

UNION COUNTY BOARD OF CHOSEN FREEHOLDERS

THURSDAY, MARCH 13, 2014
REGULAR MEETING MINUTES

CALL TO ORDER

Chairman Christopher Hudak called the meeting to order at 7:02 PM.

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

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

PRAYER AND SALUTE TO THE FLAG

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

COMMUNICATIONS

Note and File

1. Oath of Office: Advisory Board on Aging: Norah F. Scholte; Air Traffic and Noise Advisory Board: Catherine Flynn, Marconi Gapas, Dennis Hardie and Lorraine Seidel; Commission on the Status of Women: Kim LaFiura Smith; Cultural and Heritage Advisory Board: Dan Petrosky; Emergency Management Council: Salena Carroll, Alfred Faella, Fred Fretz, Ralph Froehlich, Joseph Graziano, Thomas Mineo, Andrew Moran, Grace Park and Gareth Williams; Fire Service Advisory Board: Fred Fretz, Joseph Houck, William Kane, Joseph Moschello, Thomas McNamara and Gary Steitz; Human Services Advisory Council: Stanley Neron; Labor Advisory Board: Jim McManus and Roshan White; Open Space Recreation & Historic Preservation Trust Fund: Arthur Kobitz and Jim McManus; Senior Citizen & Disabled Resident Transportation Advisory Board: William Totten; Transportation Advisory Board: Michael Disko, Jr., Robert Ehrenbeck, Philip Haderer, Tony Hall, Jack Molenaar, Roger Stryeski, Salvatore Terrezza, Sandy Weinger and Ronald Zuber; Union County

Utilities Authority Advisory Board: James Huff; Voter Accessibility Advisory Board: Christopher Hudak.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Angel G. Estrada, Freeholder; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

MINUTES APPROVAL

1. January 05, 2014 – Reorganization Meeting Minutes

RESULT: ACCEPTED [UNANIMOUS]; MOVER: Mohamed S. Jalloh, Vice Chairman; **SECONDER:** Vernell Wright, Freeholder; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2. January 16, 2014 – Agenda Setting Meeting Minutes

RESULT: ACCEPTED [7 TO 0]; MOVER: Mohamed S. Jalloh, Vice Chairman; **SECONDER:** Vernell Wright, Freeholder; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSTAIN:** Freeholder Mirabella; **ABSENT:** Freeholder Kowalski;

3. January 23, 2014 – Regular Meeting Minutes

RESULT: ACCEPTED [UNANIMOUS]; MOVER: Mohamed S. Jalloh, Vice Chairman; **SECONDER:** Vernell Wright, Freeholder; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

ORDINANCE FOR INTRODUCTION

FIRST READING STATEMENT

Freeholder Vernell Wright, Policy Chairman, moved Ordinance Number 756-2014 for First Reading and authorized the Clerk of the Board to advertise same in accordance with the law. The Final Reading and Public Hearing are scheduled for March 27, 2014.

156-2014 AN ORDINANCE TO AMEND "THE LAWS OF UNION COUNTY: ADMINISTRATIVE CODE AND POLICIES AND GENERAL LEGISLATION" BY AMENDING CHAPTER 2-ARTICLE IV- FEES FOR RECREATION FACILITIES FOR THE YEAR 2014.

AN ORDINANCE TO AMEND "THE LAWS OF UNION COUNTY: ADMINISTRATIVE CODE AND POLICIES AND GENERAL LEGISLATION" BY AMENDING CHAPTER 2-ARTICLE IV- FEES FOR RECREATION FACILITIES FOR THE YEAR 2014

BE IT ORDAINED by the Board of Chosen Freeholders of the County of Union that the "Laws of Union County" are hereby amended as follows:

CHAPTER 2, -§107-ARTICLE IV - FEES FOR RECREATION FACILITIES

The Director of the Department of Parks and Recreation is hereby authorized to set fees and one time charges not specifically included in the fee schedule. Subject to the written approval of the

County Manager, the Director of the Department of Parks and Recreation is hereby further authorized to amend or modify any fee set forth in the fee schedule for special promotions and events up to 12 times a year. In the event that the Director shall assess, amend or modify any fee he shall file a notice of said assessment, amendment or modification with the Clerk of the Board and the Director of the Department of Finance, no less than five days prior to the effective date of the assessment, amendment or modification.

BE IT FURTHER ORDAINED by the Union County Board of Chosen Freeholders that it hereby sets forth the new and/or updated rates for various facilities as specified in the attached Park Fees Schedule for year 2014.

FACILITY / ITEM	2013	2014 PROPOSED
MASKERS BARN RENTAL		
Catered Event Clean-Up Surcharge	\$50.00	
1 day (4 to 8 hours) - In county - Non-Profit	\$150.00	\$200.00
1 day (4 to 8 hours) - Out of County - Non-Profit	\$300.00	\$350.00
1 day (4 to 8 hours) - In County - For Profit / Private Rental	\$200.00	\$250.00
1 day (4 to 8 hours) - Out of County - For Profit / Private Rental	\$400.00	\$450.00
Hourly Rental - In County - Non-Profit	\$30.00	\$40.00
Hourly Rental - Out of County - Non-Profit	\$40.00	\$50.00
Hourly Rental - In County - For -Profit	\$50.00	\$60.00
Hourly Rental - Out of County - For -Profit	\$60.00	\$70.00
GOLF		
Player's Card - 7 day Non-Resident	\$100.00	\$125.00
Player's Card Senior - 7 Day Non-Resident	\$90.00	\$100.00
Player's Card - 14 Day - Non-Resident	\$350.00	\$375.00
Weekday 18 (Open - 11:00 AM) - Regular	\$56.00	\$58.00
Weekday 18 Mid-Day (11:00 AM - 3:00 PM)	\$49.00	\$51.00
Weekday Twilight (3:00 PM - Close)	\$43.00	\$45.00
Weekday - Learning Center - Regular (9 hole)	\$17.00	\$18.00
Senior Reciprocity (weekdays only)	\$29.00	\$31.00
Weekend 18 (open - 3:00 PM) - Regular	\$60.00	\$62.00
Weekend 18 Twilight (3:00 PM - Close)	\$45.00	\$47.00
Weekend 9 - Learning Center (Regular)	\$18.00	\$19.00
Weekend Outing - Galloping Hill	\$89.00	\$99.00
Head Golf Professional - Lessons -		
30 Minute Adult	\$60.00	\$70.00
45 Minute Adult	\$75.00	\$85.00
Lesson Package - Four (4) 1/2 Hour Lessons		\$240.00
Lesson Package - Six (6) 1/2 Hour Lessons + 1 Hr. Playing		\$400.00
Assistant Golf Professional - Lessons		

30 Minute Adult		\$50-\$55	\$55- \$60
45 Minute Adult			\$70.00
Lesson Package - Five (5) 1/2 Hour Lessons			\$240.00
Lesson Package - Five (5) One Hour Lessons			\$440.00
CAMPS/CLINICS			
Player Development -Twelve (12) weeks			\$325.00
Adult Golf 101 - Four (4) Weeks - per player		\$100.00	\$110.00
Adult Golf 201		\$100.00	\$110.00
1/2 Day School		\$95.00	\$ 105.00
One (1) Day Schools		\$175.00	\$195.00
Short Game Schools		\$95.00	\$105.00
Junior Intermediate 1/2 Day		\$75/1; \$65/2; \$55/3+	\$85.00
MISCELLANEOUS			
Locker Rental (NJ Sales Tax Included)		\$20.00	\$5.00/\$5.00 deposit
Rental of Clubs (Includes glove, sleeve of balls and tees)		\$35.00	\$40.00
GOLF OUTINGS - FOOD/BEVERAGE OPTIONS			
Continental Breakfast		\$6.95/per person	\$8.95/per per.
Cold Cut Buffet		\$10.95/per person	\$12.95/per p
Cookout Buffet		\$14.95/per person	\$19.95/per p
Grilled Steak and Chicken Dinner		\$26.95/per person	\$29.95/per p
Birdie Selection		\$12.95 per person	\$14.95/per p
Keg Beer Pricing:			
1/4 Keg of Beer (Domestic)		\$90.00	\$175.00
1/2 Keg of Beer (Domestic)		\$175.00	\$225.00
1/2 Keg of Beer (Import)		\$280.00	\$350.00
NJ Sales Tax and 15% 20% gratuity will be added to each beverage package			
WARINANCO ICE SKATING CENTER			
Advertising on Warinanco Skating Center-Dasher Boards	Per Month	\$50.00	
	Per Season	\$300.00	
Advertising on Warinanco Skating Center-Zamboni		\$150.00	
WATCHUNG STABLE			
<u>Drill Team - \$100 due at registration /remainder due week 4.</u>			
<u>Advanced riders try out for elite team.</u>			
1 ½ hours	In County	\$45.00	\$48.00
1 ½ hours	Out of County	\$56.00	\$67.00

2 - 3 hours	In County	\$60.00	\$64.00
2 - 3 hours	Out of County	\$70.00	\$90.00
BIRTHDAY PARTIES - up to 30 children - includes 2 hour room rental and up to 2 lead line horses (1 per 15 children)	In County	\$190.00	\$190.00
	Out of County	\$245.00	\$245.00
Up to 15 children - (2 hour room rental and 1 lead line horse)	In County	\$ 165.00	
	Out of County	\$ 220.00	
15-30 children (2 hr. room rental and 2 lead line horses)	In County	\$ 190.00	
	Out of County	\$ 245.00	
ARCHERY			
ID Card adult	In County	\$20.00	\$25.00
	Out of County	\$30.00	\$35.00
ID Card Youth	In County	\$10.00	\$15.00
	Out of County	\$15.00	\$20.00
Registered Instructor (Plus ID Card)			\$25.00
Birthday Party - per person (minimum - \$250.00 - maximum 14 participants - \$350.00)			\$25.00
Shooting Lane Reservation (for registered instructors - fee is: per lane for 2 hours up to 5 lanes)			\$10.00
Prepaid Equipment Rental (up to 2 hours per use)	3 day rental		\$15.00
	6 day rental		\$25.00
Union County Day Camp per person			\$145.00
Other Day Camp - rate per person (up to 14 campers for 2 ½ hour Basic Safety Course. A second day (2 ½ hour lesson) can be added for a continuation into a "Beginner Lesson" for an additional \$25 per camper)			25.00
Archery Special Event / Tournament	Adult		\$15.00
	Youth		\$12.00
	Senior (55+)		\$12.00

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STATEMENT REGARDING 2014 BUDGET PROCESS

Chairman Hudak called upon Vice Chairman Jalloh, Chairman of the Fiscal Affairs Committee to give a brief overview of the 2014 Budget Process.

Vice Chairman Jalloh stated that the 2014 Budget will be introduced tonight. He said it is a starting point and the Committee will continue to find ways to reduce the budget and to look for savings.

Vice Chairman Jalloh said the first meeting will be held at the Union County Vocational-Technical School in Scotch Plains. There are three other fiscal meetings scheduled: March 18th at Trailside, March 20th at the Administration Building and March 25th at the Park Madison in Plainfield, all beginning at 5:30pm.

Vice Chairman Jalloh stated that there will be no public comment portion at these meetings, but the public is welcome to attend and listen. He said the public could make comments on the 2014 Budget Process tonight. He said there will be a second and final time for public comments at the Budget Hearing that is scheduled for Thursday, April 10th at the Administration Building. If there are amendments to the Budget, the public will be invited to comment on those Amendments.

PRESENTATION TO THE BOARD

A presentation was made to the Board relative to the report of the Runnells Specialized Hospital Evaluation Team.

Director Guzzo state that the Board has taken a series of actions over the last 18 months, and one of them was to ask the UCLA to develop an RFP and to analyze and make a recommendation to the Board. He presented the report as a powerpoint presentation.

The report is attached.

Chairman Hudak asked County Counsel Barry to given an explanation as to explain Resolution 2014-241 and the action that will take place tonight.

County Counsel Barry stated that the purpose of Resolution 2014-241 is as follows:

Proposing the Board to accept the report of the Union County Improvement Authority regarding its potential purchase of Runnells; establish a process for completion of negotiations and express the County's intention to sell Runnells to the UCLA as previous action taken by the Board in August.

There has been a recommendation from the review committee in terms of its analysis and review, which recommends a potential buyer, Center Management and the Authority by this resolution would be authorized and directed to proceed to go negotiate a contract with the sale, but would be required to obtain a contract with no less than the following provisions:

- Payment not less than appraised value
- Protects hospital employees in good standing by offering them first right first refusal
- Employment opportunities at the hospital and other CMC locations
- Guarantee a 5 year Cap improvement plan
- Commit to sharing revenue
- Deed restriction that requires the facility to remain a health care facility
- Agree that a certain percentage of beds are reserved for County residents and indigent patients.

PUBLIC COMMENT PORTION

The meeting is open to the public for the purpose of commenting on Resolutions being offered for adoption only.

Tom Getzendanner, Summit, asked if the amount mentioned in Ordinance 2014-756 is sufficient for the recreation department to break even. He commented on Resolutions 2014-224 relative to an appointment to the Open Space, Recreation and Historic Preservation Trust Fund; Resolution 2014-225, he asked about the cost for the Summer Arts Festival; Resolution 2014-234; he spoke about the tax levy; Resolution 2014-235, he spoke about taxes and spending and Resolution 2014-241. Mr. Getzendanner stated that he is pleased that the Hospital will remain open. He stated that he hoped

the UCIA was just a facilitator in the transfer of ownership of the Hospital.

Mr. Getzendanners statement is attached.

Chairman Hudak asked County Manager Faella to respond to Resolution 2014-225.

County Manager Faella stated that the amount mentioned in Resolution 2014-225 is all inclusive.

Eric Russell, Basking Ridge, stated that he is opposed to privatizing Runnells Hospital. He said he was a patient of Runnells Rehabilitation Center and the care and service provided is the best in the area. He made comments relative to losing oversight of the facility through privatization.

Joe Bruno, Mayor of Berkeley Heights, congratulated the Freeholder Board for Resolution 2014-241. He believes government should not be in the medical field. He added that Berkeley Heights moved towards succession and he is in favor of selling Runnells. He hopes the Board is able to find more ways to cut costs. He added that there should be more shared services.

Barbara Eggers, President of Local 5112, Health, Professional and Allied Employees (HPAE) stated that she is a registered nurse and represents 70 nurses at Runnells. She stated that HPAAE made attempts to meet bidders and County personnel regarding the new owner or manager to assume existing contracts and employee obligations. She asked that a meeting be scheduled with the HPAAE to resolve some concerns. She asked for a copy of the presentation and asked if the Board did its due diligence interview the new company.

Maria Pozbend, Berkeley Heights, introduced a friend from the Ukraine. She stated that her mother is a patient at Runnells and asked why the Board has decided upon Center Management, rather than Regency Home and Rehabilitation Center, stating that Regency had a 5 star rating; a higher rating than Center Management. She spoke on the government's obligation to fund senior services like it funds education for our youth.

Hope Byrnes, High Bridge, asked why Runnells will be under the Union County Improvement Authority adding that quality care should come first.

Desmond Oparra, Maplewood, asked that the Board reconsider selling Runnells Hospital. He gave comments relative to Runnells. He suggested the Board look into how Middlesex County handled their facility.

Judy Harrison, Cranford, stated that Runnells is an outstanding facility. Her husband was a patient at Runnells for the past 5 years and has received excellent care by the staff, as they work as a team. She urged the Board to keep Runnells, as it is "home sweet home" for all residents.

David Gross, Clifton, Regency Nursing Home and Rehabilitation Center asked how Center Management was chosen. He said they were not the successful bidder. He added that no one came to visit his facilities and he has facilities in the area where he could offer employment. Mr. Gross asked how the value was determined; questioning the estimated real estate tax assessments. He also asked if the quality of care was factored in their decision.

Chairman Hudak stated that the terms of the sale cannot be discussed at this time as they are still negotiating the sale.

Chairman Hudak asked Director Guzzo to respond to some of the speaker's questions and concerns about Runnells Hospital.

Director Guzzo referred to Director Taylor to answer questions regarding the pensions.

Director Taylor explained that the pensions are included in the budget and the County is paying the full annual bill from the State every April 1st. The pension bill shown in the slide of the presentation that was done earlier is a reduction from any savings in future years. She added that the pension bill is determined every two years.

Director Guzzo stated that the value for the hospital in the report was an estimated value from CHR who conducted the study to determine the feasibility of the hospital. He said it is not a true appraisal and it was noted as such. He also added that a visit to each facility is not part of the process. He said when the ranking process began, they took the one that was rated first and then started the process. He said we cannot discuss the purchase price at this time as the hospital is still in the negotiation process.

Chairman Hudak asked Director Guzzo if he or the Runnells team consulted with the various consultants that the hospital administration works with in terms of preparing for inspections to determine the care being offered.

Director Guzzo replied yes, it was not based on only one visit. He said they spoke to various people who they know, trust, and have experience in the industry and asked for their opinion. He said they have staffing plans which are negotiable, along with the number of beds reserved for their patients. He said no one will ever be displaced. He explained that the financial closing is the same as a regular closing, and there will be a seamless transition. They will work with a transition team, not only the owner. Director Guzzo stated that he cannot comment on a turnover rate, other than different areas of employment are higher and lower than other areas of employment.

Chairman Hudak asked County Counsel Barry to elaborate on the Improvement Authority's role.

County Counsel Barry explained that at no will the Union County Improvement Authority will be manage or operate the hospital. The UCIA will be instructed should this Resolution pass, to negotiate a sale with a future provider. The UCIA must come back with terms and conditions that the Board has requested, and they must impose the same terms and conditions on any potential buyer.

Betsey Thornton, North Plainfield, stated she was a nurse for 35 years, 28 of those years at Muhlenberg Hospital. She stated that you cannot be a price on quality care. Ms. Thornton stated that approximately \$100 per household is dedicated to running Runnells and it is a small price to pay for quality care. She said she spoke with people working at Center Care and they are not happy. She said Runnells creates a beautiful home environment that works miracles, directly related to the care rendered at Runnells.

Jay Harris, Cranford, stated that his father is a resident of Runnells. He said the residents are in fear of the uncertainty and questions the quality of care they will be receiving.

Donna Moore Gray, Scotch Plains, said consider how you would feel if you paid rent or a mortgage and it was changed without your knowledge.

Michelle Smith, Plainfield, who has been working at Runnells for the past 30 years, asked for the original purchase price of the old facility, the cost for building the new facility and the expected profits are for the sale of the new facility. She stated that it would be wise to inspect all facilities that they are considering for quality of care. She also asked how the UCIA will affect the existing contracts with the Collective Bargaining Units.

Rosemary McCulviak, Rahway, asked how much money was saved by laying off employees in Housekeeping and Food and replacing with private companies.

Gail McLaughlin, RN, Springfield, would like the Board to consider the impact that a loss of a job will have on the employees. She said she works in the psychiatric unit and spoke on how they care and expressed her concerns if those patients are sent to a State facility.

Chairman Hudak called upon Director Guzzo to discuss the contracts with the Collective Bargaining Units. Director Guzzo stated that the contracts and the seamless transfers will be looked at with Labor Counsel and he could not comment on that now. He stated that the original facility was sold to Connell for \$13.5 million; it cost \$32 million dollars for the construction of the new facility, and the County saves \$1.2 million dollars per year as a result of the Sodexo contract (housekeeping and food).

Chairman Hudak asked if this was an adjusted cost. Director Guzzo stated no, it is the actual cost. Tina Renna, Cranford, stated that in February 2013 positions moved from Runnells payroll to County payroll. She asked if they will remain on the payroll.

Genevieve Anoha, Middlesex County, is praying that the County will be guided in the right direction. She stated she has worked in other hospitals and the same care and patient-nurse ratio is not given like the care given at Runnells.

Jim Buettner, Cranford, had questions concerning the sale of Runnells Hospital and the expertise of the UCIA to be involved in a sale of this caliber. He also asked how it was possible for a buyer of the hospital to absorb the \$13.5 million deficit into their budget and run the hospital.

Marie Israel, Hopatcong, is an employee of Runnells and works in the dementia unit with people who cannot verbalize their needs. She stated that these residents need a voice. She said a visit to one of the prospective buyer's facility is not enough to make a decision, adding the elderly need to be taken care of and the patients are considered family. She urged the Board to choose the best.

Joyce Wella, Berkeley Heights, stated that she is a Registered Nurse, who has worked at Runnells and the private sector. She said she now works with Cerebral Palsey students and that one of her students is a patient at Runnells, he is blind and mute and she fears for him if Runnells is sold to private industry. She said that per diem employees only come in once or twice a month and that quality of care will suffer. She also asked why someone from the UCIA did not make the presentation.

Christie Dobles, Elizabeth, said she was hired in 1988 and laid off in 1991. She said it appears that there are financial issues and quoted Suze Ormand saying "people first." She expressed her feelings that Runnells, not the Jail, is being targeted.

John Bury, Kenilworth, believes the decision has already been made. He said there was not much

Bargaining Union activity with nursing home employees adding they have a small 401k plan. Mr. Bury asked why there is a \$1 million decrease in debt payment for the Open Space, Recreation and Historic Preservation Trust Fund.

Chairman Hudak stated that there will be budget hearings and the public is welcome to attend. Freeholder Bergen also stated that the budget is only being introduced at this point, it has not been adopted yet.

Bruce Paterson, Garwood, referenced Resolution 2014-234, he asked why the County tax levy limit will be exceeded. He made comments relative to the Runnells Hospital, stating that there will be a loss of \$13 million if it is sold. He asked how a private company will be able to function and asked for information regarding Runnells Realty, LLC. Mr. Paterson asked how the UCIA is qualified to do the negotiations for the hospital.

Director Guzzo said that Dennis Enright, Financial Advisor for UCIA has experienced 5 closings with hospitals, and adds a lot of experience and knowledge to the process; that is the reason for our RFP being so strong. He also cited that proof of the strength of the RFP is found in the dialogue within the proposed vendors within the 14 additional addendums.

Director Guzzo also stated that what you saw tonight in the presentation was what we know to be factual, and it is the best effort based upon the evaluation of the responses that came in. The figures are as accurate as they can be. He thanked the Board for the opportunity to present it.

County Manager Faella stated that in consultation with the Finance Director Taylor, a comment was made by a previous speaker that approximately \$100 per household of the budget is for the utilization of Runnells. He said Director Taylor communicated to him that Runnells actually takes up 16% of the actual overall tax levy.

Chairman Hudak asked if any members of the Board would like to comment on Resolution 2014-241.

Freeholder Bergen stated that there is a small group of people who come to the meetings to make accusations as opposed to the employees and people who come with genuine opinions and concerns. He said that it was a very difficult decision for the Board to make and he resents the Board being accused of having premeditated a decision; stating he continued to question his decision until last week's subcommittee meeting. He said he is convinced that Runnells is not mismanaged and that clearly wonderful care is given to the patients there. Freeholder Bergen stated that this is not just a Union County problem, but a systematic statewide problem. He said counties over the years have found it a financial necessity to sell their county hospitals. The reductions of reimbursements have found us losing \$13 million this past year.

Freeholder Bergen stated that quality of care is the most important issue; he said that he and the other Freeholders have every intention of going to the facilities that are interested in buying Runnells; adding that the Board cares about Runnells and doing the right thing.

Freeholder Wright said the Board listened to your concerns and that this was not an easy decision, but believes it is the best decision at this time for Runnells, due to reduced Medicaid and Medicare reimbursements. She stated Runnells Hospital is a special place.

stated that it was not a decision taken lightly and one he hoped he did not have to consider. He stated he has been on the Board for 17 years, and he always took pride in the employees care of the residents. He said that for years they have been trying to restore budget relief, and do what they could to ensure patient care, employee care and budget consideration. The sale has nothing to do with the hard work and dedication of the employees. The Board will do all they could to protect the employees and provide the utmost care to all patients. He added that he appreciated the willingness of the Unions and employees over the years to try to avoid the decision.

Freeholder Estrada recognized the work of the employees at Runnells. He said that his mother is a resident there and prior to her being there he had visited many nursing homes. He said Runnells provided the best level of care. He stated that he would not support this resolution tonight but after speaking with his colleagues over the last weeks he understands the difficulty of this decision. He said that the Collective Bargaining Units cannot be the same as the private sector. He stated that he was unemployed for 2 years and respectful of the opinions and concerns of the speakers. He said he is equally concerned with the level of service that will be provided, but will give them the benefit of the doubt.

Freeholder Estrada addressed the woman in the audience who was there from the Ukraine, stating that majority rules here in the United States. He thanked his colleagues for dealing with the issue and respects the opinions of all. He thanked everyone for attending.

Freeholder Granados stated that the Freeholder Board has never once doubted the quality of care given by the staff at Runnells. He said that we are facing critical times and have to look at the majority of Union County. He stated that this is the beginning of the process and will make sure our staff is offered jobs first and that high-quality care will be offered to the patients. He thanked all concerned and said that the Board appreciates their service.

Freeholder Carter thanked everyone who spoke and said the decision to sell Runnells is weighing heavily upon them. She said in the past few years, they have explored other options and put cost measures in place, but the operation of Runnells is at a point where the rate of return on any other measure is simply not enough. She said there is a huge deficit but foremost is making sure the quality of care stays high. She said she has had family members who spent their last days there. The care is phenomenal and the quality and dignity given to them has been superb. We will continue to make sure our employees and patients will be taken care of.

Vice Chairman Jalloh thanked everyone for coming and sharing their concerns and opinions. He said he hopes these conversations are beneficial to everyone.

Vice Chairman Jalloh said they have to consider the three tiers of employees affected who do an excellent job, the residents of Union County who pay for the \$13 million subsidy and our patients who deserve the greatest level of care that we can provide; taking that all into account the best resolution we could come up with is based upon the information provided to us by the experts. He said he appreciates all the comments made, and said the Board is working diligently to try to negotiate with the organization to take this all into consideration.

Chairman Hudak stated that he joined the Freeholder Board in 2010 and that the first time he was involved in crafting and passing a budget was a 2011 budget hearing conducted at Runnells and realized the financial situation involving Runnells. He noted that the 2012 budget called for layoffs caused by the decline of Medicare/Medicaid reimbursements.

Chairman Hudak stated that they are making the decision based on the information and figures. He said the Board does not like the idea of selling the hospital. He stated that the Board appreciates the employees and will keep them up to date and they are committed as always to quality care and that the patients receive priority care.

Chairman Hudak thanked everyone for their opinions.

Chairman Hudak explained further that one-third of the counties that operate nursing homes in NJ sold their facilities. He said we can only make a decision based on the information and numbers that is brought before us. No one on the board likes the idea of selling the hospital. We all know someone who has been there and this has been a difficult decision, and we understand and appreciate the work being done at Runnells. He said that the Board also appreciates and respects everyone's opinion and will keep everyone updated. He stated that this Board is as committed as it always was to quality care and that the patients get priority care. He also added that the employees are being treated fairly.

The following Resolutions are being offered for adoption:

2014-223 FREEHOLDER BERGEN: Authorizing the County Manager to cancel unexpended balances in the Open Space, Recreation and Historic Preservation Trust Fund.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-224 FREEHOLDER BERGEN: Appointing the following as a member to the Open Space, Recreation and Historic Preservation Trust Fund Public Advisory Board: Edward O'Malley to fill an unexpired term from January 1, 2012 through December 31, 2014.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-225 FREEHOLDER GRANADOS: Authorizing the County Manager to enter into a contract with This Is It! Productions, Inc. to provide for the planning, production and management services for the 2014 Union County Summer Arts Festival in the amount not to exceed \$67,400.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-226 FREEHOLDER GRANADOS: Appointing Carl Hokanson as a Delegate member and Paul Baiamonte as an Alternate member to the Union County Transportation Advisory Board to represent the Borough of Roselle Park for a term commencing January 1, 2014 through December 31, 2014.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-227 FREEHOLDER GRANADOS: Amending Resolution 2014-103, a resolution appointing Richard Malcolm to the Workforce Investment Board (WIB), to reflect a change in term beginning July 1, 2013 and ending June 30, 2016.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-228 FREEHOLDER GRANADOS: Appointing the following members to the Workforce Investment Board: Lenin A. Paredes (Private Sector), Salvador Garcia (Private Sector), Jerry Masin (Private Sector) and James Horne, Jr. (Community Based Organization) for terms beginning February 1, 2014 through June 30, 2015; Scott Sharp (Private Sector) for a term commencing February 1, 2013 through June 30, 2016 and Kim McConnell (Private Sector) for a term commencing July 1, 2013 through June 30, 2016.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-229 FREEHOLDER GRANADOS: Appointing Robert Salvatore to the Union County Planning Board for a term commencing January 1, 2014 and ending December 31, 2016.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-230 FREEHOLDER GRANADOS: Appointing Renee Banks, of Linden, as an at-large member to the Union County Transportation Advisory Board for a term commencing on January 1, 2014 and ending December 31, 2015.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-231 FREEHOLDER KOWALSKI: Re-appointing Barbara Jude Brady to the Cultural & Heritage Advisory Board for a term commencing January 1, 2014 to December 31, 2016.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-232 FREEHOLDER WRIGHT: Appointing Toby Marx and Joseph Bruno to the Advisory Board on Aging for a term commencing January 1, 2014 and ending December 31, 2016.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-233 VICE CHAIRMAN JALLOH: Amending the 2014 Temporary Budget Ch. 96 P.L. 1951 (N.J.S.A. 40A:4-20).

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-234 VICE CHAIRMAN JALLOH: Resolution to exceed the County tax levy limit and to establish a CAP Bank (N.J.S. 40A: 4-45.14).

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-235 VICE CHAIRMAN JALLOH: Resolution Introducing and Approving the Annual Budget of the County of Union for the Fiscal Year 2014.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-236 CHAIRMAN HUDAK: Authorizing the County Manager to enter into an agreement with Iron Mountain, Moonachie, New Jersey, for the purpose of providing storage of and transportation services for the tapes, optical disks and microfilm for disaster recovery purposes for the Office of the Union County Clerk for a contract period of January 1, 2014 through December 31, 2014 in an amount not to exceed \$30,000.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-237 CHAIRMAN HUDAK: Amending Resolution No. 2011-574, a contract with ePlus Technology, Inc, Hamilton, New Jersey, for the purpose of providing managed firewall and intrusion detection/prevention services, to reflect a change in account numbers only.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter,

Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-238 CHAIRMAN HUDAK: 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 Works & Facilities; Division of Facilities Management; Runnells Specialized Hospital; Department of Correctional Services; Division of Motor Vehicles and Division of Public Works: Maffey's Security Group, Elizabeth, New Jersey, for the purpose of providing locksmith services and locking hardware, for a contract period of twenty-four (24) consecutive months with the provision for one (1) twenty-four (24) month optional extension, in an amount not to exceed \$250,500.00.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-239 CHAIRMAN HUDAK: Amending Resolution Number 1138A-89, to increase the Fee Schedule for outside attorneys as follows: Hourly Rate For Partners: Effective April 1, 2014 through December 31, 2014 – \$135.00; Effective January 1, 2015 through December 31, 2015 – \$145.00; Effective January 1, 2016 – \$150.00; Hourly Rate For Associates: Effective April 1, 2014 through December 31, 2014 – \$110.00; Effective January 1, 2015 through December 31, 2015 – \$120.00; and Effective January 1, 2016 – \$125.00.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-240 CHAIRMAN HUDAK: Amending Resolution Number 2012-1095, to increase the appropriation to LexisNexis, Philadelphia, Pennsylvania, for library and educational goods and services for 2013 in the amount not to exceed \$1,451.25 for a total amount not to exceed \$17,451.25.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-241 CHAIRMAN HUDAK: Resolution accepting the report of the Union County Improvement Authority regarding its potential purchase of the Runnells Specialized Hospital, establishing a process for completion of negotiations and expressing the County of Union's intention to sell Runnells Specialized Hospital to the Union County Improvement Authority.

RESULT: ADOPTED [7 TO 1]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **NAYS:** Freeholder Estrada; **ABSENT:** Freeholder Kowalski;

FREEHOLDER SPONSORED RESOLUTIONS

2014-242 FREEHOLDER BERGEN: Resolution encouraging the Governor and State Office of Emergency Management to request Federal Emergency Management Agency (FEMA) funding for reimbursement of costs associated with County and Municipal expenses related to the recent weather events and declared States of Emergencies.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-243 FREEHOLDER BERGEN, MR. BOARD: Resolution expressing this Board's deepest sympathies to the family of Elaine Bohrod, former Assistant Union County Counsel, during their time of sorrow.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-244 FREEHOLDER GRANADOS: Laudatory resolution recognizing and congratulating the Portuguese Instructive Social Club on its 92nd Anniversary.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-245 FREEHOLDER GRANADOS: Resolution respectfully urging the Port Authority of New York and New Jersey to request and support an increase in the minimum wage for workers at Newark Liberty International Airport.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-246 FREEHOLDER KOWALSKI: Congratulating John Shaw, Jr, of the Boy Scout Troop 75 of Cranford, on obtaining his Eagle Scout Award.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-247 FREEHOLDER KOWALSKI: Laudatory resolution proclaiming the month of March, 2014 as "National Nutrition Month" throughout the County of Union; and further acknowledging the efforts of Rutgers Cooperative Extension, and their partners, as they celebrate National Nutrition Month.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-248 CHAIRMAN HUDAK: Proclaiming Thursday, March 13, 2014 as "K-9 Veterans Day" in Union County.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-249 CHAIRMAN HUDAK: Supporting the goals and ideals of National Colorectal Cancer Awareness Month and encourages the people of Union County to observe the month of March, 2014 with appropriate awareness and educational activities.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-250 CHAIRMAN HUDAK: Resolution expressing this Board's deepest sympathies to the family of U.S.M.C Lance Corporal Hector Gomez, of Linden, during their time of sorrow.,

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-251 CHAIRMAN HUDAK: Resolution supporting New Jersey Senate Bill (S1306), which would require a "plain language" explanation of how victims are eligible for Sandy recovery programs and also give the victims a "right to know" where their applications stand, why they were rejected or why they were put on a waiting list.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

2014-252 CHAIRMAN HUDAK, MR. BOARD: Resolution congratulating the 10 individuals to be honored by the Urban League of Union County Young Professionals for making strides in their respective professions and a positive impact on their communities.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Alexander Mirabella, Freeholder; **SECONDER:** Mohamed S. Jalloh, Vice Chairman; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

PUBLIC COMMENT PORTION

This meeting is open to the public for the purpose of commenting on any matter.

Tom Getzendanner, Summit, spoke about the Executive Budget proposal, the Jail, Runnells Hospital and Open Space. His comments are attached.

Jim Buettner, Cranford, said he does not understand where the \$13 million tax revenue has gone over the last 13 years. He made comments regarding expenditures and regarding the passing of the Ukrainian Resolution. He also commented on the cost to build the Galloping Hill Banquet Hall.

Joe Bruno, Berkeley Heights, commended Deputy Director Amy Wagner and staff for helping the towns along the Passaic River obtain a \$300,000 grant to help control flooding. He stated that he is in favor of shared services. He also thanked Director Graziano for the tremendous job of the snow removal.

Barbara Krause, Cranford, asked if the Board has seen plans for the Union County College athletic complex. She said that the plans will call for the removal of 4 ½ acres of trees, and with Hurricane Sandy they lost over 9 acres of trees, adding that the removal of more trees will affect flooding. She believes that the plans are inadequate and they must be addressed to prevent more flooding. She said that she hopes the Board can influence UCC to reconsider the location of this project.

Tina Renna, Cranford, said Ukraine is a democracy. She asked if the patronage jobs at Runnells will be eliminated. She spoke about the stipends given to the employees of the Union County Utilities Authority.

Randy Lowe, Cranford, said he lives across from the proposed UCC project. He said that it is a huge complex, too intense for the area. He said the 60 foot trees can each absorb 10,000 gallons of water per year and also add as a buffer for traffic noise. He is opposed to the location of the project.

Chairman Hudak stated that County Manager Faella will be meeting with Dr. McMenemy to discuss the County's concerns, but ultimately the decision will be made by Union County College, as they own the property. He suggested the public attend UCC meetings to address their concerns.

John Bury, Kenilworth, had questions about the budget process, Parks and Open Space, Recreation and Historic Preservation Trust Fund appropriations.

Chairman Hudak explained that the process of the budget is to introduce the budget and conduct budget hearings that the public can attend. He urged Mr. Bury to attend the Public Hearing meetings to hear the questions between the Freeholders and the Directors of the Departments.

Mike Norman, Cranford, said that the Township of Cranford made some recommendations. He provided the Clerk of the Board with the document. He asked about lights in the sports complex, stating there would be games all night and day, and there will be a constant flow of traffic. He said wildlife will also be affected and the flooding problem will worsen once the trees are removed.

FREEHOLDER REPORTS AND COMMENTS

Freeholder Mirabella announced that the Parks Department has extended its Reservation Desk by opening an office in the Colleen Fraser building about a year and a half ago. He said the trial program was an unqualified success and the Reservation Desk will remain in Westfield. The new office will open on March 31st.

Freeholder Granados spoke about the Department of Transportation Meeting regarding the closing of the northbound lane of the Pulaski Skyway on April 12th. He said it will be closed for 2 years.

Freeholder Granadas stated that the meeting is open to the public and urged residents to attend explaining that Union County commuters will be affected. He urged residents to attend the meeting on April 2nd that will be held at Kean University.

Freeholder Granadas also announced that the DOT will provide Union County residents a bus to Newark Penn Station (#95), with a free park and ride located at the Sears on Route 22, at Terrill Road in Watchung. He said this will alleviate congestion. The bus will go from Newark Penn Station and it will also be making stops in Mountainside, Scotch Plains, Springfield and Union.

Freeholder Bergen stated that Union County is the recipient of a \$300,000 grant from the New Jersey Department of Environmental Protection. The funds will go towards a regional effort to alleviate chronic, severe flooding in communities along the Passaic River by cleaning snags and other debris. He added that Union County is the lead agency.

County Manager Faella expressed his thanks, respect and appreciation to the Runnells employees. He said he is aware of their hard work and how well the patients are cared for and how they feel about them. He stated that he and Director Guzzo met with each of Runnells employees and they understand how it could affect their lively hood, should this process go forward. He said they will commit to protecting their rights for as many employees as they can.

County Manager Faella clarified an earlier comment made by a speaker. He said the maintenance workers are utilized for maintenance throughout the County and that was the reason for the transfers.

Vice Chairman Jalloh thanked Mr. Getzendanner for attending the meeting to represent the City of Summit. He said that in his opinion, he believes it would be irresponsible to give the County Manager a mandate to cut a certain amount or ask him for to keep within a certain percentage of the tax levy without reviewing that request.

Vice Chairman Jalloh stated that there will be budget hearings and the Directors will provide information to County Manager Faella, reviews and believes it be sufficient to run their department. He said there are some things that need priority and there are things that county government should do; there may be some disagreements. He said the Freeholder Board is committed to taking these budget hearings seriously and the County Manager reviews and provides the Board with a budget, better than the one we approved for introduction today. He thanked everyone for their comments.

Vice Chairman Jalloh urged the employees of Runnells to take careful consideration about the comments. Some comments were true or inadvertantly have incorrect numbers. He said there are also those who attend the meetings frequently and represent certain things that they claim are facts.

He asked that they take that into consideration as there were numbers tonight that were invented.

Chairman Hudak stated that there was a community meeting with Senator Sweeney and the 22nd District Legislators at Tremley Point in Linden regarding the Senator's proposed "Bill of Rights" legislation to discuss a "Sandy" package.

Chairman Hudak stated that Tremley Point was hit hard; the high tide from the Arthur Kill and the high winds destroyed 40 to 60 homes in that area and have not been rebuilt. He said Union County was one of the nine most damaged Counties in New Jersey and Tremley Point was perhaps at the epicenter of the storm's destruction. He stated that Senator Sweeney's legislation would protect our residents; citing the County has also stepped in to help our residents; Home Repair and Advocacy Program, which is for senior or disabled homeowners may qualify for a federal grant of up to \$5,000 under this new program, added that the home must be the owner's primary residence.

Chairman Hudak reiterated Vice Chairman's comments relative to Runnells Hospital, adding the Board understands, it will affect your lively hood. He said there have been many people attending the Freeholder Meetings urging the selling of the hospital, but they tried to avoid doing so. He said in 2012 there was a tremendous budget gap, but they still kept the hospital.

Chairman Hudak commended the Board for their decision, adding it was a difficult budget. He said they will continue on working to reduce the budget. He thanked the Board, County Manager Faella and Director Guzzo and the UCIA for their leadership relative to this process. Chairman Hudak responded to a previous speaker, adding that the plan for Runnells Hospital is a County decision. Therefore, the UCIA did not make the presentation, adding that the Board put their trust in the administration, professionals and the UCIA.

ADJOURNMENT

Motion to adjourn the meeting at 10:12 PM.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Linda Carter, Freeholder; **SECONDER:** Alexander Mirabella, Freeholder; **AYES:** Freeholder Bergen, Freeholder Carter, Freeholder Estrada, Freeholder Granados, Freeholder Mirabella, Freeholder Wright, Vice Chairman Jalloh, Chairman Hudak; **ABSENT:** Freeholder Kowalski;

UNION COUNTY BOARD OF CHOSEN FREEHOLDERS 2014 MEETING SCHEDULE

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 5, 2014 at 12:00pm Assignment Judge Karen M. Cassidy's Courtroom, 2 Broad Street, Elizabeth, NJ

AGENDA SETTING MEETINGS

January 16, 2014

February 6, 2014
February 20, 2014

March 6, 2014
March 20, 2014

April 3, 2014
April 24, 2014

May 1, 2014
May 15, 2014

June 5, 2014
June 19, 2014

July 10, 2014

August 7, 2014

September 4, 2014
September 18, 2014

October 2, 2014
October 16, 2014

November 6, 2014
Tuesday, November 25, 2014

December 4, 2014
December 18, 2014

REGULAR MEETINGS

January 23, 2014

February 6, 2014
February 27, 2014

March 13, 2014
March 27, 2014

April 10, 2014
April 24, 2014

May 8, 2014
May 29, 2014

June 12, 2014
June 26, 2014

July 17, 2014

August 14, 2014

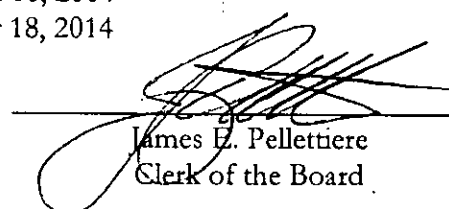
September 11, 2014
September 25, 2014

October 9, 2014
October 16, 2014

November 13, 2014
Tuesday, November 25, 2014

December 11, 2014
December 18, 2014

JEP:mb



James E. Pelletiere
Clerk of the Board

March 13, 2014

Good evening Mr. Chairman,

I'm Tom Getzendanner, retired Summit councilman, following up on Rob Rubino's remarks February 27th. Does O#756 raise prices enough for your Recreation Dept to break even? Summit updates its User Fee schedule annually so our Municipal Pool and Golf facilities don't require taxpayer subsidy.

Five of your 27 bundled Resolutions tonight warrant comment:

R#224 appoints Ed O'Malley to Open Space commission; does he realize that over 300 acres have been preserved since this Trust Fund was created 2001 (3x its original mission)? And that many other counties/municipalities have reduced or suspended their preservation programs in order to control property taxes?

R#225 spends \$67,000 on Summer Arts Festival; is this all-inclusive, or just part of the Event's true cost?

R#234 admits you indeed exceed Levy limits, and establishes a CAP "bank" perpetuating this bad habit. Meanwhile your constituent Towns consider 2% a "hard" CAP, and voluntarily forego any Waiver they might be entitled. This resolution shamefully ignores the taxpayers of Union County.

R#235 introduces Bud'14 requiring \$13.3mm fresh tax revenue, twice what your largest taxpayer (Summit) recommended. Never mind that Spending has slowed to a mere +4.2%. Essex County gets by with +1½%. Morris County held flat a 2nd year in row. If you're listening, our message sure hasn't gotten through!

R#241 would keep Runnells intact, but take it off-budget (ending a \$13mm taxpayer subsidy that coincidentally equals your entire Bud'14 increase). So we applaud this Freeholder initiative, and are glad the Hospital will remain open. But aren't UC taxpayers indirectly liable for UCIA debt? Wouldn't privatization by a "for-profit" entity (subject to IRS depreciation rules) be an even better solution? As structured, you seem to be your own counter-party. A self-dealing transaction that merely dodges New Jersey CAP restrictions!

Public Comments not on Agenda

To give Mr. Faella some guidance how much to trim from his Executive Budget proposal, could you please take a roll-call vote tonight seeking \$6mm not \$13mm incremental tax revenue? This would adhere to a 2% nominal CAP (like your constituent Towns are already doing).

Secondly, Mr. Chairman, if Runnells (or Jail) savings can't be harvested that quickly, could you please focus on the other component of county taxation, namely Open Space? Its current statutory 1½% earmark collects \$10mm a year (twice the amount envisioned when enacted 13yrs ago).

Declare a "fiscal emergency" (obviating the need for a ballot Referendum). Point out your Open Space Trust Fund is currently over-funded. And temporarily suspend half our contribution rate.

So that your all-in Levy (Freeholder + Open Space) doesn't grow more than \$6 million (2%) under any condition. Please join the Austerity diet all your constituent towns adopted long ago!

Tom Getzendanner, 908-277-3624
retired Summit Councilman 2005-2013
Tgetzendanner@AOL.com



Township of Cranford

8 Springfield Avenue • Cranford, New Jersey 07016-2199

(908) 709-7200 • Fax (908) 276-7664

www.cranford.com/township

February 3, 2014

Elis Byeon, PE
The RBA Group, Inc.
7 Campus Drive, Suite 300
Parsippany, NJ 07054-4495

**Re: Union County College, Cranford Campus
1033 Springfield Avenue
Cranford, New Jersey 07016
Block: 121, Lots: 3, 4, and 2.01, E-1 Zone**

Dear Mr. Byeon:

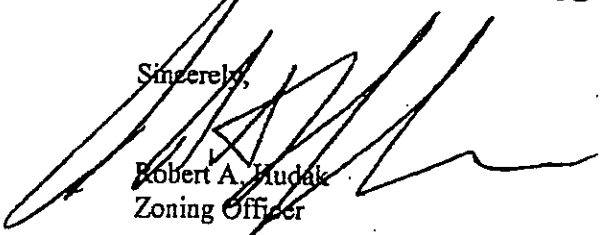
I am in receipt of the following plans for the above-mentioned site:

- One copy of the site plans prepared by Bryan Vanderghenst, PE of The RBA Group, Inc. dated December 2013 which consists of ten sheets entitled, "Cranford Campus Soccer and Lacrosse Field Lots 3, 4, & 2.01, Block 121 Union County College 1033 Springfield Avenue Cranford, New Jersey 07016."

As your communication dated January 27, 2014 indicates the College is preempted from local land uses approvals since it is a higher governmental entity. I would strongly encourage, however, that the proposal be submitted to the Township's Planning Board for an informal review in light of the intensity of the proposal. Please contact me as soon as possible to arrange a time and date for the informal review.

If you have any questions regarding this matter, please feel free to contact me via phone at 908.709.7216 or via e-mail at Zoning@CranfordNJ.org.

Sincerely,


Robert A. Hudak
Zoning Officer

Cc: Hon. Andis Kalnins, Mayor
Hon. Robert D'Ambola
Terence Wall, Township Administrator
Township Planning Board
Nicholas A. Giuditta III, Planning Board Attorney
File

Township of Cranford

Department of Engineering and Public Works

Richard A. Marsden Jr., PE,PP,PLS,CME

Township Engineer/Director of Public Works

8 Springfield Avenue, Cranford, New Jersey 07016

(908) 709-7218

Fax (908) 276-4872

January 30, 2014

Ellis Byeon, PE, Senior Engineer
Environmental/Water Resources/Land Development
The RBA Group
7 Campus Drive, Suite 300, Parsippany, NJ 07054

RE: Review of
Cranford Campus Soccer and Lacrosse Field
Lot 3, 4, & 2.01 Block 121, Union County College
1033 Springfield Avenue
Cranford, New Jersey, 21013

Dear Ellis:

The following referenced subject documents were reviewed:

1. Ten sheets of the referenced subject plans with same title, dated December 2013, prepared by Bryan Vandergheynst, NJPE #24Ge04254600, of The RBA Group, 7 Campus Drive, Suite 300, Parsippany, NJ 5600.
2. Report entitled "Drainage and Stormwater Management Report for Union County College Cranford Campus Soccer and Lacrosse Field, dated November 26, 2013, and prepared by Bryan Vandergheynst, NJPE #24Ge04254600, of The RBA Group, 7 Campus Drive, Suite 300, Parsippany, NJ 5600.

After talking with Ellis Byeon, project engineer for RBA Group, and meeting him Tuesday January 28th, 2014, I have the following comments from my review:

Sheet #2 – Existing Conditions and Demolition Plan:

There is approximately 4.3 Acres of wooded area being removed for this project. There needs to be a tree replacement program in place. See the Cranford Planning and Zoning Department for details.

Sheet #4 – Grading and Drainage Plan:

1. There will be less than 20 feet of distance between the disturbed area between the top of the slope at the southeasterly end of the proposed track and the southern cul-de-sac of Colby Lane that will be left undisturbed woods. However, that undisturbed area has very little tree cover. That area needs to be supplemented with a buffer of two to three rows of evergreens to reduce the noise and visual impact to the residential area of Coby Lane cul-de-sac.

2. The existing wooded area to remain, (located at this southern cul-de-sac and running 700 feet northerly along Colby Lane,) also needs to be buffered. Even though the existing woods will be a maximum of 130' from the limit of disturbance,(as located at the northeasterly corner of the track,) to Colby Lane, (located 130' opposite the furthest northerly point of the field,) the undergrowth of the woods is not enough to buffer this playing field, especially in the winter. In addition, this field will introduce new noises that have not been in the area before. The bleachers will be facing the residential properties. I recommend that a noise study and noise mitigation plan be developed to keep the noise at their present levels.

3. The change in direction of runoff due to the grading along the southeasterly side of the track will require 300 linear feet of swale to collect this runoff before it enters the existing woods and changes the moisture characteristic of the soils.

4. Cranford is a community that is plagued with flooding problems. We are always looking for solutions and ways to reduce runoff, and create more pervious surfaces. As per our discussions, there is an existing open swale area located along the northwesterly bend of the track that can be easily modified with a 100 feet of earthen swale and stone filtered spillway to retain approximately 0.14 acre-feet of stormwater storage.

Sheet #9 – Site Details:

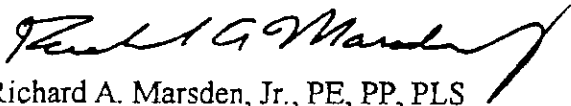
1. The Outlet Control Structure detail needs to have a cast iron hood placed on the upstream weir wall over the proposed small orifice to protect it from clogging and floating debris. The bottom of the hood will require 24" of space to the chamber floor. Therefore this chamber will have to be lowered to elevation 86.2'. (The 4" orifice is at elevation 88.8'. The bottom of the hood should be 6" lower than the pipe. That puts the bottom of the hood at elevation 88.2'. The bottom of the chamber should be another 24" lower than the bottom of the hood. That puts the bottom of the chamber at 86.2'.

2. The Area Drain Installation detail needs to have the 12"HDPE inlet drain vertical pipe connection wrapped in 12 inches of concrete around its perimeter or use a 12" ductile iron basin tie connection as is displayed on the Drain Basin detail on this sheet.

There appears to be no plan to light the site. If there is any plan for future lighting for the field, it should include in the noise study and mitigation plan. The lighting cannot flood the residential area. You may have to remove then entire remaining wooded area to provide a mountain of evergreen buffering.

Thank you for allowing us the opportunity to review and comment on this project. Please contact me your if you have any questions or comment.

Very truly yours,



Richard A. Marsden, Jr., PE, PP, PLS
Township Engineer

cc: Mayor Andis Kalnins
Robert D'Ambola, Township Commissioner
Terence Wall, Township Administrator
Robert Hudak , Zoning Officer

Runnells Hospital



REPORT
OF
RUNNELLS HOSPITAL EVALUATION TEAM
MARCH 13, 2014

Overview

2

- 2006 federal and state governments begin to move funding from nursing homes to community-based agencies and home care options
- 2007 New Jersey adopts the Independence, Dignity and Choice in Long-Term Care Act which rebalanced funding for long-term care services through the expansion of less costly home and community-based care
- One of the most significant impacts of these policies is the continued reduction in Medicare/Medicaid rates which have made it difficult for any county to operate a nursing home
- County subsidies to Runnells continue to increase because 75% of the residents are Medicaid eligible and because the county must operate within the state mandated cap laws
- Budget overview by the County Finance Department details that the subsidy for Runnells at year end 2013 was approximately \$13.5 million. Revenue from healthcare reimbursement cannot support Runnells operations and the projection is that it will only get worse once managed care for Medicaid is implemented in mid-2014.

Nursing Home Trends and Runnells: A Perfect Storm

3

County Nursing homes have been impacted by four major trends:

1. Cost of health care and pensions continue to increase
2. Medicaid rate are decreasing while the number of Medicaid-eligible residents is increasing
3. Number of bed days is decreasing. Since most employees are full-time it is impossible for the county to act quickly to reduce staff for a decreased census
4. Overall census has declined. The emphasis on community-base services as an alternative to nursing home care has significantly affected patient and fiscal operations

County Nursing Home Sales

4

Many counties have responded to revenue losses and increases in operating costs by selling their nursing homes to private operators. These counties are:

Sale Date	County	Beds	Total Price	Price per Bed
2013	Camden	450	\$ 37,100,000	\$ 82,444
2012	Burlington	200	\$ 15,000,000	\$ 75,000
2012	Cumberland	196	\$ 14,000,000	\$ 71,429
2012	Sussex	102	\$ 7,850,000	\$ 76,961
2011	Salem	116	\$ 7,500,000	\$ 64,655
2010	Mercer	240	\$ 7,650,000	\$ 31,875
2002	Hudson	550	\$ 15,000,000	\$ 27,273
1996	Essex	236	\$ 7,800,000	\$ 33,051

Process

5

Issuance of RFP	9/25/2013	Additional Data Submissions	1/28/2014
Information Meeting		Bidder Meetings	2/14,18,19/2014
Site Visits	1 10/9/2013	Best and Final Offers	2/28/2014
	2 10/23/2013	Freeholder Committees	3/3,4/2014
	3 11/13/2013	Report to Freeholders	3/13/2014
Q&A Period	11/14/13 - 12/9/13	<i>Anticipated Actions</i>	
Proposal Due Date	12/10/2013	Tentative Execution of Sale Agreements	4/4/2014
Proposal Review Period	12/11/2013-1/5/2014	Tentative Receipt of all State approvals	7/1/2014
Clarification Interviews	1/6,7,8,13/2014	Tentative Financial Closing	7/15/2014

County Considerations

6

County Objectives

- Reduce County subsidy on facility of over \$13 million/year
- Assure continued high quality care services delivered at Runnells with staffing at State Department of Health and Senior Services Standards
- Current Runnells Patients have a right to remain
- Provide fair re-employment opportunities for all current Runnells employees in good standing while assuring that Union County resident employees are given the "first right of refusal" to maintain their jobs
- Seek to obtain a fair and reasonable sales price for the facility
- Seek to obtain economic value for future revenue growth in new services
- Minimize post sale exposure risk to County

Respondents

7

1. Ocean Health Care - Lakewood, NJ
2. Center Management - Wayne, NJ
3. Runnells Realty, LLC - Old Bridge, NJ
4. Regency Acquisition - Wayne, NJ
5. Care Point - Jersey City, NJ

Semi-Finalists

8

Ocean Health Care

Principals	Avi Feigenbaum
Years in Business	12
Nursing Homes Owned	13
Total NH Beds	2184
Psychiatric Facilities Owned	1
Total Psych Beds	30
Largest Facility - Beds	300

Center Management

Principals	Charles Edouard Gros Jonathan & Ari Rosenberg
Years in Business	10+
Nursing Homes Owned	5
Total NH Beds	1336
Psychiatric Facilities Owned	1
Total Psych Beds	487
Largest Facility - Beds	736

Runnells Realty, LLC

Principals	Ari Stern Neil Kerman
Years in Business	42
Nursing Homes Owned	7
Total NH Beds	1126
Psychiatric Facilities Owned	None
Total Psych Beds	None
Largest Facility - Beds	201

Regency Acquisition

Principals	David Gross
Years in Business	20
Nursing Homes Owned	4
Total NH Beds	700
Psychiatric Facilities Owned	None
Total Psych Beds	None
Largest Facility - Beds	255

What are Star Ratings?

9

- Centers for Medicaid and Medicare Services created the Five-Star Quality Rating System to help consumers, their families, and caregivers compare nursing homes more easily and to help identify areas about which you may want to ask questions.
- The Nursing Home Compare Web site now features a quality rating system that gives each nursing home a rating of between 1 and 5 stars. Nursing homes with 5 stars are considered to have much above average quality and nursing homes with 1 star are considered to have quality much below average. There is one Overall 5-star rating for each nursing home, and a separate rating for each of the following three sources of information:

Health Inspections

Staffing

Quality Measures (QMs)

Runnells current overall Star Rating under County Management is 3 Stars

Star Ratings

10

Ocean Health Care

	Star Rating
• <i>Park Crescent Healthcare & Rehab</i>	3
• <i>Hunterdon Care Center</i>	5
• <i>Hamilton Grove Healthcare & Rehab</i>	3*
• <i>Hampton Ridge Healthcare and Rehab</i>	4
• <i>Aspen Hills Healthcare Center</i>	3**
• <i>Elmwood Hills Healthcare Center</i>	2***
• <i>Elmora Hills Health & Rehab Center</i>	2
• <i>South Mountain Healthcare and Rehab</i>	3
• <i>County Manor Healthcare and Rehab Center</i>	4
• <i>Rolling Hills Care Center</i>	5
• <i>Royal Suites Healthcare and Rehab</i>	2
• <i>Tower Lodge Care Center</i>	3

*former Mercer County Geriatric Center, purchased 2010

**former Burlington County Nursing Home, purchased 2012

***former Camden County Nursing Home, purchased 2013

Star Ratings

Center Management

	Star Rating
• <i>Smithtown Center for Rehab and Nursing Care</i>	5
• <i>Bellhaven Nursing Center</i>	4
• <i>Dumont Center for Rehab and Nursing</i>	1
• <i>Lincoln Park Care Center, NJ</i>	2*
• <i>Lincoln Park Renaissance Rehab & Nursing, NJ</i>	3**

* Purchased in 2011; star rating reflects inherited deficiencies

** Purchased last 2012; star rating reflects inherited deficiencies

Star Ratings

Runnells Realty LLC

	Star Rating
• <i>Golden Rehab and Nursing Center</i>	1*
• <i>Cumberland Rehab and Nursing Center</i>	2**
• <i>Carney's Point Care Center</i>	1
• <i>Lakeland Health Care Center</i>	2
• <i>Lincoln Specialty Care Center</i>	2
• <i>Southgate Health Care Center</i>	3
• <i>Summer Hill Nursing and Rehab</i>	2

* former Salem County nursing home, purchased in 2009

** former Cumberland County nursing home, purchased in 2011

Star Ratings

Regency Acquisition

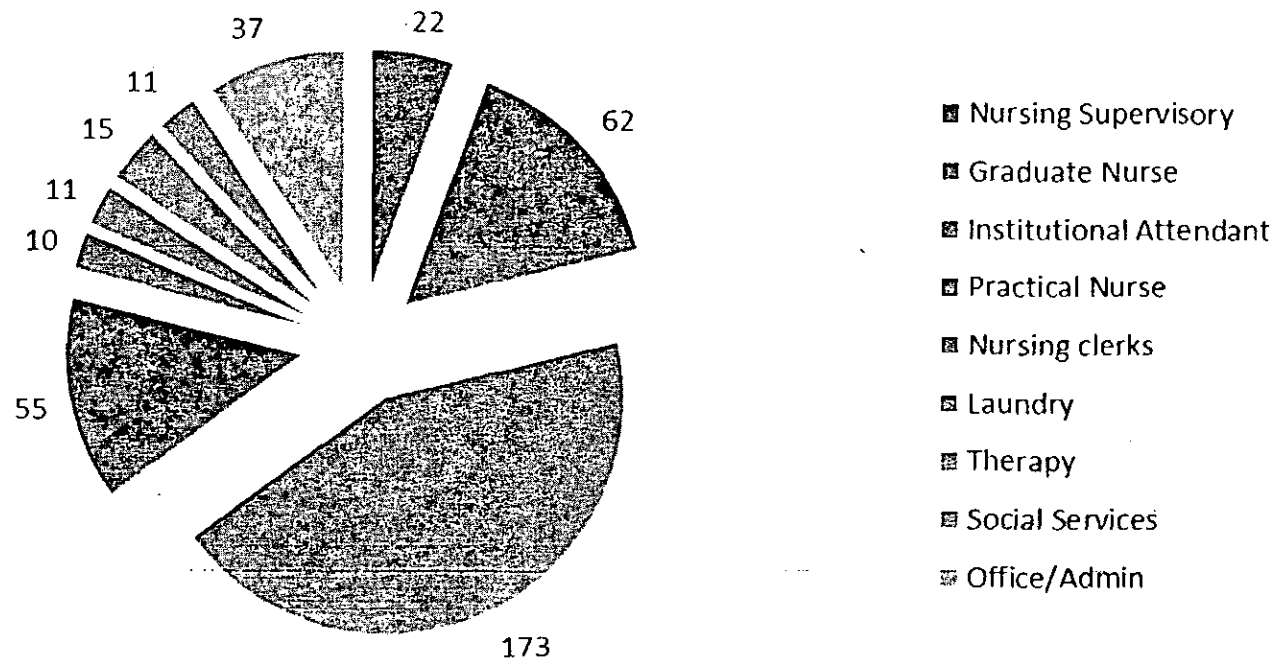
	Star Rating
• <i>Regency Grande Nursing & Rehab, NJ</i>	5
• <i>Regency Gardens Nursing Center, NJ</i>	5
• <i>Regency Heritage Nursing & Rehab, NJ</i>	5*
• <i>Regency Park Nursing Center, NJ</i>	5

* Purchased in 2007; former Central Jersey Jewish Home for Aging, which had a 1-Star rating

Current Runnells Staffing

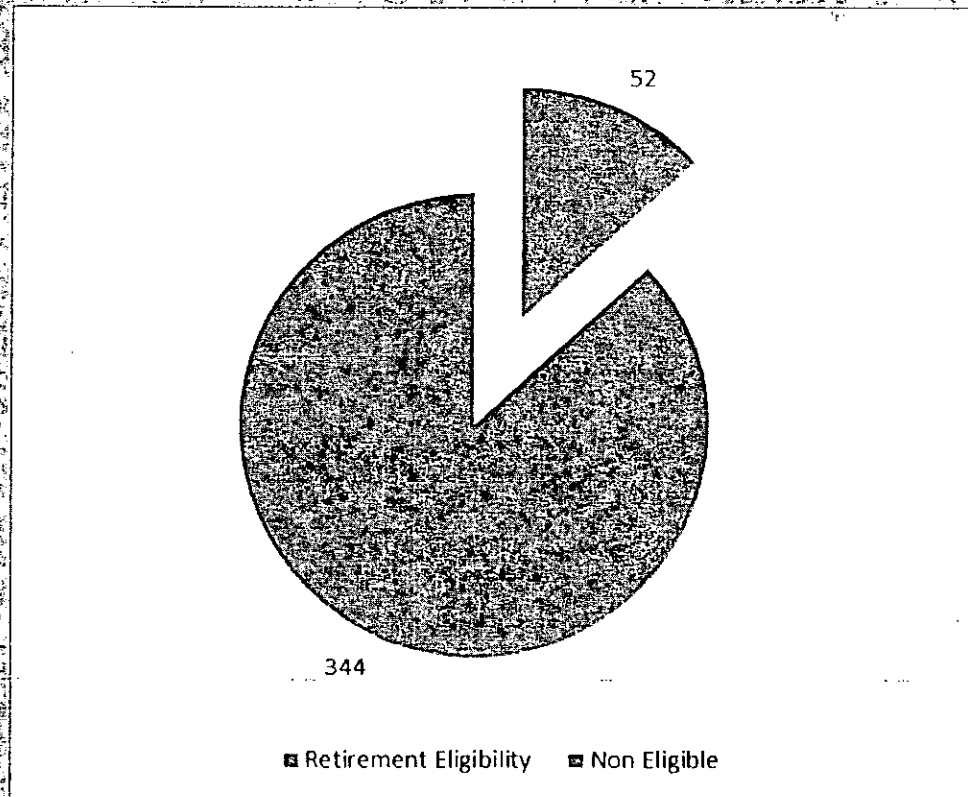
14

Full Time Employees



Employees Eligible to Retire in 2014

15



Best and Final Offers

16

The Proposers were asked to submit Best and Final Offers (BAFO) addressing the following points:

1. *Final Cash Purchase Price Offer*
2. *5-year Capital Improvements*
3. *Revenue Sharing for the County*
4. *Employment Opportunities at Other Facilities*
5. *Employee Headcount post closing*
6. *Tentative Closing July 2014*
7. *Transition plan.*
8. *5% good faith deposit*

BAFO Evaluation Qualitative Factors

Proposer	Offer Jobs to Employees at Runnells	Offer jobs at other facilities	Transition Plan	Due diligence period	Qualified provider	Financial Capacity	Quality of Care	# of Facilities
Ocean	Yes	Yes	Yes	60 Days	Yes	Very Strong	Very Good	12
Center	Yes	Yes	Yes	60 Days	Yes	Strong	Excellent	5
Runnells	Yes	Yes	Yes	60 Days	Yes	Very Strong	Good	7
Realty LLC	<i>AND keep all CNAs at current pay for 1 year</i>							
Regency	Yes	Yes	Yes	60 Days	Yes	Very Strong	Excellent	4

Cost/Benefit to County

18

- The County estimates its annual subsidy on Runnells operations at approximately \$13,500,000 for year end 2013
- The appraised value is \$26,000,000
- Over the next 5 budget years period post sale the County would save over \$56 million
- Putting the property back on the tax rolls will generate an estimated \$500,000 in new property taxes to the town and the County
- Costs that will be born by the County as a result of the sale are projected to be as follows:
 - Unemployment benefits for laid off employees - \$3,000,000 over 47 weeks if 1/3 of workforce is laid off
 - Loss of reimbursement of Indirect Expenses - \$703,000/Year
 - Cost of paying for Union County Psych Patients - \$714,000/Year
 - Payoff of related County Debt - \$6,000,000
 - Cost of paying Pension Obligation \$3,250,000 per year

Appraised Value	\$ 26,000,000
Elimination of Subsidy (5 yrs)	\$ 58,000,000
Unemployment Costs (47 weeks)	\$ (3,000,000)
Loss of Indirect Cost (5 yrs)	\$ (3,163,500)
Cost of Union Psych Patients (5 yrs)	\$ (3,213,000)
Retirement Health Benefits	\$ (5,741,666)
Payoff of Related County Debt	\$ (6,000,000)
Pension Obligation Payments	\$ (6,500,000)
Net County Benefit	\$ 56,381,834

5 Year Cost/Benefit to County

19

Budget Year	Partial Year				
	2014	2015	2016	2017	2018
Appraised Value	\$ 26,000,000				
Elimination of Subsidy (5 yrs)	\$ 4,000,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000
Unemployment Costs (47 weeks)	\$ (1,659,574)	\$ (1,340,426)			
Loss of Indirect Cost (5 yrs)	\$ (351,500)	\$ (703,000)	\$ (703,000)	\$ (703,000)	\$ (703,000)
Cost of Union Psych Patients (5 yrs)	\$ (357,000)	\$ (714,000)	\$ (714,000)	\$ (714,000)	\$ (714,000)
Retirement Health Benefits (5 yrs)	\$ (541,666)	\$ (1,300,000)	\$ (1,300,000)	\$ (1,300,000)	\$ (1,300,000)
Payoff of Related County Debt	\$ (6,000,000)				
Pension Obligation Payments (2 yrs)		\$ (3,250,000)	\$ (3,250,000)		
Net County Benefit	\$ 21,090,260	\$ 6,192,574	\$ 7,533,000	\$ 10,783,000	\$ 10,783,000

Recommendation

20

If County chooses to proceed with sale of Runnells:

- Proceed to contract with highest ranked proposer
- Begin Transition Program
- Seek State approval to transfer license
- Make best efforts to achieve financial close during July 2014