

TOWN OF PHELPS, VILAS COUNTY, WI

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Special Public Hearing Town Board Meeting Minutes Thursday, September 9, 2010

Chairman Albrecht called the meeting to order at 7:00 pm. In attendance were Supervisors' Waier, Kimmerling, McCaslin, Brand and Clerk/Treasurer Hiller. Also in attendance were approximately 108 citizens.

The agenda was posted at First National Bank-Phelps Branch, Phelps Community Center, Phelps Trustworthy Hardware Store, and Phelps Convenience Center and posted as Class 2 notice in the Vilas County News Review.

Chairman Albrecht explained that the Town has been noticed that the Aspirus Board of Directors has approved the sale of the Aspirus Lillian Kerr Healthcare Center to the Rennes Group of Peshtigo, Wisconsin. The Rennes Group plans to assume operations at Lillian Kerr Center on November 1, 2010; and Aspirus plans to continue the onsite physician clinic and pharmacy.

The Rennes group is buying the 65-beds (due to the state moratorium on nursing home beds), as well as the medical equipment. They are looking into building another facility in the Rhinelander area and plan on closing this facility in April 2012. They are claiming that they will offer the present 100+ employees employment at the new facility.

Aspirus will donate the building and property to the Town of Phelps for \$1.00. The Town must decide if they want to accept the building by October 15th, 2010. Kitchen and laundry equipment will still remain.

Rennes Group has presented a lease to the Town with a base rent of a one-time payment of \$50,000 commencing on November 1, 2010 if the Town accepts the building.

This building is an approximately 67,000 square foot complex. Operational costs are approximately \$160,000 annually.

On August 30th, 2010, the Town Board, Leeland Olkowski of Aspirus, the engineer and other interested citizens did a walk thru of the Nursing Clinic facility. Supervisor Waier received a letter from the Engineer from that walk thru.

Supervisor Waier mentioned that in the letter it states that the engineer feels that the building is in excellent condition. The complex has approximately 30,300 square feet on the lower level and 36,800 square feet on the upper level. The earliest building was constructed in the 1950's and several additions have been added thereafter. The earliest hospital, clinic and dining areas are air conditioned, but the nursing home wings are heated only. Construction is primarily non-combustible and the complex is 100% sprinklered. Many of the roofs have been replaced and/or repaired within the last few years; however they did notice an indication of current roof leaks. If remodeling were desired to change the use of the building several factors are apparent. The Lowenstein and Christiansen Wings may be readily remodeled due to the way the roof and floor are supported,

whereas the Kerr Wing utilized both corridor walls to provide roof and support, making any type of remodeled open area costly. Demolishing any part or all of the building will be extremely expensive and asbestos may be found in the original buildings and additions built through the 1960's.

The letter states that alternate uses other than for medical or elderly housing are not readily apparent for such a large facility in a small town. A possibility could be to demolish the portion of the Kerr Wing north of the Dining Room to the South end of the clinic therefore creating two properties. The north building could be remodeled into town offices, a town meeting facility, senior citizens area, etc., and general town maintenance on the lower level. The south property could be utilized as a convention center/motel complex with restaurant and meeting rooms. The Lowenstein and Christiansen Wings can be easily redesigned as motel rooms with meeting rooms fashioned in the remaining Kerr Wing. However, an interested developer would have to be found.

Chairman Albrecht then explained that there are many legal issues to consider if the Town would accept this offer from Aspirus. Chairman Albrecht has been talking to the Town's Attorney Bill Anderson regarding this.

The floor was opened for questions.

The question arose regarding why such a short time frame for the Town to make a decision on accepting the building or not, and what would happen if the Town does not accept the building. Chairman Albrecht mentioned that they do not know why the Town has such a short time frame. He cannot get an answer on why the short time and what Aspirus Plan B would be.

There were questions on how long the clinic and pharmacy would remain in Phelps. The Town Board does not know how long they will remain in Town, but possibly might be until April 2012.

Loss of jobs, Community Building Cost Comparison, cost of renovation of this building for a new community center were all issues that were brought up. Chairman Albrecht and Supervisor Waier mentioned that at a Building Committee/Town Board meeting on September 8, Assemblyman Dan Meyer, Commission on Aging Director Joe Fortman, UW Extension Resource Agent Kelly Haverkamp, Economic Director Dick Leinenkugel, County Board Supervisors Egan and Hjemvick, along with other dignitaries were present discussing what the Town could do with that building. They all agreed that October 15th was not a long enough time to make such a decision.

Federal and State grants were brought up. They are available, but the Town needs to present actually what the building will be used for before they can apply for a grant. It was mentioned that due to losing so many employees in the Town, we would have a better chance in obtaining grants.

The citizens asked if Aspirus and the Rennes Group would meet in front of the community to give us more answers of their plans.

The Northwoods Living Care Foundation was brought up. This is separate from Aspirus.

Chairman Albrecht mentioned that there were people present from Aspirus at this meeting.

Hiring of a corporate lawyer was suggested. Charlie Requa pledged \$500.00 towards a fund for a corporate lawyer. Tuckey Requa also agreed to pledge and asked others in the community to pledge also. There was discussion on corporate lawyers being able to answer questions, when Aspirus/Rennes is not willing to give answers.

Questions arose regarding the Lease agreement and insurance. The town would probably have to have insurance on this building and would have to make sure Rennes is fully covered also. In the lease agreement, it says that Rennes would pay all operating costs until April 2012.

Then Leeland Olkowski from Aspirus came forward to answer questions. Mr. Olkowski assured the people that Rennes would continue good care of the residents who live there and the employees. Earlier, Aspirus have talked about closing it completely. He explained that Aspirus wanted to turn it over to a good organization. They need to know a yes or no if the Town will accept the building by October 15th due to the sale to Rennes on November 1st. If not, due to the Healthcare facility being outdated, not being up to code, and has met its useful life, he was not sure what would happen. They could try to sell it or demolish it.

He mentioned that Aspirus will continue the pharmacy and clinic until April 2012. Other services such as Commission on Aging senior meals are still up in the air.

Roof issues were discussed. Bids that were sought to repair current leaks were approximately \$70,000. Chairman Albrecht mentioned to replace the whole roof would cost approximately \$250,000.

It was again mentioned that the Rennes Group bought the nursing home operations. Aspirus still has the clinic and pharmacy until April 2012. Rennes will lease the entire facility from the community with a onetime rent payment of \$50,000. The Town will be a "landlord" to Rennes if the Town accepts that building.

It was brought up to have a raise of hands on if the Town can make a fair assessment in 35 days to make a decision in regard to accepting this building.

Chairman Albrecht then suggested that he would like to create a committee to meet with the Department of Commerce, UW Extension personnel, County Board Supervisors and other dignitaries in helping to make this decision.

Sherry Bierman mentioned that this happened in Wausau regarding a federal building. Wausau did not accept it and the building still is sitting there vacant.

It was also brought up that If the Town would accept it and decide later to demolish it, an estimated cost for this could be \$650,000 due to asbestos, etc. in this building.

Chairman Albrecht asked for people to please volunteer and sign up after the meeting to be on this committee. Hopefully, this committee can start meeting next week and get working on these issues.

Another public hearing meeting was set for Thursday, October 14th. at 7 PM at the Phelps School to make a community based decision.

Meeting adjourned at 8.30 PM

Marjorie Hiller, Clerk/Treasurer