FINANCE AND RULES COMMITTEE MEETING
June 18, 2019

Present: Legislators Bryan Moser, Ron Burns, John Lehman, Tom Osborne, Richard Chartrand and Chairman Larry Dolhof.

Others Present: Legislators Greg Kulzer, Randy LaChausse, Jerry King and Andrea Moroughan, County Manager Ryan Piche, County Attorney Joan McNichol, Human Resources Director Chris Boulio, IT Director Adam Zehr, Treasurer Patty O’Brien, Real Property Director Candy Akin, Workers’ Compensation Administrator Teresa Clark, John Congdon of Bay Oaks Insurance & Risk Management Group, NYMIR Agent Kevin Townsend, and reporter Nick Altmire & Julie Abbass.

Committee Chairman Bryan Moser called the meeting to order at 4:07 p.m.

Legislator Chartrand made a motion to accept the minutes of the May 21, 2019 meeting as recorded, seconded by Legislator Osborne. Motion carried.


John Congdon of Bay Oaks Insurance & Risk Management Group introduced Vince Kapaldie and Debbie Muller who have several years’ experience working with Workers’ Compensation Insurance coverage and Self-Insurance programs. Kevin Townsend, the counties NYMIR Agent was also present. Workers’ Compensation Administrator Teresa Clark pointed out that the excess Insurance policy is not a mandated coverage and up until 2019 the county had never purchased this type of coverage but wanted the entire committee to be well informed about the options available.

John Congdon explained that an excess insurance policy is really a policy that you hope you never have to use because it is designed to cover catastrophic losses. The county’s current policy has a $2 million self-insured retention level, meaning that in the event of a catastrophic occurrence the county would be responsible to pay the first $2 million in claim(s) expenses, after that the excess insurance policy would kick in and pay for expenses beyond that limit for the lifetime of the claim(s). Motor Vehicle accidents are one of the top causes of catastrophic incidents, along with firefighters and law enforcement. There are several exposures in the county, whether or not there has ever been a catastrophic incident in the past.

Vince Kapaldie pointed out that the 2 million self-insured retention level is higher than most other comparable entities but due to our good financial standing, healthy fund balance and large consortium to absorb costs it is feasible. The lower the self-insured retention level is, the higher the premium. There are options of $750,000 or $1 million. Currently the premium at a $2 million self-insured retention level is roughly $80,000 but if the county decided to lower the level to $1 million the premium would increase to roughly 133,000.
This coverage is really meant to protect the solvency of the Workers’ Compensation plan in the event that it is faced with a multimillion dollar occurrence. Legislator Moser stated that years ago the firetrucks would only hold one or two firefighters but now they can hold up to four, which coupled with more training allowing firefighter to go into the interior of a building during a fire has exponentially increased the risk of a catastrophic event. There was discussion on an event that happened in Delaware where there were several firefighters injured while fighting a fire. The two firefighters that were burned badly ended up spending several months in a special burn unit which created an astronomical bill ($9 Million),

John Congdon pointed out that not only does this policy offer coverage against catastrophic events but it also provides claim management by experienced adjusters who only handle these types of high loss claims. The claims history for the Lewis County Workers’ Compensation plan shows that the highest claim accumulated a total payout of $721,000 since 1988. The current reserve balance for the plan is at roughly $1.7 million. Vince Kapaldie indicated that even though that was our highest claim, some of our claims from 2010 have already reached over $300,000. This is indicative of higher costs of medical procedures than years ago which means that these claims are more likely to surpass the $721,000 mark over the lifetime of the claim. Clarification was made that on more recent claims there is a 10 year cap on indemnity payments however the possibility exists for claimants who have over a 75% permanent partial disability to reapply for continued payments.

The options that were discussed were 1- renew the current policy with a $2 million retention and unlimited recovery for an annual premium of $77,955; 2-amend that policy to cap recovery at $10 million for an annual premium for $74,055; 3-purchase a new policy with a $1 million retention level with unlimited recovery for an annual premium of $133,921; 4- annually appropriate $50,000 or greater to the Lewis County Self-Insurance Reserve Fund to increase funds to cover potential high cost claim(s), with the option to Bond in the event of a catastrophic occurrence. Ryan believes the $2 million retention level policy would be the best option to protect the solvency of the plan.

Kevin Townsend recommended the policy purchased in 2018 because from an insurance perspective he felt there was nothing in place to protect the Workers’ Compensation plan in the event of a multimillion dollar incident and didn’t want to see the county have to bond and have that burden if something should happen. Terry Clark stated that if the county had to bond, which is always an option, the payments would be spread out over an 8 year period. Chairman Dolhof asked for thoughts on the different options presented. Jerry Cayer, CEO of Lewis County General Hospital felt that the hospital has many safeguards in place to protect against a catastrophic loss but realizes that is not the case for all entities covered under this plan and therefore he would recommend a new policy with a $1 million retention level. Randy Schell, Town of Lowville Supervisor felt that the distribution of the cost was out of line with the exposure to risk and would like to see that equation re-examined but it was pointed out that the Lowville Fire Department has 80 members which is a lot of risk.

Terry Clark recognized these are large figures that will affect everyone in the plan, but needs a decision by July to enable finalizing the Plan’s 2020 budget that by law must be sent to municipal entities by September 1, 2019. Legislator Moser asked the committee to further consider the options discussed today and make their recommendation at the July committee meeting.
The following dockets were then approved:

**Dockets**

1. Resolution to Amend and Adopt The Standing Rules of The Board Of Legislators of Lewis County, effective from July 1, 2019 to December 31, 2019.

2. Resolution authorizing agreement through the Lewis County Treasurer’s Department and EFPR Group, CPA, PLLC, (formerly Toski & Company, P.C.) for auditing financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively compromise the basic financial statements of the County for years ending December 31, 2019, 2020 and 2021. The cost is $47,000 for 2019, $48,000 for 2020, and $49,000 for 2021.

3. Resolution to transfer Contingency funds into the Elections Department accounts for the additional amount of $7,500.00 needed to purchase voting machines.

4. Resolution to Adopt Local Law (Introductory No. 1-2019), County of Lewis, being “A LOCAL LAW PROVIDING FOR THE INSTALLMENT PAYMENT OF REAL PROPERTY TOWN AND COUNTY TAXES IN LEWIS COUNTY”, be and the same hereby is designated as Local Law No. 2-2019, County of Lewis. There was discussion about having a 2 payment plan or up to a 5 payment plan. It was clarified that a payment would be due by January 31st and the second payment would be due by May 31st. The fee which would get passed on to the Towns is 2%, if a payment is missed the option for the payment plan is gone and a 1% per month charge will apply. Some Town Tax Collectors are worried that this will increase the number of people who drop off payments therefore creating a more extensive work load. The consensus was to start with a 2 payment plan and see how it goes and if it is successful possibly look at other options in the future.

5. Resolution authorizing a Discharge of Mortgage for Susan Bielecki who executed a Mortgage in favor of the County of Lewis dated November 20, 1991, and recorded in the Lewis County Clerk’s Office on December 20, 1991, in Liber 354 on Page 329 to secure payment of a loan in the amount of $10,000.00 pursuant to a program administered by Snow Belt Housing Company.

6. Motion to award the bid and a 5-year Agreement with SymQuest for multi-functional printing equipment for all County Departments pursuant to their proposal dated June 8, 2019 at a cost of $31,098 per year. (This base figure represents a 2% increase from the expiring agreement and is locked in for the full 5 years)

**Management Salary Policy – Human Resources Director Chris Boulio**

Chris Boulio explained that when he started at the county it was in the end stages of completing a CITEC study of Management salary ranges. In Lewis County, union and management have a standardized benefit package, the only difference other than overtime is the administration of this plan. Management does not have steps or longevity benefits. Without steps there is no movement in the salary ranges for employees, if they are hired at the bottom of the scale they will remain there. Union employees who have steps have are compensated at a faster rate than their supervisors and have the possibility of surpassing their boss in salary.
Jefferson and State Lawrence County as well as school districts and some military ranks have step systems. The steps are often self-funded through attrition due to long tenured employees at the top leaving and being replaced by more entry level employees at the bottom of the range therefore creating payroll savings to assist in the cost for step movement. This year with the departure of 9 management employees would create a payroll savings of $58,899 next year which would assist in implementing a 2% “step movement” on top of a 2% COLA increase and would only cost $39,731.

There was discussion on pay raises being based on performance and not equal across the board, but either way it could be looked at as politically motivated. Some of the Legislators felt that performance evaluations are important and need to be done on a regular basis, especially in regards to Department Heads. Since the CITEC study was completed all management has been brought in line with the salary ranges for each respective level. The range scale does increase with COLA increases every year. There were a few Legislators who don’t feel steps are necessary and that performance evaluations should be used as the basis for any salary increases, that way if someone isn’t do a good job they aren’t rewarded. There was further discussion on evaluations.

Legislator Moser recommended that Chris Boulio put 3 proposals in writing to show what options for a step system would look like for the July Committee meeting and to make sure that rules are put into place that give the Legislators the authority to suspend steps at any point and require performance evaluations. This will give the committee a better understanding of the cost associated and an outline of how it will be implemented.

Legislator Chartrand made a motion to enter into executive session for personnel discussion at 5:40 p.m., seconded by Legislator Osborne. Motion carried.

Legislator Burns made a motion to enter into regular session at 6:49 p.m., seconded by Legislator Lehman. Motion carried.

Legislator Lehman made a motion to adjourn the meeting at 6:50 p.m., seconded by Legislator Burns. Motion carried.

Respectfully submitted,
Cassandra Moser, Deputy Clerk to the Board of Legislators
Encl.