Chairman

CHAIRMAN KNAPP: I'd like to call the meeting to order. Welcome everyone to our public hearing for the 2013 budget. Just as a quick point of order please check the nearest emergency exits just in case. Also just as a reminder please silence your cell phones just so we don't have any kind of disruption here.

I'd like to start off by asking Chairman McMahon if he has any comments before we start.

LEGISLATIVE CHAIRMAN McMAHON: I would just like to take a few moments to thank everybody, thank the members of the Ways and Means Committee and all the other members of the Legislature for the work they put into this process, and our staff, the executive team staff. And as we're starting to end the process of the 2013 budget just looking forward to what the public has to say. Thank you, Chairman.

CHAIRMAN KNAPP: Thank you, we...
Wheaton

50,000 public workers throughout Central New York, and thousands in Onondaga County. I'm here tonight to speak about the issue of privatizing our County nursing home, Van Duyn.

I know that in this County budget you'll not be voting directly on selling Van Duyn, but you will be voting to fund its operation for the coming year. And I believe we need to start the conversation now to give you as much time to thoroughly review this issue and to give the public time to have their voices heard.

We understand the funding problems our County nursing home is facing, and that many counties are looking at taking the easy way out by getting rid of their County nursing homes. I'm here tonight to urge you not to take the easy way out. As County leaders it is not always making the easy choice but about making the right choice for all the people you represent. And these decisions have

long lasting implications for the County residents.

The County Executive has announced that she has signed a letter of intent to sell Van Duyn to a private operator. The operator has promised in the newspaper that they want to continue Van Duyn's safety net mission, and has pointed to the examples of several other nursing homes they have turned around.

Let me give you an example of promises made in newspapers. Delaware County. In 2006 that County decided to get out of the nursing home business and sold their County nursing home to a private for-profit operator who made a lot of promises. They were promised that residents' living conditions would improve. They were promised $2.6 million on the sale. They were promised that no County resident would ever be turned away for lack of funds. Now, six short years later the reality is very different from the promises that were

made in the Daily Star newspaper. In fact, on August 28th, the same newspaper reported that the federal Centers for Medicare and Medicaid Services had stopped paying for admissions to this private nursing home last May due to a huge increase in citations under the new operator. 66 citations within three years, nearly three times the state average.

On September 15th the paper reported that rather than trying to correct those citations the new operators were simply calling it quits and filed a plan with the state Health Department to close that facility. They're just walking away from all the promises they made, and now families are working with the state Department of Health to relocate their loved ones due to the closure.

It is also reported that the operators still owed more than half a million dollars to Delaware County from the original purchase price. The County

is now in the process of suing and trying to get their money. So taxpayers are now left in a lurch and their loved ones are being shipped out of their County.

We offer this example because we know that Delaware County residents were not in full support of getting rid of their nursing home, but they were sold a bill of goods by a company that wanted the business. And the County leaders were looking for an easy way out. Unfortunately we can see by this example that there may not be any easy way out. And we don't want to see this happen in Onondaga County.

We hope that you carefully look at our community's long term needs and strongly consider other avenues that would allow Van Duyn to continue it's vital community mission as a public nursing home. For our part, we pledge to work with the County in any way possible to come up with solutions and
Graham

lobby for funding increases to allow
that to happen. It is our hope that in
your final budget you will vote to fully
fund Van Duyn's operations in the coming
fiscal year. And it's the right thing
to do for our community. I thank you
for your time and consideration over
this important community issue, thank
you.

CHAIRMAN KNAPP: Thank you. Next is
Phil Graham, with Tom Daday on deck.

PHIL GRAHAM: Good evening Chairman
and County Legislators. I'm Phil
Graham, I'm here tonight as an elected
president of more than 3,000 Onondaga
County workers. Like Colleen I'm here
to speak on behalf of the workers who
represent Van Duyn home and hospital,
and on behalf of the residents they care
about and serve.

We know that tonight's budget hearing
is mostly about facts and figures but I
want to impress upon you it is also
about the people. The people that live
in our County homes and their families.
The people who work at our County home,
people in our community who may need the
future services of our County home. The
people in this room who are charged with
making difficult decisions about the
future of our County home. With all
these people in mind it would be wrong
to reduce the discussion about Van
Duyn's future to dollars and cents
without looking at the bigger picture of
the people involved and what services
our County value is paying for in their
taxes. It is these topics that I would
like to talk about tonight.

As you know Van Duyn has been a
community asset for decades. Beginning
its safety net mission in our community
as a County poor house and continues to
be a facility of last resort for any and
all County residents who may need its
services. Throughout these decades our
community and our elected leaders have
always chosen to make an investment in
Van Duyn to maintain the vital mission
that accepts any resident regardless of
how much money they have or how severe
their medical needs.

Let us remind you that the County
budget reported that nearly 82 percent
of the Van Duyn current residents are
paid for by Medicaid. But up until now
-- up until very recently an investment
in our public nursing home meant that we
had the crown jewel of elderly care
available for Onondaga County residents
with a well maintained facility and
caring staff that offered the best
quality care available.

Unfortunately a change in political
leadership and facility administrative
leadership has left a decline in Van
Duyn's image, with less investment in
the facility and in staffing which has
led to an increase in deficiencies and
citations from the state Health
Department. Services there formerly
operated by the County have been
contracted out. Workers who have wanted
to continue maintaining Van Duyn's
quality care and services have felt
frustrated over lack of administrative
support and lack of political will to
continue Van Duyn as a quality facility
it always was.

Reports in the newspaper have
reflected this decline, and some have
used this as an excuse to call for
privatization. We feel that would be a
big mistake. We know with the proper
continued investment in the facility and
its staff, a County run operation could
continue to provide the best care for
our community's elders and continue Van
Duyn's safety net role.

The big question now is whether or
not our community wants to continue
paying for this investment. It's a
question that should be asked going
forward. When asked previously County
residents have always valued the vital
role Van Duyn has served in our community,
Graham

and we believe they continue to support
that mission. Before you make any final
decisions on the subject you should be
hearing from the public if that's still
the case. And remember, from a dollars
and cents standpoint, even if you vote
to privatize the facility, there are
legacy costs that will continue to the
future. A consultant's report from 2010
estimates more than $12 million in these
costs, which is more than Van Duyn's
current projected deficit.

We have to ask, does it make
financial sense to continue a multi-
million dollar obligation with virtually
no say in the future administration of
the operation? We also have to ask, can
our community afford to gamble on our
senior care, especially with an
increasing elderly population, and in
light of the glaring example of the
failure of privatization in Delaware
County that Colleen just spoke about?

For us, the bottom line is not just

Graham

about money. The bottom line is about
Onondaga County residents who have lived
and worked in this community all their
lives, paid their taxes, and always had
the knowledge that Van Duyn would be
there for them if they needed it. With
privatization we're very unsure if that
would be the case.

We believe our seniors deserve a
more certain future when it comes to
available and affordable nursing home
care. We believe our County leaders
should vote to reject privatization and
come up with the means to keep Van Duyn
publicly owned and operated. We realize
this will not be an easy decision, and
as Colleen said, we will be happy to
work with the County like we did with
the previous administration, to seek
cooperative solutions that will maintain
our public nursing home for all the
people involved.

That was a written speech. I also
was working in my office the last few
days. Van Duyn was started as a Poor
House back in 1827. I'm not sure if any
of the legislators we're here at that
time. That was for the indigent and
chronically ill people. 1861 that was
right around the Revolutionary War, the
Civil War, Onondaga Home and Hospital
was the name of the hospital. 1954 Van
Duyn Home and Hospital. It was in honor
of the distinguished family of physicians
who served the Syracuse area for almost
100 years. Then the new building was
built in 1975.

It is the oldest large elderly care
facility in New York State. Since the
recession 10 counties have sold their
nursing homes and another 12 are
expected to sell them in the next few
years. There is still 34 County run
nursing homes throughout New York State.
They have asked the state officials for
special status to gain more funds.
They're still waiting for that answer to
come from the state.

Center for government research has
awarded a grant to document the tangible
results of previous decisions to close,
sell or maintain County nursing homes
and provide data driven policy guidance
to the state and counties deciding the
future of these nursing homes. The
report is not due until May of 2013.

The County has a responsibility to
all its residents, and of course when
the times get tough government turns its
back on the less fortunate. There are
some services that the government is
morally obligated to provide. I think
services for the elderly population is
critical.

It is unclear what will happen if
this private company goes out of
business or stops taking residents that
rely on Medicaid. Private companies
pick and choose who they keep and who
they take. There are too many
unanswered questions with the sale of
Van Duyn, which gives me no comfort to
the residents and employees of that facility.
So here I stand today before the members of the Onondaga County Legislature, who have the undesirable task of maybe selling an 185 year old facility. We are at the crossroads that many other counties have come to in recent years. The members of CSEA, the families and the residents of Van Duyn have fought with and against the County over the last 10 years to keep Van Duyn running. Our previous County Executive Nick Pirro, felt an obligation to Van Duyn because his mother was a resident up there. Does the current County Executive and Legislature have the same obligation for these Van Duyn residents?
What will happen to our safety net? Like Colleen said, talk is cheap, newspapers can say anything about a safety net. There is a true safety net there right now. What will happen to the 500 workers up at Van Duyn? Will they have wages and benefits enough to care for their families or will they be in line for food stamps and HEAP. Selling Van Duyn will not get us out of the future obligations, such as retiree future health benefits, interdepartmental costs and workers' compensation insurance. Before you decide on the future of Van Duyn I urge everyone to look at all the facts, you can make a decision based on what's best for everyone. Thank you.
CHAIRMAN KNAPP: Thank you. Tom Dadey.
TOM DAEDEY: Good evening, Chairman, members of the Legislature, I'm Tom Dadey, most of you know me, I'm the Republican Chairman, I'm a City resident taxpayer, and I'm also a small business owner in the Town of Dewitt. So I just wanted to come briefly tonight, keep it very brief Chairman, and say thank you to the members of the Legislature for the hours and the time that you've put in on this process. I was out of town, I was president of the school board so I know a little bit about municipal budgeting. But I know from my conversations with many of you over the last several weeks that this is a very grueling process. And I just wanted to thank in particular 13 members of the Republican Legislature, led by Chairman Knapp with his Committee of Ways and Means, thank you for what you have done to get a budget that is workable for everybody involved. And thank you for what you're doing in allowing the taxes to go down in most of the municipalities. So thank you for your hard work and thank you for what you're doing and keep up the good work.
CHAIRMAN KNAPP: Thank you. Is there anyone else wishing to speak? Could you please come up and sign up please before you speak. If there is anyone else wishing to speak please come up and sign in, thank you. Again, if you have any written material you would like to submit to the record please give it to the Clerk, please. Next we have Dave Appleton. Good evening.
DAVID APPLETON: Good evening, I would like to take a moment to read a letter I have from the Office of the State Comptroller, State of New York. I'll read the excerpt of it. It says, "Onondaga County and the City of Syracuse have entered into various municipal cooperation arrangements under which the County serves as administrator and/or fiscal agent for joint undertakings. SOCPA is one of these joint undertakings. It is budgeted and accounted for by the County and staffed by County employees. The City's share of costs incurred in connection with these activities is recovered by the County through a tax levy on real property in the City. Neither the City budget nor the City's annual financial reports reflect the
Appleton

taxes or related expenditures. The 
Office of the State Comptroller issued 
an audit report in 1998 that criticized 
this practice, and recommended that 
appropriations for these expenditures be 
included in the City budget, and that 
the City levy the necessary taxes to pay 
the County its share of the costs. 
Based on our recent inquiries, the City 
has not taken corrective action with 
respect to this recommendation."

Now the City cannot do this without 
the cooperation of the County. I under- 
stand why the City does not want to end 
this arrangement. It allows them to 
spend money, taxpayers money and not be 
held accountable for it. People will 
get their County tax bill, they think 
they're paying for County services. 
When the County is actually taking a 
little bit that should be going through 
the City budget. This is deceitful, 
it's not the way our government is 
supposed to work.

Knapp

Is there anyone else who would wish to 
speak? Okay, I'm declaring the comment 
period closed. Are there any members of 
the Legislature who would like to speak 
at this time? We'll go on.

Just a few closing comments before 
we adjourn the meeting. I would like to 
thank the members of the Ways and Means 
Committee for their diligent work over 
the past few weeks, lot of long days, 
lot to take in, and I think that went 
very very well.

Also like to thank the County 
Executive and her team, I think they 
were more than great about answering all 
of our questions. They put together a 
very solid responsible budget for us to 
start with, and I certainly appreciate 
that. Lori Tarollo and the County 
Attorney’s office who was also available 
to answer any questions that we had. 
The County Comptroller’s team again, 
answered a lot of questions for us and 
very accessible.

Appleton

Our elected representatives are 
supposed to be held accountable for the 
money they spend. As a City taxpayer I 
would like to see the City held 
accountable and the Common Councilors. 
And we cannot do that if we don't know 
how much it is. And if the County 
continues to use this arrangement I see 
no benefit for the County. And I would 
like to know if you have any plans to 
end this arrangement and bill the City 
directly the way it's supposed to be 
done.

I believe you're an accountant, so I 
shouldn't have to explain that to you, 
but if you could explain it to me. But 
that is not the way things are run in 
business or in government. And I have 
copies for everyone here, I would hope 
that you could take the time to discuss 
this and put an end to it. Thank you.

CHAIRMAN KNAPP: Thank you. I'll 
take those, thanks, appreciate it. We 
can make an extra copy if we need to.

Knapp

And then last and probably most 
importantly Debbie Maturo and Sue 
Stanczyk, and our entire legislative 
staff for all that they've done, pretty 
much 14, 15 days straight here. So 
wanted to make sure we acknowledge all 
their hard work.

With that I’d like to call the 
meeting adjourned. Have a good evening.

[Conclusion of Public Hearing].

* * *

CERTIFICATE

This is to certify that I am a 
Certified Shorthand Reporter and Notary 
Public in and for the State of New York, 
that I attended and reported the above 
entitled proceedings, that I have 
compared the foregoing with my original 
minutes taken therein and that it is a 
true and correct transcript thereof and 
all of the proceedings had therein.

Dated: October 9, 2012

[Signature]

John J. Deury, CMR, RPM