

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: HEALTH SERVICES

DATE: AUGUST 24, 2012

COMMITTEE MEMBERS PRESENT:

SUPERVISORS SOKOL
THOMAS
FRASIER
TAYLOR
MCDEVITT

OTHERS PRESENT:

REPRESENTING WESTMOUNT HEALTH FACILITY:
BARBARA TAGGART, ADMINISTRATOR
BETSY HENKEL, COMPTROLLER
KATHY GALLAGHER, INTERIM DIRECTOR OF NURSING
WILLIAM P. CASEY, PERFORMANCE ASSURANCE ENGINEER FOR SIEMENS
INDUSTRY, INC.
DANIEL G. STEC, CHAIRMAN OF THE BOARD
PAUL DUSEK, COUNTY ADMINISTRATOR
MARTIN AUFFREDOU, COUNTY ATTORNEY
AMANDA ALLEN, DEPUTY CLERK OF THE BOARD
KEVIN GERAGHTY, BUDGET OFFICER
SUPERVISORS LOEB
MASON
STRAINER
VANSELOW
WOOD
JULIE PACYNA, PURCHASING AGENT
DON LEHMAN, *THE POST STAR*
THOM RANDALL, *ADIRONDACK JOURNAL*
CHARLENE DiRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

Mr. Sokol called the meeting of the Health Services Committee to order at 9:30 a.m.

Motion was made by Mrs. Frasier, seconded by Mr. Thomas and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Barbara Taggart, Administrator of Westmount Health Facility, who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes.*

Ms. Taggart introduced Kathy Gallagher, Interim Director of Nursing, to the Committee members and she requested the Committee members to introduce themselves. Ms. Taggart said Ms. Gallagher had several years of experience as a Nurse and a Director of Nursing and she added she was pleased to have Ms. Gallagher on staff at Westmount Health Facility. Ms. Gallagher apprised that she had worked her way up through the long term care field from a Registered Nurse (RN) Supervisor to a Nursing Home Administrator. She said she had worked at Warren General Hospital in Warren, Pennsylvania for ten years before being recruited to work in Hawaii. For the last seven years, she continued, she had traveled across the United States. On a personal note, Ms. Gallagher informed she was happily married with two children and two granddaughters.

Commencing the agenda review, Ms. Taggart introduced William P. Casey, Performance Assurance Engineer for Siemens Industry, Inc., and stated that Mr. Casey would review the Year 7 Performance Assurance Report for Westmount Health Facility.

Mr. Casey distributed copies of the Year 7 Performance Assurance Report for Westmount Health Facility to the Committee members and reviewed the report in detail; *A copy of same is on file with*

the minutes. Mr. Casey informed that this report pertained to Year 7 of a 15 year energy performance contract between Westmount Health Facility and Siemens Industry, Inc. He said page 2 of the report contained an overview of the performance agreement for the term commencing June 2005 and terminating May 2020. Page 4 of the report, he continued, contained an executive summary which stated that the guaranteed savings for Year 7 was \$210,415. He explained that the verified savings for Year 7 was \$272,337 and consisted of \$149,600 in energy savings and \$122,736 in operational savings. He noted the verified savings exceeded the guaranteed savings by \$61,922. He apprised the current price for natural gas was beneficial to companies utilizing Cogeneration and added that the average cost of natural gas for Westmount Health Facility was currently \$.40 per therm. Mr. Casey announced that for the first seven years of the contract the total verified savings was \$1,625,524 compared to the total guaranteed savings of \$1,369,406 resulting in an additional savings of \$256,119.

Mr. Casey pointed out that the guaranteed savings amount was calculated based on the terms of the contract which included the former Department of Social Services Building. He noted that although the Building was no longer part of the Cogeneration System, the verified savings continued to exceed the guaranteed savings.

Mr. Taylor asked the annual debt service for the Cogeneration Plant and Betsy Henkel, Comptroller for Westmount Health Facility, replied \$384,000. Mr. Sokol stated that the report was difficult to follow without an engineering degree; however, he added, the report clearly detailed savings in excess of the guaranteed amount. Mr. McDevitt suggested the possibility of scheduling a workshop meeting with the Supervisors and representatives from Siemens Industry, Inc. in order for the newer Supervisors to familiarize themselves with the Cogeneration Plant. Following further discussion on the matter, it was the consensus of the Committee to schedule a workshop meeting for discussion with Siemens Industry, Inc. pertaining to the Cogeneration Project at Westmount Health Facility.

Motion was made by Mr. Taylor, seconded by Mr. Thomas and carried by majority vote, with Mr. McDevitt voting in opposition, to accept the Year 7 Siemens Industry, Inc. Performance Assurance Report for Westmount Health Facility. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the September 21, 2012 Board meeting.*

Paul Dusek, County Administrator, explained that a problem had been found with the electrical panel switch gear at Westmount Health Facility. He said Siemens Industry, Inc. had troubleshooted and determined the issue was with the electrical panel switch gear which was not part of the Cogeneration Plant and was not covered under the contract. He advised that he had contacted Caterpillar and determined it would cost approximately \$4,535 to diagnose the problem and the cost did not include repairs. He stated that the Facility was currently operational but there was concern that another issue with the electrical panel switch gear would force the Facility to switch to the generator for power. Mr. Sokol asked the source of funding and Ms. Henkel replied she would find the funds within the Westmount Health Facility budget. Mr. Dusek said he would work with Julie Pacyna, Purchasing Agent, to determine if there was a less expensive alternative; however, he continued, he would like the approval of the Committee to proceed.

Following further discussion on the matter, motion was made by Mr. Thomas, seconded by Mr. Taylor and carried by majority vote, with Mr. McDevitt voting in opposition, to authorize a contract for diagnosis of the electrical panel switch gear, with a company to be determined by the County Administrator, in an amount not to exceed \$4,535. *The necessary resolution was authorized for the September 21, 2012 Board meeting.*

Continuing the agenda review, Ms. Taggart requested a transfer of funds between various accounts totaling \$114,584 to reflect the costs associated with nursing agency fees and overtime usage. Ms. Taggart reviewed each item in detail as outlined in the agenda packet. Mr. Geraghty inquired about the transfer for \$7 and asked if it was necessary to present this item to the Committee. Ms. Henkel replied that any salary adjustments required Committee approval and Mr. Dusek agreed. Mr. Taylor questioned the difference in costs for nursing agency services versus overtime and Ms. Henkel responded that the agency fees were much more costly than overtime or per diem salaries. She stated that approximately \$250,000 to \$300,000 would be expended on nursing agency fees in 2012. She added approximately 40% of that amount would be transferred from the salaries budget.

Motion was made by Mrs. Frasier, seconded by Mr. Taylor and carried unanimously to approve the transfer of funds as outlined above and to forward same to the Finance Committee. *A copy of the Request for Transfer of Funds form is on file with the minutes.*

Ms. Taggart pointed out that reports on staffing levels of the Facility and overtime usage were included in the agenda packet. She added that overtime usage was currently under budget.

Ms. Taggart noted the next item on the agenda pertained to a referral from the Budget Committee to review the proposal from the County Administrator to release an RFP (Request for Proposal) relative to the operation and expansion of Westmount Health Facility. She added that a copy of the proposal was included in the agenda packet.

Mr. Dusek stated the current budget process involved generating multi-year planning documentation for each Department and this process revealed that Westmount Health Facility would begin to have cash flow issues by 2014. In 2013, he continued, Westmount Health Facility would be able to operate without any cash flow issues by utilizing the Reserve Fund. He expressed there were concerns pertaining to the continuation of the IGT (Intergovernmental Transfers) funds for 2015 and beyond. He explained that IGT funding was based on Medicaid funds available to the State and there was concern that the implementation of changes, such as the Affordable Care Act, would make future IGT funding uncertain. He said the expenses of Westmount Health Facility exceeded the revenue generated. He pointed out that the County was responsible for 50% of the IGT funding awarded and gave the example that IGT funding in the amount of \$1.4 million would require a County match of \$700,000. He apprised that many Supervisors had voiced their concern that the County had an obligation and concern for the care of the residents of Westmount Health Facility. He added that many Supervisors had also expressed concern with retaining the current employees at Westmount Health Facility.

Mr. Dusek advised the proposal involved the possibility of soliciting a company that would be willing to enter into a contractual arrangement with Warren County to operate the Facility. He added the contract could possibly be a sale of the Facility with the requirement that the company accomplish the missions which were important to the Board. He further added that the contract should include that the company be required to expand the Facility either in capacity or services offered. Mr. Dusek apprised that the location of the Facility, the Cogeneration Plant, the amount of land available for development and the proximity to the Capital Region were all features which presented a unique opportunity for the right company.

Mr. Dusek suggested that the County would need professional assistance in the development of the RFP, similar to the assistance which was obtained when the County released an RFP for a Railroad Operator. He reminded the Committee that the first RFP released by the County for a Railroad

Operator had resulted in no offers, while the second RFP had been more detailed and resulted in the selection of the current Railroad Operator. He stated that the best course of action would be to release an RFP seeking professional assistance in the development of a separate RFP for operation and expansion of the Westmount Health Facility.

Mr. Sokol said he felt Mr. Dusek's proposal was good and he asked the Committee members for their comments. Mr. McDevitt opined that the idea was good and would turn a potential liability into an asset. Mr. Taylor voiced his concern that the RFP should contain protections for the continued operations of the Facility. He added it was important to work with the Health Services Department to develop a program which would allow more elderly to stay in their homes instead of residing in a nursing facility. Mr. Thomas expressed that the proposal was an excellent idea which was contrary to the decisions other counties were making concerning their nursing facilities.

Following further discussion on the matter, motion was made by Mr. Taylor, seconded by Mrs. Frasier and carried unanimously to authorize an RFP to obtain professional services to assist in the development of a separate RFP for the operation and expansion of Westmount Health Facility.

Ms. Taggart announced there would be an orientation class on Monday, August 27, 2012 for newly hired employees of Westmount Health Facility. She said the orientation class would include one part-time RN, one Activities Director, one Activities Aide, two per diem LPN's (Licensed Practical Nurses) and four per diem CNA's (Certified Nurses Assistants). She noted that all LPN's and CNA's were hired on a per diem basis until it was decided that they would benefit the Facility as full time employees.

Ms. Taggart read a letter from a family member of a former resident who had rehabilitated at Westmount Health Facility; *a copy of the letter is on file with the minutes.*

Mr. Sokol stated a brief executive session was necessary to discuss matters pertaining to Union negotiations and two pending litigation matters.

Motion was made by Mr. Thomas, seconded by Mrs. Frasier and carried unanimously that executive session be declared pursuant to Section 105 (d) and (e) of the Public Officers Law.

Executive session was declared from 10:35 a.m. to 11:09 a.m.

The Committee reconvened.

Pursuant to the executive session, motion was made by Mr. McDevitt, seconded by Mrs. Frasier and carried unanimously to accept a settlement offer of \$20,000 towards the outstanding private pay account of deceased resident #10870, as recommended by the County Attorney. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the September 21, 2012 Board meeting.*

As there was no further business to come before the Health Services Committee, on motion made by Mrs. Frasier and seconded by Mr. McDevitt, Mr. Sokol adjourned the meeting at 11:10 a.m.

Respectfully submitted,
Charlene DiResta, Sr. Legislative Office Specialist