

SPECIAL MEETING

DELAWARE COUNTY BOARD OF SUPERVISORS

January 13, 2005

The special meeting of the Delaware County Board of Supervisors was held Thursday, January 13, 2005 at 10:00 A.M. in the Supervisors' Room of the Senator Charles D. Cook County Office Building, 111 Main Street, Delhi, New York, Chairman James E. Eisel, Sr. presiding.

The Clerk called the roll and all Supervisors were present except Mr. Rider, Mr. Hynes and Mr. Ryan. Mr. Rider and Mr. Hynes arrived during Executive Session.

Mr. Donnelly offered the invocation.

Mr. Shelton led the Board in the Pledge of Allegiance to the Flag.

Chairman Eisel announced that Deputy County Attorney Porter Kirkwood will be sitting in for County Attorney Richard Spinney who is at a foreclosure proceeding in Binghamton.

Mr. Donnelly offered the following resolution and moved its adoption:

RESOLUTION NO. 19

TITLE: EXECUTIVE SESSION

BE IT RESOLVED, that the Delaware County Board of Supervisors convene in executive session to discuss negotiations for the sale of County owned property.

The resolution was seconded by Mr. Maddalone and unanimously adopted.

The meeting reconvened in regular session with all Supervisors present except Mr. Ryan.

Chairman Eisel announced there are two firms the Board has met with that are interested in purchasing Countryside Care Center. The first firm is Leathersocking Health Care of Herkimer, represented by CEO Ralph Reed and the second Michael Melnick of New York City, represented by Attorney Marvin Tanzer. He said that price has been discussed but, felt it only fair not to make that information public at this time.

He also announced that there will be a public meeting regarding Countryside on Wednesday, January 19, 2005 at 1:00 P.M. and 6:00 P.M. in the courtroom of the County Court House to allow for public comment. The meeting will be held in the courtroom in order to accommodate the public. He asked that people attending be prepared to go through the metal detector at the entrance of the Court House.

Chairman Eisel granted privilege of the floor to Countryside Care Center Administrator Kurt Apthorpe and called attention to the handouts being distributed to each Supervisor entitled: Countryside Care Center Trends and Delaware County Countryside Care Center Recent History Review.

Mr. Apthorpe's review outlined significant events of Countryside's history from 1986 to 2004. In his opinion, problems with Countryside started in 1986 when New York State changed the Medicaid payment system for nursing homes and no longer paid the actual costs to run the facility. He explained the formula is based on the cost to operate the facility in 1983 with some increases for inflation and adjusted for the current level of care needed by an average resident in the facility.

Mr. Apthorpe emphasized that Delaware County is not facing this problem alone and provided a handout entitled: Nursing Homes and Counties Facing Similar Challenges. The handout listed counties with a brief description of problems they are encountering.

In conclusion, Mr. Apthorpe provided another handout entitled: Review Options for Countryside Care Center. He explained the first option would be to build a new nursing home at the cost of \$19,026,000. The second would be to sell the nursing home and property to a private for-profit nursing home operator. The third option would be to sell the nursing home and property to a community-based not-for-profit operator.

In reply to Mr. Marshfield, Mr. Apthorpe said there is a tax that all nursing homes pay for every dollar that is taken in. The rate was at 5%, was lowered to 2 1/2% then raised again to 5%. That tax related to \$250,000 which was offset by an increase in the medicaid rate and the difference was passed along to private pay residents

In response to Mr. Marshfield, Mr. Apthorpe explained the way the reimbursement formula works. He said that any owner/operator building a new facility has to put up the first 10%, the state will reimburse 90% of a project including interest with a cap of \$19 million dollars. The county is unique in that the county can borrow the whole amount and pass the cost that medicaid doesn't pay onto the private pay residents.

Mr. Apthorpe stated, in reply to Mr. Thomas that the New York State maximum allowable reimbursement for a nursing home construction is \$151,000 per bed or \$19,026,000.

Mr. Bachler commented that based on the information learned today it could be possible for the county to revisit the option of rebuilding or renovating on the existing site.

Mr. Apthorpe stated in 2002 the New York State Department of Health (DOH) requirements would allow bringing the existing building up to the current code but, the number of beds would be reduced to 92. Based upon today's discussion the State has relaxed their requirements. The State still believes that there is a certain standard but, they are not going to hold you to it. He provided an example that not all the bathrooms need to be in compliance with the American with Disabilities Act. The design to renovate and update would make Countryside

compliant but, with only 92 beds. What he understood is the State is going to be flexible and require one bathroom on a hallway or wing be compliant, thereby providing more room for beds. He said that is different than what the Social Services Committee has been working on.

In reply to Mr. Bachler, Mr. Apthorpe stated that he was not aware of any specific cuts at this time to the Governor's Health Care Reform Act of 2005 and how it will affect the county. He said the last health care reform act allowed the county to increase the nurses's salaries.

In response to Chairman Eisel, Mr. Apthorpe stated that he would need to verify what was said but, building code regulations would be consistent throughout the nursing home field. However, privately owned facilities would have more flexibility to change its operating services to be more competitive. It is difficult for the county to make changes because the Board must think how decisions involving Countryside would effect other county departments.

Mr. Maddalone remarked that he has seen a similar situation with the Assistant District Attorneys (ADA) and expressed concern that the DOH may decide today to relax regulations but, might reverse their decision and decide to enforce those regulations again.

Mr. Apthorpe reinforced the Board's directive to design a facility that would enhance the quality of life for the residents and to reduce county subsidy.

In reply to Mr. Utter, Mr. Apthorpe stated that the State would have to approve the term of the loan up to 30 years. The State would pay back through the medicaid rate the cost of the mortgage and interest.

Mr. Utter asked if a new facility were built would it operate at near or no net loss. Mr. Apthorpe referred to the handout and replied figuring conservatively the facility would continue to need approximately \$1.5 million annually to pay for operating losses, adding that amount could be reduced to \$1 million or \$250,000 depending on building options.

In response to Mr. Bachler, Mr. Apthorpe stated all of the IGT monies established by resolution has been spent on improvements to Countryside, adding he believes there is approximately \$1.7 million left in the reserve fund that is from the IGT program.

Chairman Eisel remarked that he thought most of the IGT fund has been used up with subsidizing this year. Mr. Apthorpe replied that in 2005, of the \$800,000 used, \$300,000 is new IGT monies and \$500,000 is from IGT reserve.

In reply to Mr. Donnelly, Mr. Apthorpe commented that they have tried to verify everything to ensure accuracy and that information provided to the Board of Supervisors is based on information provided by the DOH.

In response to Ms. Freyer, Mr. Apthorpe stated that the letter sent to the Supervisors was a request that before the Board makes a decision to sell the facility to a private operator that they consider having the facility run by a community based not-for-profit operation of which he

would like to be a part of.

Ms. Freyer expressed fear that decisions were made at Countryside with an idea that a new facility would be built. Mr. Apthorpe said if he had known two years ago that the Board would be selling Countryside it wouldn't have changed the direction that was taken.

In reply to Ms. Freyer, Mr. Apthorpe stated that there was not an expectation to build a new facility but, to try to take care of the existing facility along with the other operating issues. Everything he has done from the time he started was to get the Board of Supervisors to reevaluate the Beardsley design because he did not feel it would give the county everything it wanted in terms of resident quality of life or reducing the county tax subsidy. He said that the county would not have received rebasing with the Beardsley design and would have been left with less than what is needed. After that, we tried to make the facility work at the existing site but, everything lead to a brick wall, adding that is where we are now, facing the question what should be done with Countryside.

In response to Chairman Eisel, Mr. Apthorpe stated that if the county had decided to go with the Beardsley design the project would not have qualified for a new updated payment (rebasings). He explained that medicaid only allows nursing home rebasing if a new building is built or a new owner takes over. Furthermore, Mr. Apthorpe said the design would not have addressed all of the problems faced by Countryside.

Mr. Hynes commented as a member of the Social Services Committee, when this all started he heard no discussion about selling the facility. It was his understanding that the Committee was charged with the task of improving the quality of life for the residents using IGT money. Further stating, it was his understanding that the county was going to do something with the old building or build a new one.

Mr. Marshfield remarked that the county has since spent the IGT money on operating expenses. Mr. Hynes replied the county keeps changing ideas.

Chairman Eisel stated that the directive to him from the Supervisors was not to sell Countryside but, to evaluate every option. Further stating that in fairness to the taxpayers every option should be reviewed.

Ms. Freyer commented that regardless of the decision there are pluses and minuses to each decision, the Board of Supervisors has the last voice in what happens. Ms. Freyer said that the Board is not a fast moving machine and will look at and understand all options in order to make the best possible decision for everyone in the county.

Ms. Freyer commented that the history provided by Mr. Apthorpe is exactly what she had been looking for and it was very much appreciated.

Mr. Apthorpe stated in response to Mr. Thomas that he will need to verify the statements made to the Supervisors regarding the relaxation of regulations by DOH and provide a response

to the Supervisors as soon as possible.

Mr. Bachler emphasized that the reduction of mandates by DOH will in no way diminish the quality of life for our residents. The changes may be a facility can be put on the property by us or not-for-profit.

Chairman Eisel thanked Mr. Apthorpe for his presentation and commented that the Board has a great deal to discuss in the weeks ahead including hearing from the people of Delaware County.

Mr. Shelton remarked that the Board has talked so much about selling Countryside, that the people are not aware other options are being considered.

Chairman Eisel stated that this Board will have to come to a decision, whatever the Board decides is what will be done.

Mr. Utter commented we will have to look at all of the options. Mr. Bachler added that the Board needs to get a good picture of the finances.

Mr. Donnelly stated that the County Planning Department continues to evaluate sites, adding that no one knows where the sites are. Mr. Shelton remarked that it certainly is a well kept secret, adding he was not even aware of the locations. Chairman Eisel commented, "nor do I".

Chairman Eisel remarked that the Board will continue to look at sites as well as the option to privatize.

Chairman Eisel waived Board Rule 10 to permit the introduction of the following resolutions which were not pre-filed.

Mr. Donnelly offered the following resolution and moved its adoption:

RESOLUTION NO. 20

**TITLE: NEW POSITION - 2005 BUDGET MODIFICATION
REAL PROPERTY TAX SERVICE**

WHEREAS, the workload in the Real Property Tax Services Department has increased continually over the last several years due to increased sales, splits and the conversion to the new Version IV software: and

WHEREAS, the department has had two Assessment Records Clerk positions with only funding for one of the positions in the past and that being dropped to only one position in the adopted 2005 Budget: and

WHEREAS, the department is in dire need of additional help and has requested of the Chairman of Finance and the Chairman of the Board that the position be reinstated and funded to the current budget.

THEREFORE, BE IT RESOLVED, that a permanent position of Assessment Records Clerk be added to the department's roster and the following budget modification be made:

FROM:

10-11990-54900000	Contingency	\$25,034.00
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TO:

10-11355-51000000	Personal Services	\$21,180.00
10-11355-58100000	State Retirement System	2,118.00
10-11355-58300000	Social Security	1,313.00
10-11355-58400000	Disability Insurance	116.00
10-11355-58900000	Medicare	307.00
	Total	<u>\$25,034.00</u>

The resolution was seconded by Mr. Rider and Mr. Thomas and adopted by the following vote: Ayes 4207, Noes 0, Absent 599 (Utter, Ryan).

Mr. Maddalone offered the following resolution:

RESOLUTION NO. 21

**TITLE: 2004 BUDGET MODIFICATION
SAFETY INSPECTIONS**

WHEREAS, the printer that was being used in the Safety Inspections Department (CEO) has reached its useful life and is now considered inoperable; and

WHEREAS, this was known prior to the end of fiscal year 2004 and there exists in the 2004 budget enough funds to pay for the replacement of this printer.

BE IT RESOLVED, that the following 2004 budget modification be made and the approval is hereby given to purchase same:

INCREASE:

10-13620-52200000	Equipment	\$270.00
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DECREASE:

10-13620-54625000 Travel \$270.00

The resolution was seconded by Ms. Molé and adopted by the following vote: Ayes 4207, Noes 0, Absent 599 (Utter, Ryan).

Mr. Donnelly offered the following resolution and moved its adoption:

RESOLUTION NO. 22

**TITLE: TRANSFER OF FUNDS
FISCAL AFFAIRS
2004 BUDGET**

WHEREAS, the shared printer in the department of Fiscal Affairs is in need of replacement;

THEREFORE BE IT RESOLVED, that the following 2004 budget transfer be authorized:

FROM ACCOUNT

10-11327-54535000 Support & Maintenance Agreement Software \$2,000.00

TO ACCOUNT

10-11327-52200000 Equipment \$2,000.00

The resolution was seconded by Mr. Thomas and adopted by the following vote: Ayes 4207, Noes 0, Absent 599 (Utter, Ryan).

Mr. Donnelly offered the following resolution and moved its adoption:

RESOLUTION NO. 23

**TITLE: INTERGOVERNMENTAL TRANSFER
DEPARTMENT OF SOCIAL SERVICES
2004 BUDGET**

WHEREAS, Delaware County is eligible to participate in the Medicaid Intergovernmental Transfer (IGT) program;

THEREFORE, BE IT RESOLVED that the Department of Social Services budget for 2004 be amended as follows:

INCREASE REVENUE ACCOUNT:

10-16102-42277200 Intergovernmental Transfer \$3,817,467.00

INCREASE APPROPRIATION ACCOUNT:

10-16102-54000000 MMIS M.A. \$3,817,467.00

The resolution was seconded by Mr. Thomas.

In response to Mr. Bracci, Budget Director Joseph Hanley replied that this resolution records the transfer of Medicaid Intergovernmental funds into the Social Services Budget

The resolution was adopted by the following vote: Ayes 4207, Noes 0, Absent 599 (Utter, Ryan).

Mr. Donnelly offered the following resolution and moved its adoption:

RESOLUTION NO. 24

TITLE: YEAR END ACCOUNTING MODIFICATIONS TO THE 2004 BUDGET

WHEREAS, there are many bookkeeping entries that are needed to close out the books for 2004 and there is a long break in between County Board meetings; and

WHEREAS, there will be no increase in the actual spending, just a balancing of accounts between Personal Services, Equipment, Contractual, Employee Benefits and Undistributed Employee Benefits; and

WHEREAS, an accounting of all transactions will be presented to the Finance Committee.

NOW THEREFORE BE IT RESOLVED, that the Board of Supervisors authorizes the Fiscal Affairs Department to make the necessary adjustments to the 2004 Budget and to file a written report to the Finance Committee before the books for 2004 are actually closed.

The resolution was seconded by Ms. Molé.

Mr. Donnelly explained that this like the previous resolution is simply year end housekeeping.

The resolution was unanimously adopted.

Chairman Eisel granted privilege of the floor to Mr. Hanley who referenced his handout entitled: Delaware County Countryside Care Center Analysis which had been prepared in response to the request from the Board of Supervisors. He explained this analysis compares the revenue and appropriation from 1997 to 2003. He pointed out that the Inter Governmental

Transfer (IGT) for the years where the full IGT was recognized generally showed a positive cash flow. He also pointed out that the General Fund contribution represents the money used to fund Countryside.

Chairman Eisel again announced that there would be a meeting to hear the public's concern regarding the future of Countryside Care Center on Wednesday, January 19, 2005 at 1:00 P.M. and again at 6:00 P.M.

Upon a motion, the meeting was adjourned at 2:35 P.M.