



**McHenry County**  
**Valley Hi Operating Committee - Public Meeting**  
**MINUTES**

January 31, 2025, 8:30 AM  
Valley Hi Nursing Home  
2406 Hartland Rd., Woodstock, IL 60098

Members Present: Mike Shorten, Carl Kamienski, John Collins, Terri Greeno, Deena Krieger,  
Patrick Sullivan, Gloria Van Hof

Portions of these minutes may include content based on transcripts created by Generative AI technology  
(Otter.ai). Full comments on all agenda items are included in the video recording of this meeting.

---

**1. CALL TO ORDER**

Meeting called to order at: 8:39 A.M.

Also present: Scott Hartman, Deputy County Administrator; Tom Annarella, Valley Hi Administrator; Kerri Wisz, CFO.

**Mover:** Sullivan

**Second:** Van Hof

To allow the remote attendance of Chair Shorten, Mr. Collins and Ms. Krieger.

Aye (4): Kamienski, Greeno, Sullivan, and Van Hof

Abstain (3): Shorten, Collins, and Krieger

**Recommended (4 to 0)**

**2. MINUTES APPROVAL**

**Mover:** Van Hof

**Second:** Greeno

Approve previous minutes from the January 3, 2025 meeting.

Aye (7): Shorten, Kamienski, Collins, Greeno, Krieger, Sullivan, and Van Hof

**Recommended (7 to 0)**

2.1 Valley Hi Operating Committee - Public Meeting - Jan 3, 2025 1:30 PM

### **3. PUBLIC COMMENT**

None.

### **4. MEMBERS' COMMENTS**

Terri Greeno emphasized her concern about protecting the funds for Valley High. She wanted to ensure that if federal funds were cut or other budgets were impacted, these funds wouldn't be seen as a resource to draw from. She expressed appreciation for continued efforts to establish safeguards and stated that she would keep raising the issue to keep it top of mind.

### **5. VALLEY HI ADMINISTRATOR REPORT**

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

Mr. Annarella presented the preliminary financial report, which showed a loss of \$1.1 million for the year, as anticipated. This loss accounted for expenses and investments related to the memory care unit. Despite this, Valley Hi maintained \$19.9 million in assets, including cash, investments, and other financial resources.

Regarding the memory care unit, artwork had been installed, featuring images of various locations in McHenry County, and the design looked great. However, they were unable to hire their preferred candidate for the Memory Care Unit Director position and restarted the interview process. In the meantime, the team had been touring other memory care facilities in the area to observe their programming and pricing strategies. Their goal remained to open the memory care unit in March or April. Additionally, the HVAC motor issue had been resolved, and they were actively working to complete the fire department inspection.

For leadership development and strategic planning, the leadership team had begun a kickoff initiative focused on employee engagement by reading a book by Patrick Lencioni. As part of this effort, they planned to develop a two-year strategic operating plan for Valley Hi, ensuring it aligned with the county board's vision. Furthermore, the previous strategic plan report card was scheduled to be shared with board members for review and assessment.

In compliance matters, the 2024 annual compliance report identified three HIPAA-related concerns, all of which had been self-reported and thoroughly investigated. Tara Polte, the compliance officer, was responsible for overseeing the compliance plan and ensuring all reports were submitted to the quality assurance committee. Additionally, board members were required to undergo education on the corporate compliance plan as part of their responsibilities.

### **6. ROUTINE CONSENT AGENDA**

- 6.1 Resolution Authorizing a 1-Year Contract with ReMed Services, LLC of Skokie, IL for the Purchase of Ancillary Medical Equipment, Furnishings, Parts, and other Resident and Facility Needs (61)

Pulled for discussion by Mr. Collins

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

Mr. Collins raised a question about the resolution, specifically asking whether a specific dollar amount was included. The administrator, Mr. Annarella explained that the resolution did not include a minimum spend amount, as it covered both small ancillary equipment and larger equipment purchases. He clarified that the resolution was structured to provide flexibility for various types of equipment needs without setting a mandatory spending threshold.

Mr. Collins then asked for confirmation that any equipment purchase exceeding a certain dollar amount would still require board approval through a formal resolution. Mr. Annarella assured him that this was the case, explaining that any equipment purchase over a few thousand dollars would necessitate a separate resolution for board consideration and approval. This safeguard ensured that significant expenditures would still go through the appropriate review process.

Mr. Collins then expressed that he had no issue with the resolution's structure, as he was reassured that larger purchases would still require board oversight. His primary concern was ensuring that there were no procedural gaps in how spending was authorized.

**Mover:** Greeno

**Seconded:** Van Hof

The staff of Valley Hi routinely purchases medical equipment, resident room and common area furnishings, parts, and other resident and facility needs from ancillary medical providers. Medline Medical and Professional Medical are Valley Hi's current contracted providers for routine medical supplies, but do not always have equipment or parts which need to be purchased through an alternative source. Often Valley Hi staff cannot anticipate what items would be needed for purchase until a resident or facility need occurs. Valley Hi personnel will continue to follow the County's Purchasing Ordinance to obtain pricing, quotes, or RFP's for purchases as warranted and will use the lowest cost provider that can meet the need at that time.

Aye (7): Shorten, Kamienski, Collins, Greeno, Krieger, Sullivan, and Van Hof

**Recommended (7 to 0)**

## **7. OLD BUSINESS**

None.

## **8. DISCUSSION ITEMS**

Ms. Krieger leaves the meeting at 9:00 A.M.

### **8.1 Valley Hi Enterprise Fund Overview**

Kerri Wisz, Chief Financial Officer, joined the committee for the discussion.

The discussion on the Valley Hi enterprise fund began when Ms. Wisz, the Chief Financial Officer, provided an overview of the different types of funds the county managed. She explained that Valley Hi was classified as an enterprise fund, meaning it operated similarly to a business, with the goal of generating revenue to cover its costs and operations. She then walked through the statement of net position (balance sheet) and the change in net position (income statement) for Valley Hi.

Ms. Wisz highlighted several key points in her overview. Valley Hi began the 2022 fiscal year with just under \$37 million in net position and ended the year at \$35.7 million. She noted that, in previous years, the board had actively worked to spend down some of the fund balance to support various projects. She emphasized that the Valley Hi fund remained entirely separate from the county's general fund and other special revenue funds, functioning as an independent financial entity. The funds stayed within the Valley Hi "silo" and were not mixed with other county resources.

Additionally, Ms. Wisz explained that the county treasurer had been investing the Valley Hi funds to generate interest and maximize the available assets. She also clarified that the county could not simply transfer money from the Valley Hi fund to the general fund, as all funds within the enterprise structure were required to remain dedicated to Valley Hi operations.

## **9. FUTURE TOPICS**

Regarding the modeling diagrams, it was mentioned that Scott should be invited back to review the diagrams showing the different case mixes with Medicare, Medicaid, and private pay. This topic had been discussed previously, and there was a desire to ensure it was included on the agenda moving forward. Members also expressed interest in revisiting the discussion, as they had missed it during the previous meeting. Members explained that the modeling would depend on receiving the final numbers from the fiscal year 2024 audit, as well

as details on the memory care unit build-out. They anticipated being able to provide an updated model by the April meeting once those final numbers were available.

In terms of the memory care unit financials, it was noted that the current financial modeling for the unit was off, but in a positive direction. The initial assumptions on the average room rate had been too low compared to the market rates being observed. Additionally, there was consideration of dedicating some beds for short-term rehab for residents with memory deficits, which could further impact revenue projections. It was indicated that a better handle on the updated financials would be available by the April meeting.

Lastly, questions were raised about the E911 fund, which is a separate enterprise fund from Valley Hi. Members agreed that it would be beneficial to have Tiki Schulte, the Director of ETSB, provide a presentation on the E911 fund at a future meeting.

**10. EXECUTIVE SESSION (AS NECESSARY)**

None.

**11. ADJOURNMENT**

**Mover:** Greeno

**Second:** Sullivan

To adjourn the meeting at 9:48 A.M. -TCCazares

Aye (6): Shorten, Kamienski, Collins, Greeno, Sullivan, and Van Hof

Absent (1): Krieger

**Recommended (6 to 0)**