

**ULSTER COUNTY LEGISLATURE
COMMITTEE MEETING MINUTES**

NAME OF COMMITTEE: Health and Human Services Committee

DATE: December 5, 2011

TIME: 5:00 P.M.

PLACE: Legislative Conference Room, 6th Floor

LEGISLATORS PRESENT: Chairman Frey, Legislators Harris, Loughran, Maio, Parete, Ronk

LEGISLATOR EXCUSED: Legislator's Briggs, Petit, Stoeckeler

OTHERS ATTENDING: Legislator Donald Gregorius, Marshall Beckman Deputy County Executive, Shawn Griffin Harris Beech Law Firm, Bea Havranek County Attorney, Lee Cane League of Women Voters, Nettie Tomshaw UC Legislature Staff

- The meeting was called to order by Chairman Walter Frey at 5:12 PM.
- A motion by Legislator Loughran was made to accept the November 3, 2011 Committee Meeting Minutes, Seconded by Legislator Ronk, all were in favor, Carried.

Legislator Robert Parete submitted a (10) question email to the County Executive, Chairman Wadnola, and Chairman of the Health & Human Services Committee Walter Frey to better understand the Golden Hill LDC. Marshall Beckman, Bea Havranek and Shawn Griffin of Harris Beech law firm came prepared to address each question.

#1 What is the appraised value of the property (land, building, equipment and assets etc) that relate specifically to the Golden Hill LDC? How was it determined?

A - Shawn Griffin - There is no appraised value - too many assumptions at this time. The appraisal would be stale by the time the LDC goes to sell it. Usually an appraisal is good for 6 months. The LDC dissolves once the property is sold and the net proceeds left will go to the County. The County will receive full value of their assets. Based on County input, his firms 30 years of state government and partner Hal Patrick's expertise, by freeing the property of certain assumptions, and looking at the proposals, his firm made an informed decision well below what they felt the property was valued at. They also utilized a computer program that transforms county nursing homes into a LDC finance audit. All figures are estimates.

Chairman Frey asked if another RFP would go out for bid if Golden Hill is transferred over to the LDC.

A - Shawn Griffin - The LDC board will have an appraisal done once Golden Hill is transferred to the LDC.

#2 Will all of the "responses" to the Golden Hill Request for Proposals (RFP's) be made available to the entire legislature, the public and the media? (Legislator Rodriguez has knowledge about a potential purchaser and therefore, these documents should be available to the public)

A - Shawn Griffin - Once Golden Hill is transferred to the LDC, the county RFP can be made public as the County will no longer be in the position to sell, however it would behoove the County to allow the board time to evaluate the RFP first to see if there is a viable option, and if not, then go out for another bid prior to sharing with the public/competitors.

#3 How many years will it take the LDC to transfer full ownership to the new owner?

A - Marshall Beckman stated per Mark Kissinger from the NYS Dept of Health, the average transfer of full ownership takes 20 - 24 months. This is an estimate.

#4 How much will the LDC "finance" during the time it takes to transfer full ownership?

A - Shawn Griffin - The County has reserved the right to stay and occupy the facility - like a tenant. Annually the County can choose to appropriate funds to continue to operate GH. The only change should be the estimated debt service number by the LDC being passed along with principal and interest added. The 2nd year appropriation can possibly have additional borrowing added to the rent as the value of the sale will be higher.

#5 Will all anticipated and unanticipated revenue that is generated by Golden Hill go towards paying down the LDC debt and not go back into the general fund, such as the IGT payment, FMAP, etc.

A - Shawn Griffin - We can put that in the lease. Right now it simply says the tenant pay all the costs. Also on top of that pay the debt service. Leg. Parete does not want revenues going back into the general fund.

Leg. Ronk asked if it would be possible to use the debt service for the reserve fund that we are setting up with the \$800K+. Would we be able to put unanticipated revenue into that towards payment of the bond?

A - Shawn Griffin - There will be some IRS limits - probably 10% max. We will have to work through this. Marshall Beckman noted the goal is to pay down the debt as best as we possibly can.

#6 Will the LDC develop a plan to re-distribute beds in a geographic equitable manner?

A - Marshall Beckman - Not part of the plan at this point. The County can't sell off a portion of the beds by law. The County can however decommission all of the beds then transfer. Shawn Griffin - The State becomes involved with the certificate of need process - licensing once a sale is made from the LDC to the buyer.

#7 Will the arrangement with the LDC and Ulster County comply with Civil Service laws, the State Retirement System and/or any other law regarding municipal employees?

A - Bea Havranek - All of the same laws, rules and contracts apply under civil service until the asset is sold.

Legislator Loughran asked if the county will be hit with lawsuits. A - Bea Havranek - Anyone can file a lawsuit. The County has done a lot of research on the labor issue. The union can always organize.

Shawn Griffin - If you're out of the nursing home business for good, the Taylor Law makes it no longer a mandatory subject open to negotiations. However if you're in and out and it's not made clear you're out, that's where you're subject to a lawsuit. If the union offers up negotiations prior to being sold to

the LDC, the County can not sell their asset. Once it's passed over to a LDC and subject to an annual renewable lease, that constitutes a clear break point from the nursing home business and no longer subject to Taylor Law negotiations.

Legislator Ronk noted that a clause was added to the resolution stating the LDC board will consider the history of employee relations and practices to protect the employees upon sale.

#8 Will you "erode" the Charter and eliminate the Department of Residential Health Care Facilities? The Department of Residential Health Care Facilities is a County department mandated pursuant to the Ulster County Charter, and was ratified by the voters a few short years ago. What is your plan for this agency?

A - Marshall Beckman - There are no plans for an adult day care center or anything - with the sale of the nursing home it would all go away. Nothing is planned - the executive's office expectations are to pass a local law to remove it from the charter.

Legislator Ronk noted he will be making a recommendation to the Charter Revision Commission revising the Charter by eliminating the required referendum process for the removal of a department.

#9 Will the LDC follow all state and local procurement and competitive bidding policies and laws?

A - Shawn Griffin - The LDC is required to have a procurement policy and must have an appraisal to sell an asset - then it can negotiate a sale. The competitive bidding law is a different animal from County procurement rules. The LDC will need to setup there own parameters. You also don't want to give competitor's an unfair advantage. The LDC board will be making all the calls.

The Legislature and County Executive will each have (3) representatives on the LDC board. Both the Legislature and County Executive office will then each provide three additional names for consideration of the seventh LDC member. The seventh independent member will then be selected by the (6) seated member committee.

#10 Will the future owner maintain "Golden Hill" as a 280 bed skilled nursing center after taking full ownership from the LDC? A - Marshall Beckman - Depends on the demand for beds and financing.

Rehab work brings in more revenue than skilled nursing work. All changes must be approved through NYS Dept. of Health.

Legislator Parete fears Golden Hill's mission to care for those most in need will be eliminated if turned into an assisted living center that by law can not accept Medicaid, thus all Medicaid patients will have to go elsewhere to receive care. An assisted living center is less expensive to run!

Legislator Ronk noted the purposed resolution terms and conditions states similar levels of care are required upon the transfer.

Resolutions:

- 1.) Resolution No. 262, (now 263) December 5, 2011: Confirming Appointment Of Member To The Ulster County Community Services Board's PW/DD Subcommittee

Motion offered to move Resolution forward by Legislator Ronk, Seconded by Legislator Parete, Unanimously in Favor, Carried.

- 2.) Resolution No. 265, (now 266) December 5, 2011: Authorizing The Required Steps For The Golden Hill Health Care Center Transfer And Related Financial Procedures

Motion offered to move Resolution forward by Legislator Ronk, Seconded by Legislator Harris, Defeated (4) to (2). Noes Loughran and Parete.

- 3.) Draft Resolution No. 121908, December 19, 2011: Authorizing The Chairman Of The Ulster County Legislature To Enter Into A Memorandum Of Understanding With The New York State Office Of Children And Family Services For Day Care Registration And Inspection Program Funding - Department Of Social Services

Motion offered to move Resolution forward by Legislator Ronk, Seconded by Legislator Parete, Unanimously in Favor, Carried.

- 4.) Draft Resolution No. 121908, December 19, 2011: Amending The 2011 Ulster County Budget To Provide For Foster Care Holiday Expenses Allocation - Department Of Social Services

Motion offered to move Resolution forward by Legislator Ronk, Seconded by Legislator Harris, Unanimously in Favor, Carried.

The meeting was adjourned at 6:05 PM with a motion offered by Legislator Ronk, Seconded by Legislator Loughran, with all in favor, Carried.

Respectfully Submitted,

**Walter Frey, Chairman /NT
Health & Human Services Committee**