LOOKING BACK
TO LOOK FORWARD
The Care Center
at Sunset Lake
Labor Rates in Sullivan County Over the Past Decade

The Sullivan County Industrial Development Agency, while fairly criticized for lengthy PILOTs and front-loaded projects, presided over a sustained, near-decade drop in unemployment.
What About the Sullivan County International Airport?

• Airport expenses represent less than $900,000 of the County’s $220 million budget, which is facing at least a $10 million shortfall this year. Selling the airport to a private operator would, by law, require giving back upwards of $30 million worth of federal grants that have funded infrastructure repairs and improvements at that facility over the years. Having to repay those monies immediately would lead to a 50% property tax increase.

• From 2018 to 2019, the Airport realized a net gain in fuel sales of $102,407.30. Net losses declined from $455,612.55 in 2018 to $373,188.94 in 2019.

• The County just struck a potentially lucrative deal with a developer who plans to build three hangars at the Airport to house a full-service aviation services operation. The initial 30-year lease will bring in $365,000, not counting fuel sales, taxes and maintenance fees. That amount will increase if and when the second and third hangars are constructed. The agreement also will visibly position the Airport for increased commercial activity.
Fiscal Snapshot of Valley View in Orange County

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES</td>
<td>$56,797,819</td>
<td>$60,077,748</td>
</tr>
<tr>
<td>REVENUE</td>
<td>$57,680,040</td>
<td>$54,698,188</td>
</tr>
<tr>
<td>GAIN (LOSS)</td>
<td>$882,221</td>
<td>($5,379,560)</td>
</tr>
<tr>
<td>IGT - ORANGE COUNTY SHARE</td>
<td>($5,349,364.50)</td>
<td>($4,705,253)</td>
</tr>
<tr>
<td>NET LOSS (COUNTY SUBSIDY)</td>
<td>($4,467,143.50)</td>
<td>($10,084,813)</td>
</tr>
</tbody>
</table>

The Federal share of the IGT is calculated into the total revenues for each year.

Source: Orange County, NY Audited Financial Statements
Who Is Ultimately Responsible for the Care Center?

By law, the Sullivan County Legislature is the governing body responsible for the operation and disposition of the Care Center at Sunset Lake.

• “The nursing home shall have a governing body, or designated persons functioning as a governing body, that is legally responsible for establishing and implementing policies regarding the management and operation of the facility. The governing body shall:
  
  (1) appoint an administrator who is eligible for such appointment and who functions in accordance with subdivision (a) of this section;

  (2) determine and establish written policies consistent with the stated purposes of the facility, the program of services provided, its physical structure and equipment, the number and qualifications of staff members, and their job classifications and descriptions;

  (3) be responsible for the operation of the facility;

  (4) be responsible for providing or arranging services for residents as required in this Subchapter;

  (5) employ or otherwise arrange for the services of such personnel as are required in this Subchapter;

  (6) assure that a method is implemented to promptly deal with complaints and recommendations made by residents or designated representatives which:

(Continued on next slide)
Who Is Ultimately Responsible for the Care Center?

(i) enables complaints and recommendations to be made orally or put in writing;

(ii) brings complaints and recommendations promptly to the attention of the administration for review and resolution;

(iii) responds to all residents or designated representatives as to action taken or the reason why no action was taken, as soon as possible and except under extraordinary circumstances such as health or administrative emergencies, within 21 days after the complaint or recommendation was made; and

(iv) provides for review and evaluation of the effectiveness of the complaint process;

(7) assure that the complaint and recommendation method is made known to:

(i) all residents upon admission and their designated representatives; and

(ii) all nursing, social service and other appropriate personnel, in order to assist residents who want to make a complaint or recommendation;

(8) assure that the facility establishes a residents' council;

(9) be responsible for compliance with all provisions of this Subchapter…”

Source: 10 CRR-NY 415.26, NY-CRR, OFFICIAL COMPILATION OF CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK
## Bed Rates at Local Nursing Homes

<table>
<thead>
<tr>
<th>Facility</th>
<th>Medicaid Rate</th>
<th>Medicaid Part B Eligible Rate</th>
<th>Medicaid Part D Eligible Rate</th>
<th>Parts B&amp;D Eligible Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Valley View Center</td>
<td>$293.26</td>
<td>$290.94</td>
<td>$293.26</td>
<td>$290.94</td>
</tr>
<tr>
<td>Achieve Rehab and Nursing Facility</td>
<td>$257.11</td>
<td>$255.22</td>
<td>$257.11</td>
<td>$255.22</td>
</tr>
<tr>
<td>Catskill Regional Medical Center</td>
<td>$237.77</td>
<td>$236.08</td>
<td>$237.77</td>
<td>$236.08</td>
</tr>
<tr>
<td>Roscoe Rehab and Nursing Center</td>
<td>$216.35</td>
<td>$214.44</td>
<td>$216.35</td>
<td>$214.44</td>
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<tr>
<td>Sullivan County Adult Care Center</td>
<td>$184.05</td>
<td>$182.48</td>
<td>$184.05</td>
<td>$182.48</td>
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</tbody>
</table>


**For a copy of this presentation, please visit [www.sullivanny.us](http://www.sullivanny.us).**
Care Center Misunderstandings vs. Facts

**Misunderstanding:** The Airport should be sold to balance the County’s budget.
**FACT:** Airport expenses represent less than $900,000 of the County’s $233 million budget, which is facing at least a $10 million shortfall this year. Selling the airport to a private operator would, by law, require giving back upwards of $30 million worth of federal grants that have funded infrastructure repairs and improvements at that facility over the years. Having to repay those monies immediately would lead to a 50% property tax increase.

**Misunderstanding:** The Care Center has actually turned a profit in the last 10 years.
**FACT:** While a casual reading of monthly reports may lead to the belief that the Care Center has not always operated “in the red,” the annual financial audits paint a clear picture of ongoing deficits. Those audits can be found at [https://sullivanny.us/Departments/Managementandbudget/Audits](https://sullivanny.us/Departments/Managementandbudget/Audits). Federal aid, though annually promised, is only delivered sporadically, and when multiple years’ worth of that aid (known as an IGT, InterGovernmental Transfer) is paid to the County, balance sheets can look as if the Care Center is making millions of dollars in profit. Spread out over the years for which that aid is intended, however, the money does NOT cover operational costs in full. And it must be noted that the County has to match half – 50% - of that aid from its general fund.

**Misunderstanding:** If a private operator foresees making a profit at the Care Center, the County surely can.
**FACT:** Private enterprise typically can operate more nimbly and cost-effectively than a similar public effort. The County, as a municipal entity, is subject to procurement policies and other requirements that increase the cost and time to render services vs. private businesses. Due to a rising economy in the past, the County has been able to budget for losses at the Care Center without going over the tax cap, but the severe revenue diminishment across the spectrum means the current level of services cannot be sustained without significantly exceeding the tax cap, which would negatively impact every taxpayer in Sullivan County. Additionally, benefit costs are prohibitive for the County to be able to break even, with a family health insurance plan costing $28,650 gross per employee. The County must also contribute upwards of 15% of payroll for the State-required pension plan. In total, there is a 66% benefit load as a percentage of payroll – meaning that even if Medicaid reimbursement rates were increased to the level of other nursing care facilities in the region, the County would still lose millions of dollars a year.
**Misunderstanding:** County leaders suggested selling the Care Center to harm or “get back at” the staff.

**FACT:** The staff has not been and is not being blamed for the Care Center’s ongoing deficits. The employees have provided exemplary service during perhaps the most challenging moments of their careers. Any move to sell the Care Center would involve careful review of all potential operators, with a priority placed on determining whether they provide a supportive working environment for employees and top-notch quality of care for users. Such a move also would avoid the job losses that would result from closing all or a portion of the Care Center, and similar job losses in other areas of County government that would be required to balance the County budget if the Care Center remains under County operations. In short, the recommendation deliberately offered a solution designed to NOT harm staff or residents.

**Misunderstanding:** The County Manager’s Office is “top-heavy” with unnecessary management positions.

**FACT:** The Deputy County Manager position has been abolished, with that individual taking the State-required role of Commissioner of Social Services, a vacant position not within the County Manager’s Office. The position of Secretary of the Division of Management & Budget, which also served the County Manager’s Office, has likewise disappeared, as has that Division, replaced by a Budget Office with no secretary. The employees in the remaining positions – Assistant County Manager and the Director of Communications – have voluntarily taken pay cuts of 4%. The County Manager, while required to take a 4% pay cut because he earns over $100,000 annually, took an 8% pay cut to help reduce the looming budget deficit. The Executive Assistant to the County Manager position is currently vacant, and a pre-existing Marketing & Outreach Coordinator position, while primarily focused on the Care Center and the Social Services campus in Liberty, has been moved under the County Manager’s Office without any increase in pay or other expenditures.

**Misunderstanding:** A stimulus package is coming from the federal government that will resolve the Care Center’s financial situation.

**FACT:** Congress continues to debate a fourth stimulus package, and considering the political atmosphere in Washington, agreement is not a certainty. Nor is it certain that funds will be available specifically for the Care Center or even the County itself.

**Misunderstanding:** We should sell the new Jail instead of the Care Center.

**FACT:** While bail reform did drastically reduce the population of the County Jail, the State insisted that the County replace what was at the time the oldest operating jail facility in New York, and the County remains under a mandate to operate a jail. The new
facility represents a much-needed improvement over the old, which a prior State corrections commissioner labeled a “dungeon.”