



McHenry County  
Valley Hi Operating Committee - Public Meeting  
MINUTES

July 2, 2024, 1:30 PM  
Valley Hi Nursing Home  
2406 Hartland Rd., Woodstock, IL 60098

Members Present: Theresa Meshes, Gloria Van Hof, John Reinert, Mike Shorten

Members Absent: Terri Greeno, Carl Kamienski, Jim Kearns

Full comments on all agenda items are included in the video recording of this meeting.

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1. CALL TO ORDER

Meeting called to order at: 1:35 P.M.

Also present: Peter Austin, County Administrator, and Thomas Annarella, Valley Hi Administrator.

2. MINUTES APPROVAL

Mover: Shorten

Secunder: Van Hof

Approve previous minutes of the May 7, 2024 meeting.

Aye (4): Meshes, Van Hof, Reinert, and Shorten

Absent (3): Greeno, Kamienski, and Kearns

**Recommended (4 to 0)**

2.1 Valley Hi Operating Committee - Public Meeting - May 7, 2024 1:30 P.M.

3. PUBLIC COMMENT

None.

4. MEMBERS' COMMENTS

Chair Theresa Meshes stated she recently attended the funeral of someone who spent their last days at a Nursing Home, it reminded her of the importance of what they are doing and how lucky they are as a County to have Valley Hi so she wanted to publicly express her appreciation for Valley Hi, all of the staff, and the care they put in to maintain it.

5. VALLEY HI ADMINISTRATOR REPORT

Thomas Annarella, Valley Hi Administrator, joined the committee to discuss the report.

Census:

- The census goal for 2024 is to remain at approximately 80 residents consistently until the opening of the Memory Care Unit

Staffing:

- Valley Hi has had a lot of success in hiring for open nursing positions. This has been positively impacted by the Recruitment and Retention Plan, which included wage enhancements. **At the current time, Valley Hi is close to fully staffed with in-house.**
- Staffing is Valley Hi's single greatest threat and is an ongoing focus of facility leadership. With the new recruitment and Retention Plan implementation, staffing trending patterns are moving in the right direction. A shift to a focus on organizational health has been made, starting with the new leadership focus for 2024, "Ted Lasso Leadership" (TLL).

Financials:

The facility **preliminary** financial report was presented to the Operating Committee at their February meeting. Additional reports will not be available until after the County outside audit is completed. Below is a summary of the preliminary report.

- FY2024 Financial Report For 3-2024
  - 3-2024 revenue \$1,094,562
  - 3-2024 expenses \$1,203,373
  - 3-2024 overall operating (\$108,811)
  - 3-2024 interest income+ Additional Income \$129,677
  - 3-2024 net income \$20,866
- FY2024 YTD net income (\$142,330 )

Budget:

- *Monthly financial statements will be caught up now that the outside audit process has concluded.*
- Valley Hi leadership has completed the first draft of the FY2025 budget.
- The Valley Hi Administrator is working on the financial modeling and projections for memory care. Once those numbers are established, they can be incorporated into the Valley Hi Sustainability Tool/ Financial Model.

Valley Hi Memory Care Unit Project:

- The Valley Hi team and McHenry County have engaged Efraim Carlson and Son for the construction of the new Memory Care unit. All-in costs for the project are expected to be just under \$4 mil.
- Work remains steady with most of the painting and wall coverings completed. Some fixtures have been installed as well as some of the millwork. Work outside the unit has also been initiated with the plan to occupy the new nurses station in the main building the week of 7-1-2024 allowing for the two new offices to be built.
- The FFE award will go to Warehouse Direct with 2 end-tables coming through a different vendor. The contract has been signed.

- The next steps in the memory care unit development start phase 2 - programming. The Unit Director job description has been developed and is being reviewed by HR for scoring. The position will be posted in the next week or two. Once the Unit Director is hired, the process of training and program development will begin, with the Unit Director and a small team.
- Phase 3 will begin later in the year, closer to unit occupancy. Staff to work the unit will be identified and trained as well as begin the process of preparing the unit for occupancy. Unit occupancy is expected to occur early in the new year 2025.

#### Valley Hi Strategic Plan:

As part of the 2023 leadership development series, the Valley Hi Leadership Team finalized a new, 2023 / 2024 plan. In 2024, as part of the leadership development series, the Strategic Plan was reviewed and updated. Many of the 2023 goals were accomplished with some progress on 2024 goals. The Valley Hi Leadership Team will continue to review and update the Plan throughout the year and provide updates to the Committee. A new plan will be developed for 2025 / 2026 as part of the 2025 leadership development series and will incorporate the Memory Care Unit operational goals.

#### Legislative Update:

##### State -

- Nothing new at this time.

##### Federal -

- The federal government has released the final version of the staffing minimum for long-term care. This is a complex piece of legislation that is generating a lot of discussion and concern throughout the healthcare sector, not just long-term care. Some legislation has been proposed to stop and/or change what has been proposed. See various articles and information
- The American Healthcare Association is closely monitoring the developments coming from the Supreme Court following the Chevron Ruling. The ruling will impact many of the regulatory agencies as well as may impact the proposed staffing mandate, and COVID mandates still in effect. More to

#### IDPH Annual Survey:

- Valley Hi has had multiple surveys since 3-2024. All survey cycles have been closed at this Valley Hi is still waiting to hear the final determinations for the Civil Monetary Penalties and Denial of Payment for New Admissions from CMS.
  - The State is recommending a DoPNA for the period of 4-16-2024 through 5-20-2024.
- The State has issued \$2,200 in fines. Valley Hi waived its right to a hearing to take advantage of the 35% fine reduction and paid a total of \$1,750.
- Valley Hi was recently notified that it received \$0 in staffing fines for the first quarter of this is usually the case as Valley Hi remains a perennial 5-star facility in all staffing categories under the CMS 5-star system.

#### Resident Council Update June 2024:

- Discussed wearing name tags
- Discussed pictures for department heads
- Discussed staff in the dining rooms
- Discussed hallway crowding

- Discussed communication when a menu item is unavailable
- Discussed portion sizes
- Discussed plate presentation
- CNAs are not pushing residents close enough to the dining room tables

Other Notes:

- Valley Hi is currently experiencing a small COVID outbreak involving both residents and staff. All COVID protocols have been implemented and Valley Hi continues to update the local health department as well as the staff, residents, and
- Valley Hi has recently increased from 4 stars overall to 5 stars overall in the CMS 5-star

Announcements and Celebrations of Success:

- Best of the Fox voting is currently in process
- Employee Engagement Surveys Due July 1
- Annual Resident Family Picnic is scheduled for 8-24-2024

**6. ROUTINE CONSENT AGENDA**

None.

**7. OLD BUSINESS**

None.

**8. DISCUSSION**

8.1 Valley Hi Financial Report

Thomas Annarella, Valley Hi Administrator, joined the committee for the discussion.

FY2023 Preliminary Report (before outside audit)

- Operating Income (\$922,649)
- Investment and Other Income \$959,540
- Net income \$36,891

FY2023 Final Report (after outside audit and application of non-realized losses)

[Considers investment penalties if all investments were liquidated at the end of the year]

- Operating Income (\$998,319)
- Investment and Other Income \$959,540
- Net income (\$38,779)
- Net income after depreciation and Unrealized Expenses (\$1,629,202)
  - \$614,061 in depreciation
  - \$245,739 in pension expenses
  - \$29,805 in OPEB

## Current Financial Position through March 2024

- Operating Income (\$588,592)
- Investment and Other Income \$307,154
- Net income (\$142,330)
- The Facility census is being held at 80 max due to memory care unit construction
  - Staffing has been adjusted to the census wherever possible, for example, nurse floor staffing levels and some housekeeping hours
  - Some fixed costs do not change with the lower census, for example, dietary staffing and laundry staffing

Valley Hi Fund Balance as of 5-31-2024 at \$22,426,564 (includes bank accounts and investments)

- Memory Care project being paid for as work is completed out of this account

## 9. FUTURE TOPICS

Mentioned under agenda item 10.1.

## 10. OTHER

### 10.1 Memory Care Unit

Thomas Annarella, Valley Hi Administrator, joined the committee to discuss the Memory Care Unit.

- He stated they created a job description for the unit director which he sent over to Human Resources (HR) and he is waiting for them to score it, which would class the position then they can move forward and advertise it.
- They have begun light program development, even before they have put out for the position.
- He stated they have a growing waiting list for the unit itself, they will have to go over criteria to see who will qualify, but they at least know that on day 1 they will have the accurate population for the staff.
- Most of the demolition work is complete and are on target for the substantial completion date of October/November.
- Wednesday of next week he and Director of Facilities Management Tom Burroughs are going to sit together and review the budget to see where they are. The last time they did they were under budget, and they can now add in the costs of the FF&E, more knowns, and they can get a feel for where they are in the contingent account that they set aside.

Chair Meshes inquired if the budget review would be coming forward next month or if that would occur in August. Mr. Annarella confirmed it would be August.

Mr. Austin stated it needs to be presented before Labor Day in September, but noted that it does not matter because Valley Hi's funds do not compete with others. Mr. Annarella stated his budget is ready to go. Mr. Austin then suggested bringing it forward in August.

Chair Meshes stated the next meeting will be full with all of the mentioned discussions for future topics.

There was a pause in the meeting from 2:24 P.M. to 2:38 P.M. as the members of the committee took a walking tour of the Memory Care Unit.

## 11. EXECUTIVE SESSION (AS NECESSARY)

None.

**12. ADJOURNMENT**

**Mover:** Reinert

**Second:** Shorten

To adjourn the meeting at 2:38 P.M. -TCCazares

Aye (4): Meshes, Van Hof, Reinert, and Shorten

Absent (3): Greeno, Kamienski, and Kearns

**Recommended (4 to 0)**