



## UNION COUNTY BOARD OF CHOSEN FREEHOLDERS

THURSDAY, FEBRUARY 7, 2013  
AGENDA SETTING MEETING MINUTES

### CALL TO ORDER

Chairman Linda Carter called the meeting to order at 7:00 PM.

Attendee Name	Title	Status	Arrived
Bruce Bergen	Freeholder	Present	
Angel G. Estrada	Freeholder	Present	
Mohamed S. Jalloh	Freeholder	Present	
Bette Jane Kowalski	Freeholder	Present	
Alexander Mirabella	Freeholder	Present	
Daniel P. Sullivan	Freeholder	Present	
Vernell Wright	Freeholder	Present	
Christopher Hudak	Vice Chairman	Present	
Linda Carter	Chairman	Present	

Also present were County Manager Alfred J. Faella, County Counsel Robert E. Barry, Esq. and Acting Clerk of the Board Anita McNamara.

### PRAYER AND SALUTE TO THE FLAG

The Prayer and Salute to the Flag were lead by the Clerk of the Board.

### STATEMENT OF COMPLIANCE WITH THE OPEN PUBLIC MEETINGS ACT

The statement of compliance with the Open Public Meetings Act was read by the Acting Clerk of the Board, Records Manager Office of the Clerk of the Board, Anita McNamara.

### APPROVAL OF COMMUNICATIONS

Note and File

1. Commission on the Status of Women: Joan Abitante; Construction Board of Appeals: Don Moser; Motion Picture & TV Advisory Board: Edward Brewer; Senior Citizen & Disabled Resident Transportation Advisory Board: Leatrice Lieberman and Patricia Rufolo; Union County Emergency Management Council: Lester Jones, Thomas Mineo, Andrew Moran, Michael Prasad, Theodore Romankow and Christopher Scaturo; Union County Fire Services Advisory Board: Fred Fretz, Joseph Houck, Thomas McNamara, Paul Modrak, Joseph Moschello, Anthony Padavano, Christopher Scaturo and Gary Steitz; Union County Improvement Authority Advisory Board: Samuel McGhee and Cherron Rountree.

**PRESENTATION TO THE BOARD**

A Presentation to the Board was made by Ed Balliet, Complete Healthcare Resources (CHR), relative to Runnells Specialized Hospital.

County Manager Faella stated that in the letter of the Executive Budget Runnells Specialized Hospital has had a deficit over the last few years. He said they are seeking all options to help reduce costs including the privatization of Runnells outlining different options to reduce costs.

Director Guzzo introduced Ed Balliet, Regional Vice President of Complete Healthcare Resources and Geoffrey Perselay of Perselay Consultants to provide the Board with a Powerpoint presentation with different options for the Hospital.

Mr. Balliet said they focused on operational and financial assessment including revenue enhancement opportunities, expense reduction opportunities and alternative ownership to eliminate the contribution to Runnells Hospital. He stated that based on results of the study, doing nothing is not an option.

Freeholder Mirabella asked how the value of the facility was determined. Mr. Balliet stated it was based upon economic numbers of other counties. It is not an appraised value. Hence, appraisals would be required.

Freeholder Sullivan asked about the difference in Medicare/Medicaid reimbursements compared to five years ago.

Mr. Balliet introduced Al Pino who did the financial cost part of the report. The largest payer is Medicaid. The rates were as follows, based on per bed/per day: In 2006 -\$205; 2007 - \$213; 2008 - \$223; 2009 - \$231; 2010 - \$226 and is currently \$222. Reimbursements have remained relatively flat, and the cost of living has been eliminated.

Mr. Pino stated that there is an approved Federal Medical State Plan to allow New Jersey to enter into an approved managed care structure. He said it will most likely happen in January 2104. He stated that the rates will be reduced by another \$20 to \$30 per bed/ per day to compete with the private sector.

Freeholder Sullivan asked what is needed to offset costs. Mr. Pino stated that Medicaid rates are flat, while costs have increased, making it impossible to offset costs. He said other County hospitals are having the same issues.

Mr. Pino explained the difference between county and private facilities and county facilities cannot compete with the private sector due to holiday and vacation days, etc. He said the Managed Care system at best will begin on July 1, 2013, but he believes it will not happen until January 2014.

Freeholder Sullivan asked if all County facilities are facing the same problem and if managed care is occurring throughout the country. Mr. Pino replied, yes.

Freeholder Hudak questioned the \$17.4 subsidy and the projections for the following years. Director Taylor gave an explanation. Freeholder Hudak stated that it appears that in 2014 based on the numbers provided that there could be an additional deficit of \$2 to \$4 million. Mr. Pino stated that it looks like there will be an additional \$2 million by 2014.

Freeholder Hudak had questions about alternate ownership and other comparable facilities that sold. Mr. Pino stated there have been no sales of facilities as a whole.

Freeholder Kowalski stated that she attended the NJAC conference over a year ago and New Jersey has been preparing for the managed care structure.

Freeholder Kowalski stated it is not an alternative option she or the Board would have welcomed. Runnells has been an outstanding facility, but they are faced with serious deficits.

Mr. Pino stated that New Jersey applied to the Federal Government for a waiver to go to a managed care approach. They finally received approval to go forward. NJ had in their prior budget that it would have been accomplished in July 2012, but it did not happen. It will take probably a minimum of 9 months as the State has to get other approvals to go forward.

Freeholder Estrada asked if Florida has a managed care program. Mr. Pino stated that several states have the managed care program.

Freeholder Estrada asked if there is a market for selling the facility. Mr. Pino replied yes, Cumberland, Salem, Burlington and Sussex Counties have all sold their entire facilities.

Freeholder Estrada asked if the operations at Runnells could find a way to break even. Mr. Pino stated that they were looking for ways, but it appears to be impossible.

Freeholder Estrada asked what happened to the employees of the sales of those facilities. Mr. Pino replied that most of the employees transferred to the new owner.

Freeholder Bergen asked about selling the beds and the licenses. He asked if this if managed care is a way for the state to reduce reimbursement costs. Mr. Balliet replied, yes.

Freeholder Sullivan questioned if other Counties who sold their properties are still running as nursing homes. Mr. Balliet said yes, and they have the ability through the sale transaction for stipulations that they should continue to operate as a skilled facility.

Freeholder Sullivan confirmed with Mr. Balliet that the reason for the deficit at Runnells is not a mismanagement of running the hospita rather because of the reimbursements. Mr. Balliet stated that is correct and that reimbursements have not kept up with increasing costs.

Freeholder Sullivan asked how they found the conditions at Runnells. Mr. Balliet stated that the facility is clean, a friendly staff and the residents were well taken care of.

Freeholder Mirabella asked about retaining the staff if the property was sold, and there is a market for selling the hospital. Mr. Balliet stated that each county is set up differently. He also replied that there is there is a market for selling the property.

The presentation is attached.

#### **OFFICE OF THE UNION COUNTY PROSECUTOR**

Theodore J. Romankow, Prosecutor

First Assistant Prosecutor Albert F. Cernadas, Jr. represented the Office.

1. Amending Resolution Number 2012-522, to increase the amount of the contract with Trinitas Hospital, Elizabeth, New Jersey for the provision of a licensed clinician at the Union County Child Advocacy Center in the amount of \$2,285 for a new total of \$58,535.00. **(Chairman Linda Carter)**

Chairman Carter asked if the Amendment to Resolution 2013-141 as mentioned in item #1 is for an increase in the contract amount.

Mr. Cernadas, replied yes, for an additional \$2,285.

#### **DEPARTMENT OF ADMINISTRATIVE SERVICES**

Matthew N. DiRado, Esq., Director

Director of the Division of Purchasing Michael Yuska represented the Department.

1. Authorizing the County Manager to renew Union County Cooperative Contract Purchasing System, ID# CK-06-Union, for another five years. This cooperative purchasing system, with the approval of both the County and the vendor, allows contracting units located within the geographic boundary of the County to purchase under the contract subject to its specifications, terms and conditions with no fees or cost to the County of Union. **(Chairman Linda Carter)**

Freeholder Estrada asked if there is a dollar amount associated with item #1.

Director Yuska replied, no. He stated that the Resolution is needed for the State to see that the Board has approved other municipalities and boards to use prices and vendors of our contracts.

Freeholder Estrada asked if item #1 is for a full purchasing group, and if this is an annual occurrence. Director Yuska replied yes, it is a full purchasing group and it occurs every five years. They are required to inform the State.

#### **DEPARTMENT OF CORRECTIONS**

Brian Riordan, Director

1. To approve and deem Education Health Centers of America, Inc., as a pre qualified vendor to provide comprehensive inmate substance abuse treatment for Union County inmates for the period of January 1, 2013 through December 31, 2013. **(Chairman Linda Carter)**
2. Authorizing the County Manager to enter into an agreement with Education and Health Centers of America, Inc., Roseland, New Jersey, to provide Comprehensive Inmate Substance Abuse Treatment and Residential Correctional Facility Services for up to 200 Union County Jail inmates daily for a period starting January 1, 2013 through June 30, 2013 with an option to extend through year 2015 in an amount not to exceed \$2,921,095.00. **(Chairman Linda Carter)**

Director Riordan explained that Education Health Centers of America has provided services to Delaney Hall since 2001. The cost is \$200 per bed, per day. The fee is based solely upon use, and it is 100% reimbursed by the State.

Freeholder Hudak asked about last year's expenditure.

Director Riordan stated of the \$5 million allocated for the County, they used 75 beds per day in 2012; \$2.138 million of the dollars allocated for the program last year.

**DEPARTMENT OF ENGINEERING, PUBLIC WORKS AND FACILITIES**Joseph Graziano, Director

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1. Concurring with the City of Scotch Plain's Ordinance No. 2012-19, lowering speed limits on Terrill Road to 35 MPH. **(Chairman Linda Carter)**
2. Amending Resolution Number 2011-1071, (BA#47-10) a contract, through the public bidding process with Schifano Construction Corporation, Middlesex, New Jersey, approving Change Order No. 2 (final) for the 2009 Road Resurfacing Project. This Change order will reduce the contract amount by \$423,053.87 for a new contract amount of \$4,154,951.76. **(Chairman Linda Carter)**

Director Graziano explained that item #2 is to close out an ARRA project. The contract was reduced by \$423,000 as the State provided funding for the handicap ramps.

3. Authorizing the County Manager to apply for, and if awarded, to enter into an Agreement with the New Jersey Department of Transportation (NJDOT) for the 2013 Local Bridges, Future Needs Program for the Replacement of Madison Hill Bridge, Rahway, New Jersey, application LBFN 2013-Union County - 00016 in the amount of \$1,000,000.00. **(Chairman Linda Carter)**
4. Authorizing the County Manager to apply for, and if approved, to enter into an Agreement with the New Jersey Department of Transportation (NJDOT) FY2013 County Aid for an allotment in the amount of \$4,487,600.00. **(Chairman Linda Carter)**
5. Amending Resolution Number 2010-397, (BA#26) a contract through the public bidding process, with Fai Gon Electric, Piscataway, New Jersey, approving Change Order No. 1 (final) for the Park Avenue Corridor, ARRA Project-FS-7390 (103) various locations, City of Plainfield, in the amount of \$3,568.40 for a new total contract amount not to exceed \$569,462.54. **(Chairman Linda Carter)**

Chairman Carter asked for an explanation of item #5.

Director Graziano stated that they are at the end of the ARRA project, which began in 2009. It is to close out a project on Terrill Road. An additional \$3,500 is needed to close out the contract for quantity changes.

6. Authorizing the County Manager to award the proposed contract in accordance with the Local Public Contracts Law, NJSA 40A:11-5(2) between the Union County Department of Engineering, Public Works & Facilities; Division of Facilities Management and the City of Elizabeth Parking Authority, Elizabeth, New Jersey, for the purpose of providing Jury Parking for a contract period of January 1, 2013 through December 31, 2013, in the amount of \$180,000.00. **(Chairman Linda Carter)**

Freeholder Sullivan asked if Jury Parking is still located on Jefferson Avenue.

Director Graziano replied, yes.

Freeholder Sullivan asked if there have been any issues with Jurors parking in the J. Christian Bollwage Parking Garage. He stated that they do not receive reimbursements by the State for Jurors parking in the J. Christian Bollwage Parking Garage. He said the Jurors do not have to pay at the Jefferson Avenue Parking Garage.

Director Graziano stated that he is not aware of any problems.

7. Authorizing the County Manager to award the proposed contract obtained through advertised public bidding in accordance with the Local Public Contracts Laws, NJSA 40A:11-1 et seq: Department of Engineering, Public Works & Facilities: Sage Landscaping Contractors, Inc., North Plainfield, New Jersey, for a contract period of twenty-four (24) months in an amount not to exceed \$158,160.00 (hourly rate of \$197.70). **(Chairman Linda Carter)**

Freeholder Mirabella asked for an explanation of item #7.

Director Graziano stated that they are not providing landscaping services, they are providing snow plowing services. He stated that the \$158,000 is a "not to exceed" amount for a two year contract. Sage Landscaping is on their current list of contractors. He added that in 2011 they used \$15,000, and in 2012 they used zero dollars of the contracts.

Freeholder Estrada asked if there were any other public bids with companies located in Union County.

Director of the Division of Purchasing Michael Yuska explained that they must have trucks in escrow every year, therefore, a company needs to be on-call. As a result, they may not make any money. He said this was the only bid submitted.

8. Resolution concurring with the Township of Berkeley Heights granting permission to the Berkeley Heights Rotary Club to hang a banner across Springfield Avenue for the period of February 15, 2013 through March 25, 2013 to advertise the "Rotary Club Pancake Breakfast" to be held on Saturday, March 16, 2013 (rain date Saturday, March 23, 2013) for the purpose of raising money for The Berkeley Heights Education Foundation. **(Chairman Linda Carter)**
9. Resolution concurring with the Township of Springfield granting permission to St. James the Apostle Church to close South Springfield Avenue between Mountain Avenue and Shunpike Road from April 30th to May 3rd from 6:00 p.m. to 10:00 p.m. and May 4th from 2:00 p.m. to 10:00 p.m. for the Annual Festival. **(Chairman Linda Carter)**

#### DEPARTMENT OF FINANCE

Bibi Taylor, Director

1. Approving appropriation transfers pursuant to N.J.S.A. 40A: 4-58 in the amount of \$11,000.00. **(Freeholder Daniel P. Sullivan)**
2. Amendment to the 2013 Temporary Budget per CH. 96 P.L. 1951 (N.J.S.A. 40A:4-20). **(Freeholder Daniel P. Sullivan)**
3. Authorizing the County Manager to enter into an agreement with Powell Capital Markets, Inc., Roseland, New Jersey, to provide financial advisory services for the County's proposed transfer of its golf courses to the Union County Improvement Authority in an amount not to exceed \$20,000.00. **(Freeholder Daniel P. Sullivan)**

Freeholder Estrada asked for an explanation of item #3.

Director Taylor stated that financial advisory services is for the County's proposed transfer of its golf courses to the Union County Improvement Authority.

Freeholder Sullivan stated that they are separate financial advisors that was recommended from County Counsel and was approved by the Fiscal Committee.

## DEPARTMENT OF HUMAN SERVICES

Frank Guzzo, Director

There were no questions.

1. Authorizing the County Manager to renew the Lease Agreement with Immaculate Conception Church, Elizabeth, New Jersey, for the rental of 75 parking spaces located at 425 Union Avenue, Elizabeth, for Division of Social Services' employee parking in the amount of \$60.00 per space per month, or \$4,500.00 per month in an amount not to exceed \$54,000.00 per year for the period of January 1, 2013 through December 31, 2013. **(Freeholder Bette Jane Kowalski)**
2. Authorizing the County Manager to award subcontracts to various agencies for the period of January 1, 2013 through December 31, 2013 for the purpose of providing long term rental assistance to people with HIV/AIDS in the total amount not to exceed \$522,000.00 and further authorizing the County Manager to transfer funds among the agencies listed during the contract period should service needs change and/or if any of the agencies fails to meet its contractual obligation. **(Freeholder Bette Jane Kowalski)**
3. Authorizing the County Manager to renew the contract with Unitronix Data Systems, Raritan, New Jersey, to provide services and maintenance for the Division of Social Services' software and hardware systems for the period of January 1, 2013 through December 31, 2013 in an amount not to exceed \$75,942.29. **(Freeholder Bette Jane Kowalski)**
4. Authorizing the County Manager to award contracts in accordance with the 2013-2015 Area Plan in the total amount not to exceed \$3,860,205.00, pursuant to a Request for Proposal (RFP), for contract year one period of January 1, 2013 through December 31, 2013, to deliver services to Union County residents 60 years of age or older and /or their caregivers with an option to renew contracts for two years and further authorizing the County Manager to transfer funds among the agencies during the contract period should service needs change and/or if any of the agencies should fail to meet its contracted obligation. **(Freeholder Bette Jane Kowalski)**
5. Authorizing the County Manager to enter into a Lease Agreement with Morning Star Community Development Urban Renewal Corporation, Inc., Linden, New Jersey, for the purpose of leasing commercial space for Union County Division of Youth Services Bureau, 1130 East St. George's Avenue, Linden, New Jersey, for the period of January 1, 2013 through June 30, 2013 with the options to renew the lease on a month-to-month basis for an additional six months at a rate of \$6,732.00 per month for a total amount not to exceed \$80,784.00 if all options are exercised. **(Freeholder Bette Jane Kowalski)**
6. Authorizing the County Manager to enter into contract with the Union Vicinage, Probation Services, City of Elizabeth, City of Linden and City of Plainfield Police Departments to provide Night Watch Supervision listed on the Union County Youth Services Commission Spending Plan in the total amount not to exceed \$35,000.00 for the grant period of January 1, 2013 through December 31, 2013 and further authorizing the County Manager to transfer funds

- among the funded agencies/municipalities during the contract period should service needs change and/or if any of the funded agencies/municipalities fails to meet its contractual obligation, upon approval by the Juvenile Justice Commission. **(Freeholder Bette Jane Kowalski)**
7. Authorizing the County Manager to approve the 2013 Juvenile Detention Alternative Initiative (JDAI) Spending Plan in the total amount not to exceed \$114,000.00, entering into agreement with various agencies/municipalities to provide detention and disposition program services for youth in the local juvenile justice system for the period of January 1, 2013 through December 31, 2013, and further authorizing the County Manager to transfer funds among the funded agencies/municipalities during the contract period, should service needs change and/or if any of the funded agencies/municipalities fail to meet its contractual obligation, upon approval by the Juvenile Justice Commission. **(Freeholder Bette Jane Kowalski)**
  8. Authorizing the County Manager to award Union County Youth Services Commission Spending Plan subcontracts to provide program services based on the Juvenile Justice Commission Points of Continuum: Prevention, Diversion, Detention, Disposition and Reentry in the total amount not to exceed \$524,320.00 for the grant period of January 1, 2013 through December 31, 2013, and further authorizing the County Manager to transfer funds among the funded agencies/municipalities during the contract period should service needs change and/or if any of the funded agencies/municipalities fails to meet its contractual obligation, upon approval by the Juvenile Justice Commission. **(Freeholder Bette Jane Kowalski)**
  9. Authorizing the County Manager to enter into a lease agreement with the Parking Authority of the City of Elizabeth, 233 Commerce Place, Elizabeth, New Jersey, for six (6) parking spaces in Lot #3 (Reid Street), specifically designated for 'handicapped' use by the One Stop Career Center in Elizabeth, at the rate of \$100.00 per month for each space commencing January 1, 2013 through December 31, 2013 at a total cost not to exceed \$7,200.00. **(Freeholder Bette Jane Kowalski)**
  10. Amending Resolution Number 2012-547, authorizing a lease agreement with Ronlee Realty, Inc. c/o Paramount Assets, LLC, Elizabeth, New Jersey, for space at 40 Parker Road, Elizabeth, New Jersey, to reflect a change in the account number only. **(Freeholder Bette Jane Kowalski)**
  11. Amending Resolution Number 2012-56, to extend the Lease Agreement with 28 Prince Street Realty Corp., Union, New Jersey, for the purpose of continuing to lease commercial space for the Division of Social Services Legal Administration and Operations at 28 Prince Street, Elizabeth, New Jersey, for an additional period of one month commencing February 1, 2013 through February 28, 2013, with two 1-month Options to Renew, in the total base rent of \$7,250.00 monthly plus escalations for increases in real estate taxes each option period for a total of \$21,750 if all options are exercised. **(Freeholder Bette Jane Kowalski)**
  12. Amending Resolution Number 2012-1024, to increase the current contracts with Meals on Wheels, Inc., in the total amount of \$23,987.00, from \$518,700.00 to \$542,687.00, and to change the account numbers accordingly for the same contract period of January 1, 2013 through March 31, 2013. **(Freeholder Bette Jane Kowalski)**
  13. Amending Resolution 2012-897 to change the Youth Services Special Projects and Events Coordinator contract with Catherine Butter, Union, NJ, to reflect a new contract period of



March 1, 2013 through March 31, 2014 and subsequent account numbers with no change in contract dollars. **(Freeholder Bette Jane Kowalski)**

**DEPARTMENT OF PARKS AND COMMUNITY RENEWAL**

Ronald Zuber, Director

1. Authorizing the County Manager to award the proposed contract obtained through advertised public bidding in accordance with the Local Public Contracts Law, NJSA 40A:11-1 et seq: Department of Parks and Community Renewal: Ray's Food & Ice Cream Concessions. Inc., Clifton, New Jersey, for the purpose of providing concession: boating & food at Echo Lake Park, 2 consecutive seasons in the amount of \$11,214.00. (Revenue Generating) **(Freeholder Daniel P. Sullivan)**

Freeholder Kowalski asked if item #1 is a new contract.

Director Zuber replied that this is the second two year agreement with this vendor. It is \$301 per month more than the previous contract. He said two years ago there were no paddle boats included in the contract.

2. Authorizing the County Manager to award the proposed contract obtained through advertised public bidding in accordance with the Local Public Contracts Law, NJSA 40A:11-1 et seq: Department of Parks and Community Renewal: Main Pool & Chemical Co. Inc., Dupont, Pennsylvania, for the purpose of providing pool chemicals for the 2013 and 2014 seasons in the amount of \$51,200.00. **(Freeholder Daniel P. Sullivan)**
3. Authorizing the County Manager to award the proposed contract obtained through advertised public bidding in accordance with the Local Public Contracts Law, NJSA 40A:11-1 et seq: Department of Parks and Community Renewal: Wilfred MacDonald, S. Hackensack, New Jersey, for the purpose of providing green rollers in the amount of \$54,592.00. **(Freeholder Daniel P. Sullivan)**
4. Authorizing the County Manager to enter into a class size training contract with Union County College Industry Business Institute (IBI) in an amount not to exceed \$300,000.00 to provide "Union County Choices", a targeted jobs training program. "Union County Choices" will offer class-size training for in demand occupations in targeted economic development sectors to residents of Union County. The targeted sectors include Transportation Logistics and Distribution (TLD); Healthcare; and the Retail Industry for the period of February 1 through December 31, 2013. **(Freeholder Daniel P. Sullivan)**

Freeholder Mirabella asked for an explanation of item #4.

Director Zuber stated that the job training program is one of Chairman Carter's initiatives, stating there is a need to provide class-size training in the fields of Transportation Logistics and Distribution (TLD), Healthcare, and the Retail Industry to residents of Union County.

Deputy Director Rountree stated that the funding is coming from the Department of Labor funds, Workforce Investment Act.

County Manager Faella stated that they are targeted sectors for these special areas for future job employment.

Freeholder Hudak asked if this service will be provided through grant dollars.

Director Zuber replied yes, it is 100% grant funded.

5. Authorizing the County Manager to award a contract to Workforce Advantage for the 6 month period: January 1, 2013 - June 20, 2013 under the Workforce Investment Act Youth Program. Funding will be utilized to provide a comprehensive year round youth program that includes a classroom training component. The youth program will serving school youth aged 16-21. Total funding for the six month period will not exceed \$100,000.00. This resolution would further authorize payment in advance that may be necessary to meet program start up costs and/or to avoid any undue hardships in achieving objectives of the program. **(Freeholder Daniel P. Sullivan)**

Freeholder Jalloh asked for an explanation of item #5.

Director Zuber stated that it is to train 25 students in classroom training component for economically disadvantaged youth aged 16-21 in order to improve their academic performance in school, access job training, higher education opportunities, gain skills needed to progress in career goals and obtain employment in such careers as journalism and technology.

Freeholder Jalloh asked if the training will take place at a County facility.

Director Zuber responded no, it will take place at Workforce Advantage in Elizabeth.

#### **DEPARTMENT OF PUBLIC SAFETY**

Andrew Moran, Director

1. Amending Resolution Number 2011-1172 to increase the 2011 Urban Areas Security Initiative (UASI) grant award in the amount of \$20,567.60 for a total award of \$4,428,657.61. **(Chairman Linda Carter)**
2. Authorizing the County Manager to accept and expend the 2011 Emergency Management Performance Grant from the New Jersey Department of Law and Public Safety, Division of the State Police in the amount of \$45,533 with a County Match of \$45,533 for a total of \$91,066. **(Chairman Linda Carter)**
3. Authorizing the County Manager to accept and expend a 2011 Port Security Grant award in the amount of \$49,979 from the Port Authority of New York/New Jersey for the purpose of providing the necessary safety equipment to be used by the Union County Public Safety Department. **(Chairman Linda Carter)**
4. Authorizing the County Manager to enter into a Memorandum of Understanding with the State of New Jersey for Telecommunication services; and to further authorize the County Manager to execute any and all agreements with municipalities and/or private non-profit agencies. **(Chairman Linda Carter)**

Freeholder Hudak asked about item 4.

Director Moran stated that the FCC for narrow banding requires municipalities to upgrade or replace their Narrow Banding Public Safety Radio systems based upon the age. The State gave a lot of money for the UASI region for Public Safety communications. He stated that it is a contract, not an MOU. He said this Resolution will allow municipalities to join the State

system. He stated that the City of Elizabeth wants to participate, but the State will only have an agreement with the County.

Freeholder Hudak asked if we are currently with the State.

Director Moran replied, no. We cannot communicate with other Public Safety departments not compliant to FCC regulations.

Freeholder Hudak asked if there is another competing service or only the State, and asked for the dollar amount.

Director Moran stated that municipalities are looking at other options. He said the City of Elizabeth approached the County having interest in joining the State system. He said the cost is \$30 per radio, per year. He said the cost of the maintenance on the system is \$100,000 per year. The State system costs \$50,000 per year.

Freeholder Hudak asked if it looks like a County option in the future. Director Moran replied, yes.

Director Moran stated that FCC regulations for narrow banding public safety radio systems required municipalities to upgrade or totally replace them, depending on the age of the system. The State has invested a significant amount of money for the UASI region for public safety inter-operable communication systems for Public Safety. This is actually a contract, not a MOU. The Agenda needs to reflect the change.

Director Moran explained further that this will allow municipalities to join the State system rather than invest in radio infrastructure for municipalities. The City of Elizabeth is interested in going on the State system. The state will only sign an MOU with the County.

Freeholder Hudak asked if the County is currently on the State system. Director Moran replied no. However, it is one of the avenues they are looking at because the current system is not compliant with FCC regulations that standardizes the radio format to communicate with other Public Safety Departments.

Freeholder Hudak asked if there are other competing systems, and also asked if there are other interests from other towns.

Director Moran stated that there are other municipalities exploring their options, but Elizabeth is the only one that is interested at this point in joining the State system.

Freeholder Hudak asked if there is a dollar amount associated with this contract.

Director Moran stated that municipalities who want to join is \$30 per radio, per year. The County's cost to maintain their system is \$100,000 per year. If all the County radios were put on the State system the cost would be \$50,000 per year. He stated at this point, the Resolution is to allow Elizabeth to join the State system. There is no cost involved at this point.

5. Authorizing the County Manager to award the proposed contract obtained through advertised public bidding in accordance with the Local Public Contracts Law, NJSA 40A:11-1 et seq; Department of Public Safety: First Priority Emergency Vehicles, Inc., Manchester, New Jersey, for the purpose of providing three HazMat Ambulances in the amount not to exceed \$265,000.00. **(Chairman Linda Carter)**

Vice Chairman Hudak asked if item #5 is being paid through UASI dollars.

Director Moran stated that if approved it will be through approved capital dollars from last year. He explained it is for 3 hazmat ambulances, explaining the difference between a regular

ambulance and a hazmat ambulance. He stated when reviewing options for purchasing the ambulances, the cost of purchasing a new ambulance is \$140,000 to \$160,000. He said it is cheaper and common for EMS to purchase remounts to use the box portion which will include a new chassis, which costs just over \$80,000 each. He said patient compartments of the ambulance last longer than engines and the chassis itself.

Freeholder Estrada asked if item #5 is to replace two ambulances that we received from the City of Rahway. Director Moran said yes, they will be traded in. One is a 1997 ambulance having over 100,000 miles and the other is a 2000 having over 97,000 miles. The trade-in values have been calculated into the costs.

Director Moran explained further that the boxes will not be taken from Rahway ambulances but similar boxes from other ambulances and will be refurbished and put on a new chassis.

Freeholder Jalloh asked why we are not using that process for our own ambulances.

Director Moran stated that they will be trading in the ambulances. The vendor has boxes and patient compartments that fit ours and the bid specs are acceptable to us.

Freeholder Jalloh asked about the trade-in value.

Director Moran stated that the trade-in values for the ambulances are \$5,000 and \$7,500.

6. Authorizing the County Manager to accept the bid/contract (BA #55-2012) with the uniform division of Flemington Department Store, Flemington, New Jersey, to purchase uniforms and various police equipment for a period of 24 months with the provision for one 24 month extension in an amount not to exceed \$179,153.31. **(Chairman Linda Carter)**

#### **RUNNELLS SPECIALIZED HOSPITAL**

Joan Wheeler, Administrator

There were no questions.

Chairman Carter requested the Fiscal Committee discuss the Runnells Hospital presentation in order to provide recommendations to the Board.

1. Amending Resolution Number 2012-995, a contract with Penn Jersey paper Company, Philadelphia, Pennsylvania, for the year 2013 by adding \$3,000.00 for the purchase of chemicals for laundry. **(Freeholder Vernell Wright)**
2. Authorizing the County Manager to award the proposed contract obtained through advertised public bidding in accordance with the Local Public Contracts Law, NJSA 40A:11-1 et seq: Runnells Specialized Hospital: Modern Medical Systems Co., for the purpose of providing maintenance and repair of beds, wheel chairs, nurse call bells, etc., from March 1, 2013 through July 31, 2014, in the amount not to exceed \$97,911.00. **(Freeholder Vernell Wright)**
3. Authorizing the payment of membership dues for Runnells Specialized Hospital to the HealthCare Association of NJ/American Healthcare Association (HCANJ/AHCA) for the year 2013 in the amount of \$18,090.00 (less 4.5% if paid by 04/01/13). **(Freeholder Vernell Wright)**

4. Authorizing the payment of membership dues of Runnells Specialized Hospital to the New Jersey Hospital Association/American Hospital Association (NJHA/AHA) for the year 2013 in the amount of \$15,213.00. **(Freeholder Vernell Wright)**
5. Authorizing the County Manager to enter into a contract with Partner's Pharmacy, Cranford, New Jersey, to provide pharmaceutical services to the patients/residents of Runnells Specialized Hospital Contract period: March 1, 2013 - February 28, 2014 in the amount not to exceed \$900,000.00 at a savings of \$100,000.00 over last year's contract. {Savings due to lower per diem pricing. **(Freeholder Vernell Wright)**

#### **OFFICE OF THE COUNTY COUNSEL**

Robert E. Barry, Esq., County Counsel

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There were no questions.

1. Amending Resolution Number 2012-587, to increase the appropriation to Kologi Simitz of Linden, New Jersey in the matter entitled Gerald & Laura Hatton v. UC, et als., in the amount of \$10,000.00 for a total sum not to exceed \$30,000.00. **(Chairman Linda Carter)**
2. A resolution appointing Bhala & Cho, of Jersey City, NJ, Special Counsel to represent C.O. William Burkert in the matter entitled LaQuan Kearney v. UC, et als, in an amount not to exceed \$10,000.00. **(Chairman Linda Carter)**
3. A resolution appointing Weber Dowd Law of West Paterson, NJ, Special Counsel to represent C.O. Sammy Weakland in the matter entitled LaQuan Kearney v. UC, et als, in an amount not to exceed \$10,000.00. **(Chairman Linda Carter)**

#### **FREEHOLDER SPONSORED RESOLUTIONS**

Freeholder Sullivan stated that he will have additional Resolutions for the next Freeholder Meeting, one pertaining to the funding for Black History Month and the other for a 2% salary increase to three Constitutional Officers.

Freeholder Bergen asked to join Freeholder Kowalski on item #4.

Freeholder Kowalski stated that she and Chairman Carter will have a Resolution at the next Freeholder meeting sponsoring a Resolution supporting 300,000 people who are uninsured.

Freeholder Jalloh stated that he will have a Resolution for a Humanitarian Award for Chester Holmes that will be given out at the Black History Month event.

Freeholder Estrada stated that he will have a Resolution pertaining to NJAC for the next Freeholder Meeting.

Chairman Carter stated that she will have some advisory board appointments and laudatory Resolutions for the next Freeholder Meeting.

Freeholder Hudak stated that he may have a Laudatory Resolution for the next Freeholder Meeting.

1. Appointing the following members to the Air Traffic and Noise Advisory Board: James Mathieu as a Delegate member to represent the Borough of Garwood; Ronald Stamboly as a

- Delegate member and Jim McLaughlin as an Alternate member to represent the Borough of Roselle Park; Barbara Krause as a Delegate member and William Ilaria as an Alternate member to represent the Township of Cranford; Zenon Moriak as a Delegate member to represent the Borough of Mountainside; Roger Stryeski as a Delegate member and Thomas Dean, Esq. and Mark Kirkconnell as Alternate members to represent the Borough of Roselle for a term commencing January 1, 2013 to December 31, 2014; and Michele Yamakaitis as a Delegate member and Rhashonna Cosby-Hurling as an Alternate member to represent the City of Linden for a term commencing January 1, 2013 through December 31, 2013. **(Freeholder Bruce Bergen)**
2. Expressing the Board's deepest sympathy to the family of Shirley Armstrong of Elizabeth, New Jersey, in this their time of sorrow. **(Freeholder Mohamed S. Jalloh)**
  3. Appointing the following members to the Workforce Investment Board: Mark Bocchieri to fill an unexpired term ending June 30, 2014; Peter Capodice to fill an unexpired term ending June 30, 2013; Noel Christmas for a term that runs from July 1, 2012 to June 30, 2015; Pamela Capaci for a term that runs from July 1, 2012 to June 30, 2013; Kathleen C. Serafino for a term that runs from July 1, 2012 to June 30, 2014 and Stan Robinson, Jr. for a term that runs from July 1, 2012 to June 30, 2015. **(Freeholder Mohamed S. Jalloh)**
  4. Congratulating Raphael's Life House, located at 231 Court Street in Elizabeth, New Jersey, as they celebrate 20 years of sheltering and supporting homeless, pregnant women in their transitional home. **(Freeholder Bette Jane Kowalski)**
  5. Appointing the following members to the Transportation Advisory Board for a term commencing January 1, 2013 through December 31, 2013: James Mathieu as a Delegate member to represent the Borough of Garwood; Paul Baiamonte as a Delegate member and Roger Stryeski as an Alternate member to represent the Borough of Roselle Park; Robert W. Messler as a Delegate member and Michael Disko, Jr. as an Alternate member to represent the Borough of Mountainside; Shane Ronan as a Delegate member and Ziad Andrew Shehady as an Alternate member to represent the Township of Springfield; Hugh Welsh as a Delegate member and Ronald Zuber as an Alternate member to represent the Township of Cranford; John Morgan as a Delegate member and George Lanzano as an Alternate member to represent the Town of Westfield. **(Freeholder Daniel P. Sullivan)**
  6. Resolution providing the Consent of the Board of Chosen Freeholders of the County of Union to the issuance by the Union County Improvement Authority of its not to exceed \$30,000,000 Guaranteed Lease Revenue Refunding Bonds (Various City of Linden Projects) of the Union County Improvement Authority. **(Freeholder Daniel P. Sullivan)**
  7. Resolution providing the Consent of the Board of Chosen Freeholders of the County of Union to the Issuance by the Union County Improvement Authority of its Refunding Bonds to Refund the Authority's "Revenue Refunding Bonds (Correctional Facility Project, Series 2003)" (The "Outstanding Bonds"). **(Freeholder Daniel P. Sullivan)**
  8. Congratulating the following women for being chosen as the 2013 Women of Excellence: Captain Roxann Banek, Eileen Birch, Andrea Carbine, Larissa DePalma, Christine Ferdinand, Dr. Darlene Gibbon, Rita Greco, Robin Ince, Ellen McNally and Theresa E. Mullen, Esq. **(Freeholder Vernell Wright)**

9. Appointing Karyn Weingarten and Reverend Pamela Jones to the Local Advisory Committee on Alcoholism and Drug Abuse for a term commencing January 1, 2013 through December 31, 2015. **(Freeholder Vernell Wright)**
10. Amending Resolution 2013-39, to remove Dr. Vasudev Makhija from the Mental Health Advisory Board. **(Vice Chairman Christopher Hudak)**
11. Recognizing Sarah Codogan of Plainfield, New Jersey, founder of Young Men of Resilience, a non profit group established to help young men achieve higher education. **(Chairman Linda Carter)**
12. Recognizing March 12, 2013 as "K-9 Veterans Day" in Union County and acknowledging the hard work and sacrifice of members in K9 training. **(Chairman Linda Carter)**
13. Expressing the Board's deepest sympathy to the family of Denise F. Shepherd of Elizabeth, New Jersey, in this their time of sorrow. **(Chairman Linda Carter)**

#### **EXECUTIVE SESSION**

To the extent known, the following item will be discussed in Executive Session:

- 1) Discussions and attorney-client privileged communications relative to on-going potential acquisition of real property.

County Counsel Barry stated that pursuant to provisions of the Open Public Meetings Act a public body may enter into Executive Session for the purpose of discussing certain enumerated subjects. This Board will now enter Executive Session for the purpose of discussions and attorney-client privileged communications relative to on-going potential acquisition of real property.

The minutes of the Executive Session shall be separated from the minutes of the Open Public Session. The minutes of the Executive Session, redacted as appropriate and necessary, shall be available in approximately 30 days. The Clerk of the Board shall retain the original minutes until such time as the confidential limitations have been removed, at which time they shall be made available.

Upon the Board's return, it will not take formal action on the matters discussed.

Upon a majority vote of the members present, the Board may now retire to Executive Session.

#### **ADJOURNMENT**

Motion to adjourn the meeting at 8:30 PM.

**RESULT: ADOPTED [UNANIMOUS]; MOVER:** Alexander Mirabella, Vernell Wright;  
**AYES:** Freeholder Bergen, Freeholder Estrada, Freeholder Jalloh, Freeholder Kowalski, Freeholder Mirabella, Freeholder Sullivan, Freeholder Wright, Vice Chairman Hudak, Chairman Carter;

Please note that meetings are regularly held on Thursday evenings. Agenda Setting Sessions and Regular Meetings are held at 7:00pm in the Freeholders' Meeting Room, Administration Building, 10 Elizabethtown Plaza, 6th Floor, Elizabeth, New Jersey, unless otherwise specified. In the event an Agenda Setting Session and Regular Meeting are held on the same night, the Agenda Setting Session will commence at 7:00pm and the Regular Meeting will commence as soon as possible after the Agenda Setting Session.

Persons requiring a sign language interpreter should contact the Office of the Clerk of the Board at 908-527-4140.

REORGANIZATION MEETING - SUNDAY, JANUARY 8, 2012 at 12:00pm  
 Assignment Judge Karen M. Cassidy's Courtroom, 2 Broad Street, Elizabeth, NJ

AGENDA SETTING MEETINGS

REGULAR MEETINGS

January 19, 2012

January 26, 2012

February 2, 2012  
 February 16, 2012

February 9, 2012  
 February 23, 2012

March 1, 2012  
 March 15, 2012

March 8, 2012  
 March 22, 2012

April 5, 2012  
 April 26, 2012

April 19, 2012  
 April 26, 2012

May 3, 2012  
 May 17, 2012

May 3, 2012  
 May 31, 2012

June 14 2012  
 June 28, 2012

June 14 2012  
 June 28, 2012

July 12, 2012

July 19, 2012

August 9, 2012

August 16, 2012

September 6, 2012  
 September 20, 2012

September 13, 2012  
 September 27, 2012

October 4, 2012  
 October 18, 2012

October 11, 2012  
 October 18, 2012

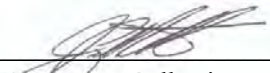
November 8, 2012  
 Tues., November 20, 2012

November 8, 2012  
 November 29, 2012

December 6, 2012  
 December 20, 2012

December 6, 2012  
 December 20, 2012

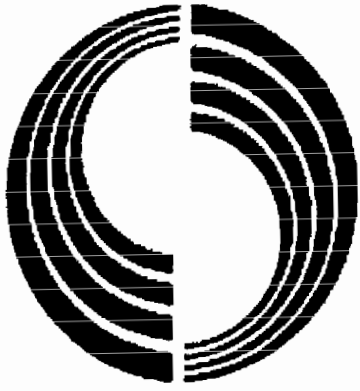
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James E. Pellettiere  
 Clerk of the Board

JEP:mb





# CHIR

Complete HealthCare Resources

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# **Union County**

## **Options for Runnells Specialized Hospital**

### **February 7, 2013**

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# Focus of Operational and Financial Assessment

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- Evaluate the various options available to Union County to eliminate the contribution to Runnells Specialized Hospital
  
- Options included:
  - Revenue Enhancement Opportunities
  - Expense Reduction Opportunities
  - Alternative Ownership



# **Revenue Enhancements /Expense Reductions**

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**Current/Projected County subsidy is \$13.1 million**

## **Revenue Enhancements:**

- Improve overall Census and Payor mix - \$1.8 million

## **Expense Reductions:**

- Operational efficiencies – net decrease of \$4.7 million

## **Net County Projected Contribution:**

- \$6.6 million for 2013, assuming implementation of all recommendations
- Rollout of Medicaid Managed Care could reduce revenues by \$1.4 million to \$2.1 million, increasing required county subsidy



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# Alternative Ownership Options for Runnells Specialized Hospital

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# Recent New Jersey County Trends

Name of Facility	County	Beds	Sale Date	Sales Price	Bed Price
<b>Recent Sales</b>					
Sussex Homestead	Sussex	102	07/12	\$7,850,000	\$76,961
Buttonwood Hospital	Burlington	200	08/12	\$15,000,000	\$75,000
Cumberland Manor	Cumberland	196	01/12	\$14,000,000	\$71,429
Salem Co Nursing Home	Salem	116	06/11	\$7,500,000	\$64,655
Total/Avg. NJ County Owned		614		\$44,350,000	\$72,231
<b>Prior Sales</b>					
Essex County Geriatric Center	Essex	236	1996	\$7,800,000	\$33,051
Meadowview Nursing Home and BS Pollak Hospital	Hudson	1010	2002	\$15,000,000	\$14,851
Mercer County Geriatric Center	Mercer	240	2010	\$7,650,000	\$31,875
Total Sales		2,100		\$74,800,000	\$35,619

Camden County in process of selling their county-owned facility.

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# Alternative Ownership

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## Lease of Facility

- Lease facility to third party Nursing Home Operator under triple net lease. License for LTC unit only transfers; County to retain licensure of psychiatric unit
- Range of \$1.35 MM to \$2.1MM in annual lease payments
- Impact on 2013 subsidy – nominal other than implementation of recommendations; perhaps impact 4<sup>th</sup> Quarter 2013
- Employees of ongoing operations become employees of new Operator

## Sale of Facility

- Sale under Local Lands and Buildings Law (LLBL) or County Improvement Authority Law
- Sale of entire facility with estimated value in range of \$22.4MM to \$25.8MM; County to retain licensure of psychiatric unit
- Employees of ongoing operations become employees of new Operator
- Impact on 2013 subsidy – nominal other than implementation of recommendations; perhaps impact 4<sup>th</sup> Quarter 2013



# Alternative Ownership (cont)

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## Sale of Licensed Beds and Retention of Building

- Sell bed licenses to new operator. Licenses for LTC unit only transfers; County to retain licensure of psychiatric unit
- Lease facility to third party operator under triple net lease for short-term basis while replacement facility is constructed. County would lease back space utilized by Cornerstone Psychiatric Unit
- Range of \$3.4 MM to \$4.3 MM for sale of 300 bed licenses less transaction costs
- County would renovate building for alternative use after new operator relocates to replacement facility
- Impact on 2013 subsidy – nominal other than implementation of recommendations; perhaps impact 4<sup>th</sup> Quarter 2013





# How to Reduce or Eliminate County Subsidy?

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## Doing Nothing is not an Option

Factors that will lead to increasing subsidies unless action is taken:

- Decreased census in 2012
- Flat Medicaid reimbursement the past few years
- Move toward Medicaid Managed Care may decrease Medicaid revenues substantially in the future
- Rising Fringe Benefit costs

The only sure way to fully eliminate the County subsidy is through an alternative ownership transition.



# Alternative Ownership (cont)

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## Timeline of Sale Process

- Typically takes nine to twelve months to complete sale process once a decision is made
- Engage Broker – 30 to 60 day duration
- Broker to complete sale package – 30 to 45 day duration
- Bidder due diligence and preparation of Letter of Intent – 45 to 60 day period
- County review of bids or auction – 30 day process
- Sales closing procedure, licensure change of ownership process, transition of staff, union negotiations, etc. – 90 to 120 days



# Comparison of the Options

Issue	Keep Runnells	Lease Runnells	Sell Runnells
County has administrative oversight over highly-regulated facility	Yes	No	No
County has financial obligation to fund operating losses through county contributions	Yes	No	No
County has obligation to fund capital improvements in facility	Yes	No; if triple net lease	No
County benefits from "cash run-off"	No	Yes	Yes
County controls "mission" of Runnells	Yes	Yes (1)	Yes (1)
Freeze of pension plan obligations pertaining to transferred employees	No	Yes	Yes
Facility on tax roll for County real estate taxes	No	No (2)	Yes
Facility on tax roll for and local municipality real estate taxes	No	Yes	Yes
End of new claims for workers' compensation	No	Yes	Yes
End of new claims for health insurance	No	Yes	Yes

- (1) County can require New Operator to comply with certain requirements such as Medicaid mix and preference to county residents in lease or sales agreement  
 (2) Under lease, total lease payment may be inclusive of any county real estate tax assessed



# Cornerstone Psychiatric Unit Evaluation

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- County reimbursed 85% for Union County residents and 100% for non-Union County resident
- In 2011 based upon large non-Union County census, net reimbursement averaged 94%
- Limited benefit of implementing cost reductions as result of 94% reimbursement – only 6% of expense reductions would fall to “bottom line”
- Benefits Union County to continue operating psychiatric unit rather than referring to state hospital – cost of 15% share to state or other county of \$700k per year plus loss of reimbursement of fixed central service indirect costs of \$714k ( combined \$1.4MM cost to Union County)
- Evaluate economic benefits of expansion of psychiatric unit into the closed 24-bed unit – increased reimbursement of fixed central service indirect costs



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# Union County

## Options for Runnells Specialized Hospital

For further information on Complete Healthcare Resources,  
please visit us at [www.completehealthcareresources.com](http://www.completehealthcareresources.com) or  
contact:

Todd Wagner, VP – Financial Management and  
Business Development  
Telephone – 215-328-5786  
Email: [TWagner@chrmail.com](mailto:TWagner@chrmail.com)

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