STATEMENT OF ISLAND NURSING HOME BOARD AT PUBLIC MEETING AT DIS HS ON WEDNESDAY, DECEMBER 7, 2022, 6 PM

We would like to thank all of you who have taken the time to come out tonight, listen to a presentation of our plan to reopen the Island Nursing Home with 32 residential care beds. We are anxious to receive your comments and suggestions before we submit the plan to the State of Maine requesting a conditional license to reopen. Before we begin, I would like members of the board to introduce themselves. Also, I would like to acknowledge and thank Lori Morey and Deb Adkins, our INH employees who have been wonderful advocates for the nursing home to the board of directors during this time of closure.

DRAFT PLAN

We have decided to request a conditional license for 32 residential care beds because we have come to the conclusion that we cannot hire sufficient nurses to staff nursing care beds. The State of Maine has told us that there will be shortage of 2,700 nurses in the next two and a half years in Maine. Beyond that conclusion, requesting a few number of nursing care beds would require us to hire a significant number of additional staff which would increase the potential deficit from $500,000 to something between $1.6 and $1.9 million per year. We also conclude that this deficit is unmanageable. It is our long term goal when the nursing employment situation improves to consider having some of the beds dedicated for skilled nursing care.

POTENTIAL DEFICIT

When calculating the expenses and revenues, the estimated deficit was $508,413. Earnings from endowed and invested funds have the potential to lower this deficit. Please understand that these initial figures are our best ESTIMATE at this point in time and are bound to change as time moves forward.

CONDITIONAL LICENSE

The State has told us that we have to request a conditional license before January 14, 2023. Our plan calls for 22 employees, all of whom we believe we can hire locally. So housing is not an issue with our application. The State has told us that we will receive an answer about the conditional license before February 23, 2023, which is the date our current license expires. The State has also told us that we have to demonstrate in our request for a conditional license that we have financial resources equal to the first six months of operating costs. We have to demonstrate that we have $1,086,115 in accessible financial resources to achieve that goal.

FUND RAISING

We are working on a reopening fund drive to raise $3 million to pay for start-up costs, some minor repairs, and the operating costs for which the State will not reimburse us. **If we do not raise sufficient capital, we may not be able to submit a request for a conditional license.** We are placing all contributions for the reopening fund in a separate account and will not expend any funds until we receive a conditional license from the State of Maine. If we do not receive the conditional license, we will return the contributions. The money we have received to date is $19,610 from 120 donors.. We have also received $258,000 in pledges. We would like to have some people from the various communities volunteer and assist us in the fund raising effort by making personal contacts.

INH FINANCES

Our auditor review for July 2021 to June 2022 has been completed. We will place a copy of the financial statements on our website, [www.islandnursinghome.org](http://www.islandnursinghome.org) for your review when we receive the final report.

From October 22, 2021 to November 30, 2022, we have spent approximately $837,000 on keeping the facility open and paying bills. A summary of our expenses is as follows:

1. $207,141 on Severance and Unemployment Wages
2. $189,949 on wages and benefits. Most wage expenses were directly after closing (maintenance, social services, and administrative)
3. $164,047 on consultants in healthcare, legal, accounting, communications, etc.
4. $93,299 on heating and utilities
5. $75,521 on technology
6. $41,086 on leases
7. $40,285 on liability insurance
8. $25,865 on vehicle and supply expense

TOTAL - $837,193.14

Our current bank balance is $529,758. We have $428,000 invested in securities. We also have over $1.2 million in endowment funds and their earnings, about $70,000 of which can be used each year.

DRAFT PLAN

You can find a copy of our draft plan and this statement on our website, www.islandnursinghome.org. If you have suggestions or opinions which come to you mind after the meeting tonight, please call any member of the board. Skip Greenlaw’s cell is 207-460-1260 and email is skipg@midmaine.com.

GENTLE REMINDER

All residents of our seven community service area have received a fund raising letter. We are also sending funding requests to non-resident property owners whom address we have. We have written or are writing a letter to all seven towns asking them to consider raising $100,000 at their town meeting in 2023. We hope that you will take this request for making a contribution to the reopening fund seriously. **I repeat that if we do not receive sufficient funding, we will not be able to make application to the State of Maine for a conditional license. We need to raise at least $1.7 million between now and January 14, 2023 in order to have sufficient cash to pay for reopening expenses and to demonstrate to the State that we have sufficient cash for 6 months operating expenses.**

Thank you very much for attending our meeting tonight. We will be pleased to respond to any questions you have and listen to your comments and suggestions.