition. The Executive Committee shall be comprised of the following four (4) persons: the highest appointed Administrative Official from each County (i.e. Administrative Coordinator, County Administrator, or County Executive), or their designee, and a Marathon County Board member appointed by the Marathon County Administrator. At the first meeting following the effective date of this Agreement, the Executive Committee shall elect a member of the Executive Committee to be chair of the Executive Committee, who shall serve for the term of this Agreement unless the member resigns or is replaced by majority vote of the Executive Committee.

C. Powers, Duties and Responsibilities.

1. Selection of the Executive Director (“Director”). The Executive Committee shall develop a selection plan, including the definition of the position duties and qualifications for the hiring of the Director. The Executive Committee is responsible for the execution of the selection plan; however, in doing so it shall report its progress to the Board. The Executive Committee shall be responsible for hiring the Director.
2. Director Appraisal.
 - a. The Executive Committee shall participate with the Director in the development of an annual work plan for the Director, which includes performance metrics.
 - b. The Executive Committee shall conduct a performance appraisal of the Director on an annual basis, or more frequently if the Executive Committee so desires. The appraisal should evaluate the Director in light of the approved work plan and any other criteria deemed appropriate by the Executive Committee.
3. Director Compensation.
 - a. The Executive Committee shall establish a Director Compensation Plan to include all elements of compensation and benefits for the Director.
 - b. The Executive Committee shall have the authority to amend the Director Compensation Plan from time to time in the Executive Committee’s sole discretion.
4. Removal of the Director. The Executive Committee has the authority to, and is charged to, remove the Director if the Executive Committee determines removal is in the best interests of the NCCSP.

5. Adoption and Modification of Approved Budget. The Executive Committee shall, with the assistance of the Executive Director, have the authority to create and implement processes and polices regarding budget adoption and modification.
6. Approval of Compensation Pay Ranges. The Executive Committee shall approve all pay ranges within the organization on an annual basis.
7. Approval of New or Additional Allocated Positions and Position Reclassification. The Executive Committee shall approve the addition of all new or additional positions within the organization and shall approve any reclassification of an existing position to the extent that the reclassification results in material change in duties, responsibilities, or compensation.
8. Programs. Executive Committee shall approve and, to the extent deemed necessary to achieve objectives as set forth by the Counties, shall have the power to mandate the addition of new programs, substantial changes to existing programs, and discontinuation of current programs.
9. Other Powers Not Expressly Enumerated. All other powers and authority not expressly granted the NCCSP Board or Director herein or specifically set forth in Wis. Stat. §§ 51.42(5a) or 51.42(6m) shall vest in the Executive Committee.

D. Relationship Between Executive Committee and Counties' Designated Standing Committee. Each County's Board of Supervisors shall designate a County Board Standing Committee to which the Executive Committee will provide periodic reports.

V. NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD

A. Appointment of North Central Community Services Program Board. The Counties shall appoint a governing and policy-making board to be known as the North Central Community Services Program Board (NCCSP Board).

E. Purpose. The North Central Community Services Program Board is an entity comprised of representatives from the Counties that is focused on addressing the needs of the Tri-County regional community with respect to mental health and alcohol and drug dependent treatment programs. The Board shall be only a policy-making body determining the broad outlines and principles governing the administration of programs under Wis. Stat. § 51.42. In all circumstances, all Board powers, rights and responsibilities under this Agreement shall be limited to and construed in a manner consistent with those of a board established under Wis. Stat. § 51.42(5a), except as otherwise expressly provided for in this Agreement.

C. Composition of the Board. The NCCSP Board (the "Board") shall be comprised of fourteen (14) Board members consistent with the requirements for a multi-county department set forth in Wis. Stat. § 51.42(4)(b)2 as follows:

1. The four (4) members of the Executive Committee;
2. The remaining ten (10) board members shall be allotted to the Counties proportionally based on the approximate share of the NCCSP's overall budget expenditures on behalf of each respective member county at the time the Agreement was signed. Applying this methodology provides for the remaining board members to be allocated during the term of this Agreement as follows: seven (7) board members being appointed by Marathon County; one (1) board member being appointed by Langlade County; and two (2) board members being appointed by Lincoln County. Appointments shall be made by each County's respective process for appointing members to boards.

D. Board Representation.

1. All persons appointed to the NCCSP Board shall represent the interests of the mentally ill, the interest group of the developmentally disabled, the interest group of the alcoholic and the interest group of the drug dependent, within the Tri-County Regional Community as described in Wis. Stat. § 51.42(4)(b)2.
2. At least one Board member shall be an individual who receives or has received services for mental illness, developmental disability, alcoholism or drug dependency or shall be a family member of such an individual.

E. Appointment of County Supervisors. No more than seven (7) members of the NCCSP Board may be County Board Supervisors. At least one (1), but not more than three (3), of the appointees from any one County shall be a member of the County's Board of Supervisors and shall be designated as such at the time of the appointment. In making appointments to the Board, the appointing authorities are encouraged to the greatest extent possible to appoint members that fulfill the competencies expressed by the NCCSP Executive Committee.

F. Term of Office. Each NCCSP Board member shall hold office for a term of three (3) years. Board members shall serve staggered terms with one-third (1/3) of the members appointed each year. Board members fulfilling designated appointments by virtue of the position they hold shall be replaced immediately by the appointment of their successor. At any time that a County's Board of Supervisors designated member or members are no longer County Board Supervisors, the position shall be deemed automatically vacated and the appointing County Board of Supervisors or Administrator shall immediately appoint a successor Supervisor or Supervisors to the NCCSP Board.

G. Removal. Any NCCSP Board member may be removed with or without cause by $\frac{3}{4}$ vote of the Executive Committee.

H. Vacancies. Any vacancy on the NCCSP Board shall be filled for the remainder of the term in the manner that the original appointment was made.

I. Powers of NCCSP Board. The NCCSP Board is a policy-making body determining the broad outlines and principles governing the administration of programs under Wis. Stat. § 51.42 and shall exercise powers and duties in a manner consistent with such role. The NCCSP Board shall exercise the powers set forth in Wis. Stat. § 51.42(5a) subject to the terms of this Agreement.

1. Committees. (§ 51.42(5a)(a)1.)

- a. The NCCSP Board may create a committee comprised of residents of the Counties to advise it when necessary.
- b. NCCSP shall have full discretion as it pertains to the extent that it receives advice from the committees.

2. Needs and Services.

- a. The Board shall recommend program priorities, and identify services and needs that must be met. (§ 51.42(5a)(a)2.)
- b. The Board shall assist the Executive Director in the preparation of short-term and long-term plans, budgets and strategies for the identified services and organizational needs to be submitted to the Executive Committee for consideration and final approval. (§ 51.42(5a)(a)2.)
- c. Upon approval and authorization by the Executive Committee, the Board shall prepare for submission and submit the final approved budget to the department of health services in accordance with s. 46.031 (1) for authorized services.
- d. The Board shall advise the Executive Director on purchasing and providing services, and the selection process of vendors for the services. (§ 51.42(5a)(a)4.)
- e. The Board shall provide the Executive Committee with recommendations for how the services and the selection of vendors should be changed. (§ 51.42(5a)(a)4.)
- f. The Board shall advise the Director on the coordination of local services and continuity of care. (§ 51.42(5a)(a)(8).)

3. Administrative.
 - a. The Board shall, as necessary, develop operating procedures for the Board consistent with the Tri-County Agreement and any other governing authority and shall submit said procedures to the Executive Committee for final approval. (§ 51.42(5a)(a)5.)
 - b. As requested by the Executive Director or Executive Committee, Board shall help create cooperative working agreements with those who provide health, education, vocational, or welfare services consistent with the services NCCSP provides. (§ 51.42(5a)(a)7.)
4. Selection of NCCSP Board Chair. The NCCSP Board Chair shall be a member of the Marathon County Board of Supervisors appointed by the members of the NCCSP Board.
5. Conflict of Interests. The Board shall adopt and enforce a policy to avoid conflicts of interest

VI. EXECUTIVE DIRECTOR

A. Appointment. The Executive Committee shall appoint the Director on the basis of recognized and demonstrated interest in and knowledge of the problems of mental health, intellectual disability, alcoholism and drug addiction, with due regard to training, experience, executive and administrative ability, and general qualification and fitness for the performance of the duties of the director. § 51.42(6m).

B. General Powers of the Director.

1. The Director shall exercise the powers set forth in § 51.42(6m) subject to the terms of this Agreement.
2. The Executive Committee shall be responsible for overseeing the Director and may, from time to time and within its sole and absolute discretion, assign, modify, remove or supplement any duties in a manner consistent with applicable statutes and regulations and this Agreement. § 51.42(6m).

C. Specific Powers and Duties. Under the Executive Committee's supervision, the Director shall:

1. Prepare an annual comprehensive plan and budget of all funds necessary for the programs and services of NCCSP and present such plan and budget to the Executive Committee within the timelines established by this Agreement. This plan shall establish priorities and objectives for the year as well as any modifications of long-range objectives. § 51.42(6m)(e)-(f).

2. After consultation with the Board and the Executive Committee, administer the duties of the NCCSP. § 51.42(6m)(h).
3. In consultation with the Board and the Executive Committee, prepare intermediate-range plans for NCCSP. § 51.42(6m)(m).
4. Prepare an annual report of the operation of NCCSP and other reports as directed by the Department of Health Services and/or the Executive Committee. § 51.42(6m)(m).
5. Comply with state requirements and the terms of this Agreement. § 51.42(6m)(k).
6. Employ and manage staff as he or she deems appropriate to administer the duties of NCCSP consistent with the terms of this Agreement and any directive(s) from the Executive Committee. § 51.42(6m)(j).
7. Develop coordination of local services and continuity of care where indicated. § 51.42(6m)(n).
8. Utilize available resources and develop new resources to carry out the legislative mandate and the mission of the organization. § 51.42(6m)(L).
9. Continually evaluate the needs of the member counties' communities and the quality of the service delivery of programs provided by NCCSP in accordance with the expressed provisions and intent of this Agreement. § 51.42(6m)(g).
10. Develop a conflict resolution protocol. § 51.42(6m)(j).

The parties recognize that some level of intergroup conflict is inherent in this partnership because of the scarcity of resources, the ambiguity of roles and the law as applied to specific cases, and the differences in organizational values and culture. To address these differences at the lowest possible level, preferably through direct communication between colleagues or peers, the Director shall work with the Executive Committee to develop and periodically update protocols for addressing situational intergroup conflict.

11. Establish, subject to Executive Committee approval, personnel policies for all NCCSP employees. § 51.42(6m)(i).
12. Establish subject to Executive Committee approval annual budget and budget modification policies.
13. Determine whether services are to be provided directly by NCCSP or contracted with individual, or multiple, counties or non-profit organizations for the administration of any other health care programs or institutions

provided that such determinations are subject to Executive Committee approval. § 51.42(6m)(c).

VII. GENERAL FINANCIAL PROVISIONS

The following general provisions shall apply to the financial affairs of NCCSP:

- A. **Accounting Period.** NCCSP shall use the calendar year as its accounting period.
- B. **Accounting Practices.** NCCSP shall follow generally accepted accounting principles with appropriate GASB adjustments.
- C. **Annual Audit.** NCCSP shall retain an independent certified public accounting firm, selected by the Committee, to annually audit the financial records of NCCSP. The audit shall be conducted in accordance with generally accepted auditing standards, government auditing standards and requirements of the American Institute of Certified Public Accountants, and shall include the following supplemental statements: (1) a Balance Sheet, Income and Cash Flow statement for each Mount View Care Center and Pine Crest Nursing Homes and (2) a Balance Sheet, Income and Cash Flow statements for North Central Health Care, and (3) a Balance Sheet detailing each respective member counties' fund balance. Within six (6) months after the end of the fiscal year, NCCSP shall provide each County, through the Executive Committee, with a copy of the annual audit report and applicable supplemental statements. Unless a member county or the Committee specifically directs otherwise, the Annual Financial Statement shall be deemed accepted by the County ninety (90) days after receipt by the County. NCCSP will also provide the Counties with a copy of the Single Audit report (report on Federal and State awards) no later than July 1 of the year following the audit period.
- D. **Implementation of New Governmental Accounting Standards Board ("GASB") or Other Required Financial Reporting.** NCCSP will comply with any new GASB pronouncements of federal or state grant reporting requirements. NCCSP will work in consult with their auditors, the respective reporting agency, and the counties affected by the change.
- E. **County Appropriations.** County appropriations for operations, reserves and capital purchases shall be determined through a budget development process which follows the procedures detailed in this section.
 1. **Community Services Program.** Operations and capital budgets for NCCSP shall be prepared and approved by the Executive Committee, as required by this Agreement, and provided to each of the three Counties as requests for funding approval. A determination of operating reserve needs shall also be made each year by the Executive Committee, consistent with its Reserve Policy (if any), and communicated to the Counties.

a. Operations Budget

- i. An operations budget shall be prepared for the multicounty Community Services Program. The Executive Committee will define the program(s) that are included as Community Services Programs for budgeting and reporting purposes. NCCSP will provide a budget for each program that includes all revenues by category and expenses by activity for the next calendar year. Appropriations required from funding Counties for operations for the Community Services Program shall be determined through a process which allocates the revenue and expense items of the budget according to the following provisions and arrives at net appropriations needed from each County for the ensuing calendar year.
- ii. New Programs. A written Agreement should be completed for all programs that NCCSP completes on behalf of any of the Counties as determined necessary by the Executive Committee. Regardless of funding source, any new programs proposed by NCCSP, must be reviewed and approved by the Executive Committee.
- iii. The Executive Committee shall provide budget guidelines and priorities, as well as a budget development calendar, to direct budget development to the Executive Director no later than June 1.
- iv. Thereafter, the Board, in conjunction with the Director, shall present the proposed budget to the Executive Committee, who shall then review and recommend a proposed budget to the County Administrator in counties that have a County Administrator or to each respective County Board of Supervisors in counties that have an Administrative Coordinator, consistent with the budget calendar as set forth above.

b. Program Revenue shall be reported by category in the budget and enumerated in financial policies as determined by the Executive Committee but will include these financial program elements:

- i. **Addendums.** Addendums are defined as program funding received from the State of Wisconsin and which are received with designations that the funding will be used for specifically identified groups or individuals. Addendums related to service programs shall be allocated among the three Counties based on the best available data with regard

to the population of the member counties published by the Wisconsin Department of Administration, or another state agency required by law to publish said information. Such allocation method shall be hereinafter referred to as the “Appropriate Allocation Methodology”.

- ii. **Third Party Collections.** Third party collections for all disability groups shall be first allocated to the respective Counties based on third party collections specifically identified with services separately provided in individual Counties. Third party collections provided in any of the Counties as a part of the common services available to all of the Counties, such as inpatient services, shall be allocated based on the Appropriate Allocation Methodology.
- iii. **State Base County Allocation.** The State Base County Allocation (BCA) shall be divided among the three (3) counties based on the Appropriate Allocation Methodology.
- iv. **Other Revenue.** Other revenue which is generated from provision of services not directly related to disability group programs shall be allocated to each program, county, or organization based on where the revenue was generated.

c. Program Expenses

- i. Expenses of operating the programs shall be allocated by program and department and in a manner consistent with Executive Committee’s financial policies.

2. Reserves Determination. The amount of reserves will be determined by the Executive Committee consistent with the Reserves Policy, if any. Any Reserves policy shall be established in consultation with the Finance Directors of each County. Expenditure or distribution of each County’s reserves retained by NCCSP in an amount that exceeds the minimum described in the Reserves Policy, either as an individual transaction or as aggregated annually, is not permitted without approval by the Executive Committee.

3. Capital Budget. Upon consideration and approval of the Executive Committee, capital requests shall be submitted to the County or Counties where the asset relating to the capital request is located as appropriate.

4. Issuance of Debt and Debt Service Payments. The counties may issue General Obligation (“GO”) debt in order to build, purchase or remodel assets on their respective campus for the purpose of government services. If NCCSP is responsible for the repayment of the debt service, NCCSP’s obligation for the payments should be in writing and agreed to by the

Executive Committee, Executive Director, and the County issuing the debt. This requirement may be accomplished in form of an agreement, such as a long-term lease.

5. Ownership and Depreciation. Capital assets purchased by NCCSP with capital appropriations shall be owned by the County providing the appropriation but shall be carried on the books of NCCSP and depreciation amounts for capital assets shall be included in program operating expenses. Each County's fund balance account shall be increased for the amount of the capital appropriation provided for the purchase of capital assets by NCCSP.
6. Insurance Coverage. Counties shall be responsible for site (real property) insurance for their respective facilities. NCCSP shall be responsible for all other necessary and appropriate insurance coverage, including any coverage required by virtue of NCCSP's use or occupancy of any facility or property.
7. Reconciliation. On or before April 30 of each year NCCSP shall determine the operating results for the preceding calendar year. The net excess revenue or expense shall be allocated to each County's fund balance.
8. Appropriation Payment. Each county shall pay to NCCSP one fourth (1/4) of the county's annual approved appropriation per quarter.
9. Collections from Service Recipients. The collection procedures utilized by NCCSP to collect charges from service recipients shall be consistent with established policies and procedures and State laws and administrative regulations applicable to collections.
10. Other Programs. Budgets shall be prepared which separately account for revenue and expenses for other health care programs and institutions administered by NCCSP under the authority of Wis. Stat. § 51.42(3)(b) and herein. Operational and capital contributions by a County for which NCCSP is administering another County health care program or institution shall be determined under the provisions of the separate agreement between NCCSP and the authorizing County. All additions, substantial modifications, and discontinuation of programs as contemplated herein shall be subject to Executive Committee approval as set forth in Article IV Section (C)(8) above.

VIII. TERMINATION OF THE AGREEMENT

A. Term of the Agreement. This Agreement is effective as of the Effective Date (May 1, 2022) and for a period of five (5) years thereafter. In the event that this Agreement is not extended by an affirmative vote of each of the respective member county Boards of Supervisors, or a successor agreement is not entered into by affirmative vote of each of the respective member county Boards of Supervisors, prior to April 30, 2027 said failure is

deemed to constitute notice of intent to withdraw from this Agreement as contemplated under subsection VIII.C. below. The failure of one county to affirmatively extend this Agreement, or enter into a successor agreement, does not terminate joint sponsorship of the NCCSP, provided that the remaining two member counties affirmatively vote to extend this Agreement, or enter into a successor agreement. Instead, if only two member counties vote to extend this Agreement, or enter into a successor agreement, the Continuation of Sponsorship provision of section VIII.C. would be triggered.

B. Termination of the Agreement. This Agreement may be terminated by any member County for any reason (or for no reason) by providing written notice of the intent to withdraw to the other member Counties at least one (1) full calendar year in advance of the effective termination date along with a copy of the resolution adopted by the respective member County approving withdrawal. The effective termination date will be January 1 of the next calendar year following the required full calendar year notice, unless all member Counties agree to an earlier effective termination date. The NCCSP remains responsible for providing services in the same manner as previously agreed upon, and the withdrawing County is responsible for all financial obligations under this Agreement, until the termination effective date.

C. Continuation of Sponsorship.

1. The joint sponsorship arrangement under this Agreement shall survive the withdrawal of any County if the remaining Counties choose to continue the joint sponsorship by affirmative vote of each of the remaining County Boards of Supervisors and the execution of a successor joint sponsorship agreement no later than six (6) months prior to the effective termination date of this Agreement as that date would be calculated in accordance with the provisions in Section B above.
2. In the event of continuance, the termination date of the withdrawing County's participation in the Program shall be determined as indicated above, and within six (6) months following the termination date, the equity fund balance of the withdrawing County shall be determined. Payment to the withdrawing County shall then be made during the twelve (12) months following the termination date. Payment shall be made first in property owned by that County but carried on the books of NCCSP at its depreciated value, and the remainder, if any, shall be paid from cash or other assets. If the withdrawing County's equity fund balance account is less than the depreciated value of the property owned by that County but carried on the books of NCCSP, then that County shall appropriate an additional amount to NCCSP to cover this deficit.
3. Any and all facilities use agreements regarding real property owned by the withdrawing county that is occupied by NCCSP shall terminate as of the effective date of the withdrawal, regardless of any continued sponsorship.

D. Liquidation of NCCSP.

1. Upon the receipt of the notice of intent to withdraw from any County, or upon the failure of all Counties to renew this Agreement or enter into a successor agreement, NCCSP shall initiate planning relative to winding-up its affairs with the Counties, while continuing to share costs and provide services in the same manner as existing immediately prior to the notice. On any withdrawal not subject to continuation of sponsorship as provided above, the operations shall be terminated as soon as reasonably possible as determined by the Executive Committee. The net equity fund balance of each County shall be determined as of the date operations terminate. NCCSP shall then proceed to liquidate all assets except property and equipment and satisfy all liabilities. When liquidation has been completed the remaining net assets shall be distributed based upon the proportion of each County's equity fund balance as of the date of termination of operations. The net assets distributed shall first be the property and equipment attributable to each County, and the remainder, if any, shall be paid from cash or other assets. If a County's equity fund account is less than the depreciated value of the property and equipment owned by that County but carried on the books of NCCSP then that County shall appropriate an additional amount to NCCSP to cover this deficit by January 30 of the year following the next regular budget cycle.
2. NCCSP shall be entitled to withhold any unpaid contract charges from funds to be paid pursuant to this section.

IX. MISCELLANEOUS

- A. **Other Arrangements.** No County shall enter into any agreement with NCCSP which financially benefits such County at the expense of any of the other Counties.
- B. **Waiver and Modification.** This Agreement, and its terms may only be waived, altered, amended, modified, cancelled or discharged upon specific written agreement approved by each of the Counties, or as otherwise specifically provided in this Agreement. In the event that the Executive Committee identifies provisions it deems necessary to alter, amend, modify, cancel or discharge, it shall recommend the same to each of the Counties Board of Supervisors for consideration.
- C. **Automatic Modification.** If any law, regulation or order enacted by the State of Wisconsin or by the United States of America changes the parties' duties and obligations, NCCSP shall notify the Counties of the needed changes and this Agreement shall be modified in a manner mutually agreeable to the parties.
- D. **Captions.** Captions are used throughout this Agreement for convenience or reference only and shall not be considered in any manner in the construction or interpretation of this Agreement.
- E. **Severability.** If any of the terms of this Agreement are declared to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions, or the

application of such to persons or circumstances other than those to which it is declared invalid and unenforceable, shall not be affected, and shall remain effective, valid and enforceable to the fullest extent permitted by law.

F. **Construction.** This Agreement shall be construed according to the laws of the State of Wisconsin. This Agreement shall be interpreted and construed in a fair and impartial manner without regard to such factors as which party prepared the instrument or the parties' relative bargaining powers.

G. **Other Documents.** Each of the parties agrees to sign any other documents as may be appropriate to carry out the intentions expressed in this Agreement.

H. **Entire Agreement.** This Agreement, and any other instruments or agreements it refers to, constitute the entire agreement between the parties with respect to the subject matter, and there are no other representations, warranties, or agreements except as provided in this Agreement.

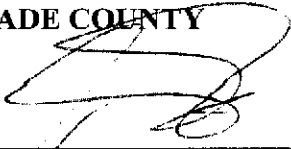
I. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

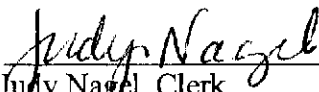
J. **Parties Bound.** Each provision of this Agreement shall extend to and shall, as the case might require, bind and inure to the benefit of the Counties and their respective legal representatives, successors and assignees.

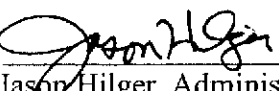
K. **Immunity.** Nothing contained in this Agreement is intended to be a waiver or estoppel of the rights of Lincoln, Langlade and Marathon Counties and/or NCCSP and their insurers to assert their rights to all affirmative defenses, limitations of liability and immunities as specifically set forth in Wisconsin Statutes, including sections 893.80, 895.52 and 345.05, and related statutes.

Effective [DATE] or date of last County Approval, whichever is later.

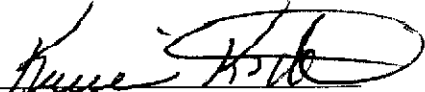
LANGLADE COUNTY

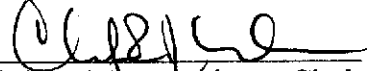
BY: 
Ben Pierce, Chair
Board of Supervisors

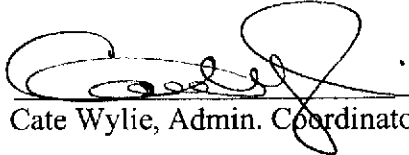
BY: 
Judy Nagel, Clerk

BY: 
Jason Hilger, Administrator

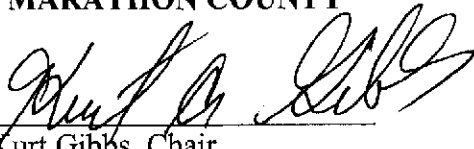
LINCOLN COUNTY

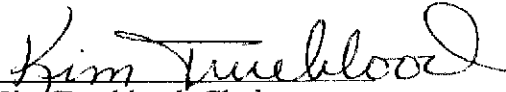
BY: 
Kevin Koth, Chair
Board of Supervisors

BY: 
Christopher J. Marlowe, Clerk

BY: 
Cate Wylie, Admin. Coordinator

MARATHON COUNTY

BY: 
Kurt Gibbs, Chair
Board of Supervisors

BY: 
Kim Trueblood, Clerk

BY: 
Lance Leonhard, Administrator

NURSING HOME MANAGEMENT AGREEMENT

This Management Agreement, herein referenced to as the “Agreement” is effective the 1st day of January, 2020, by and between Lincoln County, a political subdivision of the State of Wisconsin and doing business as a quasi-municipal corporation, pursuant to §59.01, Wis. Stats. (“County”) and the North Central Community Services Program (NCCSP), d/b/a and herein referenced to as “North Central Health Care” or “NCHC”, a multi-county department of community programs carrying out its responsibilities as a board constituted by the Joint County Agreement between Langlade, Lincoln and Marathon Counties pursuant to section §51.42 and §66.0301 Wis. Stats as a quasi-political subdivision. The parties agrees and follows:

1. Prior Agreements Terminated. This agreement terminates all prior agreements between the parties for nursing home management, except that it shall not be construed as affecting the Joint County Agreement establishing the North Central Community Services Program.
2. County Nursing Home Facility. The County owns land and a nursing home building known as Pine Crest Nursing Home (“Pine Crest”) located at 2100 E. Sixth Street, Merrill, Wisconsin, containing 180 licensed skilled nursing home beds (collectively, the “Facility”). This agreement does not transfer ownership of the Facility. The County will enter into a separate Agreement with NCHC regarding the Facility’s Use and Maintenance.
3. Designation of Administrator/Manager. The County, pursuant to §51.42(3)(b) of the Wisconsin Statutes may designate its 51.42 board as the administrator of any county health program or institution in addition to the board’s responsibilities for the county community mental health, addiction and disabilities programs. The County has designated NCHC as administrator and manager of its county nursing home program provided through the Facility. NCHC accepts that designation and agrees to manage the entire operation of the County’s nursing home Facility. The County shall not unreasonably interfere with NCHC’s management of the day-to-day operations of the Facility and shall refrain from interference with and from participation in any management functions which are delegated to NCHC under this Agreement. County grants to NCHC the sole and exclusive authority to formulate and implement necessary policies, programs and operations necessary with respect to the Facilities.
4. Term and Termination. The term of this Agreement shall commence at 12:01 a.m. on January 1, 2020, and end at 11:59 p.m. on December 31, 2024. This Agreement shall automatically be extended for an additional one-year period, and, in turn, for subsequent one-year terms unless either of the parties provides written notice to the other of the notifying party’s intent not to renew prior to one hundred and eight (180) days prior to the end of the term after which termination will be effective. Notwithstanding anything to the contrary in this section or this Agreement, the Agreement shall terminate on the effective date of any dissolution of the

multicounty department of community programs, now known as the North Central Community Services Program. In addition, if the County fails to approve in substance NCHC's budget request, then negotiation on continuation of the Agreement shall commence forthwith. NCHC may terminate this Agreement by written notice to the County within sixty (60) days following the County's action on the budget request if negotiations are unsuccessful, in which case termination shall be effective at the start of the year to which the budget request applies.

5. Services Provided. During the term of this Agreement, NCHC shall provide the County with all necessary and appropriate services for the management of the Facility so that the Facility will be operated in a manner consistent with industry standards. Wherever in this Agreement NCHC is required to obtain the consent or approval of the County, such consent or approval may be given by the County Administrative Coordinator or his/her designated appointee, as the representative of the County. In furtherance of, and without limiting the foregoing general responsibility, NCHC shall provide the Facility with the services set forth in Exhibit A, attached hereto, and those services set forth below, all for the compensation set forth in Exhibit B, attached hereto, and within the performance expectations for those services set forth in Exhibit C, attached hereto; any additional services provided by NCHC shall be provided only with County's prior written permission and at County's agreement as to cost.

6. Provider Qualifications. NCHC shall at all times during the term of this Agreement: (a) be fully qualified, adequately experienced and trained before being assigned to perform services; (b) have current and unrestricted license to provide services; and (c) be a participating provider in applicable healthcare programs maintained by governmental payers.

7. Licenses and Certifications. NCHC shall apply for and obtain and maintain all licenses and certifications required of NCHC in connection with its management of the Facility on behalf of the County.

8. Contracts, Leases and Agreements. NCHC shall enter into all contracts, leases and/or use agreements and other agreements required in the ordinary course of business for the operation, maintenance and service of the Facility in the name of the County.

9. County Obligation. Everything done by NCHC under Exhibit A, shall be done on behalf of the County and all related obligations incurred shall be at the ultimate expense of the County.

10. Accounting. NCHC shall account for all income and expenses relating to the operation of the Facility separately from all other operations of NCHC and in accordance with accounting principles generally accepted in the United States of America and government auditing standards. On or before April 30th of each year, NCHC shall provide the County an annual combining Financial Statements of all income received and expenditures incurred in connection with the operation of the Facility. Unless NCHC is notified to the contrary by the County, the annual combining Financial Statements shall be deemed accepted by the County ninety (90) days after its receipt by the County. The County will adhere to the Fund Balance Policy of NCHC.

11. Allocation Between Programs. Through use of County's property, NCHC provides services both to the County's nursing home program and to programs administered by NCHC for Langlade, Lincoln, and Marathon Counties. NCHC shall allocate services provided between these programs and shall allocate items of income and expense accordingly.

12. Damage by Fire or Other Casualty. If during the term of this Agreement, property on the listing for the Facility is destroyed or otherwise damaged by fire, the elements or any other cause, the County shall have the option to replace, rebuild, reconstruct or repair (collectively, "restore") the property to, as closely as reasonably possible, the original condition. The County's option to restore shall be elected by giving written notice to NCHC within thirty days of notice by NCHC of the damage or destruction. If the County elects to exercise its option, the replacement, rebuilding, reconstruction or repairing shall commence immediately after proper adjustment is made by the insurance carrier and in any event, within ninety (90) days after the damage, and shall be completed as expeditiously as possible. If the County elects not to restore after damage this Agreement shall be deemed to have terminated as to the property lost. If NCHC determines that the loss materially affects operations, then the entire Agreement may be subject to termination at NCHC's election, after consultation with the County.

13. Insurance Coverage. On all policies purchased or maintained by NCHC and by the County in accordance with this section, each party shall add the other party as an additional insured and shall provide certificates of insurance showing the coverage called for upon request.

- A. Property and Casualty. The County shall maintain property and casualty insurance with extended coverage endorsement and with such full insurance clauses as the County may determine to be necessary covering the property in an amount equal to the reasonable replacement value. The County will maintain coverage for the building and equipment. NCHC shall maintain property and casualty insurance for all contents in the Facility.
- B. Workers Compensation. NCHC shall maintain Workers Compensation Insurance as required by Wisconsin Statutes, for all NCHC employees. County shall maintain Workers Compensation Insurance as required by Wisconsin Statutes, for all County employees working in the Facility. In case any work is subcontracted, the contracting party shall require the subcontract or similarly to provide statutory Workers Compensation for all of the subcontractor's employees, unless such employees are covered by the protection afforded by either party's policies.
- C. Insurance. NCHC shall secure and maintain in force throughout the duration of this agreement Comprehensive General Liability, Professional Liability, Automobile Liability, Business Interruption, Excess Liability Insurance covering its officers, agents, and employees, and including all buildings, parking lots, sidewalks and other common areas subject to this Agreement, and their use. Said insurance shall cover

NCHC, and any subcontractor, regarding claims for damages for personal injuries, including accidental death, as well as from claims for property damage, which may arise from operations under this agreement. The minimum amount of such insurance shall be as follows:

- i. General Liability: \$1,000,000 per occurrence and \$3,000,000 in aggregate for bodily injury and Property Damage.
- ii. Professional Liability Coverage: \$3,000,000 per occurrence and \$3,000,000 in aggregate.
- iii. Automobile Liability: \$3,000,000 per occurrence and \$3,000,000 in aggregate for bodily injury and property damage.
- iv. Business Interruption: \$5,000,000 per each occurrence.
- v. Excess Liability Coverage: \$3,000,000 over the General Liability and Automobile Liability Coverage.

D. Builders Risk. During the course of construction of any improvements, additions or alterations to the property, NCHC shall obtain and keep in force a policy of builder's risk insurance in an amount sufficient to cover the cost of repair or replacement of the improvement, addition or alteration.

14. Mutual Indemnification and Hold Harmless. NCHC hereby agrees to release, indemnify, defend and hold harmless the County, its officials, officers, employees and agents from and against all judgments, damages, penalties, losses, costs, claims, expenses, suits, demands, debts, actions and/or causes of action of any type or nature whatsoever, including actual and reasonable attorney's fees, which may be sustained or to which they may be exposed, directly or indirectly, by reason of personal injury, death, property damage, or other liability, alleged or proven, which is determined to be caused by the negligent or intentional acts or omissions of its officers, officials, employees, agent or assigns. NCHC does not waive, and specifically reserves, its rights to assert any and all affirmative defenses and limitations of liability as specifically set forth in Wisconsin Statutes, Chapter 893 and related statutes.

The County hereby agrees to release, indemnify, defend and hold harmless NCHC, its officials, officers, employees and agents from and against all judgments, damages, penalties, or nature whatsoever, including actual and reasonable attorney's fees, which may be sustained or to which they may be exposed, directly or indirectly, by reason of personal injury, death, property damage, or other liability, alleged or proven, which is determined to be caused by the negligent or intentional acts or omissions of its officers, officials, employees, agent or assigns. The County does not waive, and specifically reserves, its rights to assert any and all affirmative defenses and limitations of liability as specifically set forth in Wisconsin Statutes, Chapter 893 and related statutes.

15. Compliance with Law. Using its reasonable best efforts to assist County in maintaining the Facility' compliance with the federal, state, local and municipal laws, rules, regulations, ordinances, orders and requirements governing the establishment, operation and maintenance of the Facility (collectively, the "Laws"), including, but not limited to laws relating to the federal Health Insurance Portability and Accountability Act ("HIPAA"), the Medicare and Medicaid programs, licensure of the Facilities, zoning, the so-called federal Stark law, and the federal and state anti-kickback laws. Without limiting the generality of the foregoing, NCHC will (i) prior to hiring a new employee of a Facility or engaging an independent contractor or agent of a Facility, and regularly thereafter, review the U.S. Department of Health and Human Services ("HHS") Office of Inspector General internet data base for the List of Excluded Individuals/Entities (currently www.exclusions.oig.hhs.gov/) and Excluded Parties Listing System (currently www.epls.gov) and other appropriate sources to insure that none of the employees, contractors or agents of the Facilities have been excluded from or sanctioned by Medicare, Medicaid or any other federal health care program and are not otherwise excluded from participation in the business and services conducted or provided by the Facilities, and (ii) insure that each contractor providing services to a Facility has entered into a written agreement with such Facility to protect patient information in accordance with HIPAA, if required by HIPAA. In furtherance of and not in any way limiting the foregoing, NCHC, at the expense of the Facility, will obtain, renew and keep current and in force all licenses, permits, authorizations and approvals required for operation of the Facility as required by the Laws.

16. Title XVIII Requirements. In accordance with Title XVIII provisions, until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, NCHC will make available, upon written request of the Secretary, United States Department of Health and Human Services, or upon request of the Controller General, or any of their duly authorized representatives, the contract and books, documents, and records of NCHC necessary to certify the nature and extent of such services.

17. Nondiscrimination. NCHC will not discriminate against any consumer of services provided under this Agreement because of age, race, creed, color, sex or handicap. To the extent required by federal or state law, NCHC agrees that in performing work under this Agreement, NCHC will not discriminate against any employee or applicant for employment because of their age, race, creed, color, handicap, marital status, sex, national origin, ancestry, sexual orientation, arrest record, conviction record, membership in the National Guard, state defense force or any other reserve component of the military forces of the United States or the State of Wisconsin, or use or nonuse of lawful products off the employer's premises during nonworking hours. This prohibition shall include, but not be limited to, discrimination in employment promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. NCHC agrees to take affirmative action to ensure equal employment opportunities, and to post in a conspicuous place available for employees and applicants for employment notices setting forth these nondiscrimination provisions.

18. Corporate Compliance. The County acknowledges the commitment of NCHC to carry out the provision of health care and all related activities consistent with the highest ethical, moral and legal standards, as well as the adoption by NCHC of a corporate compliance plan to do so. The County will make its employees, agents, directors and officers aware of this commitment and ensure their compliance with it in all respects.

19. Health Insurance Portability and Accountability Act (HIPAA) Compliance. NCHC agrees to comply with the federal regulations implementing the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") to the extent those regulations apply to the services NCHC provides or purchases with funds provided under this Agreement. NCHC shall comply with all requirements of HIPAA as it applies to NCHC's services under this Agreement and shall execute a Business Associate Agreement with the County.

20. Confidentiality. Unless otherwise required by law, both parties agree to maintain the confidentiality of all reports, documents and recommendations provided to them and not to disclose or share such report with any other consultant or any other party not directly employed by them. Additionally, each party will comply with all laws and regulations relating to confidentiality of patient information.

21. Exclusion from Federal Health Care Programs. NCHC hereby represents and warrants that it is not and at no time has been excluded from participation in any federally funded health care programs, including Medicare and Medicaid. NCHC agrees to immediately notify the County of any threatened, proposed or actual exclusion from any federally funded health care program, including Medicare and Medicaid, with respect to it or any of its employees or contractors. In the event that NCHC is excluded from participation in any federally funded health care program during the term of this Agreement, or if at any time after the effective date of this Agreement it is determined that NCHC is in breach of this requirements, this Agreement shall, as of the effective date of such exclusion or breach, automatically terminate.

22. Non-Debarment Clause. NCHC certifies that neither it nor any of its principal officers or officials have ever been suspended or debarred, for any reason whatsoever, from doing business or entering into contractual relationships with any governmental entity. North Central Health Care further agrees and certifies that this clause shall be included in any subcontract of this Agreement.

23. Non-Appropriation of Funds. Notwithstanding anything contained in this Agreement to the contrary, no event of default shall be deemed to have occurred under this Agreement if adequate funds are not appropriated during a subsequent fiscal period during the term of this Agreement to enable the County to meet its obligations hereunder, and at least thirty (30) days' written notice of the non-appropriation.

24. Assignment. NCHC shall not assign this Agreement without the County's written consent.

25. Notices. Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent by registered mail to the following applicable party at the following address:

To NCHC, by addressing to:

NCHC Board
Attention: Chief Executive Officer
North Central Health Care
1100 Lake View Dr.
Wausau, WI, 54403-6799

To County, by addressing to:

Lincoln County
Attention: Administrative Coordinator
Administration Department
801 N. Sales Street, Suite 205
Merrill, WI 54452

Either party may by notice designate a different address to which notices shall be sent. Notices given in this manner shall be deemed received when mailed.

26. Inspection. The County and its authorized representatives shall have the right, upon giving reasonable notice and at reasonable times, to enter the Facility or any part thereof and inspect the same for the purpose of determining NCHC's compliance with the terms of this Agreement.

27. Records. NCHC will provide records as required by state and federal laws, rules and regulations, and will allow inspection, to the extent permitted by law, by representatives of the County or governmental agencies to the extent necessary to confirm NCHC's compliance with this Agreement. All records will be maintained and will be in the possession of NCHC. NCHC will disclose no client-identifying information relating to eligible clients who receive services under this Agreement except with the client's informed written consent or that of the client's legal guardian or agent as authorized under a valid Health Care Power of Attorney, and except to the extent permitted by applicable state and federal confidentiality laws.

If either party carries out any of the duties of the Agreement through a subcontract, with a value or cost of \$10,000 or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of Health and Human Services, or upon request by the Comptroller General of the United States, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

If either party is required to disclose any books, documents and records relevant to this Agreement for the purpose of an audit or investigation, they shall notify the other party of the nature and scope of the request.

28. Waiver and Modification. This Agreement, and its terms may be waived, altered, amended, modified, cancelled or discharged by the parties upon specific written agreement, or as otherwise specifically provided in this Agreement.

29. Automatic Modification. If any law is enacted by the State of Wisconsin or by the United States of America which affects, modifies, or changes the duties and obligations of the parties hereunder, the NCHC shall notify the County of the needed modifications or changes and this Agreement shall be modified or terminated in a manner consistent with law and mutually agreeable to the parties.

30. No Joint Venture or Partnership. Nothing contained in this Agreement shall constitute the relationship of principal and agent or of partnership or of joint venture, or of any association between NCHC and the County other than that created by the Joint County Agreement referenced herein above.

31. Employment. None of the provisions of this Agreement are intended to create nor shall be deemed or construed to create, an employment relationship between the County and NCHC, NCHC staff or to allow the County to exercise control or direction over the manner or method by which they perform the services called for under this Agreement, which services will be provided in a manner consistent with a professional standard care and the provisions of this Agreement. In performing services under this Agreement, NCHC and NCHC staff shall clearly identify themselves as employees of North Central Health Care.

32. Dispute Resolution. If a dispute related to this Agreement arises, all parties shall attempt to resolve the dispute through direct discussions and negotiations. If the dispute cannot be resolved by the parties, and if all parties agree, it may be submitted to either mediation or arbitration. If the matter is arbitrated, the procedures of Chapter 788 of the Wisconsin Statutes or any successor statute shall be followed. If the parties cannot agree to either mediation or arbitration, any party may commence an action in any court of competent jurisdiction. If a lawful suit is commenced, the parties agree that the dispute shall be submitted to alternate dispute resolution pursuant to §802.12, Wis. Stats., or any successor statute.

Unless otherwise provided in this Agreement, the parties shall continue to perform according to the terms and conditions of the Agreement during the pendency of any litigation or other dispute resolution proceeding.

The parties further agree that all parties necessary to the resolution of a dispute (as the concept of necessary parties is contained in Chapter 803, Wisconsin Statutes, or its successor chapter) shall be joined in the same litigation or other dispute resolution proceeding. This language relating to

dispute resolution shall be included in all Agreements pertaining to this project so as to provide expedient dispute resolution.

33. Force Majeure. Neither party shall be responsible for the non-performance of its obligations under this Agreement if such non-performance is caused directly or indirectly by acts of God, acts of civil or military authority, civil disturbance, war, terrorism, fires, or strikes. The party so affected shall give notice to the other party and shall do everything reasonably possible to resume performance.

34. Captions. Captions are used throughout this Agreement for convenience or reference only and shall not be considered in any manner in the construction or interpretation of this Agreement.

35. Severability. If any of the terms of this Agreement are declared to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions, or the application of such to persons or circumstances other than those to which it is declared invalid and unenforceable, shall not be affected, and shall remain effective, valid and enforceable to the fullest extent permitted by law.

36. Construction. This Agreement shall be construed according to the laws of the State of Wisconsin. This Agreement shall be interpreted and construed in a fair and impartial manner without regard to such factors as which party prepared the instrument or the parties' relative bargaining powers.

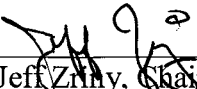
37. Other Documents. Each of the parties agrees to sign any other documents as may be appropriate to carry out the intentions expressed in this Agreement.

38. Entire Agreement. This Agreement, and any other instruments or agreements it refers to, constitute the entire agreement between the parties with respect to the subject matter, and there are no other representations, warranties, or agreements except as provided in this Agreement.

39. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

40. Parties Bound. Each provision of this Agreement shall extend to and shall, as the case might require, bind and inure to the benefit of the County and NCHC and their respective legal representatives, successors and assigns.

NORTH CENTRAL COMMUNITY
SERVICES PROGRAM BOARD:

By:  _____
Jeff Zriny, Chair

By:  _____
Michael Loy, CEO

LINCOLN COUNTY BOARD
OF SUPERVISORS:

By:  _____
Robert Lee, Chair

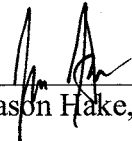
By:  _____
Jason Hake, Administrative Coordinator

EXHIBIT A.
SERVICES PROVIDED

North Central Community Services Program (NCHC) will provide management and operating services for the Facility as follows:

1. Care and Services. Residential habilitative and rehabilitative services, together with medical, food, laundry and other services appropriate for a nursing care facility for Facility residents. Based on the projected community needs, Pine Crest services will include:

- a. Long-term care, including long-term care for the protectively placed and vulnerable with complex medical or behavioral health needs who are difficult to care for and are likely not to have access to other nursing homes in Lincoln County.
- b. Dementia care services for the protectively placed and vulnerable.
- c. Short-term rehabilitation for the medically complex or individuals with a behavioral health diagnosis.
- d. Hospice care.

2. Rates and Collections. County authorizes and directs NCHC to set all rates charged for its services to Facility residents or patients, and to collect and receive any and all charges, rents, or payments which may at any time be made or become due for those services. NCHC shall also evict residents or take legal action against residents delinquent in charges for services provided at Facility. NCHC shall negotiate the terms of and execute, third-party payor contracts on behalf of the County. NCHC will manage and administer the Facility's participation in and performance of services under, third-party payor contracts. NCHC will not disclose any information relating to any third party contract.

3. Contracts. On behalf of the County, negotiating, entering into and administering all leases, contracts and agreements for the purchase, lease, maintenance, and repair of all equipment, supplies, materials and services necessary and appropriate for the operation of the Facilities.

4. Inventories. Ordering and maintaining appropriate inventories of supplies.

5. Personnel. Hire, pay, supervise, and discharge personnel employed at the Facility as it deems necessary to operate the Facility. All employees, including the Administrator, shall be hired as employees of NCHC and compensation and personnel policies shall be the responsibility of NCHC. NCHC will manage the payroll for the employees of the Facility, taxes, and other obligations arising out of services performed by the Facility or personnel.

NCHC will administer systems for the development, preparation and custody of records and books of account, including financial and employee records, relating to the business and affairs of the Facility.

6. Equipment and Supplies. Make all contracts, place all orders for supplies and all other necessary services as well as appliances, equipment, materials and supplies necessary to properly operate the Facility.

7. Regulatory Compliance. Take all action necessary to comply with all applicable laws and any orders, penalties, or requirements affecting the Facility issued by any federal, state or municipal authority.

EXHIBIT B.
COMPENSATION

NCHC shall receive an annual tax levy contribution to operations of \$440,815. This amount may be amended by the County during the annual budget process or upon request by NCHC.

NCHC shall be designated to receive and use all funding designated by other agencies on behalf of the County designated solely for the operation of the County's skilled nursing facility. This includes but is not limited to funding from other agencies such as the State of Wisconsin's Supplemental Payment and Certified Public Expenditures Funds as available.

EXHIBIT C.
PERFORMANCE EXPECTATIONS

The County shall have the following performance expectations of NCHC in the management of Pine Crest and NCHC shall report to the County's Administrative & Legislative Committee at reasonable intervals in regards to:

1. Scope of Services Provided and Corresponding Admissions Criteria
 - a. The County shall be notified of any proposed changes in licensed beds, services provided and/or any substantive changes to admissions criteria that would materially impact the Mission or services of Pine Crest.
2. Employee Retention, Engagement and Competency
 - a. Staff retention rates for Pine Crest, Employee Engagement Surveys, and Competency (Training) reports will be produced annually.
3. Regulatory Compliance and Quality of Care
 - a. All announced and unannounced State Survey results will be reported to the County as soon as they have been finalized. NCHC shall measure and regularly report on a number of relevant quality of care indicators. The County's expectation of Pine Crest is that it remains a four (4) star facility or better as determined by the Center for Medicare and Medicaid Services (CMS).
4. Financial Performance, Rates and Collections
 - a. An annual reporting of Financial Performance, Rates and Collections will be delivered to the County in the annual audit in addition to detailed information produced annually in the development of the proposed budget.
5. Tax Levy and Operating Performance Targets
 - a. Pine Crest's census will be managed with an appropriate payer mix to achieve financial viability given the County's annual tax levy appropriation. Reporting on defined operating performance targets will be made available to the County Board semi-annually along with other quality of care and financial performance information.

EXHIBIT D.
AGREEMENTS STIPULATED TO IN THE INITIAL TRANSFER OF
MANAGEMENT RESPONSIBILITIES OF PINE CREST
FROM LINCOLN COUNTY TO NORTH CENTRAL HEALTH CARE

The County and NCHC agree to the following items as conditions of the transfer as follows:

1. Assets. County agrees to the transfer of Pine Crest Assets as follows:
 - a. Lincoln County will retain all cash and cash equivalents related to operations of Pine Crest prior to January 1, 2020 as determined at the close of the 2019 fiscal reporting year.
 - b. Lincoln County will provide the necessary operational start-up cash as agreed to by Lincoln County's Finance Director and NCHC's Chief Financial Officer, and as approved by Lincoln County's Finance Committee.
 - c. County agrees to transfer all assets of the Facility, excluding building and maintenance related equipment, to NCHC whereby these assets would be reported on the financial statement of NCHC as assets of Pine Crest in the same manner as established and stipulated within the Joint County Agreement.
 - d. Lincoln County will transfer and NCHC will accept all GASB 68 & 75 related assets related to employees of Pine Crest Nursing Home at the time of the transfer as of January 1, 2020.

2. Accrued Liabilities. County agrees to transfer the necessary funding to fully fund any outstanding liabilities related to current operations and employees of Pine Crest as follows:
 - a. Lincoln County will pay all accounts payable related to the operations of Pine Crest prior to January 1, 2020 as determined at the close of the 2019 fiscal reporting year.
 - b. Lincoln County employees will have eligible leave balances calculated as of December 31, 2019, paid out by Lincoln County as:
 - i. A conversion of current and accrued vacation and payment to NCHC to fund a paid leave balance
 - c. Lincoln County will transfer and NCHC will accept all GASB 68 & 75 related liabilities related to employees of Pine Crest Nursing Home at the time of the transfer as of January 1, 2020.
 - d. Lincoln County will pay for all Incurred But Not Reported (IBNR) for all employee benefits plans, workers compensation programs and insurance programs related to the operation of Pine Crest prior to January 1, 2020.

3. Long-Term Liabilities. NCHC agrees to assume the long-term liabilities balances as of January 1, 2020 on behalf of the County. Lincoln County will continue to service all debt related to Pine Crest long-term liabilities, with reimbursement from NCHC, as payments come due.
4. Facility Maintenance Staff. NCHC agrees to transfer the Maintenance Staff from Pine Crest to the County. County agrees to fund these position using other tax levy funding other than the Compensation listed in Exhibit B. County further agrees to continue to provide maintenance service to Pine Crest in a similar method and effort as what was in place prior to the transfer unless amended through mutual agreement of the parties.
5. Information Technology Services. County agrees to provide all Information Technology Services currently provided to Pine Crest by Lincoln County staff until December 31, 2020. At which time, County will transfer Information Technology Services to NCHC to be managed by the City-County Information Technology Commission. NCHC will provide a reasonable cost related to the transfer of these services, to be agreed upon by NCHC and Lincoln County.
6. Employee Tenure. NCHC agrees to recognize all years of service at Pine Crest for purposes of service related benefits and recognition regardless of when Pine Crest Employees became NCHC employees.
7. Governance of Pine Crest. County agrees to dissolve the Pine Crest Board of Trustees and transfer the oversight of Pine Crest to the NCCSP Board. NCHC agrees to create a Nursing Home Operations Committee as Committee under the North Central Community Services Program Board as follows:
 - a. Purpose: The Nursing Home Operations Committee is appointed by the North Central Community Services Program Board to oversee the operations of the Lincoln County nursing home (Pine Crest), and the Marathon County nursing home (Mount View Care Center). Specifically, the Committee is charged with the successful regional operational integration of the two nursing homes while also monitoring and responding to local needs of each nursing home. The Committee works closely with the NCHC CEO, Nursing Home Operations Executive and CFO, providing expertise, establishing expectations of operations and monitoring those expectations, including quality of care. The Committee provides consultation with regards to the broad strategic direction for the Nursing Home.
 - b. Members: Minimum of seven (7) member committee consisting of representatives from the North Central Community Services Program Board (51.42 Board) and the general public who are residents of

Lincoln and Marathon County with knowledge and/or expertise in long term care, healthcare, and/or business and industry. Members will be appointed annually by the NCCSP Board Chair. Three (3) members will be Lincoln County residents with not less than one (1) of the three (3) members being a Lincoln County appointee to the NCCSP Board. Three (3) members will be Marathon County residents with not less than one (1) of the three (3) being a Marathon County appointee to the NCCSP Board. One (1) additional at-large member shall be a community member with expert knowledge and experience in the long term care industry who shall be a resident of either Lincoln or Marathon County. The Committee shall be chaired only by a member of the NCCSP Board appointed to the Committee by the NCCSP Board Chair. All current Pine Crest Board of Trustee Directors will be offered the opportunity for initial appointment to the Committee.

- c. Authority: Reports to and makes recommendations to the NCCSP Board when policy changes are needed. Certain policy decision recommendations must be forwarded by the NCCSP Board to each respective county as stipulated in the Management Agreement with each county for consideration prior to implementation. The Committee will be involved in operational consultation, strategic planning and monitoring performance expectations.

MEMORANDUM OF UNDERSTANDING

WHEREAS, North Central Community Services Program Board d/b/a North Central Health Care (“NCHC”) entered into a Nursing Home Management Agreement (“Agreement”) with Lincoln County (“County”) for the management of the County owned skilled nursing facility known as Pine Crest Nursing Home (“Pine Crest” or “Facility”);

WHEREAS, the Agreement contains provisions regarding maintenance and repair of the Facility, the County requires specific verbiage about services NCHC would like to contract with County Maintenance for the maintenance and repair of Durable Medical Equipment (DME) that is necessary for the continued operation of the Facility;

WHEREAS, NCHC and the County wish to clarify certain responsibilities and obligations as they relate to maintenance and repair services of Durable Medical Equipment, and the Removal and Rearrangement of Furniture, under the Agreement;

WHEREAS, to the extent that any terms contained in this memorandum are inconsistent with or contrary to the terms contained in the Agreement, the terms of the Agreement shall control;

NOW THEREFORE, NCHC and the County come to a mutual understanding regarding the contracting of DME and Removal and Rearrangement of Furniture for the operation of the Facility as follows:

I. Definitions

Facility – shall mean the real estate and buildings owned and leased by Lincoln County and that are located at 2100 E 6th St, Merrill, WI 54452, and all fixtures appurtenant thereto.

Durable Medical Equipment (“DME”) – is equipment that primarily serves a medical purpose, is able to withstand repeated use, and is appropriate for use in a home type setting. Examples of DME’s include, but are not limited to, wheelchairs, and hospital beds.

II. Categories of Maintenance and Repair Services Related to DME

Preventative Maintenance – Preventive Maintenance is any activity performed in some routine or regularly scheduled fashion that is designed to keep DME in useful state given the DME reasonable life span, and to prevent deterioration or failure. Preventative Maintenance is to be performed to manufacturers’ specifications where required, or industry standards. A log of Preventative Maintenance schedules shall be maintained, and activities reported.

Corrective Maintenance – Corrective maintenance is the act of performing some repair or adjustment for a condition that was identified during the accomplishment of a preventative maintenance activities or due to a problem identified through basic observations or customer reports.

Emergency Maintenance – Emergency Maintenance shall constitute a need that is an immediate threat to life or property (an “Emergency”) that requires on-call services, and immediate response during evenings or weekends. Costs borne by the County for calls that are deemed to not actually constitute an Emergency, shall be charged to NCHC.

III. Manner of Delivering Durable Medical Equipment Maintenance and Repair Services

Collaboration – NCHC and the County Maintenance staff shall work together to review all existing DME maintenance, repair, or other service agreements that may be in place with any supplier and/or vendor of DME located in the Facility and ensure that both NCHC and the County receive copies of any existing maintenance, repair, or service agreements for DME that are necessary in the operation of the Facility. The purpose of this collaboration shall be:

- To ensure that the DME within the Facility is maintained in accordance with manufacturer’s recommended standards in order to preserve all manufacturer’s warranties and to prolong the useful life of any DME; and,
- To ensure that no maintenance or repair work is performed by County Maintenance staff on DME within the Facility that have a service agreement with the manufacturer, supplier or vendor in place so as to ensure that the County is not performing repair or maintenance that was already contracted for or that could otherwise void any warranties on the service work performed or on the manufacturer’s standard warranty.

Work Request Orders – for all DME in need of repair and maintenance, which are not covered by any maintenance and repair service agreement with any 3rd party, NCHC shall submit a written request to the County, on a County provided work request order form, for any such repair or maintenance work to be performed on DME at the Facility.

County Right of First Refusal – County shall not be required to perform any request for maintenance and/or repair if the County believes that such requested maintenance or repair work requires specialized knowledge that is beyond the technical knowledge, training, licensing, or insurance requirements of its staff. If the County exercises its right of refusal for the performance of any type of maintenance and repair services on DME that are necessary in the operation of the Facility, NCHC shall contract with an independent 3rd party for that work to be performed and charge any cost back to the County in accordance with the terms and provisions as outlined in the Nursing Home Management Agreement.

IV. Removal and Rearrangement of Furniture

It shall not be the primary duty of County maintenance staff to remove or rearrange furniture within the Facility. However, the County shall allow NCHC to make written request for the moving or rearrangement of furniture on a weekly basis, which the County will attempt to honor. The County shall not be obligated to devote more than four (4) hours per week of its staff time to the moving or rearrangement of furniture within the Facility.

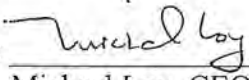
V. Janitorial Work

County shall not be responsible for any work of janitorial nature such as, but not limited to, cleaning the Facility, moving laundry, maintaining resident's personal property and electronics, and other work of similar nature.

VI. Indemnification

Each party hereby agrees to indemnify, defend, and hold the other party harmless from any and all claims, demands, costs, liabilities, losses, expenses and damages (including reasonable attorneys' fees, costs, and expert witnesses' fees) arising out of or in connection with any claim that, taking the claimant's allegations to be true, would result in a breach by the indemnifying party of any of its obligations, duties, promises, warranties and/or covenants as set forth herein.

NORTH CENTRAL COMMUNITY
SERVICE PROGRAM BOARD

By:  Apr. 30, 2021
Michael Loy, CEO

LINCOLN COUNTY

By: 
Cate Wylie, Administrative
Coordinator/HR Director

Appendix K - Lincoln County Debt Schedule 2023-2038

**LINCOLN COUNTY
DEBT SCHEDULE
FOR THE YEAR 2023**

ISSUE		BALANCE 1/1/23	PAYMENTS	ADDITIONS	DEFEASED	BALANCE 12/31/23	2024	2025	2026	2027	2028	2029 2033	2034 2038	TOTAL
G.O. REFUNDING BONDS 12/1/16														
30015658.531081	P	5,990,000.00	895,000.00			5,095,000.00	935,000.00	975,000.00	1,015,000.00	1,060,000.00	1,110,000.00	0.00	0.00	5,095,000.00
30015658.531080	I	374,300.00	110,850.00			263,450.00	92,550.00	73,450.00	53,550.00	32,800.00	11,100.00	0.00	0.00	263,450.00
TOTAL PRINC		5,990,000.00	895,000.00	0.00	0.00	5,095,000.00	935,000.00	975,000.00	1,015,000.00	1,060,000.00	1,110,000.00	0.00	0.00	5,095,000.00
TOTAL INT		374,300.00	110,850.00	0.00	0.00	263,450.00	92,550.00	73,450.00	53,550.00	32,800.00	11,100.00	0.00	0.00	263,450.00
TOTAL		6,364,300.00	1,005,850.00	0.00	0.00	5,358,450.00	1,027,550.00	1,048,450.00	1,068,550.00	1,092,800.00	1,121,100.00	0.00	0.00	5,358,450.00
FUNDED THROUGH REIMBURSEMENTS														
GO REFUNDING BONDS 12/1/21														
61000000.223000	P	2,515,000.00	80,000.00			2,435,000.00	80,000.00	80,000.00	80,000.00	85,000.00	90,000.00	475,000.00	1,545,000.00	2,435,000.00
61000000.224000	I	597,370.00	50,510.00			546,860.00	49,990.00	49,470.00	48,950.00	46,550.00	44,000.00	184,300.00	123,600.00	546,860.00
GO REFUNDING BONDS 2/14/17														
61000000.223000	P	5,545,000.00	325,000.00			5,220,000.00	335,000.00	345,000.00	355,000.00	365,000.00	375,000.00	2,050,000.00	1,395,000.00	5,220,000.00
61000000.224000	I	1,450,737.00	176,500.00			1,274,237.00	166,750.00	156,700.00	146,350.00	135,700.00	124,750.00	445,287.00	98,700.00	1,274,237.00
PINE CREST PRINCIPAL	P	8,060,000.00	405,000.00	0.00	0.00	7,655,000.00	415,000.00	425,000.00	435,000.00	450,000.00	465,000.00	2,525,000.00	2,940,000.00	7,655,000.00
PINE CREST INTEREST	I	2,048,107.00	227,010.00	0.00	0.00	1,821,097.00	216,740.00	206,170.00	195,300.00	182,250.00	168,750.00	629,587.00	222,300.00	1,821,097.00
TOTAL PINE CREST PAYMENTS		10,108,107.00	632,010.00	0.00	0.00	9,476,097.00								
TOTAL COUNTY PRINCIPAL		14,050,000.00	1,300,000.00	0.00	0.00	12,750,000.00	1,350,000.00	1,400,000.00	1,450,000.00	1,510,000.00	1,575,000.00	2,525,000.00	2,940,000.00	12,750,000.00
TOTAL COUNTY INTEREST		2,422,407.00	337,860.00	0.00	0.00	2,084,547.00	309,290.00	279,620.00	248,850.00	215,050.00	179,850.00	629,587.00	222,300.00	2,084,547.00



FACILITY CONDITION ASSESSMENT



Prepared for:

Lincoln County
801 North Sales Street
Merrill, Wisconsin 54452

FACILITY CONDITION ASSESSMENT

Lincoln County
801 North Sales Street
Merrill, Wisconsin 54452

PREPARED BY:

EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, Maryland 21117
800.733.0660
www.EMGcorp.com

EMG CONTACT:

Brian Vickers
Senior Engineering Consultant
800.733.0660 x6243
Brian.Vickers@bvna.com

EMG Project Number:
141484.19R000-001.322

Date of Report:
January 8, 2020

On Site Date:
December 4-6, 2019



Immediate Repairs Report



1/9/2020

Location Name	ID	Cost Description	Quantity	Unit	Unit Cost *	Subtotal	Deficiency Repair Estimate *
Pine Crest Nursing Center / Pine Crest Nursing Center	1667549	Distribution Pump, Heating Water, 20 to 25 HP, Replace	1	EA	\$13,600.00	\$13,600	\$13,600
Pine Crest Nursing Center / Pine Crest Nursing Center	1667553	Distribution Pump, Heating Water, 3 HP, Replace	1	EA	\$5,100.00	\$5,100	\$5,100
Immediate Repairs Total							\$18,700

* Location Factor included in totals.

Building	Subfolder	Uniformat Code	ID	Cost Description	Lifespan (EUL)	EAge	RUL	Quantity	Unit	Unit Cost *	Subtotal	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Repair Estimate		
Pine Crest Nursing Center	Pine Crest Nursing Center	D3021	1667546	Boiler, Gas, 2,501 to 5,000 MBH, Replace	30	27	3	1	EA	\$135,000.00	\$135,000					\$135,000																			\$135,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D3021	1667831	Boiler, Gas, High Efficiency Condensing Style, 751 to 2,000 MBH, Replace	15	2	13	1	EA	\$87,600.00	\$87,600													\$87,600											\$87,600
Pine Crest Nursing Center	Pine Crest Nursing Center	D3044	1667549	Distribution Pump, Heating Water, 20 to 25 HP, Replace	25	25	0	1	EA	\$13,600.00	\$13,600	\$13,600																							\$13,600
Pine Crest Nursing Center	Pine Crest Nursing Center	D3044	1667553	Distribution Pump, Heating Water, 3 HP, Replace	15	15	0	1	EA	\$5,100.00	\$5,100	\$5,100														\$5,100									\$5,100
Pine Crest Nursing Center	Pine Crest Nursing Center	D3044	1667827	Distribution Pump, Heating Water, 3 HP, Replace	15	13	2	1	EA	\$5,100.00	\$5,100																								\$5,100
Pine Crest Nursing Center	Pine Crest Nursing Center	D3044	1667826	Distribution Pump, Heating Water, 3 HP, Replace	15	13	2	1	EA	\$5,100.00	\$5,100																								\$5,100
Pine Crest Nursing Center	Pine Crest Nursing Center	D3044	1667548	Distribution Pump, Heating Water, 20 to 25 HP, Replace	25	23	2	1	EA	\$13,600.00	\$13,600																								\$13,600
Pine Crest Nursing Center	Pine Crest Nursing Center	D3044	1667875	Distribution Pump, Heating Water, 10 HP, Replace	25	23	2	1	EA	\$6,800.00	\$6,800																								\$6,800
Pine Crest Nursing Center	Pine Crest Nursing Center	D3044	1667876	Distribution Pump, Heating Water, 10 HP, Replace	25	23	2	1	EA	\$6,800.00	\$6,800																								\$6,800
Pine Crest Nursing Center	Pine Crest Nursing Center	D3044	1667552	Distribution Pump, Heating Water, 3 HP, Replace	15	13	2	1	EA	\$5,100.00	\$5,100																								\$5,100
Pine Crest Nursing Center	Pine Crest Nursing Center	D3051	1667829	Unit Heater, Hydronic, 37 to 85 MBH, Replace	20	15	5	1	EA	\$2,100.00	\$2,100																								\$2,100
Pine Crest Nursing Center	Pine Crest Nursing Center	D3051	1667835	Unit Heater, Hydronic, 37 to 85 MBH, Replace	20	15	5	1	EA	\$2,100.00	\$2,100																								\$2,100
Pine Crest Nursing Center	Pine Crest Nursing Center	D3051	1667550	Unit Heater, Hydronic, 37 to 85 MBH, Replace	20	15	5	1	EA	\$2,100.00	\$2,100																								\$2,100
Pine Crest Nursing Center	Pine Crest Nursing Center	D5012	1667828	Secondary Transformer, Dry, 225 kVA, Replace	30	25	5	1	EA	\$25,000.00	\$25,000																								\$25,000
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675251	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	10	5	1170	SF	\$5.00	\$5,850																								\$5,850
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675254	Interior Floor Finish, Ceramic Tile, Replace	40	30	10	100	SF	\$18.00	\$1,800																								\$1,800
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675253	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	480	SF	\$5.00	\$2,400																								\$2,400
Pine Crest Nursing Center	Pine Crest Nursing Center	C3032	1675252	Interior Ceiling Finish, Suspended Acoustical Tile (ACT), Replace	25	15	10	1650	SF	\$3.50	\$5,775																								\$5,775
Pine Crest Nursing Center	Pine Crest Nursing Center	D2011	1675255	Toilet, Commercial Water Closet, Replace	30	15	15	4	EA	\$1,300.00	\$5,200																								\$5,200
Pine Crest Nursing Center	Pine Crest Nursing Center	D2014	1675256	Sink/Lavatory, Wall-Hung, Vitreous China, Replace	30	15	15	4	EA	\$1,500.00	\$6,000																								\$6,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D2018	1674695	Drinking Fountain, Interior, Replace	15	10	5	1	EA	\$1,900.00	\$1,900																								\$1,900
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675274	Interior Floor Finish, Laminate Faux Wood, Replace	15	2	13	1600	SF	\$7.00	\$11,200																								\$11,200
Pine Crest Nursing Center	Pine Crest Nursing Center	C3031	1675273	Interior Ceiling Finish, Gypsum Board/Plaster, Replace	50	30	20	1600	SF	\$8.00	\$12,800																								\$12,800
Pine Crest Nursing Center	Pine Crest Nursing Center	E1028	1668238	Defibrillator (AED), Cabinet Mounted, Replace	10	5	5	1	EA	\$1,500.00	\$1,500																								\$1,500
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675289	Interior Floor Finish, Linoleum, Replace	15	10	5	144	SF	\$3.50	\$504																								\$504
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675287	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	10	5	1918	SF	\$5.00	\$9,590																								\$9,590
Pine Crest Nursing Center	Pine Crest Nursing Center	C3025	1675288	Interior Floor Finish, Carpet Commercial Standard, Replace	10	2	8	1064	SF	\$7.50	\$7,980																								\$7,980
Pine Crest Nursing Center	Pine Crest Nursing Center	D2011	1675290	Toilet, Commercial Water Closet, Replace	30	10	20	3	EA	\$1,300.00	\$3,900																								\$3,900
Pine Crest Nursing Center	Pine Crest Nursing Center	D2014	1675291	Sink/Lavatory, Wall-Hung, Vitreous China, Replace	30	10	20	1	EA	\$1,500.00	\$1,500																								\$1,500
Pine Crest Nursing Center	Pine Crest Nursing Center	D2018	1674781	Drinking Fountain, Interior, Replace	15	2	13	1	EA	\$1,900.00	\$1,900																								\$1,900
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675239	Interior Floor Finish, Laminate Faux Wood, Replace	15	2	13	3232	SF	\$7.00	\$22,624																								\$22,624
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675240	Interior Floor Finish, Linoleum, Replace	15	2	13	1384	SF	\$3.50	\$4,844																								\$4,844
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675236	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	1792	SF	\$5.00	\$8,960																								\$8,960
Pine Crest Nursing Center	Pine Crest Nursing Center	C3025	1675238	Interior Floor Finish, Carpet Commercial Standard, Replace	10	2	8	216	SF	\$7.50	\$1,620																								\$1,620
Pine Crest Nursing Center	Pine Crest Nursing Center	E1093	1674531	Commercial Kitchen, Coffee Machine, Replace	10	2	8	1	EA	\$2,000.00	\$2,000																								\$2,000
Pine Crest Nursing Center	Pine Crest Nursing Center	E1093	1674532	Commercial Kitchen, Icemaker, Tabletop, Replace	10	2	8	1	EA	\$2,500.00	\$2,500																								\$2,500
Pine Crest Nursing Center	Pine Crest Nursing Center	E1094	1674530	Residential Appliances, Dishwasher, Replace	10	2	8	1	EA	\$700.00	\$700																								\$700
Pine Crest Nursing Center	Pine Crest Nursing Center	C3021	1675009	Interior Floor Finish, any surface w/ Epoxy Coating, Prep & Paint	10	2	8	1000	SF	\$12.00	\$12,000																								\$12,000
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675111	Interior Floor Finish, Linoleum, Replace	15	2	13	408	SF	\$3.50	\$1,428																								\$1,428
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675013	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	2518	SF	\$5.00	\$12,590																								\$12,590
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675014	Interior Floor Finish, Laminate Faux Wood, Replace	15	2	13	5344	SF	\$7.00	\$37,408																								\$37,408
Pine Crest Nursing Center	Pine Crest Nursing Center	C3025	1675109	Interior Floor Finish, Carpet Commercial Standard, Replace	10	2	8	2032	SF	\$7.50	\$15,240																								\$15,240
Pine Crest Nursing Center	Pine Crest Nursing Center	D2034	1668175	Grease Trap/Interceptor, Underground, Replace	20	2	18	1	EA	\$12,000.00	\$12,000																								\$12,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D4091	1668173	Fire Suppression System, Commercial Kitchen (per LF of Hood), Replace	20	2	18	4	LF	\$400.00	\$1,600																								\$1,600
Pine Crest Nursing Center	Pine Crest Nursing Center	D5032	1668190	Nurse Call System, , Install	20	2	18	15000	SF	\$2.50	\$37,500																								\$37,500
Pine Crest Nursing Center	Pine Crest Nursing Center	D5037	1668189	Fire Alarm Control Panel, Addressable, Replace	15	2	13	1	EA	\$15,000.00	\$15,000																								\$15,000
Pine Crest Nursing Center	Pine Crest Nursing Center	E1028	1675005	Defibrillator (AED), Cabinet Mounted, Replace	10	2	8	1	EA	\$1,500.00	\$1,500																								\$1,500
Pine Crest Nursing Center	Pine Crest Nursing Center	E1093	1668176	Commercial Kitchen, Steamer, Tabletop, Replace	10	2	8	1	EA	\$7,000.00	\$7,000																								\$7,000
Pine Crest Nursing Center	Pine Crest Nursing Center	E1093	1668182	Commercial Kitchen, Coffee Machine, Replace	10	2	8	1	EA	\$2,000.00	\$2,000																								\$2,000
Pine Crest Nursing Center	Pine Crest Nursing Center	E1093	1668183	Commercial Kitchen, Icemaker, Tabletop, Replace	10	2	8	1	EA	\$2,500.00	\$2,500																								\$2,500
Pine Crest Nursing Center	Pine Crest Nursing Center	E1093	1668172	Commercial Kitchen, Exhaust Hood, 3 to 6 LF, Replace	15	2	13	1	EA	\$3,300.00	\$3,300																								

Building	Subfolder	Uniformat Code	ID	Cost Description	Lifespan (EUL)	EAge	RUL	Quantity	Unit	Unit Cost *	Subtotal	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Repair Estimate	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675248	Interior Floor Finish, Linoleum, Replace	15	10	5	1080	SF	\$3.50	\$3,780						\$3,780														\$3,780	\$7,560		
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675244	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	10	5	1696	SF	\$5.00	\$8,480						\$8,480														\$8,480	\$16,960		
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675246	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	1280	SF	\$5.00	\$6,400													\$6,400								\$6,400		
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675247	Interior Floor Finish, Laminate Faux Wood, Replace	15	2	13	360	SF	\$7.00	\$2,520													\$2,520								\$2,520		
Pine Crest Nursing Center	Pine Crest Nursing Center	C3032	1675245	Interior Ceiling Finish, Suspended Acoustical Tile (ACT), Replace	25	10	15	4416	SF	\$3.50	\$15,456															\$15,456						\$15,456		
Pine Crest Nursing Center	Pine Crest Nursing Center	D2011	1675249	Toilet, Commercial Water Closet, Replace	30	25	5	12	EA	\$1,300.00	\$15,600							\$15,600														\$15,600		
Pine Crest Nursing Center	Pine Crest Nursing Center	D2014	1675250	Sink/Lavatory, Wall-Hung, Vitreous China, Replace	30	25	5	12	EA	\$1,500.00	\$18,000							\$18,000														\$18,000		
Pine Crest Nursing Center	Pine Crest Nursing Center	D2018	1674679	Drinking Fountain, Interior, Replace	15	10	5	1	EA	\$1,900.00	\$1,900							\$1,900												\$1,900	\$3,800			
Pine Crest Nursing Center	Pine Crest Nursing Center	D3041	1674694	Air Handler (AHU), Interior, 4,001 to 6,000 CFM, Replace	30	27	3	1	EA	\$31,000.00	\$31,000																				\$31,000	\$31,000		
Pine Crest Nursing Center	Pine Crest Nursing Center	D3068	1674680	BAS/HVAC Controls, Extensive/Robust BMS or Smart Building System, Replace	15	13	2	9000	SF	\$6.00	\$54,000			\$54,000														\$54,000				\$108,000		
Pine Crest Nursing Center	Pine Crest Nursing Center	D5037	1674676	Fire Alarm Control Panel, Addressable, Replace	15	2	13	1	EA	\$15,000.00	\$15,000													\$15,000								\$15,000		
Pine Crest Nursing Center	Pine Crest Nursing Center	D2091	1674711	Air Compressor, 5 HP, Replace	20	2	18	1	EA	\$10,600.00	\$10,600																		\$10,600			\$10,600		
Pine Crest Nursing Center	Pine Crest Nursing Center	D3041	1674703	Air Handler (AHU), Interior, 4,001 to 6,000 CFM, Replace	30	27	3	1	EA	\$31,000.00	\$31,000																					\$31,000	\$31,000	
Pine Crest Nursing Center	Pine Crest Nursing Center	D3041	1674714	Air Handler (AHU), Interior, 4,001 to 6,000 CFM, Replace	30	27	3	1	EA	\$31,000.00	\$31,000																						\$31,000	\$31,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D3041	1674702	Air Handler (AHU), Interior, 4,001 to 6,000 CFM, Replace	30	27	3	1	EA	\$31,000.00	\$31,000																						\$31,000	\$31,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D3041	1674713	Air Handler (AHU), Interior, 4,001 to 6,000 CFM, Replace	30	27	3	1	EA	\$31,000.00	\$31,000																						\$31,000	\$31,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D5012	1674715	Secondary Transformer, Dry, 75 kVA, Replace	30	15	15	1	EA	\$10,000.00	\$10,000																\$10,000					\$10,000		
Pine Crest Nursing Center	Pine Crest Nursing Center	D5037	1674712	Fire Alarm Control Panel, Addressable, Replace	15	2	13	1	EA	\$15,000.00	\$15,000													\$15,000								\$15,000	\$15,000	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675195	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	10	5	3372	SF	\$5.00	\$16,860																			\$16,860		\$16,860	\$33,720	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675200	Interior Floor Finish, Linoleum, Replace	15	5	10	594	SF	\$3.50	\$2,079												\$2,079									\$2,079	\$2,079	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675199	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	1440	SF	\$5.00	\$7,200														\$7,200							\$7,200	\$7,200	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3032	1675198	Interior Ceiling Finish, Suspended Acoustical Tile (ACT), Replace	25	20	5	4366	SF	\$3.50	\$15,281							\$15,281														\$15,281	\$15,281	
Pine Crest Nursing Center	Pine Crest Nursing Center	D2011	1675201	Toilet, Commercial Water Closet, Replace	30	25	5	10	EA	\$1,300.00	\$13,000																						\$13,000	\$13,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D2014	1675202	Sink/Lavatory, Wall-Hung, Vitreous China, Replace	30	25	5	10	EA	\$1,500.00	\$15,000																						\$15,000	\$15,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D2018	1668230	Drinking Fountain, Interior, Replace	15	10	5	1	EA	\$1,900.00	\$1,900																				\$1,900	\$3,800		
Pine Crest Nursing Center	Pine Crest Nursing Center	D3041	1668232	Air Handler (AHU), Interior, 4,001 to 6,000 CFM, Replace	30	27	3	1	EA	\$31,000.00	\$31,000																						\$31,000	\$31,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D3068	1668233	BAS/HVAC Controls, Extensive/Robust BMS or Smart Building System, Replace	15	13	2	8000	SF	\$6.00	\$48,000			\$48,000														\$48,000					\$96,000	
Pine Crest Nursing Center	Pine Crest Nursing Center	D5019	1668234	Full Electrical System Upgrade, High Density/Complexity, Replace	40	27	13	8000	SF	\$28.00	\$224,000													\$224,000									\$224,000	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675177	Interior Floor Finish, Linoleum, Replace	15	10	5	72	SF	\$3.50	\$252																			\$252		\$504	\$504	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675176	Interior Floor Finish, Laminate Faux Wood, Replace	15	2	13	784	SF	\$7.00	\$5,488														\$5,488								\$5,488	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675173	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	96	SF	\$5.00	\$480														\$480								\$480	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3025	1675175	Interior Floor Finish, Carpet Commercial Standard, Replace	10	2	8	308	SF	\$7.50	\$2,310											\$2,310							\$2,310				\$4,620	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3032	1675174	Interior Ceiling Finish, Suspended Acoustical Tile (ACT), Replace	25	20	5	1260	SF	\$3.50	\$4,410							\$4,410															\$4,410	\$4,410
Pine Crest Nursing Center	Pine Crest Nursing Center	D2011	1675178	Toilet, Commercial Water Closet, Replace	30	27	3	2	EA	\$1,300.00	\$2,600																						\$2,600	\$2,600
Pine Crest Nursing Center	Pine Crest Nursing Center	D2014	1675179	Sink/Lavatory, Wall-Hung, Vitreous China, Replace	30	27	3	2	EA	\$1,500.00	\$3,000																						\$3,000	\$3,000
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675212	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	10	5	1344	SF	\$5.00	\$6,720																				\$6,720		\$13,440	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675215	Interior Floor Finish, Ceramic Tile, Replace	40	30	10	100	SF	\$18.00	\$1,800												\$1,800										\$1,800	
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675211	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	640	SF	\$5.00	\$3,200														\$3,200								\$3,200	\$3,200
Pine Crest Nursing Center	Pine Crest Nursing Center	C3031	1675213	Interior Ceiling Finish, Gypsum Board/Plaster, Replace	50	30	20	100	SF	\$8.00	\$800																				\$800		\$800	\$800
Pine Crest Nursing Center	Pine Crest Nursing Center	D2011	1675216	Toilet, Commercial Water Closet, Replace	30	25	5	4	EA	\$1,300.00	\$5,200																						\$5,200	\$5,200
Pine Crest Nursing Center	Pine Crest Nursing Center	D2014	1675217	Sink/Lavatory, Wall-Hung, Vitreous China, Replace	30	25	5	4	EA	\$1,500.00	\$6,000																						\$6,000	\$6,000
Pine Crest Nursing Center	Pine Crest Nursing Center	D2018	1674281	Drinking Fountain, Interior, Replace	15	10	5	1	EA	\$1,900.00	\$1,900																				\$1,900		\$3,800	
Pine Crest Nursing Center	Pine Crest Nursing Center	D2023	1674278	Water Heater, Gas, Commercial, 75 GAL (125 MBH), Replace	20	18	2	1	EA	\$12,400.00	\$12,400																						\$12,400	\$12,400
Pine Crest Nursing Center	Pine Crest Nursing Center	D2023	1674279	Water Heater, Gas, Commercial, 75 GAL (125 MBH), Replace	20	18	2	1	EA	\$12,400.00	\$12,400																						\$12,400	\$12,400
Pine Crest Nursing Center	Pine Crest Nursing Center	D3051	1674280	Unit Heater, Hydronic, 13 to 36 MBH, Replace	20	15	5	1	EA	\$1,700.00	\$1,700																						\$1,700	\$1,700
Pine Crest Nursing Center	Pine Crest Nursing Center	E1093	1674282	Commercial Kitchen, Icemaker, Tabletop, Replace	10	2	8	1	EA	\$2,500.00	\$2,500																						\$2,500	\$5,000
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675281	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	10	5	160	SF	\$5.00	\$800																				\$800		\$1,600	\$1,600
Pine Crest Nursing Center	Pine Crest Nursing Center	C3032	1675282	Interior Ceiling Finish, Suspended Acoustical Tile (ACT), Replace	25	15	10	160	SF	\$3.50	\$560																						\$560	\$560
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675203	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	10	5	1728	SF	\$5.00	\$8,640																				\$8,640		\$17,280	\$17,280
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675208	Interior Floor Finish, Linoleum, Replace	15	5	10	60	SF	\$3.50	\$210																						\$210	\$210
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675206	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	800	SF	\$5.00	\$4,000															\$4,000							\$4,000	\$4,000
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675207	Interior Floor Finish, Ceramic Tile, Replace	40	20	20	100	SF	\$18.00	\$1,800																				\$1,800		\$1,800	\$1,800
Pine Crest Nursing Center	Pine Crest Nursing Center	C3031	1675204	Interior Ceiling Finish, Gypsum Board/Plaster, Replace	50	44	6	160	SF	\$8.00	\$1,280																						\$1,280	\$1,280
Pine Crest Nursing Center	Pine Crest Nursing Center	C3032	1675205	Interior Ceiling Finish, Suspended Acoustical Tile (ACT), Replace	25	10	15	2528	SF	\$3.50	\$8,848																							

Building	Subfolder	Uniformat Code	ID	Cost Description	Lifespan (EUL)	EAge	RUL	Quantity	Unit	Unit Cost *	Subtotal	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Repair Estimate			
Pine Crest Nursing Center	Pine Crest Nursing Center	D2091	1674534	Air Compressor, 2 HP, Replace	20	2	18	1	EA	\$7,270.00	\$7,270																							\$7,270	\$7,270	
Pine Crest Nursing Center	Pine Crest Nursing Center	D5032	1674528	Nurse Call System, , Install	20	2	18	15000	SF	\$2.50	\$37,500																								\$37,500	\$37,500
Pine Crest Nursing Center	Pine Crest Nursing Center	D5037	1674289	Fire Alarm Control Panel, Addressable, Replace	15	2	13	1	EA	\$15,000.00	\$15,000														\$15,000											\$15,000
Pine Crest Nursing Center	Pine Crest Nursing Center	C3024	1675270	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	2	13	5600	SF	\$5.00	\$28,000													\$28,000												\$28,000
Pine Crest Nursing Center	Pine Crest Nursing Center	B2034	1674778	Overhead/Dock Door, Aluminum 144 SF, Replace	30	15	15	1	EA	\$4,400.00	\$4,400																									\$4,400
Pine Crest Nursing Center	Pine Crest Nursing Center	B2034	1674716	Overhead Door, Residential Garage 56 SF, Replace	30	15	15	1	EA	\$950.00	\$950																									\$950
Pine Crest Nursing Center	Pine Crest Nursing Center	D3042	1674718	Exhaust Fan, Centrifugal, 1,001 to 2,000 CFM (16" Damper), Replace	25	15	10	1	EA	\$2,400.00	\$2,400											\$2,400														\$2,400
Pine Crest Nursing Center	Pine Crest Nursing Center	D3051	1674780	Unit Heater, Hydronic, 13 to 36 MBH, Replace	20	15	5	1	EA	\$1,700.00	\$1,700						\$1,700																			\$1,700
Pine Crest Nursing Center	Pine Crest Nursing Center	D3051	1674717	Unit Heater, Hydronic, 13 to 36 MBH, Replace	20	15	5	1	EA	\$1,700.00	\$1,700						\$1,700																			\$1,700
Pine Crest Nursing Center	Pine Crest Nursing Center	E1031	1674779	Garage Door Opener, Belt Drive, 0.5 HP, Replace	15	5	10	1	EA	\$570.00	\$570											\$570														\$570
Totals, Unescalated												\$18,700	\$843,000	\$1,618,050	\$1,200,100	\$4,600	\$2,564,916	\$62,880	\$54,024	\$60,550	\$15,670	\$1,678,082	\$147,100	\$84,000	\$1,019,410	\$0	\$2,099,983	\$45,000	\$1,297,800	\$329,120	\$20,400	\$4,148,838	\$17,312,223			
Totals, Escalated (3.0% inflation, compounded annually)												\$18,700	\$868,290	\$1,716,589	\$1,311,382	\$5,177	\$2,973,441	\$75,082	\$66,443	\$76,703	\$20,446	\$2,255,202	\$203,621	\$119,764	\$1,497,038	\$0	\$3,271,705	\$72,212	\$2,145,066	\$560,305	\$35,772	\$7,493,263	\$24,786,199			

TABLE OF CONTENTS

- 1. Executive Summary 1**
 - 1.1. Property Information and General Physical Condition 1
 - 1.2. Facility Condition Index (FCI) 2
 - 1.3. Special Issues and Follow-Up Recommendations 3
 - 1.4. Opinions of Probable Cost 3
 - 1.4.1. Methodology 4
 - 1.4.2. Immediate Repairs 4
 - 1.4.3. Replacement Reserves 4
- 2. Purpose and Scope 5**
 - 2.1. Purpose 5
 - 2.2. Scope 6
 - 2.3. Personnel Interviewed 7
 - 2.4. Documentation Reviewed 7
 - 2.5. Pre-Survey Questionnaire 7
 - 2.6. Weather Conditions 7
- 3. Accessibility and Property Research 8**
 - 3.1. ADA Accessibility 8
- 4. Existing Building Assessment 9**
 - 4.1. Unit or Space Types 9
 - 4.2. Inaccessible Areas or Key Spaces Not Observed 9
- 5. Site Improvements 10**
 - 5.1. Utilities 10
 - 5.2. Parking, Paving, and Sidewalks 10
 - 5.3. Drainage Systems and Erosion Control 11
 - 5.4. Topography and Landscaping 12
 - 5.5. General Site Improvements 12
- 6. Building Architectural and Structural Systems 14**
 - 6.1. Foundations 14
 - 6.2. Superstructure 14
 - 6.3. Roofing 15
 - 6.4. Exterior Walls 17
 - 6.5. Exterior and Interior Stairs 17
 - 6.6. Exterior Windows and Doors 18
 - 6.7. Patio, Terrace, and Balcony 18
- 7. Building Mechanical and Plumbing Systems 19**
 - 7.1. Building Heating, Ventilating, and Air Conditioning (HVAC) 19
 - 7.2. Building Plumbing and Domestic Hot Water 21
 - 7.3. Building Gas Distribution 22
 - 7.4. Building Electrical 23
 - 7.5. Building Elevators and Conveying Systems 23
 - 7.6. Fire Protection and Security Systems 25
- 8. Interior Spaces 26**
 - 8.1. Interior Finishes 26
 - 8.2. Commercial Kitchen and Laundry Equipment 27
- 9. Other Structures 29**
- 10. Certification 30**
- 11. Appendices 31**

1. Executive Summary

1.1. Property Information and General Physical Condition

The property information is summarized in the table below. More detailed descriptions may be found in the various sections of the report and in the Appendices.

Property Information	
Address:	2100 East Sixth Street, Merrill, Wisconsin 5542
Year Constructed/Renovated:	1975 Phase I 1992 Phase II 2008 Phase III 2017 Phase IV
Current Occupants:	Lincoln County
Percent Utilization:	100%
Management Point of Contact:	Lincoln County, Patrick Gierl, Maintenance Director 715.218.6756 phone
Property Type:	Healthcare Rehabilitation
Site Area:	20.00 acres
Building Area:	155,000 SF
Number of Buildings:	One
Number of Stories:	Two
Parking Type and Number of Spaces:	273 spaces in open lots
Building Construction:	Masonry bearing walls and steel-framed roofs.
Roof Construction:	Hip roofs with asphalt shingles. Flat roofs with built-up membrane.
Exterior Finishes:	Brick Veneer
Heating, Ventilation & Air Conditioning:	Central system with boilers and air handlers feeding VAV and hydronic underfloor radiant. Individual package and split-system units. Supplemental components: suspended unit heaters
Fire and Life/Safety:	Fire sprinklers, hydrants, smoke detectors, alarms, strobes, extinguishers, pull stations, alarm panel, exit signs.
Dates of Visit:	December 4-6, 2019
On-Site Point of Contact (POC):	John Hanson
Assessment and Report Prepared by:	David Harrell
Reviewed by:	Daniel White, Technical Report Reviewer for Brian Vickers Program Manager Brian.Vickers@bvna.com 800.733.0660 x 6243

Systemic Condition Summary			
Site	Fair	HVAC	Fair
Structure	Good	Plumbing	Fair
Roof	Fair	Electrical	Fair
Vertical Envelope	Fair	Elevators	Fair
Interiors	Fair	Fire	Good

The following bullet points highlight the most significant short term recommendations:

- Full replacement of asphalt parking areas
- Repair of exterior stucco
- Roof repairs and replacements
- HVAC equipment upgrades
- BAS upgrades

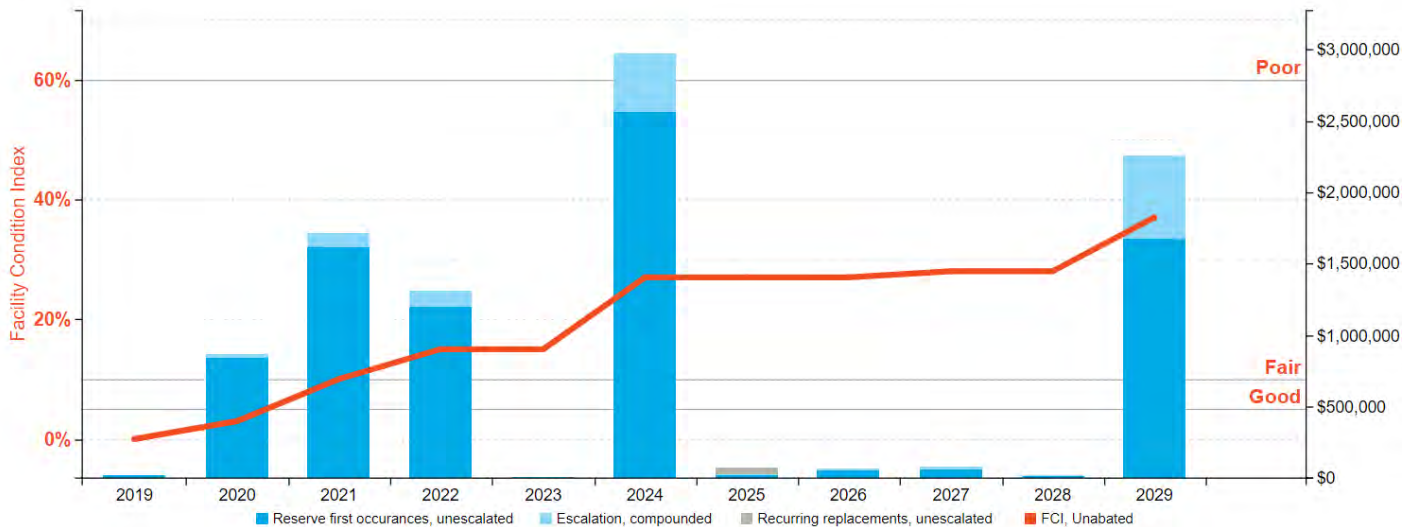
Generally, the property appears to have been constructed within industry standards in force at the time of construction. The property appears to have been well maintained in recent years and is in good overall condition.

According to property management personnel, the property has had an active capital improvement expenditure program over the past three years, primarily consisting of two new additions Unit A and Unit B in 2017 and some HVAC improvements.

1.2. Facility Condition Index (FCI)

FCI Analysis: Pine Crest Nursing Center

Replacement Value: \$ 25,556,400; Inflation rate: 3.0%



One of the major goals of the FCA is to calculate the FCI, which gives an indication of a building's overall condition. Two FCI ratios are calculated and presented, the Current Year and Ten-Year. The Current Year FCI is the ratio of Immediate Repair Costs to the building's Current Replacement Value. Similarly, the Ten-Year FCI is the ratio of anticipated Capital Reserve Needs over the next ten years to the Current Replacement Value.

FCI Condition Rating	Definition	Percentage Value
Good	In new or well-maintained condition, with no visual evidence of wear, soiling or other deficiencies.	0% to 5%
Fair	Subjected to wear and soiling but is still in a serviceable and functioning condition.	> than 5% to 10%
Poor	Subjected to hard or long-term wear. Nearing the end of its useful or serviceable life.	> than 10% to 60%
Very Poor	Has reached the end of its useful or serviceable life. Renewal is now necessary.	> than 60%

The graphs above and tables below represent summary-level findings for the FCA. The deficiencies identified in this assessment can be combined with potential new construction requirements to develop an overall strategy that can serve as the basis for a portfolio-wide capital improvement funding strategy. Key findings from the assessment include:

Key Finding	Metric	
Current Year Facility Condition Index (FCI) $FCI = (IR)/(CRV)$	0.1%	Good
10-Year Facility Condition Index (FCI) $FCI = (RR)/(CRV)$	36.7%	Poor
Current Replacement Value (CRV)	155,000 SF * 164.88 / SF = \$25,556,400	
Year 1 (Current Year) - Immediate Repairs (IR)	\$18,700	
Years 1-10 – Replacement Reserves (RR)	\$9,387,400	

The major issues contributing to the Immediate Repair Costs and the Current Year FCI ratio are summarized below:

- Heating Water Distribution Pumps Replacements, 20-25 HP
- Heating Water Distribution Pumps Replacements, 20-25 HP

Further detail on the specific costs that make up the Immediate Repair Costs can be found in the cost tables at the beginning of this report.

1.3. Special Issues and Follow-Up Recommendations

As part of the FCA, a limited assessment of accessible areas of the building(s) was performed to determine the presence of fungal growth, conditions conducive to fungal growth, and/or evidence of moisture. Property personnel were interviewed concerning any known or suspected fungal growth, elevated relative humidity, water intrusion, or mildew-like odors. Sampling is not a part of this assessment.

There are no visual indications of the presence of fungal growth, conditions conducive to fungal growth, or evidence of moisture in representative readily accessible areas of the property.

1.4. Opinions of Probable Cost

Cost estimates are attached at the front of this report (following the cover page).

These estimates are based on Invoice or Bid Document/s provided either by the Owner/facility and construction costs developed by construction resources such as *R.S. Means* and *Marshall & Swift*, EMG's experience with past costs for similar properties, city cost indexes, and assumptions regarding future economic conditions.

Opinions of probable costs should only be construed as preliminary, order of magnitude budgets. Actual costs most probably will vary from the consultant's opinions of probable costs depending on such matters as type and design of suggested remedy, quality of materials and installation, manufacturer and type of equipment or system selected, field conditions, whether a physical deficiency is repaired or replaced in whole, phasing of the work (if applicable), quality of contractor, quality of project management exercised, market conditions, and whether competitive pricing is solicited, etc. ASTM E2018-08 recognizes that certain opinions of probable costs cannot be developed within the scope of this guide without further study. Opinions of probable cost for further study should be included in the FCA.

1.4.1. Methodology

Based upon site observations, research, and judgment, along with referencing Expected Useful Life (EUL) tables from various industry sources, EMG opines as to when a system or component will most probably necessitate replacement. Accurate historical replacement records, if provided, are typically the best source of information. Exposure to the elements, initial quality and installation, extent of use, the quality and amount of preventive maintenance exercised, etc., are all factors that impact the effective age of a system or component. As a result, a system or component may have an effective age that is greater or less than its actual chronological age. The Remaining Useful Life (RUL) of a component or system equals the EUL less its effective age. Projections of Remaining Useful Life (RUL) are based on continued use of the Property similar to the reported past use. Significant changes in occupants and/or usage may affect the service life of some systems or components.

Where quantities could not be derived from an actual take-off, lump sum costs or allowances are used. Estimated costs are based on professional judgment and the probable or actual extent of the observed defect, inclusive of the cost to design, procure, construct and manage the corrections.

1.4.2. Immediate Repairs

Immediate repairs are opinions of probable costs that require immediate action as a result of: (1) material existing or potential unsafe conditions, (2) material building or fire code violations, or (3) conditions that, if not addressed, have the potential to result in, or contribute to, critical element or system failure within one year or will most probably result in a significant escalation of its remedial cost.

1.4.3. Replacement Reserves

Replacement Reserves are for recurring probable expenditures, which are not classified as operation or maintenance expenses. The replacement reserves should be budgeted for in advance on an annual basis. Replacement Reserves are reasonably predictable both in terms of frequency and cost. However, Replacement Reserves may also include components or systems that have an indeterminable life but, nonetheless, have a potential for failure within an estimated time period.

Replacement Reserves exclude systems or components that are estimated to expire after the reserve term and are not considered material to the structural and mechanical integrity of the subject property. Furthermore, systems and components that are not deemed to have a material effect on the use of the Property are also excluded. Costs that are caused by acts of God, accidents, or other occurrences that are typically covered by insurance, rather than reserved for, are also excluded.

Replacement costs are solicited from ownership/property management, EMG's discussions with service companies, manufacturers' representatives, and previous experience in preparing such schedules for other similar facilities. Costs for work performed by the ownership's or property management's maintenance staff are also considered.

EMG's reserve methodology involves identification and quantification of those systems or components requiring capital reserve funds within the assessment period. The assessment period is defined as the effective age plus the reserve term. Additional information concerning system's or component's respective replacement costs (in today's dollars), typical expected useful lives, and remaining useful lives were estimated so that a funding schedule could be prepared. The Replacement Reserves Schedule presupposes that all required remedial work has been performed or that monies for remediation have been budgeted for items defined in the Immediate Repair Cost Estimate.

2. Purpose and Scope

2.1. Purpose

EMG was retained by the client to render an opinion as to the Property's current general physical condition on the day of the site visit.

Based on the observations, interviews and document review outlined below, this report identifies significant deferred maintenance issues, existing deficiencies, and material code violations of record at municipal offices, which affect the Property's use. Opinions are rendered as to its structural integrity, building system condition and the Property's overall condition. The report also notes building systems or components that have realized or exceeded their typical expected useful lives.

CONDITIONS:

The physical condition of building systems and related components are typically defined as being in one of five conditions: Excellent, Good, Fair, Poor, Failed or a combination thereof. For the purposes of this report, the following definitions are used:

Excellent	=	New or very close to new; component or system typically has been installed within the past year, sound and performing its function. Eventual repair or replacement will be required when the component or system either reaches the end of its useful life or fails in service.
Good	=	Satisfactory as-is. Component or system is sound and performing its function, typically within the first third of its lifecycle. However, it may show minor signs of normal wear and tear. Repair or replacement will be required when the component or system either reaches the end of its useful life or fails in service.
Fair	=	Showing signs of wear and use but still satisfactory as-is, typically near the median of its estimated useful life. Component or system is performing adequately at this time but may exhibit some signs of wear, deferred maintenance, or evidence of previous repairs. Repair or replacement will be required due to the component or system's condition and/or its estimated remaining useful life.
Poor	=	Component or system is significantly aged, flawed, functioning intermittently or unreliably; displays obvious signs of deferred maintenance; shows evidence of previous repair or workmanship not in compliance with commonly accepted standards; has become obsolete; or exhibits an inherent deficiency. The present condition could contribute to or cause the deterioration of contiguous elements or systems. Either full component replacement is needed or repairs are required to restore to good condition, prevent premature failure, and/or prolong useful life.
Failed	=	Component or system has ceased functioning or performing as intended. Replacement, repair, or other significant corrective action is recommended or required.
Not Applicable	=	Assigning a condition does not apply or make logical sense, most commonly due to the item in question not being present.

FORMAT OF THE BODY OF THE REPORT:

Throughout sections 5 through 9 of this report, each report section will typically contain three subsections organized in the following sequence:

- A descriptive table (and/or narrative), which identifies the components assessed, their condition, and other key data points.
- A simple bulleted list of Anticipated Lifecycle Replacements, which lists components and assets typically in Excellent, Good, or Fair condition at the time of the assessment but that will require replacement or some other attention once aged past their estimated useful life. These listed components are typically included in the associated inventory database with costs identified and budgeted beyond the first several years.
- A bulleted cluster of Actions/Comments, which include more detailed narratives describing deficiencies, recommended repairs, and short term replacements. The assets and components associated with these bullets are/were typically problematic and in Poor or Failed condition at the time of the assessment, with corresponding costs included within the first few years.

PLAN TYPES:

Each line item in the cost database is assigned a Plan Type, which is the primary reason or rationale for the recommended replacement, repair, or other corrective action. This is the “why” part of the equation. A cost or line item may commonly have more than one applicable Plan Type; however, only one Plan Type will be assigned based on the “best” fit, typically the one with the greatest significance. The following Plan Types are listed in general weighted order of importance:

Safety	=	An observed or reported unsafe condition that if left unaddressed could result in an injury; a system or component that presents a potential liability risk.
Performance/Integrity	=	Component or system has failed, is almost failing, performs unreliably, does not perform as intended, and/or poses a risk to overall system stability.
Accessibility	=	Does not meet ADA, UFAS, and/or other handicap accessibility requirements.
Environmental	=	Improvements to air or water quality, including removal of hazardous materials from the building or site.
Modernization/Adaptation	=	Conditions, systems, or spaces that need to be upgraded in appearance or function to meet current standards, facility usage, or client/occupant needs.
Lifecycle/Renewal	=	Any component or system in which future repair or replacement is anticipated beyond the next several years and/or is of minimal substantial early-term consequence.

2.2. Scope

The standard scope of the Facility Condition Assessment includes the following:

- Visit the Property to evaluate the general condition of the building and site improvements, review available construction documents in order to familiarize ourselves with, and be able to comment on, the in-place construction systems, life safety, mechanical, electrical, and plumbing systems, and the general built environment.
- Identify those components that are exhibiting deferred maintenance issues and provide cost estimates for Immediate Costs and Replacement Reserves based on observed conditions, maintenance history and industry standard useful life estimates. This will include the review of documented capital improvements completed within the last five-year period and work currently contracted for, if applicable.
- Provide a full description of the Property with descriptions of in-place systems and commentary on observed conditions.
- Provide a general statement of the subject Property’s compliance to Title III of the Americans with Disabilities Act. This will not constitute a full ADA survey, but will help identify exposure to issues and the need for further review.
- Perform a limited assessment of accessible areas of the building(s) for the presence of fungal growth, conditions conducive to fungal growth, and/or evidence of moisture. EMG will also interview Project personnel regarding the presence of any known or suspected fungal growth, elevated relative humidity, water intrusion, or mildew-like odors. Potentially affected areas will be photographed. Sampling will not be considered in routine assessments.
- List the current utility service providers.
- Review maintenance records and procedures with the in-place maintenance personnel.
- Observe a representative sample of the interior spaces/units, including vacant spaces/units, in order to gain a clear understanding of the property’s overall condition. Other areas to be observed include the exterior of the property, the roofs, interior common areas, and the significant mechanical, electrical and elevator equipment rooms.
- Provide recommendations for additional studies, if required, with related budgetary information.
- Provide an Executive Summary at the beginning of this report.
- Prepare a mechanical equipment inventory list.

2.3. Personnel Interviewed

The management and maintenance staff were interviewed for specific information relating to the physical property, available maintenance procedures, historical performance of key building systems and components, available drawings and other documentation. The following personnel from the facility were interviewed in the process of conducting the FCA:

Name and Title	Organization	Phone Number
Pat Gierl Director of Facilities Lincoln County	Lincoln County	715.218.6756
John Hanson Director of Maintenance Pine Crest Nursing Home	Lincoln County	715.539.2537

The FCA was performed with the assistance of the onsite Point of Contact (POC), who was cooperative and provided information that appeared to be accurate based upon subsequent site observations. The onsite contact is completely knowledgeable about the subject property and answered most questions posed during the interview process. The POC's management involvement at the property has been for the past 30 years.

2.4. Documentation Reviewed

Prior to the FCA, relevant documentation was requested that could aid in the knowledge of the subject property's physical improvements, extent and type of use, and/or assist in identifying material discrepancies between reported information and observed conditions. The review of submitted documents does not include comment on the accuracy of such documents or their preparation, methodology, or protocol. The Documentation Request Form is provided in Appendix E.

Although Appendix E provides a summary of the documents requested or obtained, the following list provides more specific details about some of the documents that were reviewed or obtained during the site visit.

- None

2.5. Pre-Survey Questionnaire

A Pre-Survey Questionnaire was sent to the POC prior to the site visit. The questionnaire is included in Appendix E. Information obtained from the questionnaire has been used in preparation of this report.

2.6. Weather Conditions

Dec 4, 2019: Cloudy, with temperatures in the 30s (°F) and light winds. There was approximately 5 inches of snow on the ground at the time of the site visit.

Dec 5, 2019: Cloudy, with temperatures in the 30s (°F) and light winds. There was approximately 5 inches of snow on the ground at the time of the site visit.

Dec 6, 2019: Cloudy, with temperatures in the 20s (°F) and light winds. There was approximately 5 inches of snow on the ground at the time of the site visit.

3. Accessibility and Property Research

3.1. ADA Accessibility

Generally, Title III of the Americans with Disabilities Act (ADA) prohibits discrimination by entities to access and use of “areas of public accommodations” and “commercial facilities” on the basis of disability. Regardless of its age, these areas and facilities must be maintained and operated to comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG).

Buildings completed and occupied after January 26, 1992 are required to comply fully with the ADAAG. Existing facilities constructed prior to this date are held to the lesser standard of compliance to the extent allowed by structural feasibility and the financial resources available. As an alternative, a reasonable accommodation pertaining to the deficiency must be made.

During the FCA, a limited visual observation for ADA accessibility compliance was conducted. The scope of the visual observation was limited to those areas set forth in *EMG's Abbreviated Accessibility Checklist* provided in Appendix D of this report. It is understood by the Client that the limited observations described herein does not comprise a full ADA Compliance Survey, and that such a survey is beyond the scope of EMG's undertaking. Only a representative sample of areas was observed and, other than as shown on the Abbreviated Accessibility Checklist, actual measurements were not taken to verify compliance.

The facility generally appears to be accessible as stated within the defined priorities of Title III of the Americans with Disabilities Act.

A full ADA Compliance Survey may reveal some aspects of the property that are not in compliance.

4. Existing Building Assessment

4.1. Unit or Space Types

All 155,000 square feet of the building are occupied by a single occupant, Pine Crest Nursing Home. The spaces are mostly a combination of rehab rooms, therapy, laboratory spaces, activity space, chapel space, dining space and supporting restrooms, administrative offices, mechanical and other utility spaces.

4.2. Inaccessible Areas or Key Spaces Not Observed

A representative sample of the interior spaces were observed in order to gain a clear understanding of the property's overall condition. Other areas accessed included the site within the property boundaries, exterior of the property and the roof. All areas of the property were available for observation during the site visit.

5. Site Improvements

5.1. Utilities

The following table identifies the utility suppliers and the condition and adequacy of the services.

Site Utilities		
Utility	Supplier	Condition and Adequacy
Sanitary sewer	City of Merrill	Good
Storm sewer	City of Merrill	Good
Domestic water	City of Merrill	Good
Electric service	Wisconsin Public Service	Good
Natural gas service	Wisconsin Public Service	Good

Actions/Comments:

- According to the POC, the utilities provided are adequate for the property. There are no unique, onsite utility systems such as septic systems, water or waste water treatment plants, or propane gas tanks.

5.2. Parking, Paving, and Sidewalks

Item	Description
Main Ingress and Egress	East Sixth Street
Access from	South
Additional Entrances	North Sales Street
Additional Access from	West

Paving and Flatwork			
Item	Material	Last Work Done	Condition
Entrance Driveway Apron	Concrete	2	Good
Parking Lot	Asphalt	15+	Poor
Drive Aisles	Asphalt	15+	Poor
Service Aisles	Asphalt	15+	Poor
Sidewalks	Concrete	10	Fair
Curbs	Concrete	10	Fair
Site Stairs	Cast-in-place concrete	15+	Good
Pedestrian Ramps	None	--	--

Parking Count				
Open Lot	Carport	Private Garage	Subterranean Garage	Freestanding Parking Structure
273	--	--	--	--
Total Number of ADA Compliant Spaces			25	
Number of ADA Compliant Spaces for Vans			10	
Total Parking Spaces			273	
Parking Ratio (Spaces/1000 sf)			1.8	
Method of Obtaining Parking Count			Physical count	

Exterior Stairs			
Location	Material	Handrails	Condition
Front Entrance	Concrete stairs	Metal	Good

Anticipated Lifecycle Replacements:

- Asphalt seal coating
- Asphalt pavement

Actions/Comments:

- The asphalt pavement exhibits significant areas of failure and deterioration, such as alligator cracking, transverse cracking, extensive raveling, and localized depressions. Complete milling and overlay of the entire lot is recommended.

5.3. Drainage Systems and Erosion Control

Drainage System and Erosion Control		
System	Exists at Site	Condition
Surface Flow	<input checked="" type="checkbox"/>	Good
Inlets	<input type="checkbox"/>	--
Swales	<input checked="" type="checkbox"/>	Good
Detention pond	<input checked="" type="checkbox"/>	Good
Lagoons	<input type="checkbox"/>	--
Ponds	<input type="checkbox"/>	--
Underground Piping	<input checked="" type="checkbox"/>	Good
Pits	<input type="checkbox"/>	--
Municipal System	<input checked="" type="checkbox"/>	Good
Dry Well	<input type="checkbox"/>	--

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- There is no evidence of storm water runoff from adjacent properties. The storm water system appears to provide adequate runoff capacity. There is no evidence of major ponding or erosion.

5.4. Topography and Landscaping

Item	Description						
Site Topography	Slopes gently down from the west side of the property to the east property line.						
Landscaping	Trees	Grass	Flower Beds	Planters	Drought Tolerant Plants	Decorative Stone	None
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landscaping Condition	Fair						
Irrigation	Automatic Underground		Drip		Hand Watering		None
	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>
Irrigation Condition	--						

Retaining Walls		
Type	Location	Condition
None	--	--

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- The topography and adjacent uses do not appear to present conditions detrimental to the property. There are no significant areas of erosion.

5.5. General Site Improvements

Property Signage	
Property Signage	Post mounted wood
Street Address Displayed?	No

Site and Building Lighting					
Site Lighting	None	Pole Mounted	Bollard Lights	Ground Mounted	Parking Lot Pole Type
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Good					
Building Lighting	None	Wall Mounted		Recessed Soffit	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
--					

Site Fencing		
Type	Location	Condition
None	--	--

Refuse Disposal				
Refuse Disposal	Common area dumpsters			
Dumpster Locations	Mounting	Enclosure	Contracted?	Condition
Dock	Asphalt paving	None	Yes	Fair

Other Site Amenities			
	Description	Location	Condition
Playground Equipment	None	--	--
Tennis Courts	None	--	--
Basketball Court	None	--	--
Swimming Pool	None	--	--

Anticipated Lifecycle Replacements:

- Signage
- Exterior lighting

Actions/Comments:

- No significant actions are identified at the present time. On-going periodic maintenance is highly recommended. Future lifecycle replacements of the components listed above will be required.

6. Building Architectural and Structural Systems

6.1. Foundations

Building Foundation		
Item	Description	Condition
Foundation	Slab on grade with integral footings	Good
Basement and Crawl Space	Concrete slab and masonry walls	Fair

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- Isolated areas of the foundation systems are exposed, which allows for limited observation. There are no significant signs of settlement, deflection, or movement. The basement walls appear intact and structurally sound. There is no evidence of movement or water infiltration.

6.2. Superstructure

Building Superstructure		
Item	Description	Condition
Framing / Load-Bearing Walls	Masonry walls	Good
Ground Floor	Concrete slab	Good
Upper Floor Framing	Concrete beams	Good
Upper Floor Decking	Concrete, precast planks	Good
Roof Framing	Open-web steel joists	Good
Roof Decking	Metal decking	Good

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- The superstructure is exposed in some locations, which allows for limited observation. Walls and floors appear to be plumb, level, and stable. There are no significant signs of deflection or movement.

6.3. Roofing

Primary Roof (Central Hall)			
Type / Geometry	Flat	Finish	Built-up membrane
Maintenance	In-house Staff	Roof Age	45 Years
Flashing	Built-up base and Edge flashing	Warranties	None
Parapet Copings	None	Roof Drains	Internal drains
Fascia	None	Insulation	Rigid Board
Soffits	None	Skylights	No
Attics	Truss Joists	Ponding	No
Ventilation Source-1	NA – Flat roof	Leaks Observed	No
Ventilation Source-2	--	Roof Condition	Poor

The primary roof is located at Central Hall.

Secondary Roof (Sloped)			
Type / Geometry	Hip Roof	Finish	Asphalt shingles
Maintenance	In-house Staff	Roof Age	28 Years
Flashing	Sheet metal	Warranties	None
Parapet Copings	None	Roof Drains	Gutters and downspouts
Fascia	Metal Panel	Insulation	Fiberglass batts
Soffits	Concealed Soffits	Skylights	No
Attics	Truss Joists	Ponding	No
Ventilation Source-1	Soffit Vents	Leaks Observed	No
Ventilation Source-2	--	Roof Condition	Fair

The secondary roof is located at sloped roofs.

Tertiary Roof (Flat)			
Type / Geometry	Flat	Finish	Single-ply membrane
Maintenance	In-house Staff	Roof Age	7 Years
Flashing	Membrane	Warranties	Yes
Parapet Copings	None	Roof Drains	Internal drains
Fascia	None	Insulation	Rigid Board
Soffits	None	Skylights	No

Tertiary Roof (Flat)			
Attics	Truss Joists	Ponding	No
Ventilation Source-1	NA – Flat roof	Leaks Observed	No
Ventilation Source-2	--	Roof Condition	Fair

The tertiary roof is located at the flat portions of roof.

Quaternary Roof (2017 additions)			
Type / Geometry	Hip Roof	Finish	Asphalt shingles
Maintenance	In-house Staff	Roof Age	2 Years
Flashing	Sheet metal	Warranties	Yes
Parapet Copings	None	Roof Drains	Gutters and downspouts
Fascia	Metal Panel	Insulation	Fiberglass batts
Soffits	Concealed Soffits	Skylights	No
Attics	Truss Joists	Ponding	No
Ventilation Source-1	Soffit Vents	Leaks Observed	No
Ventilation Source-2	--	Roof Condition	Good

The quaternary roof is located at the new additions A and B buildings.

Anticipated Lifecycle Replacements:

- Asphalt shingles
- Roof membrane
- Roof flashings (included as part of overall membrane replacement)

Actions/Comments:

- The roof finishes vary in age. Information regarding roof warranties or bonds was not available. The roofs are maintained by the in-house maintenance staff.
- Roof drainage appears to be adequate. Clearing and minor repair of drain system components should be performed regularly as part of the property management's routine maintenance and operations program
- Roof leaks have been reported by the POC and continue to occur on the primary portion of the flat roof. The leaks occur along central hall. All active leaks must be repaired pending total recommended replacement.

6.4. Exterior Walls

Building Exterior Walls		
Type	Location	Condition
Primary Finish	Brick veneer	Fair
Secondary Finish	Cement board siding	Good
Accented with	Stucco	Poor
Soffits	Concealed	Fair

Building sealants (caulking) are located between dissimilar materials, at joints, and around window and door openings.

Anticipated Lifecycle Replacements:

- Exterior paint
- Stucco

Actions/Comments:

- The stucco has significant areas of damage mostly along the bottom 3-feet of exterior wall. The damaged stucco must be replaced.

6.5. Exterior and Interior Stairs

Building Exterior and Interior Stairs					
Type	Description	Riser	Handrail	Balusters	Condition
Building Exterior Stairs	None	--	--	--	--
Building Interior Stairs	Concrete stairs	Closed	Metal	None	Fair

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- No significant actions are identified at the present time. On-going periodic maintenance is highly recommended.

6.6. Exterior Windows and Doors

Building Windows				
Window Framing	Glazing	Location	Window Screen	Condition
Aluminum framed, operable	Double glaze	1992 Sections	☒	Fair
Vinyl framed, operable	Double glaze	New Additions	☒	Good

Building Doors		
Main Entrance Doors	Door Type	Condition
	Fully glazed, metal framed	Fair
Secondary Entrance Doors	Metal, insulated	Fair
Service Doors	Metal, insulated	Fair
Overhead Doors	Aluminium	Fair

Anticipated Lifecycle Replacements:

- Windows
- Exterior doors

Actions/Comments:

- No significant actions are identified at the present time. On-going periodic maintenance is highly recommended. Future lifecycle replacements of the components listed above will be required.
- There are a significant number of rust damaged exterior door frames, typically at the base. The damaged frames are recommended for replacement.

6.7. Patio, Terrace, and Balcony

Not applicable. There are no patios, terraces, or balconies.

7. Building Mechanical and Plumbing Systems

7.1. Building Heating, Ventilating, and Air Conditioning (HVAC)

Individual Units	
Primary Components	Split System Condensing Units
Cooling (if separate from above)	performed via components above
Quantity and Capacity Ranges	18 units ranging from 3.5 tons/ to 50 tons
Total Heating or Cooling Capacity	255.5 tons
Heating Fuel	Electric
Location of Equipment	Building exterior
Space Served by System	Entire building
Age Ranges	Vary from 1992 to 2017
Primary Component Condition	Fair

Building Central Heating System	
Primary Heating System Type	Hot water boilers
Quantity and Capacity of Major Components	Three boilers at 2929 MBH each; One boiler at 2000 MBH
Total Heating Capacity	10787 MBH
Heating Fuel	Natural gas
Location of Major Equipment	Mechanical rooms
Space Served by System	Entire building
Age Ranges	Vary from 1975 to 2017
Boiler Condition	Fair
Heat Exchanger Condition	--

Building Central Cooling System	
Primary Cooling System Type	None
Quantity and Capacity of Major Components	--
Total Cooling Capacity	--
Refrigerant	--
Cooling Towers	--
Location of Major Equipment	--

Building Central Cooling System	
Space Served by System	--
Age Ranges	--
Chiller Condition	--
Cooling Tower Condition	--

Distribution System	
HVAC Water Distribution System	Two-pipe
Heating Water Circulation Pump Size & Quantity	Nine pumps ranging from 2 to 25 HP each
Chilled Water Circulation Pump Size & Quantity	NA
Condenser Water Circulation Pump Size & Quantity	NA
Pump Condition	Fair
Air Distribution System	Constant and Variable volume
Quantity and Capacity of Air Handlers	21 air handlers ranging from 5000 to 13720 CFM each
Location of Air Handlers	Mechanical rooms
Large Spaces the Larger Dedicated AHU's Serve	Patient Halls, New additions
Age of Air Handlers	Vary from 1992 to 2017
Air Handler Condition	Fair
Terminal Units	VAV boxes
Quantity and Capacity of Terminal Units	Approximately 66 VAV boxes ranging from 250 to 1300 CFM each
Location of Terminal Units	2017 Additions
Spaces Served by Terminal Units	Throughout facility
Terminal Unit Condition	Good

Supplemental Components	
Supplemental Component #1	Package units
Location / Space Served by Package units	Dining, Kitchen, Activity
Package units Condition	Fair
Supplemental Component #2	Suspended unit heaters
Location / Space Served by Unit heaters	Mechanical rooms
Unit heaters Condition	Fair

Controls and Ventilation	
HVAC Control System	BAS, pneumatic controls
HVAC Control System Condition	Fair
Building Ventilation	Central AHU, with fresh air intake
Ventilation System Condition	Fair

Anticipated Lifecycle Replacements:

- Boilers
- Air handling units
- Distribution pumps
- VAV boxes
- Package units
- Split system condensing units
- Suspended unit heaters
- Building Automation System (BAS)

Actions/Comments:

- The HVAC systems are maintained by an outside contractor. Records of the installation, maintenance, upgrades, and replacement of the HVAC equipment at the property have been maintained since the property was first occupied.
- The HVAC equipment varies in age. HVAC equipment is replaced on an "as needed" basis.
- The HVAC equipment appears to be functioning adequately overall. The maintenance staff was interviewed about the historical and recent performance of the equipment and systems. No chronic problems were reported and an overall sense of satisfaction with the systems was conveyed. However, due to the inevitable failure of parts and components over time, some of the equipment will require replacement.
- The facility HVAC is controlled using an outdated pneumatic system supplied by an air compressor. For modernization, reliability, and increased control, full conversion to a web-based direct digital control (DDC) platform is highly recommended.

7.2. Building Plumbing and Domestic Hot Water

Building Plumbing System		
Type	Description	Condition
Water Supply Piping	Copper	--
Waste/Sewer Piping	Cast iron	--
Vent Piping	Cast iron	--
Water Meter Location	Mechanical room	

Domestic Water Heaters or Boilers	
Components	Water Heaters
Fuel	Natural gas
Quantity and Input Capacity	7 units ranging from 125 MBH to 400 MBH each
Storage Capacity	Ranging from 80 to 120 gallons each

Domestic Water Heaters or Boilers	
Boiler or Water Heater Condition	Fair
Supplementary Storage Tanks?	No
Storage Tank Quantity & Volume	--
Quantity of Storage Tanks	--
Storage Tank Condition	--
Domestic Hot Water Circulation Pumps (3 HP and over)	No
Adequacy of Hot Water	Adequate
Adequacy of Water Pressure	Adequate

Plumbing Fixtures	
Water Closets	Commercial grade
Toilet (Water Closet) Flush Rating	1.6 GPF
Common Area Faucet Nominal Flow Rate	1.0 GPM
Condition	Fair

Anticipated Lifecycle Replacements:

- Water heaters
- Toilets
- Sinks

Actions/Comments:

- The plumbing systems appear to be well maintained and functioning adequately. The water pressure appears to be sufficient. No significant repair actions or short term replacement costs are required. Routine and periodic maintenance is recommended. Future lifecycle replacements of the components or systems listed above will be required.

7.3. Building Gas Distribution

Gas service is supplied from the gas main on the adjacent public street. The gas meter and regulator are located along the exterior wall of the building. The gas distribution piping within the building is malleable steel (black iron).

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- The pressure and quantity of gas appear to be adequate.
- The gas meter and regulator appear to be functioning adequately and will require routine maintenance.
- Only limited observation of the gas distribution piping can be made due to hidden conditions.

7.4. Building Electrical

Building Electrical Systems			
Electrical Lines	Underground	Transformer	Pad-mounted
Main Service Size	1600 Amps	Volts	277/480 Volt, three-phase
Meter & Panel Location	Electrical room	Branch Wiring	Copper
Conduit	Metallic	Step-Down Transformers?	Yes
Security / Surveillance System?	Yes	Building Intercom System?	Yes
Lighting Fixtures	T-8, LED		
Main Distribution Condition	Fair		
Secondary Panel and Transformer Condition	Fair		
Lighting Condition	Fair		

Building Emergency System			
Size	150 kW and 400 kW	Fuel	Diesel
Generator / UPS Serves	Emergency lights, elevators, etc.	Tank Location	Day tank
Testing Frequency	Bi-Weekly	Tank Type	Above ground storage tank
Generator / UPS Condition	Fair		

Anticipated Lifecycle Replacements:

- Step-down transformers
- Interior light fixtures
- Emergency generator

Actions/Comments:

- The onsite electrical systems up to the meter are owned and maintained by the respective utility company.
- The electrical service and capacity appear to be adequate for the property's demands.

7.5. Building Elevators and Conveying Systems

Building Elevators			
Manufacturer	Dover	Machinery Location	Ground floor or basement adjacent to shaft
Safety Stops	Electronic	Emergency Equipment	Yes
Cab Floor Finish	Vinyl-tiled	Cab Wall Finish	Plastic-laminated wood

Building Elevators	
Hydraulic Elevators	Two cars at 4500 LB each
Overhead Traction Elevators	None
Freight Elevators	None
Machinery Condition	Fair
Controls Condition	Fair
Cab Finish Condition	Fair
Other Conveyances	None
Other Conveyance Condition	--

Anticipated Lifecycle Replacements:

- Elevator controls
- Hydraulic machinery

Actions/Comments:

- The elevators appear to provide adequate service. The elevators are serviced by Otis on a routine basis. The elevator machinery and controls appear to be more than 10 years old. The elevators will require continued periodic maintenance.
- The elevators are inspected on an annual basis by the municipality, and a certificate of inspection is on file in the management office.
- The emergency communication equipment in the elevator cabs appears to be functional. Equipment testing is not within the scope of the work.
- The finishes in the elevator cabs will require replacement. The cost to replace the finishes is relatively insignificant and the work can be performed as part of the property management's operations program.

7.6. Fire Protection and Security Systems

Item	Description					
Type	Wet pipe					
Fire Alarm System	Central Alarm Panel	<input checked="" type="checkbox"/>	Battery-Operated Smoke Detectors	<input type="checkbox"/>	Alarm Horns	<input checked="" type="checkbox"/>
	Annunciator Panels	<input checked="" type="checkbox"/>	Hard-Wired Smoke Detectors	<input checked="" type="checkbox"/>	Strobe Light Alarms	<input checked="" type="checkbox"/>
	Pull Stations	<input type="checkbox"/>	Emergency Battery-Pack Lighting	<input checked="" type="checkbox"/>	Illuminated EXIT Signs	<input checked="" type="checkbox"/>
Alarm System Condition	Good					
Sprinkler System	None	<input type="checkbox"/>	Standpipes	<input checked="" type="checkbox"/>	Backflow Preventer	<input checked="" type="checkbox"/>
	Hose Cabinets	<input type="checkbox"/>	Fire Pumps	<input type="checkbox"/>	Siamese Connections	<input checked="" type="checkbox"/>
Suppression Condition	Good					
Central Alarm Panel System	Location of Alarm Panel			Installation Date of Alarm Panel		
	Mechanical room			2010		
Fire Extinguishers	Last Service Date			Servicing Current?		
	July 2019			Yes		
Hydrant Location	Parking lot					
Siamese Location	Side of building					
Special Systems	Kitchen Suppression System		<input checked="" type="checkbox"/>	Computer Room Suppression System		<input type="checkbox"/>

Anticipated Lifecycle Replacements:

- Central alarm panel
- Alarm devices and system
- Sprinkler heads

Actions/Comments:

- No significant actions are identified at the present time. On-going periodic maintenance is highly recommended. Future lifecycle replacements of the components listed above will be required.

8. Interior Spaces

8.1. Interior Finishes

The facility is used as a medical rehabilitation center and rest home for the County of Lincoln.

The most significant interior spaces include rehab rooms, therapy, laboratory spaces, activity space, chapel space, dining space and supporting restrooms, administrative offices, mechanical and other utility spaces.

The following table generally describes the locations and typical conditions of the interior finishes within the facility:

Typical Floor Finishes		
Floor Finish	Locations	General Condition
Carpet	Lobby, offices	Good
Vinyl tile	Patient rooms, corridors	Fair
Ceramic tile	Restrooms	Fair
Quarry tile	Kitchen	Fair
Faux wood	Patient rooms, lounge	Good
Linoleum	Restrooms	Fair
Typical Wall Finishes		
Wall Finish	Locations	General Condition
Painted drywall	Throughout	Fair
Ceramic tile	Restrooms, showers	Good
Painted CMU	Basement, offices, patient rooms, corridors	Fair
Typical Ceiling Finishes		
Ceiling Finish	Locations	General Condition
Painted drywall	Restrooms	Fair
Suspended T-bar (Acoustic)	Throughout	Fair
Exposed structure	Basement, mechanical rooms	Fair

Interior Doors		
Item	Type	Condition
Interior Doors	Solid core wood	Good
Door Framing	Metal	Good
Fire Doors	Yes	Good

Anticipated Lifecycle Replacements:

- Carpet
- Vinyl tile
- Ceramic tile
- Interior paint
- Suspended acoustic ceiling tile
- Interior doors
- Laundry room washers
- Laundry room dryers

Actions/Comments:

- It appears that the interior finishes have not been renovated within the last 5 years.
- No significant actions are identified at the present time. On-going periodic maintenance is highly recommended. Future lifecycle replacements of the components listed above will be required.

8.2. Commercial Kitchen and Laundry Equipment

The cafeteria area has a variety of commercial kitchen appliances, fixtures, and equipment. The equipment is owned and maintained in-house.

The cafeteria kitchen includes the following major appliances, fixtures, and equipment:

Commercial Kitchen		
Appliance	Comment	Condition
Refrigerators	Walk-in & Up-right	Fair
Freezers	Walk-in & Up-right	Fair
Ranges	Gas	Fair
Ovens	Gas	Fair
Griddles / Grills	Gas	Fair
Fryers	--	--
Hood	Exhaust ducted to exterior	Fair
Dishwasher	Owned	Fair
Microwave	☒	Fair
Ice Machines	☒	Fair
Steam Tables	☒	Fair
Work Tables	☒	Fair
Shelving	☒	Fair

Commercial Laundry		
Equipment	Comment	Condition
Commercial Washing Machines	None	--
Commercial Dryers	None	--
Residential Washers	<input type="checkbox"/>	--
Residential Dryers	<input type="checkbox"/>	--

Anticipated Lifecycle Replacements:

- Cooking Range
- Convection oven
- Dishwasher
- Walk-in freezer
- Walk-in cooler
- Ice maker
- Refrigerator
- Steamer
- Coffee Maker
- Coolers
- Food warmer

Actions/Comments:

- No significant actions are identified at the present time. On-going periodic maintenance is highly recommended. Future lifecycle replacements of the components listed above will be required.

9. Other Structures

Not applicable. There are no major accessory structures.

10. Certification

Lincoln County retained EMG to perform this Facility Condition Assessment in connection with its continued operation of Pine Crest Nursing Home, 2100 East 6th Street, Merrill, Wisconsin, the "Property". It is our understanding that the primary interest of Lincoln County is to locate and evaluate materials and building system defects that might significantly affect the value of the property and to determine if the present Property has conditions that will have a significant impact on its continued operations.

The conclusions and recommendations presented in this report are based on the brief review of the plans and records made available to our Project Manager during the site visit, interviews of available property management personnel and maintenance contractors familiar with the Property, appropriate inquiry of municipal authorities, our Project Manager's walk-through observations during the site visit, and our experience with similar properties.

No testing, exploratory probing, dismantling or operating of equipment or in depth studies were performed unless specifically required under Section 2 of this report. This assessment did not include engineering calculations to determine the adequacy of the Property's original design or existing systems. Although walk-through observations were performed, not all areas were observed (See Section 4.2 for areas observed). There may be defects in the Property, which were in areas not observed or readily accessible, may not have been visible, or were not disclosed by management personnel when questioned. The report describes property conditions at the time that the observations and research were conducted.

This report has been prepared on behalf of and exclusively for the use of Lincoln County for the purpose stated within Section 2 of this report. The report, or any excerpt thereof, shall not be used by any party other than Lincoln County or for any other purpose than that specifically stated in our agreement or within Section 2 of this report without the express written consent of EMG.

Any reuse or distribution of this report without such consent shall be at Lincoln County and the recipient's sole risk, without liability to EMG.

Prepared by: David Harrell, PE,
Project Manager

Reviewed by:

Daniel White

Daniel White,
Technical Report Reviewer for
Brian Vickers
Program Manager
Brian.Vickers@bvna.com
800.733.0660 x 6243

11. Appendices

- Appendix A: Photographic Record
- Appendix B: Site Plan
- Appendix C: EMG Accessibility Checklist
- Appendix D: Pre-Survey Questionnaire

Appendix A: Photographic Record





#1	FRONT ELEVATION
----	-----------------



#2	400 HALL ELEVATION
----	--------------------



#3	500 HALL ELEVATION
----	--------------------



#4	A UNIT ELEVATION
----	------------------



#5	A UNIT ELEVATION
----	------------------



#6	B UNIT ELEVATION
----	------------------



#7	B UNIT ELEVATION
----	------------------



#8	STOREFRONT, METAL-FRAMED
----	--------------------------



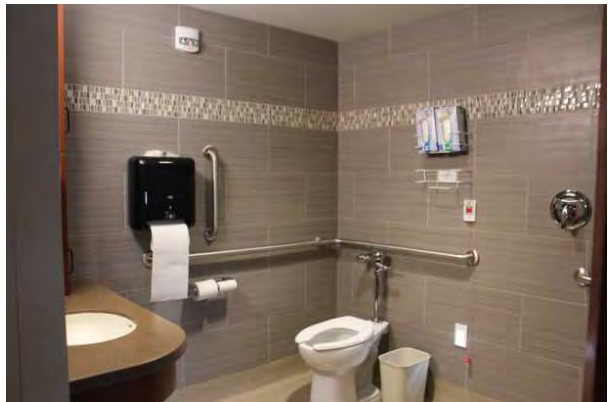
#9	OVERHEAD/DOCK DOOR, ALUMINUM
----	------------------------------



#10	INTERIOR DOOR, WOOD SOLID-CORE
-----	--------------------------------



#11	LOCKERS, STEEL BAKED ENAMEL
-----	-----------------------------



#12	INTERIOR WALL FINISH, CERAMIC TILE
-----	------------------------------------



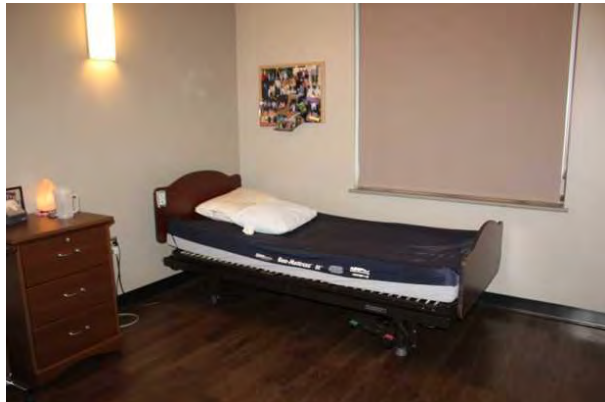
#13 INTERIOR FLOOR FINISH, SURFACE WITH EPOXY COATING



#14 INTERIOR FLOOR FINISH, VINYL TILE (VCT)



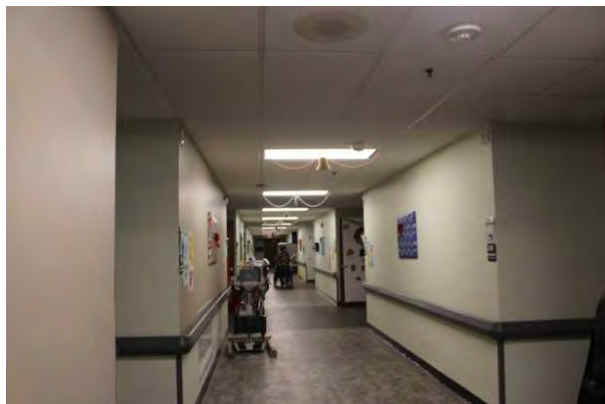
#15 INTERIOR FLOOR FINISH, CERAMIC TILE



#16 INTERIOR FLOOR FINISH, LAMINATE FAUX WOOD



#17 INTERIOR FLOOR FINISH, LINOLEUM



#18 INTERIOR FLOOR FINISH, VINYL TILE (VCT)



#19	INTERIOR FLOOR FINISH, LAMINATE FAUX WOOD
-----	--



#20	INTERIOR FLOOR FINISH, CERAMIC TILE
-----	--



#21	INTERIOR FLOOR FINISH, CARPET COMMERCIAL STANDARD
-----	---



#22	INTERIOR CEILING FINISH, SUSPENDED ACOUSTICAL TILE (ACT)
-----	--



#23	ELEVATOR, HYDRAULIC
-----	---------------------



#24	PASSENGER ELEVATOR
-----	--------------------



#25	ELEVATOR CONTROLS
-----	-------------------



#26	TOILET, COMMERCIAL WATER CLOSET
-----	---------------------------------



#27	TOILET, COMMERCIAL WATER CLOSET
-----	---------------------------------



#28	SERVICE SINK, LAUNDRY
-----	-----------------------



#29	SINK/LAVATORY, WALL-HUNG, VITREOUS CHINA
-----	--



#30	COMMERCIAL KITCHEN SINK, STAINLESS STEEL, 3-BOWL
-----	--



#31	DRINKING FOUNTAIN, INTERIOR
-----	-----------------------------



#32	BACKFLOW PREVENTER
-----	--------------------



#33	WATER HEATER, GAS
-----	-------------------



#34	WATER HEATER, GAS
-----	-------------------



#35	WATER HEATER, GAS
-----	-------------------



#36	AIR COMPRESSOR
-----	----------------



#37	BOILER, GAS, HIGH EFFICIENCY CONDENSING STYLE
-----	---



#38	BOILER, GAS
-----	-------------



#39	BOILER, GAS
-----	-------------



#40	BOILER, GAS
-----	-------------



#41	CONDENSING UNIT, SPLIT SYSTEM
-----	-------------------------------



#42	CONDENSING UNIT, SPLIT SYSTEM
-----	-------------------------------



#43	CONDENSING UNIT, SPLIT SYSTEM
-----	-------------------------------



#44	AIR HANDLER (AHU)
-----	-------------------



#45	PNEUMATIC CONTROLS
-----	--------------------



#46	AIR HANDLER (AHU)
-----	-------------------



#47	AIR HANDLER (AHU)
-----	-------------------



#48	EXHAUST FAN, ROOF
-----	-------------------



#49	FURNACE, GAS
-----	--------------



#50	UNIT HEATER, HYDRONIC
-----	-----------------------



#51	FIRE RISER
-----	------------



#52	FIRE SUPPRESSION SYSTEM, COMMERCIAL KITCHEN
-----	---



#53	SECONDARY TRANSFORMER
-----	-----------------------



#54	BUILDING/MAIN SWITCHBOARD
-----	---------------------------



#55 NURSE CALL SYSTEM



#56 FIRE ALARM CONTROL PANEL, ADDRESSABLE



#57 GENERATOR, GAS



#58 SINK, LABORATORY, STAINLESS STEEL



#59 DEFIBRILLATOR (AED), CABINET MOUNTED



#60 PATIENT BED, FULLY AUTOMATIC/ELECTRIC WITH SECONDARY CONTROLS



#61 COMMERCIAL KITCHEN, GRIDDLE



#62 COMMERCIAL KITCHEN, STEAMER, FREESTANDING



#63 COMMERCIAL KITCHEN, COFFEE MACHINE



#64 COMMERCIAL KITCHEN, EXHAUST HOOD



#65 COMMERCIAL KITCHEN, REFRIGERATOR, 2-DOOR REACH-IN



#66 PARKING LOTS, ASPHALT PAVEMENT



#67	SITE POLE LIGHT, 20' HIGH
-----	---------------------------



#68	SITE LIGHT POLE BASE
-----	----------------------

Appendix B: Site Plan

Site Plan



Project Name:

Lincoln County

Project Number:

141484.19R000-001.322

Source:

Google Maps

On-Site Date:

December 4-6, 2019

Appendix C: EMG Accessibility Checklist

ADA Guidance for Dude and 017 FCA's

ADA Visual Survey Category Ratings (*place one X in each row*):

Accessibility Issues			
Category	Major Issues (ADA Study Recommended)	Moderate Issues (ADA Study Recommended)	Minor/No Issues
Parking	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Exterior Accessible Route	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interior Accessible Route	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Public Use Restrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Elevators	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Kitchens/Kitchenettes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Appendix D: Pre-Survey Questionnaire



EMG FACILITY CONDITION ASSESSMENT: PRE-SURVEY QUESTIONNAIRE

Building / Facility Name: Pine Crest Nursing Home
 Name of person completing form: John Hanson
 Title / Association with property: Maintenance Director
 Length of time associated w/ property: 9 years
 Date Completed: 11-12-19
 Phone Number: 715-218-3636

Directions: Please answer all questions to the best of your knowledge and in good faith. Please provide additional details in the Comments column, or backup documentation for any Yes responses.

DATA OVERVIEW		RESPONSE	
1	Year/s constructed	1975, 1992, 2008, 2017	
2	Building size in SF	149,302 sq. ft.	
3	Major Renovation/Rehabilitation		Year Additional Detail
		Façade	1992 lower studs needs replacing
		Roof	1992 100,300,700,900 central hall roof needs replacing
		Interiors	1992
		HVAC	1992 over 27 years old
		Electrical	1992 need more of a load put on "92" generator / borderline per state
		Site Pavement	1992 Asphalt & concrete needs replacement
		Accessibility	1992 OK
QUESTION		RESPONSE	
4	List other significant capital improvements (focus on recent years; provide approximate date).	2019 AC-9 replaced 2016 most of rubber roof 20. AC-14 replaced 2014 Hub roof top air handler 2012	
5	List any major capital expenditures planned/requested for the next few years. Have they been budgeted?	yes 5 year plan	
6	Describe any on-going extremely problematic, historically chronic, or immediate facility needs.	Notebook	

Mark the column corresponding to the appropriate response. Please provide additional details in the Comments column, or backup documentation for any Yes responses. (NA indicates "Not Applicable", Unk indicates "Unknown")					
QUESTION	RESPONSE				COMMENTS
	Yes	No	Unk	NA	
7		X			a few cracks in basement walls allowing water in
8	X				central hall roof Basement walls & 2 windows
9		X			
10		X			
11		X			
12		X			
13	X				cooling in 600 & 800 halls 600 undersized
14		X			
15		X			
16		X			
17					
18		X			
19				X	
20		X			

Question #6

1. Heating & cooling (Pneumatic system)
2. pumps for Heating system
3. 2 boilers & AC Units over 27 years old
4. Need outside bottom 3' of studs replaced with siding
5. Asphalt / Parking lot & drive way
6. concrete / sidewalks
7. Central Hall roof black membrane / replace

On the day of the site visit, provide EMG's Field Observer access to all of the available documents listed below. Provide copies if possible.

INFORMATION REQUIRED

1. All available construction documents (blueprints) for the original construction of the building or for any tenant improvement work or other recent construction work.
2. A site plan, preferably 8 1/2" X 11", which depicts the arrangement of buildings, roads, parking stalls, and other site features.
3. For commercial properties, provide a tenant list which identifies the names of each tenant, vacant tenant units, the floor area of each tenant space, and the gross and net leasable area of the building(s).
4. For apartment properties, provide a summary of the apartment unit types and apartment unit type quantities, including the floor area of each apartment unit as measured in square feet.
5. For hotel or nursing home properties, provide a summary of the room types and room type quantities.
6. Copies of Certificates of Occupancy, building permits, fire or health department inspection reports, elevator inspection certificates, roof or HVAC warranties, or any other similar, relevant documents.
7. The names of the local utility companies which serve the property, including the water, sewer, electric, gas, and phone companies.

8. The company name, phone number, and contact person of all outside vendors who serve the property, such as mechanical contractors, roof contractors, fire sprinkler or fire extinguisher testing contractors, and elevator contractors.
9. A summary of recent (over the last 5 years) capital improvement work which describes the scope of the work and the estimated cost of the improvements. Executed contracts or proposals for improvements. Historical costs for repairs, improvements, and replacements.
10. Records of system & material ages (roof, MEP, paving, finishes, furnishings).
11. Any brochures or marketing information.
12. Appraisal, either current or previously prepared.
13. Current occupancy percentage and typical turnover rate records (for commercial and apartment properties).
14. Previous reports pertaining to the physical condition of property.
15. ADA survey and status of improvements implemented.
16. Current / pending litigation related to property condition.

Your timely compliance with this request is greatly appreciated.

Appendix M

Maintenance Summary Report for Pine Crest Ad Hock Committee

Enclosed you will find the Pine Crest Assessment report given to this committee several months ago. (Document A) In this report I have attempted to lay out the major areas of concern regarding the facility and grounds of Pine Crest Nursing facility. The original facility assessment report was compiled prior to January 2020, consequentially the original numbers do not reflect the unprecedented cost increases associated with the events of the past several years.

Option A – Remodel Existing Structure

Document B reflects an attempt at breaking down the master list into possible annual project segments. The list is in order of importance and / or critical nature. You will notice the question marks on the first project. This project will require further discussion before a final dollar figure and project itinerary is compiled. You will also notice that my ten year project list does not cover everything on the original facility assessment. I believe we can accomplish a great majority of the other items on the original list as part of the ONGOING ANNUAL OPERATING BUDGET which I will cover below.

There are two ways to approach the project list. The greatest cost savings would be to do these projects separately as I have them laid out on document #2. The projects done as separate and individual units would be managed by my office, resulting in little to no project management costs. Another advantage to smaller annual projects is the minimal inconvenience to residents, guests and staff. The disadvantage is the length of time to complete the list and reality of rising product costs stretched out over many years. The second way to approach this is as a major project with a construction firm managing and working in the interest of the county. While this would speed up the overall project to one to two years maximum, a great deal of the tax payer dollars are spent on management costs and not infrastructure costs.

You will notice a line item marked as “Contingency”. This line covers all the items that go with a project that are not raw materials. The following list are but a few examples;

1. Architectural and engineer costs
2. State and local plan review, fees, permits and submittals
3. Asbestos abatement fees
4. Specialized labor costs
5. Overtime labor costs
6. Construction Equipment rental costs

PROJECT TIMELINE SUMMARY

If Lincoln County proposes to move forward with the improvements for the Pine Crest facility, I propose a budget of at least \$10,000,000.00 over twelve to fifteen years with all unspent project funds remaining after each project in a maintenance account until all items on the list are completed and or deemed unnecessary. I also propose a contingency fund of \$3,000,000.00 for the items listed above plus inflation costs. The timeline is roughly ten (10) years, but with timelines, construction delays and material lead times, I propose the twelve (12) to fifteen (15) years to accomplish our list.

Option B – New Structure

Generally speaking you can figure \$350.00 per square foot to build a new structure on a different piece of land. This cost is basic structure cost with an add of twelve to fifteen percent for soft costs (things like utilities infrastructure, parking lots, Project management /Architectural /Engineering/ state costs and fees) You would add another eight to ten percent for contingency costs.

ANNUAL OPERATING BUDGET

The Pine Crest Nursing facility will require an annual operating budget of \$350,000.00 starting next year. As I alluded to above, many of the smaller items on the original facility assessment will be covered under the operating budget each year. I will manage the ongoing improvements as time and budgets allow with a monthly report of progress to the Public Property committee. This annual operating budget includes four (4) full time maintenance staff solely for that facility. I, and four (4) other maintenance personnel (not included in this operating budget) will continue to assist with all snow removal, lawn care, and other maintenance operations required to make that facility successful from a maintenance standpoint.

MAINTENANCE DIRECTORS GENERAL CONDITION ASSESSMENT

As your Maintenance Director I am compelled to ask many questions regarding the overall condition of all the county buildings as I discern recommendations moving forward with Pine Crest. I have always contended with the point that the residents of Pine Crest, or any nursing facility for that matter, need to have a facility with reliable infrastructure components simply due to the frail and vulnerable nature of the residents. To have major component issues and/or continual problems trying to maintain the facility climate control is a receipt for disaster.

Pine Crest is just one of many areas in Lincoln County faced with fiscal challenges. If we spend the needed dollars on the Pine Crest facility, do we give up the capital desperately need to properly maintain, repair or replace so many other areas in need? The highways and bridges in this county have also reached a critical point where, left unattended due to budget shortfalls, will be past the point of no return in just a matter of years. The Highway facilities need a great deal of capital investment to bring them up to speed and/or replacement. We have a hundred year old courthouse that requires constant attention, not to mention the security upgrades being considered. Any maintenance to this facility, given the historical nature of the building, only adds increased costs to an already growing budget deficit.

My concern from a maintenance director's standpoint is putting all our dollars in one basket. We have many areas to contend with and Pine Crest is just one of them. How does the county contend

with the growing need for dollars for so many areas, and will we be asking this same question each and every year when the next major project arises?

I look forward to discussing any and all of the many challenges facing Lincoln County at your convenience. I can be reached at 715-218-6756 any time.

Patrick Gierl
Maintenance Director
715-218-6756
January 31st, 2023

DOCUMENT B

Pine Crest Assessment - Breakdown into possible project units

Year

	Water issue at several entrances	City Engineer will look at	?
1	Boiler System		\$ 850,000.00
2	HVAC units	Both inside bldg.& rooftop	\$ 800,000.00
	Building Automation system	(to join county wide system)	\$ 250,000.00
3-4	Building Siding		\$ 437,000.00
	Windows		\$ 438,000.00
	Doors (Exterior)		\$ 48,000.00
	Roofing Systems		\$ 997,000.00
5	Parking Lots / Side Walks / Curb & Gutter		\$ 437,000.00
6	Sprinkler / Fire suppression system		\$ 875,000.00
	Fire Control System		\$ 500,000.00
7	Lighting (interior and exterior)		\$ 650,000.00
	Floor Coverings / Walls / Ceiling		
	Floors		\$ 250,000.00
	Walls		\$ 450,000.00
	Ceilings		\$ 260,000.00
8	Electrical Systems		
	New Service to Dietary (shared by HHS)		\$160,000.00
	Generators / Power Feeds / Transformers		\$ 470,000.00
	Door Alarm / Nurse Call System		just installed
9	Dietary Equipment (Gas Appliances)		\$ 210,000.00
	Elevator Mods / Upgrades / equipment	4 units in building	\$170,000 ea
		Total	\$ 8,082,000.00
	Contingency fund		\$3,000,000.00

Appendix N

**LINCOLN COUNTY
PINE CREST ANALYSIS
AUGUST 15, 2022**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
CASH	196,187	172,669	739,816	6,345,850	478,117	913,243	1,071,295	1,051,027	1,509,584	3,516,424	2,110,614	2,354,325	2,667,612	2,639,776	2,409,909
UNRESTRICTED NET ASSETS	(757,743)	(320,812)	1,322,174	2,726,905	1,489,374	1,795,441	2,148,281	2,298,565	2,419,192	3,042,824	3,313,941	3,055,174	3,421,273	3,496,098	3,143,679
OPERATING INCOME (LOSS)	(1,424,592)	(1,149,813)	(1,944,220)	(1,544,339)	(608,728)	(546,513)	(293,544)	(160,449)	(367,429)	(108,117)	187,006	(79,246)	(184,240)	285,997	371,223
CHANGE IN NET ASSETS	(1,279,927)	(849,667)	(1,360,547)	(1,003,560)	(57,809)	(83,469)	45,871	204,787	(148,653)	36,336	381,615	232,498	15,098	426,370	447,633
TAX LEVY	440,815	556,942	632,756	546,800	568,600	499,000	459,050	359,440	359,610	347,250	423,140	510,000	450,000	406,592	336,325
OPERATING EXPENSES	15,947,339	14,709,589	13,679,182	13,241,871	12,846,161	12,514,162	12,061,251	11,898,810	12,084,674	11,692,534	11,028,527	10,715,218	10,124,143	9,613,251	9,288,051
NET ASSETS/OP EXP	(0.0475)	(0.0218)	0.0967	0.2059	0.1159	0.1435	0.1781	0.1932	0.2002	0.2602	0.3005	0.2851	0.3379	0.3637	0.3385
NET GAIN W/OUT TAX LEVY	(1,720,742)	(1,406,609)	(1,993,303)	(1,550,360)	(626,409)	(582,469)	(413,179)	(154,653)	(508,263)	(310,914)	(41,525)	(277,502)	(434,902)	19,778	111,308
TAX LEVY/OP EXPS	0.0276	0.0379	0.0463	0.0413	0.0443	0.0399	0.0381	0.0302	0.0298	0.0297	0.0384	0.0476	0.0444	0.0423	0.0362
CHNG IN NET ASSETS/OP EXP	(0.0803)	(0.0578)	(0.0995)	(0.0758)	(0.0045)	(0.0067)	0.0038	0.0172	(0.0123)	0.0031	0.0346	0.0217	0.0015	0.0444	0.0482



To: Lincoln County Finance Committee
From: Gary D. Olsen, MPA, Executive Director
Date: February 27, 2023
RE: Pine Crest 2022 Overage

Under the current Tri-County agreement, page 2, Recital F, it reads:
Lincoln County Nursing Home Administered. On September 17, 2019, the Lincoln County Board of Supervisors passed a resolution providing for the administration and management of its Nursing Home (Pine Crest) by the NCCSP Board. There was a separate Nursing Home Management Agreement executed following the adoption of the transfer. The NCCSP Board expanded the scope of the Nursing Home Operations Committee to assist in the oversight of the operations of both Pine Crest Nursing Home and Mount View Care Center.

Recital F references the Nursing Home Management Agreement. In this agreement on page 2, number 9, it reads:
County Obligation. Everything done by NCHC under Exhibit A, shall be done on behalf of the County and all related obligations incurred shall be at the ultimate expense of the County.

Due to the obligations of the agreements, NCHC is requesting Lincoln County to cover the loss for Pine Crest Nursing Home for the year ended 2022. The total amount of this loss is \$1,126,328 (unaudited).

This loss was due to the State changing how the Supplemental Payments were distributed and the reduction in the Certified Public Expenditure (CPE) payments. Without the loss of these revenue sources, Pine Crest Nursing Home would have ended the year with a gain.

There is currently an effort to request the State reimburse county nursing homes the amounts of Supplemental and CPE funding as was received the previous year. Because of this fact, NCHC is requesting payment only if these funds are not received by July 2023. If the State does not increase the amounts of Supplemental or CPE funding by the July notice, then NCHC request that Lincoln County pay \$1,126,328 (or the final audited amount) by July 31, 2023.

Thank you for considering this request and I will be available at your meeting to explain this situation in greater detail.

Appendix P

Pine Crest 500 Unit Operations Proposal

500 unit of Pine Crest Nursing Home was operational until 2020 as a Hospice Unit which had census challenges from the start. Hospice is a shorter-term specialty care that isn't provided by the facility but a third party which is a challenge to keep at full census. Since 2020, 500 unit has been used as a training unit and facility storage. With recent changes to Medicaid reimbursement Pine Crest has seen a 42% increase in daily rates resulting in an average of \$318/day per patient. This shift has created a new financial stability for Medicaid populations which are the most vulnerable and greatest need in the community.

Pine Crest has been able to keep census at capacity for its Special Care Unit even through the pandemic showing how great of a need memory care is in the Lincoln County community. Special Care Unit offers 20 beds with often a waitlist to get in. The opening of 500 unit as an ambulatory memory care unit increases the number of memory care beds from 20 to 38. Memory care is a challenge to offer in the home or via technology due to non-predictable demands and behaviors, often time resulting in nursing homes being the least restrictive and most financially responsible environment for this level of care.

As noted above the reopening of 500 unit adds 18 additional beds which when full would provide additional net income. Assuming minor vacancies occur throughout the year we would budget for an occupancy rate of 16 which would still provide additional net income.

To reopen 500 unit would have capital costs as a fire door would need to be moved down the hallway to increase the size of unit from the 12 it is today to 18 needed for efficiency. Additional staff would need to be hired but with this unit opening efficiency is created in special care resulting in a smaller net need of staff than opening a stand-alone unit. It can be estimated to become fully operational at budgeted census once capital improvements are completed about six months. Our 2024 budget would include the additional census and revenue for projection purposes.

Submitted By:

NCHC Nursing Home & Financial Leadership Teams