

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **BUDGET**

DATE: **AUGUST 2, 2012**

Committee Members Present:

Supervisors Geraghty
Taylor
Kenny
Merlino
Conover
Monroe
Mason
Westcott
Girard

Others Present:

Daniel G. Stec, Chairman of the Board
Paul Dusek, County Administrator
Martin Auffredou, County Attorney
Joan Sady, Clerk of the Board
Supervisor Bentley
Supervisor Dickinson
Supervisor Frasier
Supervisor Strainer
Supervisor Thomas
Supervisor Wood
Mike Swan, County Treasurer
Barbara Taggart, Administrator, Westmount
Health Facility
Betsy Henkel, Comptroller, Westmount Health
Facility
Jeff Tennyson, Superintendent, Public Works
Dr. James Seeley, Executive Director, Cornell
Cooperative Extension
Don Lehman, *The Post Star*
Nicole Livingston, Second Deputy Clerk

Mr. Geraghty called the meeting of the Budget Committee to order at 10:43 a.m.

Motion was made by Mr. Mason, seconded by Mr. Girard and carried unanimously to approve the minutes of the July 18, 2012 Committee meeting, subject to correction by the Clerk of the Board.

Mr. Geraghty announced the purpose of the meeting today was to discuss the operation of Westmount Health Facility and he extended privilege of the floor to Barbara Taggart, Administrator of Westmount Health Facility. Ms. Taggart distributed a Four Year Financial Plan for Fiscal Years 2013-2016 to the Committee members, a copy of which is on file with the minutes.

Ms. Taggart referenced the handout and stated they anticipated receiving an estimated \$1.5 million in Intergovernmental Transfers (IGT) for 2012 and approximately \$1.3 million in 2013 and 2014. She advised that in 2013, the appropriated fund balance would total \$1.4 million.

Mr. Geraghty noted that Paul Dusek, County Administrator, was predicting a loss of \$584,376 for 2014 and Betsy Henkel, Comptroller for Westmount Health Facility, countered she did not anticipate that and added that she had done a rough estimate

of the 2013 revenues which reflected an increase of approximately \$400,000. She added that she did not foresee a negative fund balance for 2013 or 2014.

Ms. Taggart apprised that the Rehabilitation Department generated the most revenue for the Facility and they were working to fill the rehab wing with residents, which consisted of eight beds. She mentioned the Facility was comprised of the following statistics: 28% private pay residents, which was a large amount; 9% Medicare residents; and 63% Medicaid residents. Ms. Taggart pointed out that many facilities in the area did not take Medicaid residents. Mr. Geraghty questioned where the individuals would go if the County did not take Medicaid residents and Ms. Taggart said some would remain in their homes with an alternate level of care. Although home care was a big push right now, Ms. Taggart opined that was not always the best solution unless there were family members at home to care for the individuals.

Mr. Monroe asked what the average percentage of Medicaid residents was for private nursing homes in the area and Ms. Taggart replied she did not have access to that information. Mr. Monroe stated that for private nursing homes to succeed, they could not take every Medicaid resident. Ms. Taggart agreed, and noted that the Facility lost money on the daily rate with Medicaid residents. She referred to an article that she distributed to the Committee members, a copy of which is on file with the minutes. She summarized the article which said that the departments within the County shared the responsibility, as Westmount Health Facility did as a community facility, for the areas seniors.

Mr. Mason recognized significant fluctuations in the IGT funds over the years and Ms. Taggart reminded the Committee that the Facility had received two years of IGT funds in 2011. Mr. Mason asked if it had been confirmed that there would not be any IGT funds in 2015 and beyond and Ms. Taggart advised it was unknown at this time if IGT funds would continue to be received after 2014.

Mr. Dusek explained there were no estimated IGT funds on the Four Year Financial Plan for 2015 or 2016 because the authorization for the funding was confirmed only until 2014 and it would require additional authorization to continue further. Also, he said, the IGT monies came from savings in Medicaid.

Mr. Kenny pointed out the projected shortfall in the unrestricted fund balance for 2015 was approximately \$3.1 million and \$5.9 million for 2016, according to the handout. Discussion ensued with regard to IGT funds and the projected deficit for 2015 and 2016. Mr. Dusek apprised that even if IGT funds were received in 2015, the Facility would sustain a loss because currently, the Facility was surviving on its' surplus fund balance. He further stated when the fund balance was no longer available, County taxpayer funds would have to be allocated towards it, even with IGT funds.

Chairman Stec entered the meeting at 11:04 a.m.

In trending, Mr. Girard asked if the demand for nursing home facilities was increasing and Ms. Taggart replied affirmatively. Mr. Bentley expounded if the Facility were to close, the County would still be responsible for the Medicaid charge no matter where the residents went. Mr. Dusek interjected that there was a Medicaid cap which would protect the County from the increased liability if the residents went to another facility.

Mr. Monroe wondered if the County had a good sense of what was happening nationally and State-wide because it appeared the support the County had in the past from the State and Federal governments was being reduced. He recalled hearing a message that they were discouraging county government owned nursing homes. Ms. Taggart countered that the State and Federal governments continued to forward IGT funds because they saw a value in county owned nursing homes.

Mr. Dusek distributed a handout for the Committee to review; Mr. Geraghty advised this was a proposal to address Westmount Health Facility's budget and finances and would be referred to the Health Services Committee for review, as well.

Mr. Dusek reported there was no desire to close the Facility and there was great hesitancy to sell the Facility; therefore, he said, he prepared the aforementioned proposal which included issuing an RFP (Request for Proposal) to persons or legal entities interested in operating and expanding the Facility. He reviewed the document in detail with the Committee members which outlined the possible specifications for the RFP.

Chairman Stec opined this was a very prudent exercise for the County to undertake with no associated costs. Brief discussion ensued with regard to the RFP.

Motion was made by Mr. Taylor, seconded by Mr. Monroe and carried unanimously to refer the proposal to address Westmount Health Facility's budget and finances to the Health Services Committee.

In response to an inquiry, Ms. Henkel informed the Facility had eighty beds, seventy-five of which were filled.

There being no further business to come before the Committee, on motion made by Mr. Kenny and seconded by Mr. Girard, Mr. Geraghty adjourned the meeting at 11:37 a.m.

Respectfully submitted,

Nicole Livingston, Second Deputy Clerk