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**DUNN TOWNSHIP**

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Board of Directors & Mr. Randy Wanek; Administrator  
Pelican Valley Hospital District  
Pelican Valley Health Center  
211 East Mill Street  
Pelican Rapids, MN 56572

Dear Mr. Wanek:

At a special meeting of the Dunn Town Board, a letter was discussed, approved and signed by all members of the town board. We would ask that you read the letter attached to the members of the PVHC board of directors at your September 22<sup>nd</sup> meeting.

Thank you for this consideration.

Sincerely;



Michael N. Johnson, Chairman  
Dunn Township Board

September 18, 2008

Members of the Board;

Last week the Dunn Town Board held a special meeting to discuss the recommended tax levy that was attached to the July, 2008 Financial Statement Notes. Since we do not know when that budget will be finalized and since we wanted to ensure we could provide some input before finalization of the budget, we ask for your consideration of our request as representatives of Dunn Township property owners and as a member of the Pelican Valley Hospital District (PVHD).

Your budget committee had recommended to you an amount of \$100,000 for operations and over \$40,000 for bond repair in the tax levy for the upcoming year. Before you finalize that amount, we'd ask that you consider the history of the Pelican Valley Hospital District and what has been promised to the townships and cities of the PVHD by those who have sat on the board in years past.

The PVHD was formed in 1977 because the citizens of the surrounding area recognized the importance of maintaining a health center and hospital in Pelican Rapids. In light of large losses that were being incurred, a bond was issued to relieve the debt burden and to provide a means of support to the center while they attempted to increase their revenues and control expenses. The bond was not to exceed \$900,000

Eighteen years later – in 1995, the PVHC was still showing losses every year – of over \$300,000 as of September 1995. In 1996 Dunn Township passed a resolution seeking to detach from the PVHD primarily because of the continuing losses and the use of the tax levy to fund the operations of the health center.

In 1996 the PVHC showed a loss of \$450,000, and at the end of 1997 the PVHC had debt outstanding of \$1,244,000.

In 1997 there was an article in the Fargo Forum that stated that Dunn township no longer was seeking to detach from the PVHD, but passed a resolution that their tax contributions should go towards paying off debt only – that none was to go toward operating expenses. In the same article, the Hospital Administrator, Mr. Bichler, stated that if the clinic could be leased out to a third party 'the change would mean the hospital district would no longer tax to cover operating costs.' So in 1997, Mr. Bichler was promising that the hospital district would not tax to cover operating costs if the clinic could be leased out, and Dakota Heartland leased the clinic at about the same time.

In a memo from Dave Shaw, Hospital Administrator dated 7/24/2003 it states; 'Prior to 1999 PVHC would include in the levy amount money for debt reduction as well as to cover operating losses or major capital expenditures expected for the year. In August of 1999, the Board began to set the levy for debt reduction only'.

Again, in an article in the Detroit Lakes Tribune dated August 2003 is stated that Dunn Township and Scambler Township had passed resolutions opposing the idea of using tax dollars for anything other than retiring the district's debt. Other townships passed a similar resolution.

Finally, in January, 2006, the PVHC board adopted a resolution stating 'In the future, the township coalition will be asked for input on any project outside of the hospital board's normal scope of business before any financial commitment is made toward these projects'.

So, that is the 'far history', a history of continuous opposition by members of the PVHD of using a tax levy for operations and a promise by your board not to do so.

What is the more current history? In 2006 a tax was levied for operations of \$59,000.

In 2007 the levy for operations was increased to \$130,000, and in 2008 the levy for operations was \$128,000.

In the 2007 tax year the PVHC showed a 'positive bottom line' of \$35,000 and in 2008 the positive bottom line will be over \$114,000 (as of today, we only have 2008 information through July). It is our understanding that when tax levy monies are accounted for in the PVHC financial statements, they are added to the revenues and thus impact the bottom line. That means that not only was there an operating levy, but there was \$149,000 MORE collected than was even needed to cover operating expenses in those two years.

Now, for the coming year, there is a proposal to levy \$100,000 for operating and a budgeted \$78,500 positive bottom line. That means that not only would operating expenses be covered, but \$78,500 MORE than what is needed for operating would be levied.

Members of the board, we hope this refreshes for you the history of the PVHD – what has been asked of the townships and cities of the District – and what has been promised by your predecessors on this board in the past.

It seems we've gotten off the path that was agreed upon in year's past, and if so, we'd like to suggest that its time to get back on that path. Please reconsider your tax levy for the upcoming year. This is not about what the board 'can' do, but what the board 'should' do based upon agreements in the past. We've had an agreement not to levy for operations, much less levying for more monies than is even needed for operations. Our request is that you;

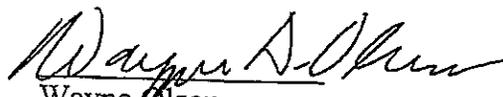
- Levy for debt reduction only (\$43,000) for the upcoming year.
- Use excess funds collected over the past two years to pay off the 1996 bond of approximately \$110,000 (and save interest cost of over \$9,000)
- Reiterate the promise of your predecessors to not levy for operations in the future.

We would ask that you inform the Dunn Town Board by October 1<sup>st</sup> of your decision regarding our request. That will enable your decision to be communicated to our residents and property owners at our township meeting in October and before the deadline that the tax levy needs to be certified.

Thank you for your time and consideration. We are providing copies of documents supporting the information referenced.

  
Michael N. Johnson

  
Bob Dalman

  
Wayne Olson

PELICAN VALLEY HOSPITAL DISTRICT (PVHD)  
A history of the operating levy and outstanding debt

1977 – The PVHD is formed  
A \$900,000 bond is authorized.

1994 – The Pelican Valley Health Center (PVHC) continues to lose money.  
An additional \$760,000 bond is issued to cover losses.

1996 – Dunn Township petitions to detach from the PVHD due to continuing losses from operations.  
An additional \$590,000 bond is issued to cover losses.

1997 – Dunn reiterates to the PVHC that its tax levy monies not be used to fund operational needs.  
Total outstanding debt of \$1,244,000

2001 An additional \$1,510,000 bond is issued.

2003 – Dunn, Scambler and Norwegian Grove Townships pass resolutions that tax levy monies be used to reduce debt only.

2007 – ‘net’ outstanding debt of \$1,703,517. Total outstanding debt of \$2,978,517

Pelican Valley Health Center  
Budget Process  
Summary

Budget Timeline:

- First Draft was due the week of August 18<sup>th</sup>.
- The Finance and Budget Committee met on August 18<sup>th</sup> to review the first draft
- There will be a review meeting with Janet and Ecumen Accountants on August 28<sup>th</sup>.
- A Semi Draft will be due on September 12<sup>th</sup>.
- Goal of approving Final Budget on September 22, at the board meeting.

Nursing Home / Hospital District:

- Budgeted for an average of 37 residents
- Salaries: Nursing each receive 85 cents an hour to get more in line with other healthcare providers. All other staff get a 3% increase.
- Tax Levy: Budget \$100,000 for operations, \$40,319 for bond repair.  
The total is about \$27,681 dollars less then last year.
- Bottom line of First Draft: Positive \$78,500

*24,300*  
107,800

Riverfront Manor:

- Rent was increased about 4%
- Budgeted to have an average occupancy of 19 apartments full
- Salaries: Same as nursing home
- Bottom line of First Draft: Positive \$29,300

PELICAN VALLEY HEALTH CENTER TAX LEVY HISTORY

| Year | Operations    | Property | Bond Repair  | Total         |
|------|---------------|----------|--------------|---------------|
| 2005 | \$ -          |          | \$ 68,197.50 | \$ 68,197.50  |
| 2006 | \$ 59,112.50  |          | \$ 40,887.50 | \$ 100,000.00 |
| 2007 | \$ 130,800.00 |          | \$ 39,200.00 | \$ 170,000.00 |

Pursuant to due call and notice thereof, a special meeting of the Hospital Board of the Pelican Valley Health Center District Hospital, Otter Tail County, Minnesota, was held at the Pelican Valley Health Center, on Monday October 10, 1977, at 7:30 o'clock P.M., with the following

members present: ~~Richard MacGregor~~, Valeria Nelson, Robert Seurth, E.J. Hilber, Stephen Van Drake, and Ernest Tennessee.

and the following members absent: Lester Thompson, Ray Jensen, Shirley Johnson, and George Gorton

Member Robert Seurth introduced the following resolution and moved its adoption:

RESOLUTION PROVIDING FOR LEVY IN ANTICIPATION OF \$900,000 G. O. HOSPITAL BONDS BEING ISSUED.

BE IT RESOLVED By the Hospital Board of the Pelican Valley Health Center District Hospital, Otter Tail County, Minnesota, as follows:

- (1) That \$900,000 G. O. Hospital Bonds have been authorized by a special bond election held October 7, 1977; and that it is proper that a tax levy for interest due through January 1, 1979, be provided for in the amount of \$60,200 to be levied this year (1977) in the anticipation of the sale of these bonds.
- (2) That the County Auditor of Otter Tail County is hereby requested and directed to levy \$60,200 in 1977 for collection in the next ensuing year for payment of said interest.

The motion for the adoption of the above resolution was duly seconded by member Van Drake, and upon vote being taken thereon, the following members voted in favor thereof: Richard MacGregor, Valeria Nelson, Robert Seurth, E.J. Hilber, Stephen Van Drake, and Ernest Tennessee.

and the following voted against the same: NONE

whereupon said resolution was declared passed and adopted.

PVHC OBSERVATIONS

AUDIT OF 1994 AND 9 MONTHS OF 1995 (FISCAL YR 9/30)

REVENUES:

Broken down by source. Clinic portion of revenue was 21% (\$482K) in '94 and only 17% (\$289K) in '95. Clinic salaries alone expended 66% (\$318K) in '94 and 94% (\$272K) in nine months of 1995 of the total revenue attributed to the clinic. Total revenues for the whole facility were \$2,347,000 and \$1,731,000 making it appear to be a very expensive side business for the nursing home to support.

The clinic of course generated some of the ancillary services (lab, xray, EKG), but most of the revenue came from the nursing home. Home health accounts for the remainder (\$224K in '94 and down to \$170K in 1995, of which 70%(94) and 90%(1995) went to salaries alone!

EXPENSES:

Not as well broken down between nursing home and others.

Administrative and fiscal services is the single biggest category of expense, exceeding professional services each year (\$750,000 vs. \$734,000 in '94, \$606,000 vs. \$604,000 in 1995). Nursing services is a distant third (\$446,000 and \$574,000 respectively).

Salaries from all departments expend 56% and 63% of revenues, and rise to 75% and 83% if benefits, dues, licenses, insurance and payroll taxes are added in for 1994 and 1995.

NET:

Appears to be a loss of \$145,000 (acknowledged) in 1995 coupled with a tax levy used for operations of \$157,000 for a true net loss of \$302,000 in nine months. The 1994 reported income of \$38,000 is offset truly by the total tax levy of \$243,000 (a portion did retire bond debt, \$67,000?), resulting in another net loss of about \$200,000.



after audit

DATE: 01/19/97 RUN TIME: 20:37:07  
 P DATE: 01/19/97 OPERATOR: Vickie

LAST YEAR - PELICAN VALLEY HEALTH CENTER  
 PVHC COMBINED FINANCIAL REPORT

FOR PERIOD: 12/09/96 TO 09/30/96

| DESCRIPTION                                  | CUR ACTUAL | CUR BUDGET | YTD ACTUAL                           | YTD BUDGET   |
|--|------------|------------|--------------------------------------|--------------|
| Operating Revenue:                           |            |            |                                      |              |
| Clinic/D.P. Gross Revenue                    | 94,135.08  | 107,671.35 | 1,285,805.33                         | 1,313,590.00 |
| Nursing Home Gross Revenue                   | 90,846.77  | 126,021.64 | 1,342,951.32                         | 1,478,463.00 |
| Tot. Gross Oper. Revenue                     | 184,981.85 | 233,692.99 | 2,628,756.65                         | 2,790,053.00 |
| Allowances & Deductions                      | 6,369.61   | 18,241.84  | 233,551.56                           | 222,502.00   |
| Net Revenue                                  | 178,612.24 | 215,451.15 | 2,395,205.09                         | 2,567,551.00 |
| Other Operating Revenue                      | 4,562.66   | 7,166.38   | 94,196.09                            | 86,190.00    |
| Combined Net Revenue                         | 183,174.90 | 222,617.53 | 2,489,401.18                         | 2,653,741.00 |
| Operating Expenses:                          |            |            |                                      |              |
| Nursing & Professional Care                  | 79,456.19  | 80,611.51  | 1,068,837.63                         | 1,043,321.00 |
| Other Professional Care                      | 43,233.66  | 32,732.03  | 445,067.13                           | 398,092.00   |
| Dietary Expenses                             | 19,593.72  | 16,556.23  | 209,586.39                           | 201,758.00   |
| Household & Property                         | 23,657.13  | 18,629.00  | 229,914.10                           | 228,611.00   |
| General & Administrative                     | 44,901.28  | 35,936.33  | 430,444.38                           | 435,608.00   |
| Employee Benefits                            | 25,990.76  | 36,908.18  | 396,392.07                           | 443,894.00   |
| Insurance Expense                            | 18,057.88  | 2,969.62   | 33,244.91                            | 35,635.00    |
| Depreciation Expense                         | 9,983.67   | 8,150.38   | 88,179.04                            | 97,805.00    |
| Interest Expense                             | -8,119.31  | 5,250.11   | 50,635.46                            | 63,000.00    |
| Total Operating Expense                      | 256,754.98 | 237,743.39 | 2,952,301.11                         | 2,945,714.00 |
| INCOME (LOSS) FROM OPERATIONS                | -73,580.08 | -15,125.86 | <del>442,899.93</del><br>-455,499.93 | -291,973.00  |
| Non-Operating Revenues                       | 26,997.96  | 27,855.50  | 343,030.55                           | 334,266.00   |
| EXCESS (DEFICIT) OF REVENUES<br>OVER EXPENSE | -46,582.12 | 12,729.64  | -119,869.38                          | 42,293.00    |

Report 123--Format 1

7400.00 Est. 3rd Party Payer Settlement  
 -112,469.38

|                  | Before Tax Levy     | TAX LEVY APPLIED  | AFTER TAX LEVY     |
|------------------|---------------------|-------------------|--------------------|
| Clinic :         | - 398,905.00        | 169,602.00        | - 229,303.00       |
| Nsg. Home :      | - 56,595.00         | 173,428.00        | 116,833.00         |
| <b>Combined:</b> | <b>- 455,500.00</b> | <b>343,030.00</b> | <b>-112,470.00</b> |

Recap -

Original Issue Amounts -

|                                | Principal           | Interest          | Total               |
|--------------------------------|---------------------|-------------------|---------------------|
| Issue #1                       | 84,000.00           | 19,146.55         | 103,146.55          |
| Issue #2                       | 590,000.00          | 257,822.50        | 847,822.50          |
| Issue #3                       | <u>760,000.00</u>   | <u>256,301.22</u> | <u>1,016,301.22</u> |
| Total Original Issue Amounts - | <u>1,434,000.00</u> | <u>533,270.27</u> | <u>1,967,270.27</u> |

Payments Through 11/17/97

|                |                     |                     |                     |
|----------------|---------------------|---------------------|---------------------|
| Issue #1       | 0.00                | 0.00                | 0.00                |
| Issue #2       | (20,000.00)         | (46,033.75)         | (66,033.75)         |
| Issue #3       | <u>(170,000.00)</u> | <u>(113,229.97)</u> | <u>(283,229.97)</u> |
| Total Payments | <u>(190,000.00)</u> | <u>(159,263.72)</u> | <u>(349,263.72)</u> |

Total Balance Remaining as of 11/17/97 (See Attached Pages)

|                           |                     |                   |                     |
|---------------------------|---------------------|-------------------|---------------------|
| Issue #1                  | 84,000.00           | 19,146.55         | 103,146.55          |
| Issue #2                  | 570,000.00          | 211,788.75        | 781,788.75          |
| Issue #3                  | <u>590,000.00</u>   | <u>143,071.25</u> | <u>733,071.25</u>   |
| * Total Balance Remaining | <u>1,244,000.00</u> | <u>374,006.55</u> | <u>1,618,006.55</u> |

Additional Payments from 11/18/97 through Early Debt Retirement Date (See Attached Pages)

|                           |                     |                     |                       |
|---------------------------|---------------------|---------------------|-----------------------|
| Issue #1                  | (84,000.00)         | (19,146.55)         | (103,146.55)          |
| Issue #2                  | (365,000.00)        | (168,738.75)        | (533,738.75)          |
| Issue #3                  | <u>(350,000.00)</u> | <u>(112,376.25)</u> | <u>(462,376.25)</u>   |
| Total Additional Payments | <u>(799,000.00)</u> | <u>(300,261.55)</u> | <u>(1,099,261.55)</u> |

Balance Remaining Prior to Retirement of Debt (See Attached Pages)

|          |                   |                  |                   |
|----------|-------------------|------------------|-------------------|
| Issue #1 | 0.00              | 0.00             | 0.00              |
| Issue #2 | 205,000.00        | 43,050.00        | 248,050.00        |
| Issue #3 | <u>240,000.00</u> | <u>30,695.00</u> | <u>270,695.00</u> |

Balance Remaining at the time Debt Retirement

|                   |                  |                   |
|-------------------|------------------|-------------------|
| <u>445,000.00</u> | <u>73,745.00</u> | <u>518,745.00</u> |
|-------------------|------------------|-------------------|

Debt Retirement Amount as of

|                                |                     |             |                     |
|--------------------------------|---------------------|-------------|---------------------|
| Issue #1 - 02/01/03            | 0.00                | 0.00        | 0.00                |
| Issue #2 - 02/01/05            | (205,000.00)        | 0.00        | (205,000.00)        |
| Issue #3 - 04/01/03            | <u>(240,000.00)</u> | <u>0.00</u> | <u>(240,000.00)</u> |
| Total Debt Retirement Payments | <u>(445,000.00)</u> | <u>0.00</u> | <u>(445,000.00)</u> |

Savings as a Result of Early Debt Retirement

|                     |             |                  |                  |
|---------------------|-------------|------------------|------------------|
| Issue #1 - 02/01/03 | 0.00        | 0.00             | 0.00             |
| Issue #2 - 02/01/05 | 0.00        | 43,050.00        | 43,050.00        |
| Issue #3 - 04/01/03 | <u>0.00</u> | <u>30,695.00</u> | <u>30,695.00</u> |
| Total Savings       | <u>0.00</u> | <u>73,745.00</u> | <u>73,745.00</u> |

# Township tells health ce

## Board says it won't pay tax for operations

By Dave Olson  
The Forum

Last November, the Dunn Township Board of Directors told the Pelican Valley Health Center in Pelican Rapids, Minn., to get its spending under control.

The township threatened if things didn't improve in six months, it would withdraw from the hospital district and take with it 41 percent of the district's tax revenue.

At a meeting this spring, the Dunn board refined its demand. The township's tax contribution was to go toward paying off the center's bond debt only. None was to go toward operating expenses. If that didn't happen, the township's threat to detach from the hospital district still stood.

The health center is comprised of a clinic and nursing home. It also provides home health services. The hospital portion of the center closed in 1993 when acute care became too expensive to offer.

The hospital district was formed as a taxing entity in 1977 to help cover the cost of capital improvements to the center. The district has increasingly used tax revenues to cover operating expenses and this year the district board boosted the tax bite on property owners by 45 percent.

The net operating levy went from \$230,000 in 1996 to \$339,000 in 1997. The debt redemption portion of the levy went from \$92,500 to \$109,000.

### Landowners: 'Ax the tax'

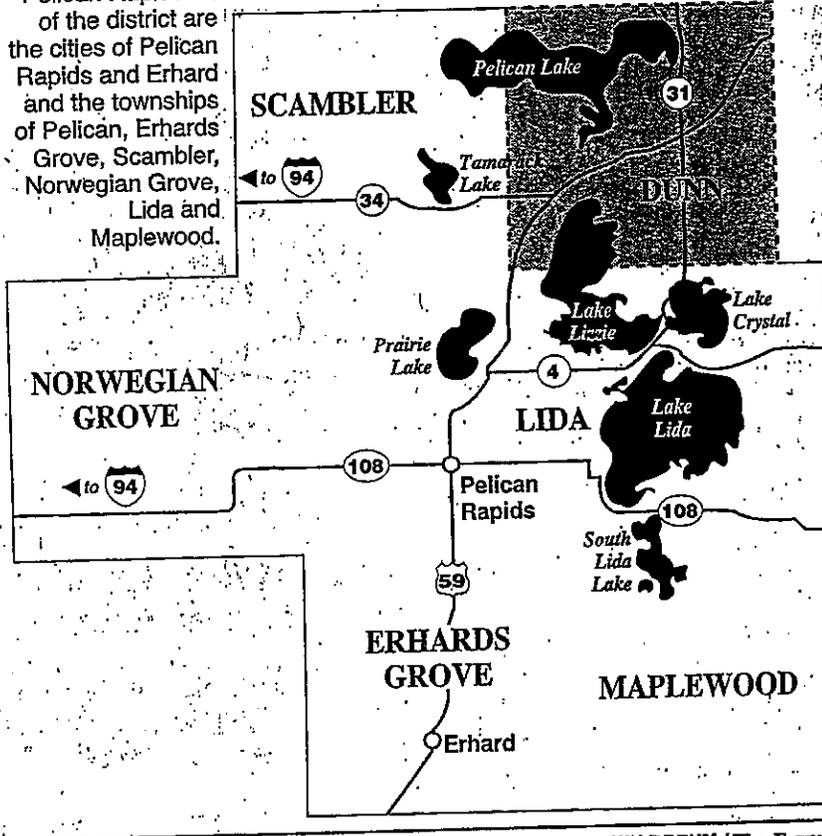
The increase, the second substantial jump in two years, peeved some taxpayers, including property owners in the Pelican Lake area, where many seasonal homes aren't sheltered by the homestead tax credit.

At its recent annual meeting, the Pelican Lake Property Owners' Association voted unanimously to back Dunn Township in its effort to force the health center to put a lid on expenses.

Dunn Township in Otter Tail County, Minn., has threatened to pull out of the hospital district which supports the Pelican Valley Health Center in Pelican Rapids. The other members

of the district are the cities of Pelican Rapids and Erhard and the townships of Pelican, Erhards Grove, Scambler, Norwegian Grove, Lida and Maplewood.

## Pelican Valley Health Center hospital district



DAWN BREHM / The Forum

The enough-is-enough clamor has not gone unnoticed by health center officials.

Mark Bichler, the health center's interim administrator, and Dale Rengstorf, chairman of the hospital board, acknowledge the center's financial problems, but say they are doing what they can to keep costs down.

They point to improvements made during the last six months that will result in annual savings of \$70,000. They also say a plan to hand over management to a private leasing firm will help. That change could take place as soon as this summer.

Bichler, a temporary administrator on loan from the Good Samaritan Center in Clearbrook, Minn., says he doesn't think the center has squandered tax dollars.

The levy, he says, has gone to

provide better wages and benefits to employees. They've also used the mill levy to provide services that otherwise wouldn't be provided, he adds, such as portable imaging for ultrasounds and mammograms. The levy also allows the clinic to provide the community with courtesies like free physical exams for students.

Bichler, however, has advised the board to reduce dependence on the levy to support operations. He says he doesn't feel Dunn Township officials have given the center enough credit for steps it's taken to curb costs.

And, judging from a letter Dunn Township has sent out, its decision to seek detachment may be based on erroneous information," Bichler says.

"I think we've listened to them," he says. "The (hospital) board has

## Brief history of health center

- ▶ Hospital was built in 1951 with funds collected within the community.
- ▶ A 26-bed nursing home was added in 1963, followed by a 20-bed addition in 1970.

hospital district was formed and a number of improvements

# Center to control spending

listened to them. We've done a lot of things. It's a little disheartening at this point if they're basing some of this stuff on numbers that aren't right."

## Breaking up is hard to do

Bichler says a move to detach from the hospital district would only hamper the center's continued efforts to run as cost efficiently as possible.

"If they're looking at seceding from the hospital district, it will take a lot more energy and time. Taxpayers will have to foot the bill for us to deny it, and taxpayers will have to foot the bill on their side to pursue it," he says.

"It's not going to be cheap. It's spending more of the taxpayers' money," agrees Merle Miller, chairman of the township board. "But at the rate that clinic is going, there's no end to spending taxpayers' money."

The legal aspect of detaching from the district is complex and a court would have a number of things to consider.

Some critics say the clinic, which is a larger cash drain than the nursing home, should have closed when the hospital was shut down because legislation gives a hospital district the power to acquire and run a hospital or nursing home. Clinics are not included.

On the other hand, the law gives hospital districts authority to issue revenue bonds to finance the acquisition and betterment of a hospital and nursing home and related medical facilities. Those last three words are open to interpretation.

Also, since it took a public referendum to form the district, the argument can be made that it would take another public vote to change the township's status.

## A new lease on life

The whole issue may soon be moot, however, if management of the facility is turned over to someone else, something the center board would like to see happen by July 1.

Bichler says several groups have indicated an interest in leasing either the clinic or nursing home, including MeritCare Medical Center, Dakota/Heartland Health System and Dakota Clinic, all of Fargo,

and the Fergus Falls (Minn.) Medical Group and Lake Region Hospital in Fergus Falls. The Board of Social Ministry, part of the Fairview system in Minneapolis, is also interested, he says.

The groups have been given time to submit written proposals and the board hopes to be in a position to make a decision in the next several weeks.

Bichler says the plan is to lease the center to one or more of the companies, which, because of their size, could make purchases and provide services with much greater efficiency.

The change would mean the hospital district would no longer tax to cover operating costs.

The district would still be responsible for collecting taxes to retire the health center's debt, which currently amounts to \$1.1 million.

Under the current payment plan, Bichler estimates it will take 15 years to pay off the bonds and slightly longer to cover the cost of an outstanding \$80,000 promissory note at a local bank.

Bichler says he doesn't know what effect leasing the center would have on staffing levels. But, he adds, any proposal that would entail wholesale layoffs will get a

cool reception from the board.

The health center has about 90 employees, with 20 of those related to clinic duties and the rest belonging to the nursing home and home health services.

Vic Horne, president of the Pelican Lake Property Owners Association, says the lease idea "is kind of good news."

He says the members of the hospital district board "have a thankless job, but you can't just keep putting this stuff on taxpayers. ... I think they're going in the right direction with this lease thing."

Horne says he has only used the clinic once and that was to get a flu shot. He says one problem may be that the center is trying to do too much.

"They were trying to run a champagne organization on a beer income," Horne says.

Miller says he, too, is encouraged by the lease idea. "I have to give them credit for (that)," he says.

And if the arrangement actually comes about, Miller says he will be satisfied. "Then there's no reason for us to detach," he says.

Bichler says a lot is riding on the leasing plan.

"If it doesn't work," he says, "life will just be bad."

# CARRIER

## JOSHUA MANN



Josh is from Detroit Lakes, MN. His parents are Brian and Jan Mann.

Josh is a freshman at Detroit Lakes Jr. high, where he is an honor student and enjoys choral activities and playing soccer.

Josh enjoys a great many activities, including snowmobiling, playing guitar, water sports, and Boy Scouts. He is very close to

# Memo

To: Board Members

From: Dave Shaw

CC: Chuck Krekelberg & Janet Greer

Date: 07/24/03

Re: Board action items and miscellaneous

In an effort to save time at the board meeting and provide you with a chance to review the specifics of the board action items, please find a summary of each item below.

## Board Action

1. Approve the Levy for Calendar Year 2004. I am recommending the Levy be set at \$135,947.50 for 2004. Our debt for calendar year 2004 on two of our bonds is \$131,605 but it increases in calendar year 2005 to \$135,947.50. The following year it decreases to \$105,637. I am recommending an additional \$4,342.50 than is required for debt coverage so as to not require an increase in our levy amount the following year. Prior to 1999 PVHC would include in the levy amount money for debt reduction as well as to cover operating losses or major capital expenditures expected for the year. In August of 1999, the Board began to set the levy for debt reduction only. The amount I am recommending does not include any debt reduction on the assisted living bonds. See enclosed spreadsheet with our Debt and Levy amounts.
2. Approve Contract with an Architect for the Community Center. Dave Schultz has been working on this project free of charge providing various drawings at a number of various locations. Dave is working on the 'come' or in other words, working for free with the understanding that he would be the paid architect of record should the project proceed. Dave has attended nearly every meeting we have held in the last 10 to 12 months. Dave's fee is 7% of construction costs.
3. Approve a Management Agreement with the Board of Social Ministry. Self-explanatory. Janet Green will present the contract and provide more detail at Monday evening's meeting.

## FYI

1. Good News The Becker County Board approved a bond issue of \$1.25 million on Tuesday, July 22, 2003 to proceed with construction of a moratorium project at Sunnyside Nursing Home. Just last summer the County Board was publicly debating whether or not the County should close or sell Sunnyside in response to discussion about a building project. We've

# Crime & Accidents

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# a trooper: g around school violate the law

■ at 5:05 p.m., an Elbow Lake resident reported being threatened.

■ at 5:31 p.m., a Detroit Lakes man reported a parked car was damaged after it was hit by a person who had stolen a car and was being pursued by police.

■ at 7:17 p.m., a rural White Earth woman reported being assaulted.

## Wednesday, Aug. 20

■ at 8:07 a.m., the Becker County impound lot break-in was reported and vehicles tampered with.

■ at 3:21 p.m., a West Fargo, N.D., man reported his musical equipment was stolen from Tommy's Bar.

■ at 4:05 p.m., a Detroit Lakes man reported items were stolen from his yard.

## Thursday, Aug. 21

■ at 2:41 a.m., a rural Pine Point vehicle was vandalized.

■ at 9:42 a.m., a Detroit Lakes woman reported two lawn ornaments and a sign were stolen.

■ at 10:48 a.m., a rural Menahga mailbox was reported stolen.

■ at 11:05 a.m., a Detroit Lakes man reported a van window was smashed.

■ at 5:30 p.m., a Hutchinson man reported being robbed by three men of \$1,500 cash at knife-point. The incident occurred 13 miles outside Detroit Lakes.

■ at 6:02 p.m., a rural Detroit Lakes resident reported threats.

■ at 7:40 p.m., a rural Ogema resident reported threats.

■ at 9:41 p.m., a Detroit Lakes man reported a wallet was stolen.

# Community center faces opposition

By DAVE OLSON  
The Forum

Plans for a \$5 million community center in Pelican Rapids are being resurrected.

But some question why the area hospital district, and its potential taxing power, is leading the charge.

The center would include a pool, gymnasium, meeting rooms and commercial space, said Don Beck, chairman of the Pelican Rapids Area Community Center Steering Committee.

Beck said plans at this stage are very preliminary.

"There are some misconceptions out there that this is a done deal," he said. "It might not ever be built."

Beck said the idea of a community center was explored in the mid-1990s, but shelved because it would have competed with other projects for funds.

Also he said, the Pelican Valley Hospital District, which would have played an essential role, was facing financial problems at the time.

Today, the hospital district, which supports the Pelican Valley Health Center, has a fund balance of \$1.2 million.

Of that, \$500,000 has been pledged to a community center, said Beck, who also sits on the School Board and the Hospital District Board.

He said a capital campaign will soon be launched to seek funds from individuals, foundations and businesses.

# California man appears for terroristic threats

A California man made his first appearance in Becker County District Court on two charges Aug. 19.

District Judge William Walker set bond at \$10,000 against Chadrick Paliana, 32, of Van Nuys, Calif. His next court appearance is Sept. 2.

In addition, Beck said, it's hoped a financial partnership can be formed between the school district, the city and the hospital district, which is comprised of the cities of Pelican Rapids and Erhard, and the townships of Pelican, Dunn, Ernards Grove, Scambler, Norwegian Grove, Lida and Maplewood.

At a special meeting Wednesday, the Dunn Township Board passed a resolution opposing the idea of using hospital district tax dollars for anything other than retiring the district's debt.

Scambler Township earlier passed a similar resolution.

The hospital district shouldn't be setting up a community center, said Marie Miller, chairman of the Dunn Township Board.

"If they run into trouble, all they're going to do is raise taxes to solve it," Miller said.

Miller said many township residents would like to see the hospital district dissolved once its debt is paid off.

The hospital district's current bond debt stands at about \$700,000, according to Beck.

He said, before any district money is spent on the community center, adequate funds would be set aside to cover bond payments.

Also, Beck said, before future tax revenues are dedicated to the project, the idea would be put to a vote of hospital district residents.

*Readers can reach Forum reporter Dave Olson at (701) 241-5555.*

Aug. 18 and demanded money, according to the court complaint.

A person with Paliana then told the clerk the handgun was actually a lighter. The clerk ordered the pair to leave the store.

Detroit Lakes police later

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Burr

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- 2 Min. to Burr
- 10 Min. to My
- Free Coffee &
- Convenient to and St. Paul

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Adopted into Board Meeting Minutes 1-26-2004  
Per Davis Lewis

The Hospital District has separated itself from any financial involvement in the community center. In the future, the township coalition will be asked for input on any project outside of the hospital boards normal scope of business before any financial commitment is made toward these projects.

Notify Davis of all of townships

Dunn Mervin Smith

Edwards Gene Sweet

Lida Richard Smith

Maplewood Robert Smith

Providence Gene Ernest

Helican Debra

Windsor John





## Pelican Valley Health Center

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September 29, 2008

Dunn Township Board  
P.O. Box 719  
Pelican Rapids, MN 56572

Dear Dunn Township Board:

At the Pelican Valley Health Center's Board of Directors meeting on September 22, 2008, it was acknowledged and verified that all of the members of the board had received the communication from the Dunn Township Board dated September 18, 2008.

Thank you for your time and effort that was put into this communication. The budget and finance committee will give it due consideration as we go forward in our budgeting process.

Sincerely,

A handwritten signature in black ink that reads "Randy Wanek".

Randy Wanek, Administrator  
Pelican Valley Health Center

CC: Rich Bratlien  
Janet Green