SPEAKERS

The Nathaniel Witherell

Mr. Simon provided an overview of TNW's history as context for his presentation of FY17 financials and budget for FY18. TNW has a total of 202 beds, of which 156 are long term care and 46 are short term rehabilitation beds. Regarding the capital budget, he indicated completion of room upgrades in the long-term care area and discussed future projects including the greenhouse (which has a $120,000 State grant), a Rose Garden to be planted with funds from Project Renew and contributions from the Friends of TNW, and the Pavilion apartments which generate approximately $44,000 annual apartment rental income. Mr. Hornak presented six additional capital projects including an upgrade to the kitchen, replacement of the Tower AC units, replacement of two water lines, the resident bed replacement program of 20 beds per year over each of the next 10 years, and replacement of nursing lifts. Ms. Tarkington suggested that
Witherell review the 2007 Project Renew Robert A.M. Stern/Entech Engineering/Robert Silman reports prior to consideration of a Pavilion upgrade. Under both the earlier Town approved Kavounos plan and Project Renew the Pavilion was to be demolished.

In presenting the operating budget, Mr. Alexander provided insights on FY17 revenue and expenses and projected a positive variance to the budget at year end. Asked about possible risks to achieving the budget, Mr. Alexander cautioned that revenue risk, occupancy variation, reimbursement rate fluctuation, and outpatient services are items that impact revenue potential. A reduction in the Medicaid rate is expected after a recent Medicaid/Medicare audit, which will lower expected revenues in FY17 by $60,000 and FY18 by $100,000. Mr. Lash asked that TNW track the total State payments of premium-over-room-rate agreed to as the State’s method for paying down the $12 million reimbursement promised as part of the State approved Project Renew, Certificate of Need.

There was a discussion about the overtime budget. In FY17, 9 FTEs were added to try to reduce overtime expense. Mr. Brown identified that the reliance on the trained part time staff to fill in open shifts, especially in the dietary area, causes the overtime expense to remain high. The variables of PT and OT costs were reviewed and Mr. Simon suggested that the addition of 5 FTEs with benefits or hiring additional PT employees were the choices for resolving this payroll cost issue.

Mr. Alexander commented that FY18 occupancy was budgeted to be 0.1% up over FY17; however, the decreasing length of stay for the short term patients causes more turnover and more expense. To date, occupancy rates have not been negatively affected by the decreasing lengths of stay. He pointed to anticipated savings resulting from rebidding outsourced contracts, reduction in electrical and service related expenses and cost of food. He anticipated a 20% savings from employee health benefits migrating to the State Partnership Plan. He expects TNW’s annual deficit in FY18 to be $1.8 million. In response to a question from Ms. Moriarty, the potential risks to the FY18 budget include change in Medicare reimbursement rates, and changes in patient care guidelines. Offsetting these risks are opportunities in home healthcare, strategic alliances, better branding, and marketing.

Mr. Brown reminded the Committee of adjustments made during FY17 Budget Hearings to correct the presentation of TNW’s debt obligations and modify the Town allocations to reflect true incremental expenses only. Ms. Moriarty suggested she would like to review the presentation to determine if it provides the necessary information to assess the true cost to the Town of operating a nursing home and might make a proposal for a modification at a future meeting. Mr. Lash suggested that Ms. Moriarty’s study might bring additional clarity to the Committee's review of TNW costs and FY18 Budget assumptions.

**Capital Budget -- Fleet**

**New Vehicle Purchases** – Mr. Lash asked Mr. Domeseck to clarify the criteria for vehicle replacement referring to the anticipated purchase of 10 Police cars, 8 pick-up trucks and 10 lowboy vehicles. He asked if the targeted replacement date could be moved out on the 15 Year Plan and asked if costs could be reduced by trading-in or auctioning TOG used vehicles. Mr. Domeseck responded that he determines the replacement cycle based on the mileage and maintenance record for each vehicle.

Assistant Chief Kick was asked whether used fire apparatus was disposed of by resale or donated to volunteer stations. He responded that the new vehicles do not increase the number of total
vehicles. The department will either sell the vehicle being replaced or they will donate the vehicle to the volunteer station as a replacement for an older piece of equipment which the volunteer company sells. When asked by Ms. Tarkington if STEAP Grants were still available for installation of more dry wells, Chief Kick commented that it would not reduce the need for additional water pumper trucks. He said that Round Hill has one tanker truck, that Banksville has two, and that Cos Cob has one.

Mr. Domeseck was asked about TOG's car policy including car-sharing and use of Pool cars. He responded that the only employees who took their cars home were ones who may have to respond to an emergency directly from their homes. He also indicated that pool cars are not designated to a department.

In concluding the meeting for the day, Mr. Lash asked Mr. Gieger to adjust TNW numbers before the next Budget Hearing Meeting. He advised the Committee that the Bruce Museum would be presenting its expansion/renovation plan at a future meeting in March or April.

The meeting adjourned at 12:40 P.M.

Respectfully submitted,

Catherine Sidor, Recording Secretary

James A. Lash, Chairman