

Broome County Sell/Lease Task Force

Final Report

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Dated: AUGUST 23, 2012

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Introduction

This report aims to review the Sell/Lease Task Force's efforts towards exploring the pros and cons of privatizing all five facilities (Willow Point Nursing Home, The Broome County Landfill, Binghamton Regional Airport, and The Broome County Veterans Memorial Arena & The Forum Theatre), which include overview of the Task Force's proceedings, various case studies of other counties with similar experiences, introduction of all five facilities and their operations. Above all, the report presents the Task Force's final recommendation of whether to privatize or keep operations under the purview of County government for each of five facilities, and also their suggestions about the future operations of each facility.

Executive Summary of Recommendations

Privatization was brought to attention of government by Peter Drucker in 1969. He proposed government should consider privatization in providing public services. Henceforth, a lot of scholars had supported privatization as an efficient and economical way of providing governmental services. In the 1980s, President Reagan carried on the idea of privatization. Since then, privatization had gradually been considered as a right thing to do by more and more governments at different levels across the United States.

On March 22, 2012, Broome County Executive Debbie Preston, Legislature Chairman Jerry Marinich, Legislature Majority Leader Wayne Howard, and Legislature Minority Leader Mark Whalen announced the creation of Broome County Sell/Lease Task Force, which was given until August 24, 2012 to explore the feasibility of selling or leasing five currently County-owned assets (Willow Point Nursing Home, The Broome County Landfill, Binghamton Regional Airport, and The Broome County Veterans Memorial Arena & The Forum Theater) and make formal recommendations to the County Executive and Legislature.

To make objective and accurate decisions, the Task Force heard presentations from administrators of all five facilities and lectures from several private operators in related fields. The Task Force also toured all five facilities to gain firsthand knowledge of the current operations and environment and studied various cases of other counties with similar experiences.

The Task Force recommends the following:

1. Broome County government should weigh the merits of getting out of the skilled nursing home business as part of a comprehensive assessment and potential realignment of long term care services in the County. If the County is to deal effectively and intelligently with the Willow Point Nursing Home issue, it should continue to engage New York State government and the Department of Health in

exploring the expansion of sustainable non-institutional alternatives to nursing home care. It would also be necessary for Broome County to hold meetings with interested stakeholders, such as the NYSDOH, private skilled nursing care, assisted living and home care providers. In addition, the County may consider hiring professional consultants to conduct a thorough analysis of the Willow Point Nursing Home and to explore potential options for ending operation of the facility under County control. Besides selling the nursing home, including both the operating certificate and the facility, the County should think about other alternatives for ceasing to operate a facility of this type and disposal of the asset.

2. The Broome County Landfill should continue to be operated as a division of the County Government.

3. Similarly, Broome County Government should continue to own and operate the Binghamton Regional Airport.

4. The Broome County Veterans Memorial Arena and The Forum Theater's range and frequency of usage need to be increased. In order to bring more performances to these facilities, Broome County should consider exploring the possibility of contracting out the operation of the two facilities and hiring a professional booking agent. In that case, the County should consider developing an RFP for professional management. Recognizing that the AHL hockey team is an important aspect of the quality of and related food and beverage outlets and municipal parking lots, the limitations with respect to scheduling flexibility that are inherent in contracts with the hockey club are a challenge to expanding the aforementioned range and frequency of other events at the Arena.

Broome County Sell/Lease Task Force

Mission & Background

The Sell/Lease Task Force is charged with responsibility to explore the short-term and long-term feasibility of selling or leasing five current County-owned facilities – the Willow Point Nursing Home, the Broome County Landfill, Binghamton Regional Airport and Broome County Veterans Memorial Arena & Forum Theater.

The mission of the Task Force was to identify strengths and weaknesses of all five County-owned assets. The Task Force was tasked with objectively balancing the positive Community benefits of the facilities with areas in need of improvement and potential budget deficits. A final report of recommendations was due within 120 days of the first meeting.

The Task Force was composed of seven members, among them, four of them were appointed by the County Executive, Debbie Preston:

Matthew A. Vitanza, who brings legal, real estate and business experience as a Special Counsel at Hinman, Howard and Kattell LLP, a licensed Real Estate Broker and chairman of the Board of the Greater Binghamton Chamber of Commerce;

Jeff Davis, who brings consulting and health care expertise as a former regional member of the New York State Commission on Health Care Facilities (Berger Commission), Professor at Binghamton University, and Consultant at Lourdes Hospital and UHS;

Ken Badger, who brings 35 years of experience between the public and private sector as former Director of Budget & Research for Broome County and Manager of Financial Planning for UHS;

Larry Roma, who brings 34 years of facilities planning and management experience currently as Associate VP for Facilities Management, formerly as Director of Facilities Planning and Campus Architect at Binghamton University.

One was appointed by the Legislature Chairman, Jerry Marinich:

Nancy Philips, who brings marketing and community arts organization experience as Marketing Director at Oakdale Mall and Board Member of over 20 community boards and committees, including: The United Way, The Art Mission, Roberson Museum, The Cidermill Playhouse and The Binghamton Philharmonic.

One was pointed by the Legislature's Majority Leader, Wayne Howard:

Joe Conaty, a business owner, who owns and operates Wash at Joe's Car Washes and is partner in Home Instead Senior Care, a provider of non-medical companionship care for seniors.

One was appointed by the Legislature's Minority Leader, Mark Whalen:

Vince Pasquale, who brings leadership and governmental experience as Assistant Dean at Binghamton University School of Management and former Broome County Legislator.

The Task Force Proceedings

Over a four month time span, the Task Force studied several cases of other counties with similar experiences. Members of the Task Force heard presentations from administrators of all five Broome County facilities, shared insights with practitioners of related private businesses through several meetings; and held extensive and in-depth discussions in every meeting. The Task Force also toured all five facilities to acquire knowledge about the current operation status.

The Task Force Meetings

The Task Force met every other Tuesday at 4PM (on April 17th, May 1st, May 15th, May 29th, June 12th, June 26th, July 10th, July 24th and August 7th, 2012). Through all nine meetings, all Task Force members spared no efforts to arrive at objective and accurate recommendations step by step.

The Task Force held its first meeting on April 17th, 2012. Deputy County Executive Bijoy Datta kicked off the meeting and provided a brief overview of the

Task Force's mission. Then, each Task Force member and staff member introduced himself or herself. The Task Force confirmed Task Force organization, discussed meeting structure and emphasized requests from Task Force members in this meeting.

In the following three meetings, the Task Force heard presentations from administrators of all five facilities. The Broome County Landfill and Greater Binghamton Airport presented on May 1st, 2012. The Broome County Veterans Memorial Arena and Forum Theater presented on May 15th, 2012. Willow Point Nursing Home presented on May 29th, 2012. Administrators of all five facilities provided detailed introductions of the history, development, current operation and future plans of their assets. The Task Force conducted discussions after each presentation, and scheduled site visits to all five facilities.

The Task Force invited three guest speakers to speak at the fifth meeting on June 12th. The three guest speakers were United Methodist Homes' president & CEO Keith Chadwick, Fairview Home's president & CEO Mike Keenan, and NAC Entertainment's president Albert Nocciolino. The three guest speakers shared their practical experience in providing services from the private business standpoint, and exchanged views with Task Force members. Keith and Mike contended that the County should not be in the long-term care business, and expressed their interests if the County decided to sell the nursing home. Albert suggested the Arena & Forum are not sellable.

After visiting all five facilities on July 9th, the Task Force held its seventh meeting on July 10th. The Task Force reviewed July 9th's site visits and gave final recommendations for keeping Binghamton Regional Airport and the Broome County Landfill.

At July 24th's meeting, the Task Force offered suggestions of the first draft of the final report, and made final recommendations for Willow Point Nursing Home, The Broome County Veterans Memorial Arena, and The Forum Theater.

The last meeting was held on August 7th, 2012. The Task Force discussed the second draft of the final report in this meeting.

Please see all complete meeting agendas and meeting minutes of each meeting in the Appendix.

Site Visits to All Five Facilities

On July 9th, Matt Vitanza, Jeff Davis, Joe Conaty, Larry Roma, Nancy Phillips, Vince Pasquale, Jim Worhach and Yiming Cao visited all five facilities to gain first-hand knowledge of the environment and have a look behind the scenes.

The first stop was Binghamton Regional Airport. Department of Aviation Commissioner Carl Beardsley received Task Force members. Taking a bus shuttle, the Task Force members began their airport tour from ground level under Carl's guidance and commentary. The Task Force visited the aviation fuel farms, the airport rescue and fire fighting facility, some airfield maintenance and ground support equipment and the weather station. Carl provided detailed introduction of each unit and explained the future development plan of the airport. The Task Force spoke highly of the professional administration and excellent work of the airfield.

Then, the Task Force proceeded to the Broome County Landfill. The landfill was clean and had a great control of what goes in and what goes out. Many residents came to the landfill during site visit. The Task Force listened carefully to Dan Schofield's introduction of the landfill's plan about the future.

The third stop was Willow Point Nursing Home. Under the guidance of WPNH's administrator Steven Reagan, Task Force members visited the south building, north building and west wing. There's no question the WPNH does the best they can to provide professional and comprehensive care services to residents. The staff members strived to provide a comfortable and secure environment and bring a sense of home to the residents who live here.

After the lunch break, the Task Force members continued their tour to Broome County Veterans Memorial Arena and Forum Theatre. The Task Force not only visited the regular playing areas and stage, but also explored the back stage areas.

The whole tour ended by coming back to the County Office Building at 3:00 PM.

Recommendations

Broome County Description

Broome County is located in south-central New York State, just north of the Pennsylvania border. It is north of the Susquehanna County, Pennsylvania, south of the Chenango County, east of the Tioga County, and west of the Delaware County. Broome County and Tioga County form the Binghamton Metropolitan Statistical Area (also called Greater Binghamton). The Chenango River and the Susquehanna River join together in Broome County, and flow through the county. Broome County encompasses an area of 714 square miles and is made up of one city (Binghamton, the county seat), 16 towns, 7 incorporated villages and several unincorporated villages and hamlets. It is governed by a County Executive form of government, with a 19-member Legislature.

Demographics

According to the 2010 census, Broome County's population was 200,600, which decreased from 212,160 in 1990. The County's population density per square mile is 284/sq mi. During the past decade, there was a significant decrease (-22.4%) in the birth to age 0-4 cohort, a 7.1% decrease in the percentage of children 5-9, and an 8.3% decrease in the adult population age 20-64, considered the "working age population". But there was a 14.7% increase in children age 10-19 and a 3.2% increase in the senior population age over 65. Broome County has experienced a declining trend in births and a growing older population, combined with a decrease in the age cohort of workers age 20-64, while the total population has decreased by 5.5% over the past ten years.

Willow Point Nursing Home

With a heightened emphasis on community-based and home-based alternatives, the New York State Department of Health is projecting a broad reduction in the need for skilled nursing facility beds statewide by the middle of this decade. One current estimate says that Broome County has an excess nursing home bed capacity of more than 300 beds. Meanwhile, the New York State Medicaid Redesign Team's emphasis on long-term managed care is expected to drive significant reductions in Medicaid reimbursements to long-term care providers.

Rising employee health care and pension costs, inadequate Medicaid payments, the state's 2-percent property tax cap and antiquated infrastructure combine to challenge the sustainability of county-owned nursing homes in New York State. Thirty-four New York counties operate public nursing homes. That's 7% of the total. The New York State Association of Counties recently determined that about half of the county facilities are actively exploring privatization or other measures to counter unsupportable costs and financial losses.

Operated by Broome County since 1969, Willow Point Nursing Home is an obsolete facility. To meet state and federal requirements, the County must spend \$1 million-\$2 million on sprinkler system by August 2013 in order to remain operational. A new facility has been discussed for more than a decade. The current estimated cost of building a new facility ranges from \$55 million to \$80 million, depending on size and many other details.

As indicated above, Broome County isn't alone in facing a public nursing home challenge – and, as are many other county governments across the state, it is time for Broome County Government to face this complex social and economic challenge head-on. The Task Force recommends that the County engage a professional consultant to assist in developing a comprehensive plan for sustainable long-term care in Broome County. The plan should include:

- A definitive decision on about whether Broome County should remain in the county-owned nursing home business – and short- and long-term plans to support that decision. If the decision is to maintain a county-owned nursing home on a smaller scale, how many beds are needed and why?
- A social responsibility assessment. Can private operators meet the safety net needs of the County’s indigent seniors?
- An updated long-term care needs assessment, which might be conducted as part of a broader community health planning initiative.
- A comprehensive assessment and critique of New York State policy governing long-term care and Medicaid reimbursements.

The Older Population

According to 2000 US Census, there are 41,542 people age 60 and over residing in Broome County. The elderly comprise 20.7% of Broome County’s total population, which forms a high dependency ratio for the County. As for New York State, population age 60 and older makes up 16.9% of the state’s total population. Broome County’s population concentration of elders ranks 6th among the 63 counties of the state, including New York City. During the 1990s, the age 75 and older population grew by 18.8% and the 85 and older age cohort increased by 32%.

Broome County has a comparable percentage of seniors limited by chronic conditions as reported in the Aging Futures Study, 1994. In Broome County, 31.7% of those age 65 or older reported having a self-care limitation or difficulty with physically activities such as walking, climbing stairs, reaching, lifting or caring. People with such limitations often have difficulty performing activities of daily living without some form of assistance.

If current trends within the elderly population continue, the future has serious implications for Broome County. As the very old, age 80 and older, increase in our population, there is a much greater chance that they will suffer from one or more debilitating chronic illnesses and diminished independence. People 85 and older also have an increased rate of poverty due to the extended period of time they receive a fixed income.

All mentioned above put an extra strain on health care providers to support and provide services for the most vulnerable segments of our population. Broome County, in conjunction with NYSDOH, regional skilled nursing facility and acute care providers need to plan, advocate and coordinate services for the elderly with the greatest economic and social needs. Every effort must also be taken to provide information and opportunities that promote healthy aging.

Overview

As provided by Willow Point, the Nursing Home's mission statement follows: "It is the mission of the Willow Point Nursing Home to serve those frail, elderly, and disabled individuals who live in Broome County and are in need of long-term, skilled care and/or short term rehabilitation. This includes a comprehensive, interdisciplinary approach to care planning with emphasis on quality of life and preservation of both dignity and independence for the residents. Staff members are committed to meeting the physical, emotional, social and spiritual needs of the residents."

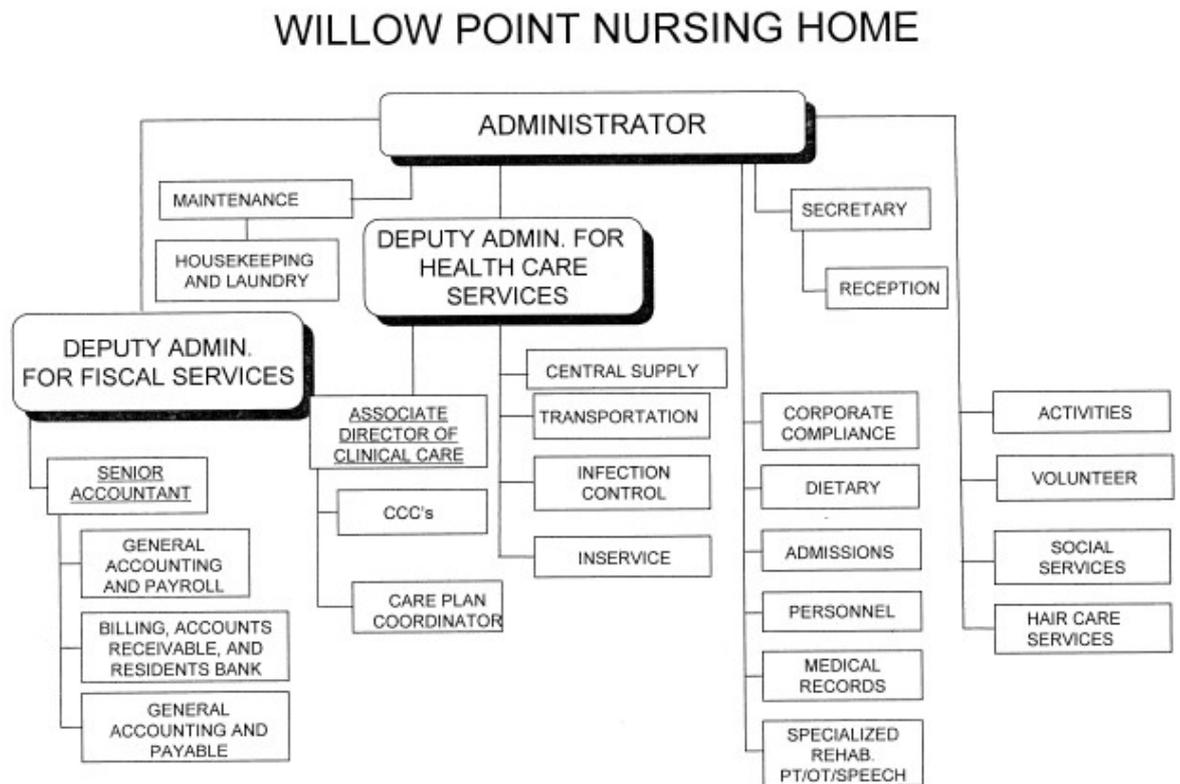
In 2006, Berger Commission recommended Willow Point should downsize by 83 residential health care beds to 300 beds, construct a replacement nursing home, and add a 30-slot Adult Day Health Care. The NYS Department of Health accepted Willow Point's Compliance Plan for Berger Commission recommendations and filed the Certificate of Need to construct a replacement nursing home in 2008. Since then, 83 beds had been closed. After it implemented the Berger Commission recommendations, Willow Point Nursing Home is comprised of six nursing units in a building composed of 3 separate and distinct additions that is not unified as to bed count, design or organization. Until recently, Willow Point had a capacity of 303 beds.

Built in 1969, the South building includes 3 nursing units of 47 beds each with single, double and triple bedrooms. The North building built in 1971 contains 2 nursing units of 59 beds each with single and double bedrooms. The newest building is the West wing, was built in 1988. It is comprised of one 44-bed nursing unit with

single and double bedrooms, and a triple bedroom. Four of the nursing units provide skilled nursing services. North Lower Level provides skilled nursing and sub-acute care (rehabilitation & IV therapy) services. West Wing provides dementia care services for resident who wander.

Broome County Central Foods provides bulk meals to Willow Point. The facility’s kitchen staff then serves the meals to the residents in the unit dining rooms using steam tables or tray service.

Willow Point Nursing Home’s Organizational Structure



Overall Staffing Levels

The 2012 budget includes total of 419 funded positions, which cover 274 nurses, 43 dietary staff, 41 housekeeping & maintenance staff, 28 administration staff, 22 workers in social programs and 11 ancillaries. The vast majority of Willow Point staff (about 65%) are nursing staff. The number of budgeted positions has declined steadily since 2007, from 515 at that time to 419 as of 2012. The next table provides a

summary of the number of budgeted positions in Willow Point from 2007 through the current budget year.

Willow Point Budgeted Staff Positions 2007-2012						
	2007	2008	2009	2010	2011	2012
Full Time	349	349	350	346	327	315
Part Time	166	165	155	136	123	104
Total	515	514	505	482	450	419

Current staffing levels can be maintained at the existing staffing and benefit levels.

Customer Satisfaction

Willow Point appears to have a good reputation in the community, and received good grades for its quality of care and committed professional staff. The nursing home was rated the Best Nursing Home in the Area in July 2010 and One of the Best Nursing Home in the Area in September 2011 in a Reader's Choice Award by the Press & Sun-Bulletin. In February 2012, according to the Business Journal, Willow Point ranked 9th of 30 rated nursing homes in Central New York.

Financial

As shown in the Budget Comparison Table below, although the costs of operating Willow Point had continued to decrease in recent years – from expenses of \$30,349,853 in 2007 to \$28,497,030 in 2010, the facility had been in red from 2007 to 2009.

Budget Comparison

	Adopted	Budget	Audited	Budget	Adopted vs.	Actual
	Appropriation	Revenue	Expense	Revenue	Expense	Revenue
2007	\$28,156,574	\$26,254,367	\$30,349,853	\$26,493,220	(\$2,193,279)	(\$ 238,853)
2008	\$28,544,402	\$29,654,834	\$29,975,526	\$29,756,189	(\$1,431,124)	(\$ 101,355)
2009	\$31,317,724	\$29,534,464	\$28,957,213	\$36,144,660	\$2,360,511	(\$6,610,196)*
2010	\$30,659,356	\$30,821,250	\$28,497,030	\$24,454,995	\$2,162,326	\$6,366,255*
2011	\$30,011,115	\$30,052,020				
2012	\$29,476,256	\$29,497,368				

※Accounting rules require IGT monies received in 2010 to be credited in 2009 even though money was received after books were closed, but audit was ongoing.

According to Rotenberg Health Care Consulting LLC.’s feasibility report, the uncertainty of the long-term commitment to pay the Intergovernmental Transfer fund could cause more of the financial burden of operating a nursing facility to County taxpayers. Under current and project reimbursement methodologies, Broome County will have to subsidize the operations of a facility of any size either through IGT, a direct contribution, or both. Projected pension costs, post employment benefits and existing contracts will keep the facility at a financial disadvantage for the foreseeable future. Because this project involves significant construction it is important to be aware that there is no guarantee that Medicaid will continue to reimburse the facility’s actual capital cost – a Medicare type prospective rate with capital included is a possibility.

Recommendations

Given its limited mandate and resources, plus the complexity of the issue itself, the Task Force was not expected resolve the Willow Point Nursing Home question. But the Task Force does recognize the urgency of rationalizing, restructuring and rightsizing the delivery of long-term care services in Broome County. Ultimately, Broome County should explore getting out of the care nursing home business.

Broome County cannot solve the complex long-term care issue by itself. New York State government, the NYS Department of Health, private long term care

providers and other stakeholders should be involved in the process. In the spring of 2012, the County Executive reached out to NYS government, health system administrators and long term care operators. The Task Force recommends that the County should continue its discussions with parties mentioned above. It's also necessary for Broome County to hold meetings together with interested parties.

In addition, County government may consider hiring professional consultants to conduct a thorough analysis of Broome's 21st century long-term care needs and to explore potential Willow Point options. Given a finite mandate and resources, what the Task Force can do is also limited. But in order to figure out an accurate solution to Willow Point, some critical issues must be resolved first, such as balancing the social needs of the County's residents and the economic problem we are facing. Consultants could conduct thorough research on the facility and give accurate answers to crucial issues from a professional standpoint. Also, besides selling the nursing home, consultants could figure out more feasible potential options. If the County chooses not to sell the facility but any other option, the resources which it has put into run the facility could be converted to practice other alternatives, such as promoting expansion of housing options, improving access to elder care, enhancing support for caregivers and enhancing transportation and other community based assisted living and home care services to promote independence.

If Broome County is to privatize the nursing home, the operating certificate and the facility itself should be sold together, not separated.

When the County develops and issues an RFP to solicit potential purchasers, it should emphasize both economical and social obligation issues.

Based on currently available information such as reduced reimbursement in the future, inefficient configuration, long delayed maintenance not performed and NYSDOH's desire for municipalities to survive nursing home business, the Task Force rejects recommending the County maintain Willow Point Nursing Home in this

present configuration and a quick sale which may not preserve services for our most frail, but a path for future divestiture.

Although the administration and staff are doing the best they can with what they have, Willow Point is an obsolete facility unsuited to meet the demands, challenges and realities of long term care in the 21st century. Among other things, that makes it a bad investment for Broome County taxpayers and potential residents.

Broome County has no immediate alternative to continuing to operate and improve the existing Willow Point in the near term – and that the County likely will have to operate a smaller modern replacement in order to meet its social safety net responsibility for years to come. That acknowledgement should be accompanied by a forceful recommendation that county government should move expeditiously in addressing this complex and essential issue.

The Broome County Landfill

Overview

The Broome County Landfill is a County owned and operated landfill and has been in operation since 1969. It is currently operating under NYSDEC Part 360 and USEPA and RCRA Subtitle D. On March 23, 2011 Broome County was issued the renewal Permit Authorizations, which was for the continued operation of Section II, Section III, and Section IV.

The landfill is currently the primary disposal site for the County's solid waste. The majority of waste generated in Broome County is disposed here. The landfill facility is located in the Towns of Nanticoke, Barker and Maine and occupies an area of approximately 1,300 acres. The actual fill area occupies approximately 145 acres, 124 of which are closed landfill and the remaining 20 acres were closed in 2011. Another 99 acres is permitted as Section IV, of which 12 acres was built and opened for disposal in August 2009.

The Broome County Landfill is divided into several sections due to various lateral expansions constructed over the years. Section I is the original landfill site and consists of approximately 105 acres of the site. The landfill does not have a single type of lining system since it was continuously expanded during a time when State regulations regarding the design and construction of landfills were changing.

Section II and Section III occupy about 40 acres, 20 acres each, and form a contiguous mound. The final height is expected to be at an elevation of 1620 feet above sea level. Section II located on the east side opened in 1989. This section was lined with a single composite system. Section III opened in 1993. The vertical expansion that joined the sections together began in 2004. Closed recently, the two sections have contained an estimated 3,500,000 tons of garbage.

In preparation for Section III closure, the County made provisions for a new landfill Section IV. Detailed design work began in 2000, with a permit application submitted to the NYSDEC in mid-2001. Construction activity began in 2001 and was

completed by December 2002. As part of the construction of Section IV, two 2,200,000-gallon leachate storage tanks were constructed for storing leachate generated from Section IV. There are 57 groundwater monitoring wells at the landfill. To collect and remove stormwater and prevent the generation of excessive amounts of leachate, a geosynthetic membrane (raincap) was installed over 9 acres of the empty cell. However, the new landfill was not put into service at that time because additional air space was realized in the vertical expansion of Section II/III. The NYSDEC approved the cell for use on August 18, 2009. The overall Section IV design consists of 13 cells. Cell 1 is 12 acres, has the capacity of 954,000 cubic yards, and will be filled by August, 2012.

Broome County Landfill Expansion

After taking in an additional 40,000 pounds of debris during 2011 September's flooding, the Broome County Landfill almost reached its saturation. On March 8, 2012, Broome County Executive Debbie Preston and Legislator Matt Pasquale announced more than \$700,000 in state grants to expand the landfill to help the county meet current needs and seamlessly expand for the future.

Cell 2, 7.5 acres, is the recently built expansion and will last through December 2015. Cell 3 is in design and will be complete by December 2014. Cells 4 through 13 will be designed and built over the next 38 years. Section IV has a 41 year fill span lasting to 2050.

Operations

The landfill accepted approximate 250,000 tons of solid waste for disposal a year. There is a significant seasonal variation in the waste stream during the spring and fall due to the increase in yard work and construction activities. A separate area has been designated for composting leaf and yard waste. White goods are also collected at a specially designated area at the landfill where certified staff removes refrigerants from any units; refrigerant is sent out for recovery and the units are

transported to a local scrap metal dealer for recycling. Tires are stockpiled at the landfill and hauled by a private company for recycling. The landfill also houses a permanent household hazardous waste facility that operates year round. The facility is open to Broome County and Tioga County residents (April-November) through an intermunicipal agreement. The facility also accepts electronics for recycling. Conditionally Exempt Small Quantity generators can utilize the facility, but must obtain a permit and pay a disposal fee.

Financials

Over the past several years, the Broome County Landfill has supplemented the County's general fund budget with millions dollars. The landfill uses some of the budget surplus from the landfill operation to seed County wide cost saving initiatives. For example, the County benefits from working with NYSERDA to conduct a comprehensive energy audit of all its facilities. This initial seed money could then be paid back from the energy savings derived from projects from the audit. By converting from 2'x 2' fluorescent light fixtures to the new LED fixtures, there is an immediate operating savings of over 33% as well as a 7 fold long term savings since the LED bulbs last for up to 7,500 – 100,000 hrs vs. 10,000 -15,000 hrs for fluorescents. This not only saves on long term energy and maintenance costs, but landfill costs as well since they will not have to re-lamp light fixture for years to come.

Recommendations

The Task Force concluded that Broome County should maintain operating the landfill.

First, the landfill is operating in a good condition. It is a state-of-the-art facility. Instead of traditional dump, the landfill is equipped with modern and advanced systems. The professional operation management requires very high level of intelligences.

Second, current landfill management understands the industry and our community. Built in 1969, the landfill has served Broome County for 43 years. Besides providing tremendous financial benefits for the county, the landfill has great influences on residents' daily life. Residents trust the county's management of the landfill – dispose of the waste in a recyclable way while minimizing the harm to our environment.

Third, the landfill has feasible development plan for its future. In order to meet the county's current needs, the Broome County Department of Solid Waste implemented the Landfill Expansion program. The recently new Section IV is planned to contain 13 cells encompassing 100 acres. Cell 1 (of Section IV), 12 acres, is currently operating and will be filled by August, 2012. Cell 2, 7.5 acres, is the recently built expansion and will last through December 2015. Cell 3 is in design and will be complete by December 2014. Cells 4 through 13 will be designed and built over the next 38 years. Section IV has a 41 year fill span lasting to 2050. Broome County invested more than \$700,000 in state grants to expand the landfill. The landfill has also submitted the Solid Waste Management Plan (SWMP) covering a 20-year planning period. This plan includes addressing organics recycling, bio-mass recycling and compositing, providing related education to communities and working with realtors, schools and businesses to expand recycling efforts. In addition, the facility administration developed capital plans, which contain the feasibility study to recreate new space and protect environment, design of potential sewer line, expansion of landfill footprint, and closure activity. What's more, the facility actively explores potential opportunities for generating revenues, such as drilling cuttings, sale of fresh water and materials, and gas collection. Some new and innovative programs are also continuously being implemented, such as recently completed road upgrades to Knapp and Dunham Hill and the construction of new commercial L/F entrance with EZ pass system.

Forth, under County operation, the landfill can be controlled at a high level. As a government entity, Broome County can put certain restrictions to ensure the landfill is managed effectively and efficiently by setting regulations. For example, covered loads are required to and from the landfill. All vehicles transporting solid waste and source separated recyclables to, entering or exiting the landfill shall have loads appropriately covered or confined in the vehicle by use of tarpaulins, nets or other devices to prevent material from blowing or falling out from the vehicles. Failure to comply is a violation and subject to a fine. Such regulations contribute a lot to the efficient management of the landfill facility.

Finally, the landfill is crucial to the operation of other county departments. There exists a high dependency between the landfill and other departments. The landfill provides annual support for Spiedie Feast, Parks Department, Real Property, Aviation, Highway, Health Department, Buildings and Grounds. The facility also supports Tioga County for electronics and household hazardous waste collection.

Greater Binghamton Airport

Overview

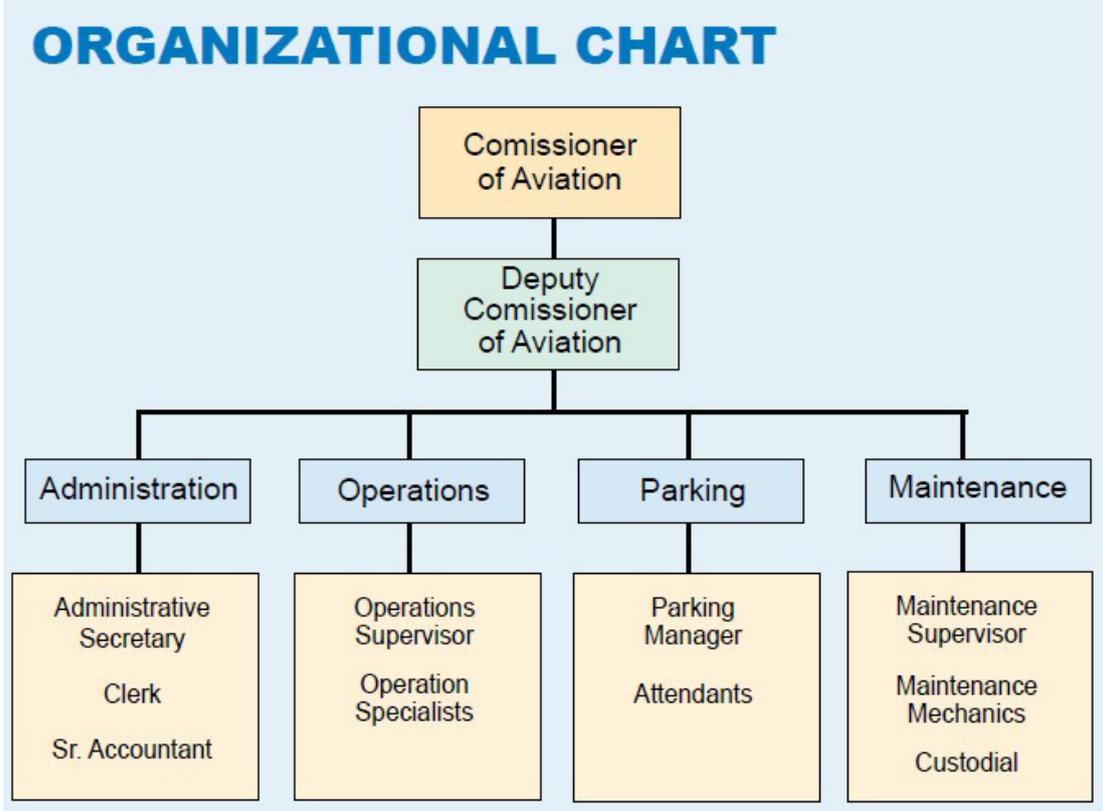
Dedicated in 1951, Greater Binghamton Airport (BGM) is a medium-sized but full service regional airport located in Maine, New York. It serves the Southern Tier of New York, primarily Broome and Tioga Counties.

The airport serves an average 225,000 customers annually. Three of the largest carriers in the country – US Airways, Delta and United – serve BGM. The airport offers direct service to three major hubs located in Washington, D.C., Detroit, and Philadelphia. From these hubs, one stop access is available to hundreds of international and domestic destinations.

BGM provides general aviation services, such as aircraft storage and maintenance, fixed base operator services, and flight training. Concessionaires, which include car rental companies, the gateway café, gift shop and lounge, spare no effort to convenience customers.

The airport received a major renovation in 2001. In July 2004, the airport opened four new jet bridges that can accommodate regional and mainline jets. The airport finished extending Taxiway Alpha for the full length of Runway 16-34 in 2010. In September 2011, the airport secured a federal grant for \$12.3 million to extend Runway 34 by 200 feet and replace the aging EMAS system originally installed in 2002. At completion, Runway 16-34 will measure 7,300 feet and feature a new displaced threshold for Runway 34.

Greater Binghamton Airport Organizational Structure



Financial

There are mainly six revenue sources of BGM: car rental agencies, fixed based operator, parking lot fees, airline rates & charges, hangar rental and other space rental. Airline charges occupy the biggest share of the airport’s revenue. BGM charges airlines about \$1.3 million a year. This results in \$0 cost to taxpayers.

Recommendations

The Task Force determined Broome County should maintain operation of Greater Binghamton Airport.

First, having the airport under the control of a Broome County will have great impact on local economy. The airport acts as an economic driver of the County. According to an economic impact report that was released by the New York State DOT in the fall of 2011, BGM generated a \$52 million annual economic impact on the community and creates nearly 350 on-site and off-site jobs.

Second, BGM's community impacts cannot be denied. The airport is not only the gateway to the world, but also provides opportunities for education and community partnerships. In 2010, collaborating with Binghamton University, BGM initiated the geothermal pavement heating project.

Third, as long as the Federal and State governments continue to fund aviation, Broome County should fight for its share.

Finally, there is a clear and concise plan for the future of BGM. The proposed development plan includes promoting diversification through business development, raising ultimate customer experience, expanding air service choices, earning more and more support from communities and improving the airport's regional competitiveness.

As other communities did, if Broome County wants to support operation of BGM more financially, the Task Force suggested establishing a trial program – a 3-year plan. Broome County would give certain supports to help airport management work out a plan to increase revenues. Such supports would diminish each year to offset charges of airlines. This should give the airport a chance to increase boardings and thus improve its revenues.

In order to be more competitive in the region, the quantity and convenience of flights should be improved to promote the airport's connectivity.

Broome County Veterans Memorial Arena & The Forum Performing Arts Theater

Introduction

Both facilities are owned by Broome County and managed, staffed and maintained by the Broome County Department of Parks and Recreation.

The Veterans Memorial Arena was built in 1973 as a result of a nationwide design competition. The total construction cost \$7.5 million. It is located conveniently in downtown Binghamton, NY. The arena is the largest sports/concert/expo facility in the region. The facility has a capacity of 4,910 for Hockey games and a capacity of 3,500 to 7,200 for concerts and other events.

The arena is the home ice for the Binghamton Senators hockey team. It played 37 home games in 2011-1012 season. It is also the home of the annual STOP-DWI Basketball Tournament. In 2010, 223,000 people attended events at the arena. This number increased to 251,300 in 2011. Performances at the arena have included concerts, sporting events, family shows (circus, ice skating, Sesame Street, Disney, Harlem Globetrotters), comedy shows, tradeshow, graduations and motorsports shows.

The main building of the forum was built in 1919. The dressing room was added in 1975 while the new lobby and recital hall were finished in 1981. General renovations and maintenance were carried out throughout the years. Recently, the \$680,000 seat replacement and renovation project was completed in summer 2011. The facility has a capacity of 1,525.

The forum hosts all kinds of theatrical, musical, dance, comedy and family productions. It is also the home for the Tri-Cities Opera, the Binghamton Philharmonic and the Broadway Theatre League. Behind the scenes, it's a full-equipped, theatrical facility that has witnessed many world-class performers and performances. In 2010, 49,722 people attended events at the forum. This number decreased to 43,529 in 2011.

Financial

Both the arena and forum's revenue sources include rentals & fees, concessions, services, event staff, commissions, advertising, and miscellaneous income. Their expenditures contain salaries & benefit, maintenance, office supplies, energy (electricity, natural gas, and contracts), water & sewer, principal & interest for serial bonds & capital projects. The arena ran a deficit of \$1,371,508 in 2010. In 2011, the loss decreased to \$1,042,066. Such situation would continue in 2012. Similar with the arena, the forum had a deficit of \$52,176 in 2010. But in 2011, the forum had a small surplus of \$958. The profit is projected to increase in 2012.

Recommendations

The Task Force considers the critical issue for the arena & forum is to maximize the usage of the facilities, which means more performances in. The current operation status of the facilities is not enough to generate enough revenue.

For this purpose, the Task Force suggests Broome County explore contracting out the operation and hiring professional booking agents. The professional manager may have much more related experience and run the facilities in more efficient way. The arena and forum play a key role in delivering cultural and artistic opportunities, and are important components of a vibrant downtown. A better operation of the facilities could create a hub for cultural and artistic activities in the downtown area, draw new visitors and offer broad economic benefits. At the same time, residents' entertainment activities would be enriched.

Recognizing that the AHL hockey team is an important aspect of the quality of and related food and beverage outlets and municipal parking lots, the limitations with respect to scheduling flexibility that are inherent in contracts with the hockey club are a challenge to expanding the aforementioned range and frequency of other events at the Arena.

Case Studies

Nursing Home

County governments across U.S. are looking for options for their nursing home business, and the market for such facilities is strong.

Essex County, NY -- Horace Nye Nursing Home (Sale)

Essex County-owned Horace Nye Nursing Home has a capacity of 100 beds and about 145 employees. As of the end of 2011, the facility ran at an annual loss of about \$3 million and owed about \$5 million to the County's general fund. The County will have to install a new sprinkler system (cost about \$500,000) by 2013 to meet a state mandate. County lawmakers had been debating whether to continue operating the nursing home for years.

Mainly due to the low Medicaid reimbursements for indigent patients, the nursing home expected to lose \$4.1 million 2012, so the County Board of Supervisors considered leasing or selling the facility. The Board of Supervisors voted October 31, 2011 to enter into a real-estate broker's agreement with national firm Marcus & Millichap for sale or lease of Horace Nye. Supervisors voted on December 27, 2011 to approve a sale price of \$4.25 million. Marcus & Millichap would receive a commission of 3.25% of the sale price regardless of whether supervisors decided to go through with the sale. The County lawmakers also approved terms and conditions of the potential sale of the Horace Nye requiring that current residents be allowed to stay indefinitely, current employees be offered jobs, and Essex County residents would be given preference for admission.

About 35 parties from all over the country expressed interest in buying Horace Nye Nursing Home. In March of 2012, the County received three bids from three interested parties in NYS, all for \$4 million. County lawmakers asked those three groups to submit their best and final offers in hopes of getting more money for the nursing home. A sub-committee of the Board of Supervisors visited nine of these

various companies' facilities. The sub-committee included supervisors, as well as people who are familiar with daily care and interaction with the residents. This committee spoke with each company administration and asked questions about the services and care of the residents. After their visits, the committee considered the information they had gathered. Ultimately, they chose Centers for Specialty Care as the preferred buyer based on the observations that the care was good; its staffing levels were comparable to Essex County's.

The Essex County Board voted 12-6 on June 5, 2012 to sell Horace Nye Nursing Home to Centers for Specialty Care for \$4,050,000. The sale process could take as long as a year to be completed.

Backers of the plan said it would end huge deficits at the facility that had burdened taxpayers. Opponents questioned whether a for-profit company could care for a hundred elderly residents without cutting corners.

Washington County, NY – Pleasant Valley Nursing Home and/or three County Public Health Home Care Services (Sale/Negotiating)

The Washington County-owned Pleasant Valley consists of a 122-bed skilled nursing facility, 33-bed Adult Home, and 24-slot Adult Day Health Care Program. The facility has 212 staff in total. Pleasant Valley is organized as an Enterprise Fund of the County. The facility consistently maintained an occupancy rate of 96% or above in the five years through 2009. Over the past five years, 26% of all Nursing Home residents were Medicaid eligible. Another 34% were on Medicare with supplemental private insurance, 25% were dual eligible, and 14% were private pay/other upon admission. Pleasant Valley is funded by patient reimbursement, as well as county, state and federal dollars. Capital projects planned over next two years are sprinkler systems (\$550,000) and further roof top replacement (\$50,000). The facility loses about \$718,000 a year. It has lost more than \$3 million over the past two years and another \$10 million could be lost from 2012 to 2015 due to federal budget cuts.

The three County-owned Public Health Home Care Services, which represent the lion's share of the County Public Health Department, includes a Certified Home Health Agency (CHHA), a Long Term Home Health Care Program (LTHHCP), and a Hospice program. The CHHA provides skilled nursing, home health aides, physical, speech and occupational therapy, a nutritionist, medical social worker and personal care services. In each of the years between 2005 and 2009, the CHHA reflected an average surplus of about \$225,000 per year. The LTHHCP provides in-home services to patients who are eligible for admission to a skilled nursing facility but who are able and prefer to stay home. From 2005 to 2009, the LTHHCP had an average loss of about \$76,000 per year. Washington County Public Health took over the hospice service for a local hospital when it closed several years ago. In the five years through 2009, the Hospice program lost money by an average of about \$162,000 per year.

The nursing home and home health care services would cost taxpayers roughly \$3 million per year starting in 2012. Washington County officials had long been considering get out of the health care business, which had been losing money for years. The Health Committee voted to rule out the lease option; the goal was to sell all of the County's health services together as a package deal.

September 2010, the Board of Supervisors hired the Center for Governmental Research (CGR) to study and evaluate the County's health services and develop options for running them. CGR's final assessment report indicated that despite a rapidly-growing population of Washington County residents 65 and older, there had been declining use of the Pleasant Valley facility and the three home care programs. Faced with increasing costs and declining revenue from federal and state resources, projections indicated that, unless changes were made, the health care business would become a larger financial drain on County taxpayers.

May 6, 2011, Washington County issued an RFP, which solicited proposals to purchase Pleasant Valley and the County's three home care programs. Five agencies expressed interest in purchasing one or all county assets. In October 2011, the County

Health Committee initially interviewed five potential buyers. After that, the County decided to organize the deal into two bid packages, each consisting of three licenses. The first involved the County-owned Pleasant Valley, which included skilled nursing facility (122 beds), adult home (33 beds) and adult day health care program (24 slots). The Centers for Specialty Care Group offered \$2.44 million for the operation. The second bid package involved the three County-owned public home care services. HCR Home Care offered \$1.8 million for the services. Fort Hudson Health System Inc. offered \$732,000, and Glens Falls Hospital bid \$400, 000, though the latter two offers might be part of collaboration with other agencies. National Health Care Associates Inc. offered \$6.55 million for both packages. The County Health Committee hired a legal firm at the rate of \$294 per hour to provide counsel regarding interview with the five firms.

The County Board of Supervisors overwhelmingly (16-1 vote) approved a resolution on November 18, 2011 to continue to seek sale of the nursing home and health services. Many residents expressed their objections to the privatization option in three public forums regarding sale of County-owned health care services. Some opponents believed it was the county's responsibility to provide care to its aging population; the County would lose control of public health service if it went into private hands. Some residents expressed fears that such privatization would result in the new owners vacating the County altogether and leaving unemployed health care workers behind.

On February 29, 2012, the Washington County Board of Supervisors members voted 10-6 to begin negotiation with National Health Care Associates Inc., a firm bid \$6.56 million for both county health care packages. The negotiation involved a variety of concerns, such as assurances that the nursing home would stay open and the fate of current residents and employees. Beginning March 12, the state Health Department conducted a nine-day inspection of the facility. Then, the state DOH lifted four "Immediate Jeopardy" sanctions on the facility, which resulted in the termination of

negotiation with National Health Care Associates Inc. As of May 4, the firm hadn't responded to County requests to restart negotiations, so the County considered their offer withdrawn and asked Glens Falls Hospital and Fort Hudson Health System to return to the table.

May 30, 2012, the County Board's Health Committee began negotiations with For Hudson Health System, which had submitted an offer for the three public home care programs. But the firm also walked away from the table. The Health Committee also endorsed entering formal negotiations, including a preliminary purchase agreement, with Centers for Specialty Care, whose \$2.44 million bid for Pleasant Valley was second-highest. Washington County Board of Supervisors agreed to a purchase agreement with Center for Specialty Care on June 20, which meant the County took the first official step toward selling its nursing home. Center for Specialty Care would pay \$2.4 million for the 122-bed facility. The firm could take the keys in about 12 months if everything went smoothly. But the future of the facility's 150 employees remained in question under the agreement. In its bid for Pleasant Valley, Specialty Care stated that each employee would be evaluated and training would be offered for those not up to speed.

Washington County began negotiation with HCR Health Care for Public Health's three programs in July, and the process is still going on.

Orange County, NY -- Valley View (Not Decided)

The history of Valley View Center for Nursing Care and Rehabilitation could be traced back to 1831. The facility was operated by Orange County, and had roughly 425 employees. It had a capacity of 360 beds, and more than 350 residents lived at Valley View.

Due to rising price of employee benefits, pensions, and Medicaid, as of 2011, Valley View had a \$19 million shortfall. In October 2011, in his proposed County budget for 2012, Orange County Executive Ed Diana suggested defunding Valley

View Nursing Home as of July 1, 2012, which would force the Legislature to either close or privatize the nursing home.

According to Orange County Executive Ed Diana, the “closing” option was a hard decision to make because deciding how to place current residents properly was not easy and workers would face losing their jobs. He promised Valley View would not close until all residents find a new home. Valley View’s current residents and employees pleaded to Orange County legislators to keep the facility open. They questioned the County’s moral obligation and emphasized that closing Valley View would leave hundreds of employees without jobs.

Orange County hoped it could sell the facility and get the new provider to retain some of the patients and workers. The County also promised any search for potential buyers would be accompanied by a strong statement and requirement that guaranteed the openness of the proposal process. Bidders would be asked to explain what services they would offer and how many jobs they would retain if they took over Valley View – factors that the County could weigh in addition to the sale price. The privatization option also met with oppositions. Legislature Democrats were Valley View’s strongest defenders. They argued the administration should explore cost-saving methods such as dropping the home’s contracted administrative team before rushing into privatization. Valley View residents and employees, along with other supporters of the nursing home, thought privatizing the facility would destroy its quality of care and family atmosphere. The right thing to do was to keep the nursing home run by Orange County to ensure seniors were properly taken care of. Aimed at various skepticisms, Orange County responded that privatizing Valley View would not compromise its quality of care. There were about 1,100 county residents living at privately owned nursing homes rather than in Valley View’s 360 beds. Valley View cost more than private nursing homes because its salaries tend to be higher and its employees were enrolled in the state pension system. Private nursing homes’ care quality, credibility and the level of scrutiny were the same with Valley View.

Some opponents of closing or privatizing Valley View offered their own proposals to Orange County. The Democratic Caucus suggested the County take \$4 million out of reserve funds and reduce Valley View's salaries and services. They believed most of the residents at Valley View would be willing to give up some services in order to keep their home (residents said there was a lot of wasteful spending at the facility), and the plan would buy the County one year and give legislators time to figure out how to make the facility profitable. The Health and Mental Health Committee suggested estimating costs, cutting costs and boosting income, but did not mention wages and benefits. Mike Anannostakis, a legislator, presented a list of potential savings recommended in a recent consultant's report, which would reduce to \$2.9 million (the largest saving sources were wage and benefit) the \$19 million that County Executive Ed Diana said the nursing home would cost County taxpayers in 2012 if it remained in County hands.

November 14, 2011, Orange County legislators voted to amend the County's 2012 budget and fund Valley View for 12 more months, which meant keeping the nursing home open for another year. The legislature also passed a request for proposal to allow for the sale of the nursing home.

From March 30 to May 7, 2012, the Orange County Department of General Services accepted proposals for those looking to buy Valley View and ended up with 4 bidders. May 22, the Deputy County Executive warned the Legislature that if the Legislature didn't vote to approve one of the offers on June 7, Valley View would be closed. On May 23, the County began the closure process of Valley View while continuing negotiating with four prospective buyers. All the current residents at Valley View would be guaranteed places in other facilities within 50 miles of Valley View. On June 7, Orange County legislators voted to postpone any decision on the future of Valley View pending further review and fund it for at least another 45 days. Legislators opted to allow the recently created Valley View Special Investigation Committee (VVSIC) to comb through financial records and look for any

discrepancies before coming to a decision. The VVSIC's investigation deadline was September 6, 2012.

On June 8, Orange County still did not submit the State-required plan to close its nursing home. On June 14, Orange County was affirmed AAA bond rating by Moody's for third consecutive year. Moody's warned the County that delay of nursing home sale could pull the rating down. On June 19, the Orange County Legislature approved a \$3 million request to fund Valley View for three more months.

Orange County still awaits for VVSIC's investigation result to decide the future of Valley View.

Ulster County, NY -- Golden Hill (License transferred and In the Process of Privatization)

Golden Hill Health Care Center provides quality long term health care and skilled nursing services for over 65 years. The nursing home has a capacity of 280 beds and staffs more than 375 employees. Most of the Golden Hill facility's patients are on Medicare and Medicaid. Fewer than 10 percent of patients are private pay. The facility usually operates at more than 95 percent capacity. The 41-year-old nursing facility has code compliance and program deficiencies that include inadequate space for occupational and physical therapy and insufficient examination rooms. An engineering study found the building and most of its systems to be in poor condition with a life expectancy of less than five years.

Late in 2006, the Ulster County Legislature appointed a five-member commission to make recommendations on the future of the senior-care health-related facility at Golden Hill. The advisory panel's July 2008 report mainly recommended the County to get out of the health care business and privatize the then \$30 million 280-bed operation. Doing so would free the County of about \$4 million in subsidies (at the time) and rehabilitation or new construction at the deteriorating facility (estimated \$100 million). Other recommendations included repairing the facility's major plumbing problem, renovating the entire facility, building a new nursing home

or closing the facility. One issue not addressed by the Panel was the fate of the employees of the facility. County Executive Hein did not support closure or privatization. He believed the County had an obligation to care for and protect the seniors of the community. But he asked the Legislature to study the issue and make policy recommendations. Hein also assigned Deputy County Executive Marshall Beckham (in charge of health-care issues) and Golden Hill administrator to assist any legislature study.

April 2010, Ulster County created a special task force to examine the long-term financial viability of the nursing home. The task force would set out to determine whether the Golden Hill was a core value for county residents and explore every option, including public-private arrangements and whether the facility should continue to operate as a county entity. It would also examine the possibility of increasing the number of nursing home beds county wide, as the population over the age of 75 was the fastest growing segment in the County. After eight months study, the task force found that maintaining a public-run nursing home would become increasingly expensive and that private providers were willing to take the nursing home off the County's hands at a fair price. Options presented to the legislature by the task force were the following:

- Privatize the bed license and sell the property: selling the license and land would take about 22 months, and the County might be responsible for \$18.6 million in repairs. The County had received fair offers for selling the bed license and grounds.
- Privatize the bed license, but keep the facility: selling day-to-day control of the center's operations would take about 22 months, and the county would be responsible for \$18.6 million in repairs. The County had received fair offers for selling the bed license.
- Build a new center: construction would take about 27 months and cost \$71.3 million. The state would reimburse three-quarter of the building

costs over 20-25 years. Current facility might need \$18.6 million in repairs prior to completion of new infirmary.

- Renovate: construction would take five years and cost \$81 million. However, the state probably wouldn't approve renovation because it prefers to spend money on new construction.

Privatization or building a new county-run nursing home was the most economically feasible. By 2016, the annual County subsidy was expected to reach somewhere between \$8.98 million and \$14.67 million. Seven private entities submitted proposals to purchase Golden Hill bed licenses and possibly the facility itself.

October 2011, the Ulster County Executive unveiled a plan to privatize Golden Hill. The plan covered an \$8 million budget shortfall by selling the facility to a local development corporation (LDC). The LDC – created by the County and governed by representatives of both the administrator's office and the legislature – would issue \$8 million in bonds and pay it to the County to cover operating costs, and would manage the facility until 2013, when it would be sold to a private buyer. The Executive promised all the residents would remain in Golden Hill. Although workers who lost their positions had to reapply for their old jobs, not one person at Golden Hill was scheduled for layoff in 2012. The Legislature voted on December 5, 2011 to approve the Executive's plan, which meant transferring the operating license of Golden Hill to LDC. The LDC would look to sell the nursing home to a private health care provider by the end of 2013.

Opponents feared that jobs could be lost or the quality of care would be compromised if a private company took over the nursing home.

Landfill

Privatizing landfills is a rising tendency. In 1984, 83% of the country's landfills were owned by the public sector, but this percentage declined to 64% in 1998. According to Beck (1998)'s survey, among municipalities whose population is over 100,000, 27% of them were considering privatizing their landfills to meet residents' needs. Landfills do not last forever; when their service lives end, government officials must decide whether to close/expand/privatize current facilities or construct new facilities. Often, changing circumstances make public officials more prone to privatization.

Reasons for privatizing landfills are various, such as managing liabilities, improving efficiency, cutting costs, debt and improving accountability. It's worth mentioning that the Resource Conservation and Recovery Act (RCRA) and other regulations to minimize environmental impacts are also important factors for landfill privatization option. Such regulations increase landfill costs, and consequently accelerate the rate of landfill privatization. As private firms are easier attracted to larger facilities that are usually owned by the county, county governments seem more likely to privatize landfill than city and rural governments do.

The most common forms of privatization are contracting with private firms through agreements and facilities sale.

Haywood County, NC -- White Oak Landfill (Sale)

White Oak Landfill (WOLF) had been run by Haywood County since 1993. The landfill was approximately 296 acres, which included grinding and drop off area and compost activities. The facility had a capacity of 150 tons of trash a day from household and businesses in Haywood County.

One hard problem Haywood County encountered while operated the landfill was rusting and outdated equipment at the facility. The landfill's machinery should be rotated or replaced every 5 years, but most of the county's equipment was more than 15 years old. The landfill's roads were notoriously bad and difficult to navigate for residents coming to dump trash. But Haywood County didn't have the money to keep

up with equipment maintenance and replacement. Another reason Haywood County explored getting out of the landfill business was the rising costs of running the facility. For the past ten years, the operation had been underfunded, and the Solid Waste Committee's funding was still getting cut. Workers' salaries and health care costs were also increasing. Environmental monitoring problems had caused the county fines; Haywood County would cost more in monitoring groundwater and air to protect the environment and residents' health. Such issues urged Haywood County to streamline waste collection services without costing taxpayers' money.

In order to achieve a longer, guaranteed life of the landfill with greater capacity at the lowest cost, Haywood County announced intention to privatize WOLF in May, 2010. October 2010, the county issued a proposal. The proposal aimed to sell space in the landfill, and allowed other locales to ship their trash there for a fee. Among three potential buyers, only one presented a plan that would save Haywood County money – Santek Environmental Services, a waste company from Cleveland, Tenn. It was the 39th largest waste company in the nation, and had been in the landfill business for 20 years. As a big player in the trash business with 14 disposal sites in 8 states, Santek also contracted with City of Cleveland, Bradley County, Tenn., Rhea County, Tenn., and Crawford County, Ohio. Santek's plan was a full takeover of WOLF. It promised to maintain 30 years capacity, even with the increased volume. Santek would contract with other communities to let out-of-county garbage be dumped into the landfill for a fee. The company would also be responsible for monitoring methane gas, ground and surface water, greenhouse gases, installing new scales and a truck wash, and building a public drop-off station. Santek would pay the bill for landfill expansion (\$15.5 million over next 30 years) and closing costs associated with the end of the landfill's life (over \$5 million) – two of the largest trash-related expenses.

Following a diligence process of checking all references of the three applicants, the county entered into negotiations with Santek in February 2011. In

October 2011, the Haywood County Commission approved the decision to privatize WOLF and signed contract with Santek to manage WOLF starting on December 1, 2011.

Compared with Haywood County government operating WOLF, Santek was an expert at solid waste management. It had more available resources than the county and could save residents \$24 yearly on their annual fees. At the same time, privatizing WOLF to Santek would provide a revenue source and ensure cost savings for Haywood County. Also, it would allow the landfill to realize an economy of sale.

Opponents of the landfill privatization were concerned with allowing other locales to ship their trash to Haywood County. They were worried about such a move would make the site a megadump, and groundwater and unstable geologic structure beneath the landfill. Some opponents even requested that 32 of the wells in Haywood County be tested for heavy metals and volatile organic compounds.

Town of Colonie, NY – Landfill (Public-Private Participation)

Colonie Landfill operated by Town of Colonie. The facility was in place in 1960s, and was one of Colonie's most valuable assets. It contained about 6 million cubic yards and had an annual capacity of 170,500 tons. Colonie landfill had provided tremendous financial benefits to the Town. Over the past several years, it had supplemented the Town's general fund budget with an average annual payment of \$3.1 million. But the revenue was essentially borrowed from future reserves. After factoring post costs and depreciation, the facility had an average net income of \$459,000. The difference between \$3.1 million and \$459,000 was funded by depleting reserves and relying on debt for operations. Failing to maintain reserves and increased debt at the facility over the years had impacted the Town's credit rating. Moody's said the landfill maintained a cumulative net asset of \$-7.7 million as of year-end 2009 and downgraded Colonie's bond ratings in 2010. The Town government's ability to raise revenues through additional taxation is very limited. Correcting the negative impact that the landfill's balance sheet had on the Town's overall credit rating through

funding the landfill with revenues from the Town's general fund account was unlikely. It was necessary for the Town to find a new operating model.

On June 21, 2010, the Colonie Town Board created the Colonie Landfill Exploratory Committee (CLEC) to review the landfill's current operation and recommend options that would improve facility operation and help the Town improve the profitability of the landfill. CLEC recommended sale of the landfill (the Town would maintain ownership and ultimate control of the facility, but partner with a major landfill operator) was the most beneficial option, which would effectively eliminate all future obligations and costs associated with the landfill operations.

The Town of Colonie issued the RFP on January 20, 2011 and opened bids next month. Respondent proposal criteria included landfill operation experience, qualification and approach, compliance record, and economic proposal. Close to 20 trash haulers inquired about the bid. After interviewing 6 waste companies which submitted proposals of operating the landfill, CLEC determined Waste Connections was the preferred respondent. Waste Connections was a California-based company which runs 40 landfills in 20 states. It was the 3rd largest waste company in the country, and successfully managed landfills for several municipalities similar in size and demographics to Colonie. Waste Connections' proposal provided the Town great financial benefits by a \$23 million signing payment. The money would eliminate both the landfill deficit and the general fund deficit immediately, and help the Town get an opportunity for an upgrade to its bond rating. Waste Connections would be responsible for landfill closure costs (more than \$20 million), guaranteeing annual income and paying for landfill debt. The Town of Colonie would receive revenue from its waste-to-energy operation, conservatively estimated at a total of \$17.5 million over 25 years. Waste Connections' plan would also benefit communities and taxpayers by capping disposal fees and reducing taxpayers' burden.

Following four public meetings, the Colonie Town Board voted to approve the landfill operating agreement on July, 2011. On August 4, 2011, Town of Colonie

signed the agreement with Waste Connections. According to the agreement, the Town still owned the landfill; Waste Connections would operate the landfill on behalf of the Town.

The Colonie landfill was run by Waste Connections beginning on September 19, 2011. The Town received the \$23 million payment for the landfill after making the operating agreement with Waste Connections. The Town Supervisor used the money to fill the town's \$21 million deficit. Waste Connections' operating income also increased after the completion of Colonie landfill privatization.

There were many objections from various sides to the Colonie landfill privatization. Political opponents and the public questioned the actual financial benefits of the deal, while residents who lived near the landfill worried about their living environment becoming worse and property values depreciating.

Sonoma County, CA – Central Landfill (Sale Failed)

Central Landfill is a 400-acre disposal site owned by Sonoma County. At the order of state water quality regulators, the landfill was closed in 2005 because of concerns that leakage would damage groundwater. Since then, North Bay Corp. and other smaller companies collected trash, yard waste and material for recycling and delivered them to the Central Landfill. Then, the garbage was hauled by truck to out-of-county dumps in the East Bay and Solano County.

Two big challenges facing Sonoma County were flow control and the financial stability of the Waste Management Agency. The County's answer to these challenges was to divest itself of the entire County waste management system – to sell the Central Landfill and the five satellite transfer stations. The County considered it easier for a private, well-financed business with landfill management experience to get the required permits to reopen and expand the facility and cover future closure costs.

In 2007, the privatization process began, which was handled as a confidential real estate transaction negotiated secretly to protect the business interests of the potential buyers. For the next two years, County officials had negotiated with eight

companies. In July 2009, a proposal by Republic Services of Phoenix to buy, reopen and operate Central Landfill along with its transfer stations set off fierce debate.

Republic Services is one of the nation's largest solid waste processors with 34,000 employees, 400 hauling companies and 213 landfills. In California, Republic operates landfills in Richmond, Livermore, Pittsburg, Manteca, Milpitas and Half Moon Bay. Under its proposal, Republic would pay Sonoma County about \$2.7 million annually and be responsible for resolving environmental problems at the site, which the Regional Water Quality Control Board ordered closed in 2004 to prevent groundwater contamination. Republic was committed to a 20-year deal from cities to cart their trash there and making facility improvements up to \$9.5 million. Critics questioned whether Republic would be able to obtain state permits to reopen the landfill and whether a county landfill site was the environmentally sound solution to hauling trash out-of-county.

The Sonoma County Board of Supervisors held several public hearings on selling Central Landfill to Republic Service. There had been a large volume of questions and information from the public that needed official response, so the County put off the vote on the contract with Republic to make sure it had solid information before making the final decision.

On October 27, 2009, Sonoma County supervisors voted to reject the sale of the Central Landfill to Republic Services of Phoenix mainly based on the deal undermining the County's long term environmental and economic goals. Selling the solid waste system would permanently transfer an irreplaceable asset from public to corporate ownership. The proposed contract could increase costs to residents and thwart the County's ability to meet its greenhouse gas reduction targets. It would also remove options for the future and diminish this Board's reputation and legacy.

Airport

Gwinnett County, GA -- Briscoe Field (Maintained under County Government)

Gwinnett County Airport, located just one mile northeast of the City of Lawrenceville, was opened in October 1996. It is the 4th busiest airport in Georgia. The facility is a general aviation airport servicing small aircraft. Briscoe Field is governed by the 5-member Airport Authority Board, whose members are appointed by Gwinnett County Board of Commissioners. The Aviation Division of the Gwinnett County Department of Transportation provides Briscoe Field with management, including daily operations, maintenance, regulatory compliance development and marketing. Since 1973, Briscoe Field has taken in \$34.4 million federal grants used to construct and upgrade the airport.

In 1991, the County Airport Authority scrapped plans to study commercial air service after local residents objected. In 1994, the state announced plans to install up to 30 gates at Briscoe Field to accommodate overflow traffic from Hartsfield-Jackson International Airport. The governor at the time, Zell Miller, rejected the expansion plan due to thousands of opponents at a packed public hearing.

On April 26, 2010, Gwinnett County began the process of studying the possibility of privatizing its airport by submitting an airport privatization pre-application to the Federal Aviation Administration (FAA) pursuant to the FAA's Airport Privatization Pilot Program. The FAA approved Gwinnett County's pre-application after a month.

The Board of Commissioners held a special meeting for the purpose of receiving public comments on the issue of airport privatization on April 28, 2011. In August of 2011, Commissioners affirmed a commitment to openness and public participation in the process for considering privatization of Briscoe Field, including the formation of a Citizen Advisory Committee. Gwinnett contracted with Infrastructure Management Group Inc., (IMG) to assist with preparing the RFP and to maintain the contract with the FAA. The Board also created the Gwinnett County

Airport Privatization Citizen Review Committee (APCRC) which held its first meeting on November 8, 2011.

Gwinnett County issued the RFP on December 8, 2011. As of the deadline for proposal submission February 8, 2012, Propeller Investments submitted the sole proposal, which considering bringing commercial flights to Briscoe Field, to become a private partner for the Gwinnett County Airport. The New York based Propeller Investments had touted a potential economic boon for investing in Briscoe Field for three years. It wanted to launch up to 20 commercial flights to New York, Chicago, Miami and a host of other cities, build 10 gates, extend the airport's runway and use Boeing 737s seating up to 140 people. The lack of other interest offered Gwinnett County a stark choice: either accept Propeller's proposal to launch commercial service or abandon its plan to privatize the airport.

Proponents of privatizing airport believed introducing commercial flights could reinvigorate Gwinnet's economy, create jobs and provide a convenient alternative to Hartsfield-Jackson International Airport. And the economic effect could even spill into the region. Some people in surrounding communities of the airport objected to the privatization option. They considered commercial flights could bring traffic, noise, pollution, safety and other issues. Such issues would consequently decline property values in neighborhoods near the airport. Taxpayers would also get stuck with the bill if the private venture failed. Opponents thought the lack of interest from other companies might prove privatization was not a great idea.

The Gwinnett County APCRC voted 6-0, with 5 members abstaining, to reject Propeller's proposal because a review found the firm's plan lacked key financial information and other details. The company failed to provide sufficient information on projected revenue, needed capital improvements and expected traffic volume. The APCRC also recommended keeping the airport as a general aviation facility serving corporate jets and other small aircraft.

On June 5, 2012, the Gwinnett County Board of Commissioners voted unanimously to reject Propeller's proposal to privatize Briscoe Field and withdraw the preliminary application to the FAA, which meant ceasing all efforts for potential privatization and commercialization of Gwinnet County Airport.

Hendry County, FL – Airglades Airport (Negotiating Agreement with a Private Operator)

Airglades Airport, a general aviation airport, is owned and operated by Hendry County. It enjoys a strategic location along U.S. Highway 27 and Florida State Road 80. Airglades also serves Glades County and Moore Haven, having no airports of their own.

Since Airglades Airport ceased functioning as a military air base during World War II, it has not been a significant contributor to job creation and economic development despite investments by Hendry County's installation of infrastructure, new hangars, and attempts to lease buildings to private industry, including a shrimp operation that failed years ago. He Hendry County Board of County Commissioners hoped to find ways to bring more revenue and jobs to the County. After a year of planning, preparation, and in-depth study, the Hendry County Board of County Commissioners and Hendry County Economic Development Department believed the FAA's APPP could be a powerful chance to deliver job creation and economic development, while enhancing aviation capacity in South Florida. The Hendry County Board of County Commissioners had determined Airglades Airport was a vital component to achieving new economic development opportunities for the County, but as a small county, Hendry County had neither the fiscal ability nor the necessary staff to optimize the aviation development potential. The County considered that allowing private enterprises to operate the entire airport would provide the flexibility to develop the airport to its maximum potential. Significant aviation, economic and environmental benefits to South Florida generally, as well as collateral benefits to the County and the residents and businesses in the County would ensue.

August 31, 2010, Hendry County submitted the pre-application to the FAA into the APPP. The FAA officially approved Hendry County's preliminary application on October 18, 2010. This made Airglades Airport occupy the fifth and final spot in the APPP program. Then, the County began preparing the final application for approval by the FAA.

Hendry County sought proposals for the purchase or lease of the airport by a private entity which would operate the airport while establishing an air cargo trans-shipment center suited for the 21st century and beyond. Then under secret negotiations, Hendry County started negotiating the sale of the airport and land to a private company. The negotiation details and the name of the parties involved were not provided to the public. Now, Airglades Airport Sponsor is negotiating an agreement with a private operator.

Arena & Forum

Cambria County, PA -- War Memorial Arena (Public-Private Participation)

The War Memorial Arena located in Johnston, Pennsylvania was built in 1950. This multi-purpose arena had a capacity of 4,000 seats. It had been the home of the Johnstown Chiefs (Ice Hockey) for 22 years (1987-2010). The facility also played host to various events including an Annual Showcase for Commerce, local high schools and youth league games, political rallies, performances, shows and wrestling. The facility was run by the War Memorial Authority, and had 6 full-time employees and 75-150 part-time workers.

In 2002, the War Memorial Arena underwent an \$8 million renovation, which was a part of a \$16.2 million grant from the commonwealth was approved for an entertainment complex in downtown Johnstown. Renovations included new seating, heating, ventilation, air conditioning, an elevator to the second floor and general building enhancements. The project was completed in 2003.

The arena relied on about \$150,000 annually from Cambria County. The facility had not been profitable for 15 years. Although the Chiefs continued to lose money at the gates, their presence was a quality-of-life issue.

In order to make the arena more cost-efficient while still maintaining the Johnstown Chiefs hockey team as a tenant, July 4, 2008, Cambria County's commissioners spent \$37,500 on hiring the Texas-based Bassewitz Group to study the War Memorial Arena's local impact, evaluate current operations and look for opportunities to improve it. Two months later, Cambria County released the report. One of the key recommendations and conclusions of this study was the management of the Cambria County War Memorial Arena should be transferred to the hands of a private operator if the facility's finances were to be stabilized and the Chiefs were to remain as the primary tenant. Other main points of the report include:

- Critical of arena's fiscal operations: concession operations need to be upgraded, recommended a computerized ticket system and maintained that more events could be supported there by the community and region
- The Chiefs accounted for 72% of all events at the arena, although the average is about 30% of all events at other home arenas
- Bringing in more events, such as family shows, concerts, ice shows and catered events, and keeping the Johnstown Chiefs as the primary tenant.
- Suggested options for privatization include:
 - The hockey team serving as the private, overall manager
 - The hockey team managing the facility with support for operational management and booking handled by a third party
 - Management by a third party, such as Global Spectrum, SMG, AEG or the team
 - Third party handling of food and beverage concessions
 - An event booking agent
 - A ticketing system, such as Ticketmaster, Veritix or Tickets Now
- Sport, events and entertainment commission should be created to attract acts to the arena
- Some capital improvements – such as a new videoboard, new signage system and an LED ribbon-flashboard – should be made. These could help to increase revenues with companies providing sponsorship
- The revenues of both the arena and the Chiefs would be improved if Johnstown's amusement tax would be eliminated
- A smaller and more involved arena authority may be more able to provide necessary oversight and accountability to the operations of the arena. Splitting the authority into separate entities – one that oversees operations and another that focuses on attracting additional events.

- A business plan should be developed to effectively market and sell the arena usage and arena event tickets regionally

In December 2008, Cambria County commissioners began to solicit businesses to possibly manage operations at the arena. Commissioners first signed a letter of intent with Global Spectrum. The intent was to have Global manage day to day operations. Global Spectrum are partners with Roustan United, a Richland Town based company that manages the Johnstown Chiefs – the arena’s primary tenants. Global Spectrum would also be responsible for bringing in additional events to the facility. After negotiation with Global Spectrum for one month, Cambria County commissioners ended the process. But the County insisted that it is very important to continue moving forward while doing everything possible to keep the Chiefs from leaving the County.

On April 8, 2009, the County commissioners resumed negotiations with Roustan United. Roustan was interested in purchasing the Johnstown Chiefs from current owner Neil Smith, but would do so if its partner, Global Spectrum, assumed arena operations.

In the summer of 2009, Cambria County Commissioners chose SMG to manage the arena. SMG was recognized as a global industry leader. Since 1977, SMG has provided management services to more than 220 public assembly facilities. It provided construction and design consulting, pre-opening services, venue management, sales, marketing, event booking, and programming. SMG also offers food and beverage operations through an in house catering company, Savor, currently servicing more than 100 accounts worldwide.

In February 2010, the 15-member Cambria County War Memorial Authority downsized to a 7-member board, which aimed to bring more efficiency to the arena’s operation.

Appendix

Sell/Lease Task Force

April 17th, 2012

AGENDA

I. Opening Remarks – Bijoy Datta

II. Introductions – Matt Vitanza

III. Points of Discussion:

a. Nursing Home

b. Arena

c. Forum

d. Landfill

e. Airport

IV. Adjournment

Broome County Sell/Lease Task Force

Meeting Minutes

April 17th, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Member Present: Matt Vitanza (Chair), Larry Roma, Ken Badger, Joe Conaty, Vince Pasquale, Nancy Phillips and Jeff Davis

Staff Present: Bijoy Datta, Marie Kalka, Jim Worhach, Jim Baumgartner

Introductions:

Bijoy Datta called the meeting to order at 4:05pm

Bijoy Datta provided a brief overview of the Task Force:

- Why this Task Force was formed: To weigh the financial costs against the social responsibilities of operating these assets; and
- Resources that will be available: Budget staff, Executive staff, and probably and BU Graduate student as the main staffer; and

Matt Vitanza introduced himself and asked each Task Force member and Staff member to do the same.

Discussion: Task Force Organization

- The Task Force will meet every other Tuesday at 4pm, in the Executive's Conference Room; and 5 Task Force members will constitute a quorum.

Meeting Structure

- There will be individual Task Force meetings dedicated to larger and more complicated Facilities; Smaller Facilities may be presented/discussed at the same meeting; and
- The next meeting will likely focus on Arena/ Forum or Landfill/ Airport (TBD).

Requests from Task Force Members

- CAFR Reports (distributed 4/17/12 by Jim Worhach);
- Copy of the latest CIP (2012-2016);
- Copy of the balance of the Departments from the budget book (Mission Statements and Personnel Summaries);

- 5 year trend for all five Departments including 2011 preliminary actuals;
- Analysis of potential roll over costs that would remain with County even if they got out of the business; and
- More research on how other Counties handle assets.

The meeting adjourned 5:20pm

Submitted by Jim Worhach

Broome County Sell/Lease Task Force

May 1st, 2012, 4 PM

AGENDA

I. Presentation: Greater Binghamton Airport

Carl Beardsley, Commissioner of Aviation

II. Presentation: Broome County Landfill

Dan Schofield, Commissioner of Public Works

III. Discussion

IV. Adjournment

Broome County Sell/Lease Task Force

Meeting Minutes

May 1st, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Members Present: Matt Vitanza (Chair), Larry Roma, Ken Badger, Joe Conaty, Vince Pasquale, and Jeff Davis

Members Absent: Nancy Phillips

Staff Present: Bijoy Datta, Marie Kalka, Jim Worhach, Jim Baumgartner

Matt Vitanza called the meeting to order at 4:05pm

The Task Force approved the Meeting Minutes from 4/17/2012

Presentation: Broome County Landfill

Dan Schofield, Commissioner of Solid Waste

- Overview
- Current Planned Space
- Financials
- Planning
- Capital Plans
- Operations
- Gas Collection
- Flood Impacts
- Natural Gas Opportunities
- Assets/Equipment
- County Department Dependencies
- County Policy
- Host Community Benefits
- Recycling Activities
- Points to Consider (Summary)

(See Attached Power Point Presentation)

Presentation: Greater Binghamton Airport

Carl Beardsley, Commissioner of Aviation

- History
- Overview
- Airport Service
- General Aviation Services
- Concessionaries
- Department of Aviation
- Community Impacts
- Revenue Model
- Revenue Sources
- Budget
- Future of BGM
- Summary

(See Attached Power Point Presentation)

The next Presentations will be Arena/Forum on 5/15/2012 following by a Discussion of the four Facilities (Arena, Forum, Landfill, and Airport).

Willow Point Nursing Home will be presented on 5/29/2012.

The meeting adjourned 5:40pm.

Submitted by Jim Worhach



Overview

The Broome County Landfill is made up of :

- 100 acres of closed landfill space - Cell 1 (general fund)
- 40 acres of recently closed space - Cell's II & III
- 100 acres of "new" space north of Dunham Hill – Section IV
- Total area including buffer space is 1200 acres

And

- 40 acres of closed space in Colesville (general fund)
- Total area including buffer space is 100 acres

All maintained by Div of Solid Waste



Current planned space

There are 100 acres to be developed in Section IV

- Cell 1 will be filled by August, 2012
- Cell 2 is nearly complete and will last through December 2015
- Cell 3 in design and will be complete by December 2014
- Cells 4 through 13 will be designed and built over the next 38 years
- Section IV has a 41 year fill span lasting to 2050



Financials

- 2012 budget \$8.5m
- 2011 budget \$8.9m
- Flood revenue estimated @ \$1.7m

Budget transfers to general fund:

- 2004 \$1.5m
- 2009 \$5.2m
- 2010 \$2.5m

2010 CAFR fund balance - \$13.5m (restricted \$3.4m)

Current tip fee is \$40 per ton. Has been same since 1996

Current debt \$28m. Annual debt payment \$3.5m



Planning

Submitted SWMP (solid Waste management plan) covering 20 year planning period

- Addressing organics recycling
- Bio-mass recycling / composting
- Providing education to community / schools
- Working with realtors/ schools / business to expand recycling efforts

Capital plans

- Feasibility study to re create new space and protect environment
- Potential sewer line
- Continue to expand landfill footprint and closure activity
- Continue Colesville remediation

- Recently completed road upgrades to Knapp/Dunham Hill
- And built new commercial L/F entrance with EZ pass system



Operations

250 k tons annual L/F bury	Dep Comm PW	1
20 m gallons leachate	L/F manager	1
226 k lbs of electronics collected	Scalehouse staff	3
23 k lbs household batteries	Env Tech	2
30 k lbs auto batteries	Recycling mgr	1
12 k tons recycling materials (MRF)	Mgt assistant	1
207 k lbs haz liquids	Secretary	1
	Mechanic	1
	MEO II	1
	MEO III	8
	Labor	3



Landfill Gas Collection

- Long term contract with Broome Energy.
- No County capital costs
- County receives up to 600k kwh of electricity
- County to receive 7.5% profit > 21,024megawatt hrs annually
- County to receive 10% all profits starting March, 2019



Division of
Solid Waste

Recent flood impacts

- Processed over 40 k tons of flood debris
- Typical 120 transactions to 650 per day during peak flood
- Partnered with DEC/EPA for HHW and electronics collections
- Increased hours from 8 to 10 hours per day during peak flood
- Will recover \$1.7m from increased tonnage
- Coordinated flood activity with 24 municipal partners
- Presenting flood management plan at state SW conference in spring



Division of
Solid Waste

Natural Gas Opportunities

Revenue from drill cuttings

Revenue from sale of fresh water from

- L/F pond
- Water purchased from JC @ landfill
- Rain capture

Sale of materials

- stone
- shale
- soils



Assets / Equipment

- Maintenance building / equipment / tools
- 2 scale houses
- 4 scales (new)
- HHW facility
- Leachate facility
- Over 40 pieces of equipment



County Department Dependencies

Annual support for :

- Spiedie Feast
- Parks Dept
- Real Property
- Aviation
- Highway
- Health Dept
- Buildings and Grounds

Also support Tioga County for electronics & HHW collection



County Policy

- Broome County waste only. No importation
- Flow control exists in charter. Not enforced
- Recycling is mandated



Host community Benefits

- Signed 1996
- Consists of the towns of Barker, Nanticoke and Maine
- Entitled to \$4.31 per ton as a financial benefit
- Entitled to additional 3x's per ton for non-county waste
- Total paid since inception apx \$10m
- Typical annual payment apx \$800k



Recycling activities

- Contract with WM
- Contract with Clean Harbors for HHW
- Contracts with Bruin computer for electronics
- Quarterly bids for metals recycling
- Contracts with foresters for logging agreements



Points to consider

- Importation
- Space
- Emergency's (floods)

Financials

Loss of use (cash)

Loss of grants

General fund dependencies

- Old cell I and Colesville annual maintenance \$ 1.2m
- Personnel \$ 140k
- Chargeback's \$ 622k



www.FlyBGM.com

Airport History

- Originally Dedicated in 1951
- First Flight on a DC-3
- To Utica
- Served Business Community
- Link Simulation
- Endicott Johnson
- IBM



www.FlyBGM.com

BGM is a Full Service Airport



- Main Runway 16/34
 - 7,100' x 150' (soon to be 7,300')
 - Fully Instrumented
- Crosswind Runway 10/28
 - 5,001 x 150'
- Full TSA Security
- Fixed Based Operator - FirstAir
- US Customs available 24/7
- On Site Emergency Response
- FAA Air Traffic Control and Facilities



www.FlyBGM.com

Airline Service



- Non Hub Commercial Service Airport
- Serve an average 225,000 Customers Annually
- 3 of the largest carriers in the country serve BGM
- Direct Service to three of largest US Hubs in the US
- And then service to the World...



www.FlyBGM.com

General Aviation Services



- Corporate Charters
- Aircraft Storage & Maintenance
- Fixed Based Operator
- Flight Schools
- Emergency Response Portal



www.FlyBGM.com

Concessionaires



- Car Rental Companies
- Gateway Cafe
- Gift Shop
- Lounge



www.FlyBGM.com

Department of Aviation



- Administrative Staff
- Airport Operations/Aircraft Rescue and Fire Fighting
- Maintenance
- Custodial
- Parking
- Ambassador Program



www.FlyBGM.com

Focusing on our Community



www.FlyBGM.com

Airport Revenue Model

Calculate Revenues Needed \$3.6 million

SUBTRACT

Non-Airline Revenues \$2.3 million

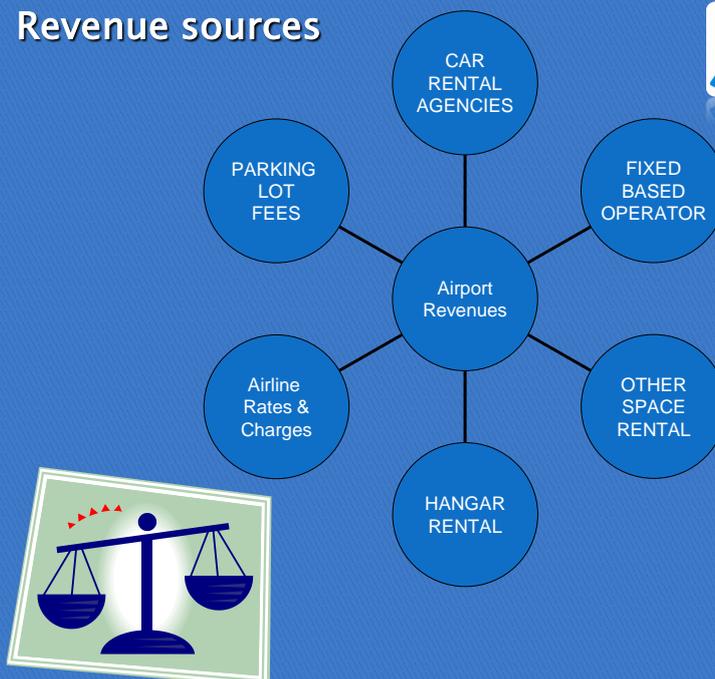
EQUALS

Charges to Airlines \$1.3 million

Results in: \$0 Cost to Taxpayers

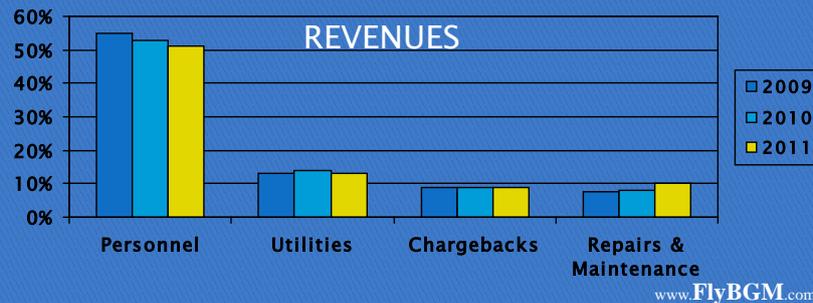
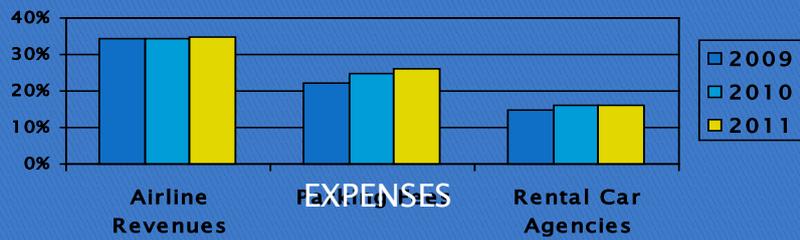
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Revenue sources



www.FlyBGM.com

Airport Budget – Major items



The Future of BGM ...

- Diversification through Business Development
- Creating Ultimate Customer Experience
- Expanding Air Service Choices
- Earn more and more of the Community's Support
- Become Region's Airport of Choice



www.FlyBGM.com

Summary

- Economic Driver
- Business Development & Retention Tool
- Gateway to the Global Economic Community
- Revenue Positive Department
- Large Development Parcels
- A Community Partner
- All under the Control of Broome County



www.FlyBGM.com

What Does the Community Say?

“Because of my extremely busy schedule, time is absolutely invaluable to me. With its convenient location, the Binghamton Airport saves me from those time consuming and costly trips to other airports. I also think that people would be surprised at the affordability of many of the air fares offered by the airlines at Binghamton.”

— Charles Griffiths
President, Binghamton Slag Roofing Company

www.FlyBGM.com

Broome County Sell/Lease Task Force

May 15th, 2012, 4 PM

AGENDA

I. Approval of Meeting Minutes from 5/1/2012

II. Update on Graduate Student Assistant

III. Should we do Site Visits?

IV. Presentation: Broome County Veterans Memorial Arena

Anthony Capozzi, Arena Manager

V. Presentation: Broome County Forum

Anthony Capozzi, Forum Manager

VI. Discussion

VII. Adjournment

Broome County Sell/Lease Task Force

Meeting Minutes

May 15, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Members Present: Matt Vitanza (Chair), Larry Roma, Ken Badger, Joe Conaty, Vince Pasquale, Jeff Davis and Nancy Phillips

Staff Present: Bijoy Datta, Marie Kalka, Jim Worhach, Jim Baumgartner, Ellen Evans Alexander

Matt Vitanza called the meeting to order at 4:00pm.

The Task Force approved the Meeting Minutes from 5/1/2012.

Bijoy Datta informed the Task Force that Binghamton University Graduate Student Yiming Cao will serve as the Task/Force's Student Assistant, starting on or around 5/28/2012.

The Task Force voted to pick one day and schedule consecutive site visits to all five facilities. Jim Worhach will work on scheduling.

Presentation: Broome County Veterans Memorial Arena

Capozzi, Arena Manager

- Arena Building Information
- Arena Events
- Arena Revenue
- Arena Expenditures
- Arena Salaries & Benefits
- Arena Energy Costs
- Arena Finances as of April 2012
- Arena Net Taxpayer Support
- Arena Capital Improvements

(See Attached PowerPoint Presentation)

Presentation: Broome County Forum

Anthony Capozzi, Forum Manager

- Forum Building Information
- Forum Events
- Forum Revenue
- Forum Expenditures
- Forum Salaries & Benefits
- Forum Energy Costs
- Forum Finances as of April 2012
- Forum Net Taxpayer Support
- Forum Capital Improvements

(See Attached Power Point Presentation)

Points of Discussion:

We need financial information from Chemung County on their Landfill (before and after).

The Arena should perhaps co-promote and use more risk when booking acts.

The Arena and Forum do not seem sellable.

We need comparison of other comparable municipalities who own/operate entertainment venues.

We need to reach out to other operators to see if they think they could do better in booking acts.

Follow up Questions:

How many people attended the Broadway Theatre League last Season?

(Anthony Capozzi later confirmed the number was 13,800.)

Next Steps:

The next Presentation will be Willow Point Nursing Home on 5/29/2012

Bijoy Datta will work on scheduling Albert Nocciolino to speak to the Task Force in regard to booking acts at the Arena and Forum.

The meeting adjourned 5:48pm.

Submitted by Jim Worhach

Broome County
Veterans Memorial Arena & Forum
Theatre

Sell/Lease Task-Force Presentation



Arena Building Information

- Construction started in 1971, completed in 1973
- Total construction cost \$7.5 million
- Capacity
 - Hockey: 4,910
 - Concerts & other events: 3,500-7,200
- Floor Area
 - Main Floor: 17,000 s.f.
 - Concourse: 12,000 s.f.

Arena Events

- Home of the AHL Binghamton Senators
 - Played 37 home games in 2011-12 season
- Home of the annual STOP-DWI Basketball Tournament
- In 2010: 223,000 people attended events at the Arena
- In 2011: 251,300 people attended events at the Arena
- Concerts, sporting events, family shows (circus, ice skating, Sesame Street, Disney, Harlem Globetrotters), comedy shows, tradeshow, graduations, motorsports shows

Arena Revenue

- Rentals & Fees, concessions, services, event staff, commissions, advertising, facility fee, & miscellaneous income
- In 2010: \$754,000 budgeted revenue
 - \$574,104 actual revenue
- In 2011: \$750,500 budgeted revenue
 - \$666,135 actual revenue

Arena Expenditures

- Salaries & benefits, maintenance, office supplies, energy (electricity, natural gas, contracts), water & sewer, principal & interest for serial bonds & capital projects
- In 2010: \$2,071,613 budgeted
 - \$1,945,612 actual expenditures
- In 2011: \$1,697,156 budgeted
 - \$1,708,201 actual expenditures

Arena Salaries & Benefits

- In 2010: \$681,057 (actual)
- In 2011: \$653,586 (actual)
- In 2012: budgeted at \$560,748 (14% decrease) due to position changes
 - Maintenance Superintendent – DPW
 - Secretary – DPW
- 4 Full-Time Employees:
 - Manager, Asst. Manager, Box Office Manager, Asst. Box Office Manager
- 2 Part-Time Permanent Employees:
 - Custodial/Maintenance staff
- 53 Part-Time Temporary Employees
 - 48 Ushers
 - 4 Box Office Clerks
 - 1 Custodial/Maintenance

Arena Energy Costs

- In 2010: \$672,226 (actual)
 - Natural Gas: \$134,065
 - Electricity: \$251,448
 - Heating & Cooling Plant: \$104,523
- In 2011: \$675,272 (actual)
 - Natural Gas: \$155,092
 - Electricity: \$253,601
 - Heating & Cooling Plant: \$77,819
- In 2012: \$618,277 (budgeted)
- Annual Contractual Costs
 - Energy Performance Contract: \$188,760 (through 2015)
 - Maintenance Contract on Controls: \$48,937 (through 2015)
 - Maintenance Contract on Equipment: \$18,364

Arena Finances as of April 2012

- YTD Revenue: \$317,584 (41% of \$766,800 target)
- YTD Expenditures: \$435,621 (29% of \$1,481,303 budget)

Arena Net Taxpayer Support

- In 2010: \$1,291,986
- In 2011: \$936,099
 - Decrease due to principal paid on capital lease

Arena Capital Improvements

- Current Projects
 - Replacement of ice making equipment: \$450,000
- Future Projects: approx. \$5 million
 - Seating replacement
 - Restroom upgrades
 - Security upgrades & Box Office renovation
 - West end (visitors) locker room remodel
 - North Concourse steps replacement
 - Elevator replacement
 - Backup generator
 - Electrical upgrades
 - Press Box expansion
 - Hockey lighting replacement
 - Dasher boards & glass replacement
 - Upgrade scoreboard & video screens
 - Zamboni replacements
 - Purchase multipurpose artificial turf
 - Concrete projects

Forum Building Information

- Main building built in 1919
- Dressing room building added in 1975
- New Lobby & Recital Hall added in 1981
- Multiple renovations throughout the years
- Capacity 1,525
- Completed \$680,000 seat replacement and renovation project in Summer 2011
- House Robert Morton Theater Organ

Forum Events

- In 2010: 49,722 people attended events at the Forum
- In 2011: 43,529 people attended events at the Forum
- Prime Tenants: Broadway Theatre League, Tri-Cities Opera, Binghamton Philharmonic Orchestra
- Comedy shows, theatrical performances, dance shows, concerts, graduations, conferences/meetings, family shows

Forum Revenue

- Rentals & Fees, concessions, services, event staff, commissions, advertising, facility fee, & miscellaneous income
- In 2010: \$176,500 budgeted revenue
 - \$142,211 actual revenue
- In 2011: \$176,500 budgeted revenue
 - \$179,427 actual revenue

Forum Expenditures

- Salaries & benefits, maintenance, office supplies, energy (electricity, natural gas, contracts), water & sewer, principal & interest for serial bonds & capital projects
- In 2010: \$214,228 budgeted
 - \$194,376 actual expenditures
- In 2011: \$200,242 budgeted
 - \$178,469 actual expenditures

Forum Salaries & Benefits

- In 2010: \$60,151 (actual)
- In 2011: \$65,269 (actual)
- 1 Full-Time Employee
 - Maintenance Worker

Forum Energy Costs

- In 2010: \$82,564 (actual)
 - Natural Gas: \$35,423
 - Electricity: \$35,648
 - Heating & Cooling Plant: \$11,493
- In 2011: \$61,670 (actual)
 - Natural Gas: \$34,645
 - Electricity: \$21,506
 - Heating & Cooling Plant: \$5,519
- In 2012: \$84,500 (budgeted)

Forum Finances as of April 2012

- YTD Revenue: \$66,139 (36% of \$182,000 target)
- YTD Expenditures: \$46,694 (24% of \$195,449 budget)

Forum Net Taxpayer Support

- In 2010: \$52,165
- In 2011: \$0 due to
 - Decrease in energy costs
 - Increase in revenue

Forum Capital Improvements

- Future projects: \$0.5 million
 - Emergency generator
 - Boiler replacement
 - Dressing room remodel
 - Mezzanine restroom & lounge remodel

Broome County Sell/Lease Task Force

May 29th, 2012, 4 PM

AGENDA

I. Approval of Meeting Minutes from 5/15/2012

II. Introduction of Student Assistant Yiming Cao

III. Discussion of Site Visit Date(s).

IV. Presentation: Willow Point Nursing Home

Steven Reagan, Nursing Home Administrator

V. Discussion

VI. Adjournment

Broome County Sell/Lease Task Force

Meeting Minutes

May 29, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Members Present: Matt Vitanza (Chair), Ken Badger, Joe Conaty and Jeff Davis

Members Absent: Larry Roma, Vince Pasquale and Nancy Phillips.

Staff Present: Bijoy Datta, Marie Kalka, Jim Worhach, Jim Baumgartner, and Ellen Evans Alexander

Matt Vitanza called the meeting to order at 4:05pm

The Task Force approved the Meeting Minutes from 5/15/2012

The Task determined the best way to schedule site visits is for Jim Worhach to pick two or three dates and each Member will determine the best date(s) for them. The date with the most availability will be scheduled for site visits to all five Facilities.

Presentation: Willow Point Nursing Home

Steven Reagan, Administrator

- History
- South Building
- North Building
- West Wing
- Current State
- Operational Characteristics
- Mission Statement
- Resident Characteristics
- Primary Diagnoses
- Occupancy
- Payer Mix
- Medicare
- Medicaid
- Case Mix

- 2012 Budget Summary
- Budgeted Positions
- Full Time Equivalents Analysis (Binghamton-area Nursing Homes)
- Appropriations vs. Expenses
- Budgeted to Actual Revenue
- Budget Comparison
- Chargeback Expenses
- Compliance Medicare/Medicaid Regulations
- Customer Satisfaction
- Economic Impact
- Future Scenarios
- Unknowns

(See PowerPoint Presentation)

Follow up Questions:

- What is going on in Chemung County with the status of their County-owned Nursing home?
- What is the composition of other Nursing Homes with Medicaid Residents?

Discussion:

- Intergovernmental Transfers and impact on Willow Point
- Private Nursing Homes in Broome County
- Salaries of LPN's and CNA's
- Nationwide average of Nursing Home Beds
- Berger Commission's Findings
- Percentage of Residents who need Skilled Nursing
- Future of Regional Facilities
- Marketability of Willow Point
- Future Sprinkler Upgrade due by 2013

Next Meeting:

- Bijoy Datta confirmed that Mike Keenan, Keith Chadwick and Albert Nocciolino will speak at the next meeting on 6/12/2012

The meeting adjourned 5:31pm

Submitted by Jim Worhach

Willow Point Nursing Home

History

- 1806 Broome County created (County Charter)
- 1830 Broome County Poor House (Almshouse) established under County's Poorhouse Act of 1824.
- 1960 Chenango Bridge reopened as Broome County Health Center.

History (continued)

- 1969 Willow Point a 162 bed nursing home (South Building) leased to Broome County by owner Willow Point Land Company
- 1971 a 180 bed nursing home (North Building) addition completed and leased to County
- 1973 County purchases Willow Point – 342 beds

South Building



North Building



West Wing



History (continued)

- 1981 Broome County residents waiting for nursing home beds, many placed out of area.
- 1988 construction of West Wing completed and occupied. Chenango Bridge residents (39) moved to Willow Point and building closed.
- Willow Point is a 383 bed nursing home

Current

- 2006 Commission on Health Care Facilities in the 21st Century (Berger Commission) recommends:

Willow Point should downsize by 83 residential health care beds to 300 beds. Construct replacement nursing home. Add 30-slot Adult Day Health Care

Current (continued)

- 2006 Willow Point receives 17 residents from flooded Tioga County nursing home.
- 2008 Willow Point's Compliance Plan for Berger Commission recommendations accepted by NYS Department of Health
 - March 1, 2008 Certificate of Need filed to construct replacement nursing home
 - July 1, 2008 10 beds closed
 - July 1, 2009 20 beds closed

Current (continued)

- Compliance Plan with Berger Commission recommendations (continued):
 - July 1, 2010 20 beds closed
 - July 1, 2011 30 beds closed
 - July 1, 2012 (Planned) 3 beds will be closedSeptember 2011 Willow Points receives 10 residents displaced by flood and later leases space in closed wing to permit operation of 59 bed nursing home (NH) by Vestal Park NH

Operational Characteristics

- Willow Point is organized into six nursing units after implementing the Berger Commission recommendations in a building composed of 3 separate and distinct additions that is not unified as to bed count, design or organization.

Operational Characteristics

(continued)

- South building (1969) three (3) nursing units of 47 beds each with single, double and triple bedrooms.
- North building (1971) two (2) nursing units of 59 beds each with single and double bedrooms
- West wing (1988) comprised of one (1) 44 bed nursing unit with single and double bedrooms, and a triple bedroom.

Operational Characteristics

(continued)

- Four of the nursing units provide skilled nursing services, one unit (North Lower Level) provides skilled nursing and sub-acute care (rehabilitation & IV therapy) services and West Wing provides Dementia Care services for residents who wander.
- Broome County Central Foods provides bulk meals to Willow Point. The facility's kitchen staff then serves the meals to the residents in the unit dining rooms using steam tables or tray service (which is being replaced).

MISSION STATEMENT

It is the mission of the Willow Point Nursing Home to serve those frail, elderly, and disabled individuals who live in Broome County and are in need of long-term, skilled care and/or short term rehabilitation. This includes a comprehensive, interdisciplinary approach to care planning with emphasis on quality of life and preservation of both dignity and independence for the residents. Staff members are committed to meeting the physical, emotional, social and spiritual needs of the residents.

Resident Characteristics

May 1st 2012 census data (96.7% occupied)

	Females 229	Males 64
Range of Ages		Total
100's		1
90's		68
80's		131
70's		60
60's		20
50's		7
40's		1

Aging Futures Partnership reports 20.7% of Broome Co. population is 65 or older, while the State average is 16.8%

Primary Diagnoses

Hypertension	Dementia
Congestive Heart Failure	Anemia
Depressive Disorder	Kidney Failure
Alzheimer Disease	Diabetes
Osteoarthrosis	COPD
Urinary Tract Infection	Pneumonia
Hypothyroidism	GI Bleed
Anxiety/ Neurotic Disorder	CVA
Aftercare Hip Fracture	

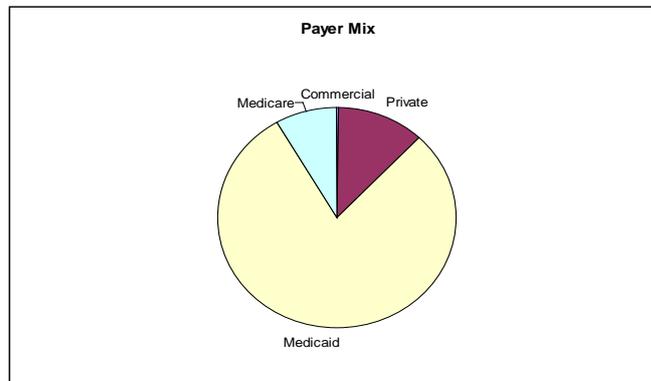
Occupancy

Year	Occupancy
2008	95.91%
2009	94.64%
2010	96.19%
2011	94.58%
2012 (YTD)	97.05%

Central New York three (3) year average is 92.7%

Payer Mix

Commercial 0.36%	Private 11.84%
Medicare 8.29%	Medicaid 79.51%



Medicare

- Federal Health Insurance Program
- Recipient must be 65 years old or older
- Recipient pays for coverage
- Payment based on Resource Utilization Groups (RUGs)
- RUG payments consistent to providers
- Beneficiaries are entitled to receive up to 100 days of skilled care

Medicare

- First 20 days are paid at 100%; next 80 days require a co-payment
- No guarantee of coverage
- Must be skilled services or stay may not be covered
- Does not cover custodial care

Medicaid

- Pays for health care for medically indigent (People unable to pay for their health care)
- Combined Federal, State and County support of program. Broome County's share is 13%
- Recipient must meet strict eligibility requirements
- Covers custodial care

Medicaid

- Statewide Pricing based on Case Mix, facility's costs, Wage Equalization Factor (equalizes wage expenses across the State)
- Payments to providers vary for similar types of residents. Case mix major determinant in reimbursement
- No limit on coverage
- Largest source of long term care funding

Case Mix

Year	Case Mix Medicaid only
Jan 2009	0.8255
July 2009	0.8497
Jan 2010	0.8131
July 2010	0.8338
Jan 2011	0.8039
July 2011	0.8417*
Jan 2012	0.8347

Adjusted for current service intensity weights

* Not being used for rate setting

2012 Budget Summary

	Employees	Budget
Nursing	274	\$14,920,176
Dietary	43	\$ 3,246,337
Housekeeping & Maintenance	41	\$ 3,458,198
Administration	28	\$ 4,818,643
Social Programs	22	\$ 1,000,243
Ancillary	11	\$ 1,643,238

Budgeted Positions

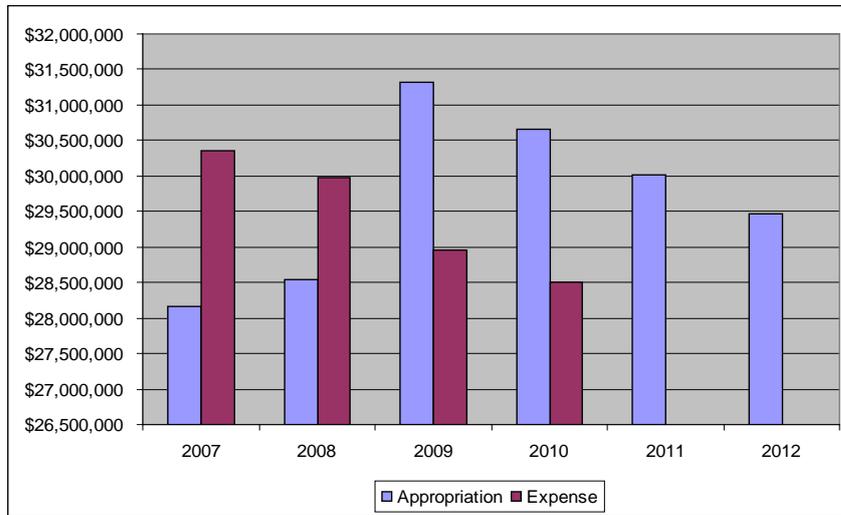
	2007	2008	2009	2010	2011	2012
• Full Time	349	349	350	346	327	315
• Part Time	166	165	155	136	123	104
• Total	515	514	505	482	450	419

Full Time Equivalentents (FTEs) Analysis (2010 Cost Report Data)

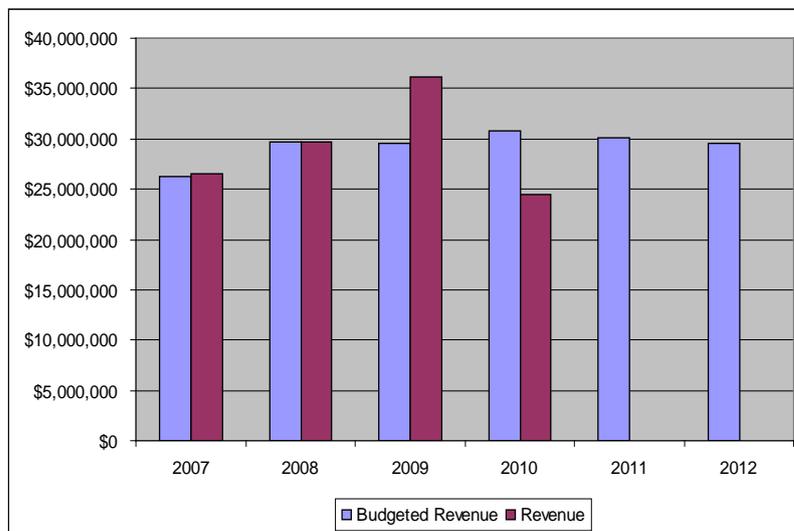
(Binghamton area nursing homes)

Facility Type	% of Occupancy	FTE	Ratio of FTEs to resident days
Willow Point (public)	97.30%	403	1.28
Proprietary	90.66%	189	1.18
Voluntary	92.25%	159	3.31
Proprietary (2009)	85.35%	111	0.39
Voluntary (2009)	96.49%	148	1.30
Public	95.22%	358	1.52
Voluntary (2009)	95.82%	190	1.33
Voluntary (2009)	96.00%	115	1.00

Appropriations versus Expenses



Budgeted to Actual Revenue



Budget Comparison

- Hand out

Budget Comparison

	Adopted	Budget	Audited	Budget	Adopted vs.	Actual
	Appropriation	Revenue	Expense	Revenue	Expense	Revenue
2007	\$28,156,574	\$26,254,367	\$30,349,853	\$26,493,220	(\$2,193,279)	(\$ 238,853)
2008	\$28,544,402	\$29,654,834	\$29,975,526	\$29,756,189	(\$1,431,124)	(\$ 101,355)
2009	\$31,317,724	\$29,534,464	\$28,957,213	\$36,144,660	\$2,360,511	(\$6,610,196)*
2010	\$30,659,356	\$30,821,250	\$28,497,030	\$24,454,995	\$2,162,326	\$6,366,255*
2011	\$30,011,115	\$30,052,020				
2012	\$29,476,256	\$29,497,368				

- Accounting rules require IGT monies received in 2010 to be credited in 2009 even though money was received after books were closed, but audit was ongoing.

Chargeback Expenses

2009	2010	2011	2012
Budgeted	Budgeted	Budgeted	Budgeted
\$3,446,140	\$3,198,076	\$3,093,875	\$3,060,768

Compliance Medicare/Medicaid Regulations

	2000 – 2007	2008-2011
•		
• Number of Citations	131	29
• Number of Surveys	10	5
• Average Number of Citations per year	16.4	5.8
• State / National Average of Citations per year		8 / 10
• Quality of Care Citations	10	2

Customer Satisfaction

- July 2010 **Reader's Choice Award** Best Nursing Home in the Area
- September 2011 **Reader's Choice Award** One of the Best Nursing Home in the Area
- February 2012 Business Journal (Syracuse area publication) "Top Rated Nursing Homes of NY" Willow Point ranked #9th of 30 rated nursing homes in Central New York (Only Binghamton area home ranked in top 10.)

Economic Impact

Total Expenses for 2010	\$29,663,524
Total Purchased services and supplies in 2010	\$ 7,016,913
Medicaid Revenue in 2010	\$14,365,912
Total FTEs (full time equivalents) in 2010	403
Contributed directly or generated to region's economy approximately Willow Point goods and services purchased boosted Local economy by	\$45,970,000
Direct or indirect impact on employment supported	\$10,874,000
	512 jobs

Future Scenarios

- Fully Sprinkler the buildings by August 13, 2013 – Expense ?
- Build a new building
 - At 300 beds
 - At a number less than 300 beds (NYSDOH projection for 2016 is Broome County needs 208 less than current capacity) Explore selling beds to interested provider or competitors
- Renovate existing building (location is major advantage)
 - Combination of new and old Building, i.e. build on top of West Wing building
 - Reduce bed complement and renovate West Wing and North buildings.

Future Scenarios (continued)

- Sell nursing home business - greater liability to buyer and lower price to seller
- Asset sale of nursing home - no liability to buyer potentially higher price to seller
- Lease nursing home - reduced liability to County while preserving County asset.
- Create a Public Benefit Corporation or Authority to acquire nursing home
 - County retains control, but not complete control, through appointments to the Governing Board and term limits
 - Employees retain Public Employee status
 - Intergovernmental Transfer still available to nursing home provided County makes payment
 - Public Benefit enables nursing home to create other levels of care that it can not as County entity, i.e. assisted living create multistep or continuum of care organization

Unknowns

- Reimbursement system
- Will Capital reimbursement for building or renovation continue in present form
- Medicaid system unsustainable as currently operated
- County's willingness to keep commitment to help those in financial and social need made 182 years ago

Broome County Sell/Lease Task Force

June 12th, 2012, 4 PM

AGENDA

- I. Approval of Meeting Minutes from 5/29/2012

- II. Introducton of Student Assistant Yiming Cao

- III. Discussion of Site Visits: Monday July 9th

- IV. Guest Speakers:

Mike Keenan

Keith Chadwick

Albert Nocciolino

- V. Discussion

- VI. Adjournment

Broome County Sell/Lease Task Force

Meeting Minutes

June 12, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Members Present: Matt Vitanza (Chair), Ken Badger, Larry Roma, Nancy Phillips, Joe Conaty and Jeff Davis

Members Absent: Vince Pasquale

Staff Present: Marie Kalka, Jim Worhach, Jim Baumgartner, Ellen Evans Alexander and Yiming Cao

Staff Absent: Bijoy Datta

Matt Vitanza called the meeting to order at 4:05pm

The Task Force approved the Meeting Minutes from 5/29/2012

Jim Worhach introduced Student Assistant Yiming Cao to the Task Force.

The Task Force determined the best day to visit all five facilities was July 9th.

Matt Vitanza recalled the working process of the Task Force briefly, and turned over the nursing home discussion process to Jeff Davis.

Jeff mentioned the issues have arisen so far are difficult to deal with:

- Whether Broome County can deal with the aging population and people without any resources.
- If Broome County get out of the nursing home business, would there be any buyer?
- Does sell or lease the infrastructure get the county out of the long term care?
- Social responsibility issue

Guest Speakers:

Keith Chadwick, President & CEO of United Methodist Homes

- Backgrounds: a lot of counties in NY got out of the long term care business mainly due to both Medicare and Medicaid declined.

- Does the county need to be in long term care? What the reason for? What the reason to get out?
- Nobody wants to come to the nursing homes, and nobody wants to pay for, people want to stay in homes.
- But sometimes people have to live in a nursing home, if so, nonprofit nursing home would be a better choice.
- Reimbursement rates from insurance companies and government programs continue to decline.
- Nonprofit providers vs. for-profit providers
- The county still needs to be in the long term care. What was the right number?
- Playing by the rule

Mike Keenan, President & CEO of Good Shepherd – Fairview Home

- The county should not be in the long term care business
- The county plays a very important part in providing care. It takes care of people with no reimbursement.
- No private nursing home will take people without Medicaid pay for them.
- Sell nursing home may be a difficult thing to do.
- Can the county support operation of nursing home? Can the county react what it needs to do?
- People in nursing homes are really acutely ill.
- States are reducing beds.

Keith and Mike expressed their interests if the county wants to sell the nursing home, but they have no interest if the county plans to lease the nursing home.

Albert Nocciolino, President of NAC Entertainment

- Viability
- Sellable? Absolutely not
- Typically owned by the county, and operated by nonprofits
- Too small to generate enough revenue
- Sales tax/subsidy
- Economic impact on the community
- Profitability

Discussion:

- Long process work
- Shrunk budget
- Playing by rules
- Staffing
- Consultants
- Operation

Follow up Questions:

- How many individuals at WPNH have no source of pay?
“We currently have nobody without a payer source. We would assist those without the ability to pay with the Medicaid process”
- Has anyone ever expressed interest in purchasing the landfill?
- Has anyone outright sold their landfill? If so, what were the terms? \$?
- What would be the fiscal implications of the FTA funds if we were to sell the airport? Would we have to repay all the federal \$?

Next Meeting:

- Site visits schedule
- Questions about airport

The meeting adjourned 5:42pm

Submitted by Yiming Cao

Broome County Sell/Lease Task Force

June 26th, 2012, 4 PM

AGENDA

- I. Approval of Meeting Minutes from 6/12/2012

- II. Introduction of New Law Department Representative
Peter DeWind

- III. Discussion of Final Recommendations on Each Site

- IV. Discussion of Site Visits Schedule on Monday July 9th

- V. Discussion of Final Report

- VI. Discussion of Willow Point Nursing Home and Airport

- VII. Adjournment

Broome County Sell/Lease Task Force

Meeting Minutes

June 26, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Members Present: Matt Vitanza, Jeff Davis, Larry Roma, Nancy Phillips and Vince Pasquale

Members Absent: Ken Badger and Joe Conaty

Staff Present: Bijoy Datta, Marie Kalka, Jim Worhach, Jim Baumgartner, Peter Dewind and Yiming Cao

Matt Vitanza called the meeting to order at 4:05pm.

The Task Force approved the Meeting Minutes from 6/12/2012.

Peter Dewind made a brief self-introduction.

Matt Vitanza confirmed and emphasized the deadline for the Task Force to make the final decision is August 20.

The Task Force approved the Final Report Outline and July 9's Site Visits Schedule.

The Task Force decided to break all the five facilities into four – Nursing Home, Landfill, Airport, and Arena & Forum, and make decision of each facility respectively.

Discussion:

Willow Point

- The issue is about more than just Willow Point.
- Example of private health care provider who engaged venture capital in public credit partnerships.
- Willow Point currently has nobody without a payer source.
- Financial concerns.
- Problems posed by State constitution and State law.

- Whether nonprofit or private nursing homes will pick up the Medicaid obligation.
- Social obligation.
- Potential buyers want the operation of Willow Point, not its structure.
- Need assessment is necessary, such as how many nursing facilities will be needed and how many beds will be cut.
- We have a lot of models to be looked at.

Airport

- Brief introduction.
- Discussion of airlines.
- Discussion of services available in Elmira.
- Without certainty of an airport, we wouldn't be able to retain/attract jobs.
- Increasing services is difficult.

Arena & Forum

- A quality of life issue.
- Capacity issues.
- Review of Albert's standpoints.

Jim Worhach will confirm the Site Visits Schedule for July 9.

The meeting adjourned 5:05pm

Submitted by Yiming Cao

Sell/Lease Task Force Site Visit Day

Monday, July 9th 2012

Agenda

1. Airport: 8:00-9:30am
2. Landfill: 9:45-11:15am
3. Willow Point: 11:45am-1:15pm
- Break: 1:15-2:15pm
4. Arena: 2:15-3:45pm
5. Forum: 4:00-5:00pm

Broome County Sell/Lease Task Force

July 10th, 2012, 4 PM

AGENDA

- I. Approval of Meeting Minutes from 6/26/2012

- II. Overview of July 9th's Sites Visits

- III. Review of Final Report Outline

- IV. Free Discussion of Final Recommendations on Each
Site

- V. Adjournment

Broome County Sell/Lease Task Force

Meeting Minutes

July 10, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Members Present: Matt Vitanza (Chair), Jeff Davis, Joe Conaty, Larry Roma, Nancy Phillips and Vince Pasquale

Members Absent: Ken Badger

Staff Present: Marie Kalka, Jim Worhach, Jim Baumgartner and Yiming Cao

Staff Absent: Bijoy Datta and Peter DeWind

Matt Vitanza called the meeting to order at 4:05pm.

The Task Force approved the Meeting Minutes from 6/29/2012.

The Task Force reviewed July 9th's sites visits and commented on each facility.

- Airport
 - Affirmed Carl's excellent job

- Landfill
 - Pretty clean place without seeing any garbage; green space
 - High level intelligence
 - Has a very well pan about the future
 - Great control work
 - Many people came in during site visit

- Nursing Home
 - Affirmed Steve's excellent administration
 - What if the County readjust their focus towards resources
 - Certificate operation needed
 - A better detail idea about "what the need is" needed: long term/ short term
 - How to address the Medicaid population

- Necessary to discuss with the State and the providers
 - The repay issue
 - Nursing Home has the most merits of looking at
 - Facility issue
 - The operating, the license and the ability to perform the services are the values of the nursing home
 - If the County were to get out of the business, selling the package (operating & facility) was recommended
 - Financial obligation & social obligation
 - Whether knowing enough about the private sector (what the privates can/would be willing to do?)
- Arena & Forum
 - A professional management reform needed
 - Hockey Team regulation
 - Revenue issues
 - Obligation issues
 - Fundraising issues

The Task Force proceeded to discuss the “Recommendation” section in the final report. The Task Force approved the recommendations would not just include “sell or not sell” decision, but also contain comments and what the Task Force think the County should do.

Determinations:

A unanimous decision was made that the Airport should continue operating as a division of Broome County Government based on:

- Economic impacts of having an airport under the control of a government entity
- There is a clear and concise plan for the future of BGM
- Current airport management understands the industry and our community
- As long as the Federal and State Governments continue to fund aviation, we should fight for our share in Broome County

Discussion: Should the County provide some taxpayer assistance to offset costs to Airlines?

A unanimous decision was made that the Landfill should continue operating as a division of Broome County Government based on:

- The Landfill makes money

- Current landfill management understands the industry and our community
- Under County control we can control waste coming in from outside the area
- New and innovative programs are continuously being implemented
- Currently the Landfill is crucial to the operations of other Departments

Next Meeting:

The Arena, Forum and Nursing Home will be discussed.

There is interest in having a representative from the State Theatre in Ithaca participate in a conference call with the Task Force.

The Task Force has requested to see contracts between the Forum and County.

The meeting adjourned 5:15pm

Submitted by Jim Worchach and Yiming Cao

Broome County Sell/Lease Task Force

July 24th, 2012, 4 PM

AGENDA

- I. Approval of Meeting Minutes from 7/10/2012

- II. Discussion of the Draft of Final Report

- III. Discussion of Final Recommendations on The Arena,
Forum and Nursing Home

- IV. Adjournment

Broome County Sell/Lease Task Force

Meeting Minutes

July 24, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Members Present: Matt Vitanza (Chair), Jeff Davis, Joe Conaty, Larry Roma and Vince Pasquale

Members Absent: Ken Badger and Nancy Phillips

Staff Present: Marie Kalka, Jim Worhach, Jim Baumgartner Peter DeWind and Yiming Cao

Staff Absent: Bijoy Datta

Matt Vitanza called the meeting to order at 4:07pm.

The Task Force approved the Meeting Minutes from 7/10/2012.

The Task Force discussed the first draft of final report, and decided to shorten the literature review part.

The Task Force reviewed last meeting's recommendations for the Airport and Landfill, and extended discussion of the airport:

- If Broome County could support operation of the airport more financially as other communities did, the suggestions maybe establishing a trial program – a three-year plan which the county would give certain support (such support would diminish each year to offset the charge of airlines) to help airport management work out the plan. The airport should be given chance to improve their revenue.
- The airport needs to be more competitive.
- The airport has a 1.3 million shortfall to make up.
- The quantity, convenience of flights should be changed to improve the airport's connectivity.
- There is a future development of the airport.

The Task Force moved forward to discuss the final recommendations for Arena & Forum and Willow Point Nursing Home.

Arena & Forum:

- The critical issue is to improve the usage of the facilities; more performances should be brought in.
- A professional booking system may be needed.
- No legal restraints exist.

Determinations:

- Developing a RFP which would look for professional management.
- Explore contracting out the operation and hiring professional booking agent.

Willow Point Nursing Home

- Balancing the social needs of the County's residents and the economic problem we are facing.
- Social impact issue: if privatizing the nursing home, would the private operator take the Medicaid population existed?
- The County should discuss such issue with interested parties.
- Operating certificate issue.
- Employee issue.
- The cost of building a new facility would be \$55 million~80 million.
- Whether the County ever conducted formal study at the nursing home: there was a study from the financial standpoint.
- Broome County's population keeps declining; the age gap keeps getting bigger.
- If all the changes occur, can the County run the facility efficiently?
- The DOH should be involved.
- If the County were to sell the existing nursing home with its operating certificate, there may be no one wants to buy it.

Determinations:

- The County should over time explore getting out of the long-term care business.
- Resources the County has put in to run the facility could be converted to operate other alternatives.
- The County should continue talk with the State to solve the long-term care problem to some satisfaction.
- The County should hold meetings together with interested parties, such as the DOH and private long-term care providers.
- The County should find other alternatives to dispose the asset, not just selling it out, because there are more involved.
- The County may hire professional consultants to explore potential options of disposing the facility.

Next Meeting:

The draft of the final report will be discussed.

The meeting adjourned 5:32pm

Submitted by Jim Worhach and Yiming Cao

Broome County Sell/Lease Task Force

August 7th, 2012, 4 PM

AGENDA

- I. Approval of Meeting Minutes from 7/24/2012

- II. Discussion of the Draft of Final Report

- III. Adjournment

County Sell/Lease Task Force

Meeting Minutes

August 7, 2012

Meeting Location: Executive's Conference Room, 6th Floor, Broome County Office Building

Members Present: Matt Vitanza (Chair), Jeff Davis, Ken Badger, Larry Roma, Nancy Phillips and Vince Pasquale

Members Absent: Joe Conaty

Staff Present: Debbie Preston, Marie Kalka, Jim Worhach, Jim Baumgartner Peter DeWind and Yiming Cao

Staff Absent: Bijoy Datta

Matt Vitanza called the meeting to order at 4:05pm.

The Task Force approved the Meeting Minutes from 7/24/2012.

Debbie Preston thanked the Task Force for all members' efforts.

The Task Force reviewed final recommendations for all five facilities.

Landfill

- A profit making facility.

Airport

- An economic driver for the community.

Arena & Forum

- Quality of life issue.
- Each has a respective history within the community.
- The usage of the two facilities should be improved to generate more revenue.

Nursing Home

- The facility should be studied in a great detail.
- Balance social responsibility and economic issue.

- The facility's age and future repairs need be considered. New sprinkler system has been created.
- Broome County should continue scheduling meetings with NYS, private care providers and other interest parties. The county needs help of NYS to decide the right size of the facility.
- Medicare population should be solved properly.
- Building a new nursing home will cost years and lots of money.
- If sell, the county should not separate the license with the building.

The Task Force discussed the draft of the final report.

- As a government report, the report needs be concise.
- The "Theory" part should be removed.
- The "Executive Summary" has to be dynamic enough.
- Add in the continuing costs of each Facility, if the County were to sell.
- Add PowerPoint Presentations on each facility into the report.

The meeting adjourned 5:50 pm.

Submitted by Yiming Cao