

FINANCE AND RULES COMMITTEE
April 21, 2020

Present via video conference: Legislators Tom Osborne, Ron Burns, Greg Kulzer, Ian Gilbert, and Phil Hathway.

Others present via video conference: Legislators Larry Dolhof, Jerry King, Richard Chartrand; Randy LaChausse, and Andrea Moroughan; County Manager Ryan Piche; County Attorney Joan McNichol; and Human Resource Director Caitlyn Smith.

Committee Chairman Tom Osborne called the meeting at 2:45 p.m.

Legislator Burns made a motion to approve the 3/17/2020 committee meeting minutes, seconded by Legislator Hathway and carried.

Sales Tax update – Ryan Piche (attached)

Ryan reviewed his report that he put together showing current and past year's sales tax numbers. It showed what the deficit would be if it was down by different percentages. Due to the fact that we budget conservatively and looking at our sales tax revenue from last year, if we took a 5% hit on sales tax we would still be in the green by \$412,812.00. Ryan showed what the Sales Tax collection schedule is for the year and how the months tend to lag behind a bit. Then he discussed the spreadsheet that showed the Sales Tax projection with each quarter broken out and what a 25% and 50% hit would look like. The last spreadsheet showed Sales Tax projection for 2020. In Ryan's opinion a worst case scenario would have us with a \$2,376,461 deficit at the end of the year, which is a lot.

Legislator Kulzer suggested that we should increase our sales tax percentage up a half percent this would equate to roughly \$800,000 more in the year. Ryan explained that it would need state approval and due to them no longer being in session and the fact that no one has been approved for a raise in sales tax percentage in the last few years, shows it is quite unlikely. Legislator Kulzer responded that he would rather see the county go that route than burden tax payers with raising taxes. Legislator Gilbert asked about how lower gas prices would affect the sales tax numbers. Treasurer Eric Virkler said he hasn't looked into those numbers but agrees that it would have an effect.

The following dockets were reviewed:

1. Resolution to authorize the Lewis County Office of Real Property and Tax Services Agency to enter into a lease agreement with Ed & Ed Business Technology, Inc. for the purpose of leasing a Neopost DS-64i two station model folder inserter machine. This is for the term commencing upon delivery of the equipment at a cost of \$285.10 per month for a total of 63 months, at a total cost of \$18,056.30 inclusive of the document fee.

YEA: 5 NAY: 0

2. Resolution authorizing discharge of mortgage.

YEA: 5 NAY: 0

At 3:13 p.m. Legislator Kulzer made a motion to go into executive session for discussion on personnel and contract discussions, seconded by Legislator Hathway and carried.

At 3:37 p.m. Legislator Burns made a motion to enter back into regular session, seconded by Legislator Kulzer and carried.

Legislator LaChausse asked about how the Broadband was going since Frontier who was taking over for Mohawk declared bankruptcy. Ryan responded that Frontier is reorganizing and is still planning on finishing the project.

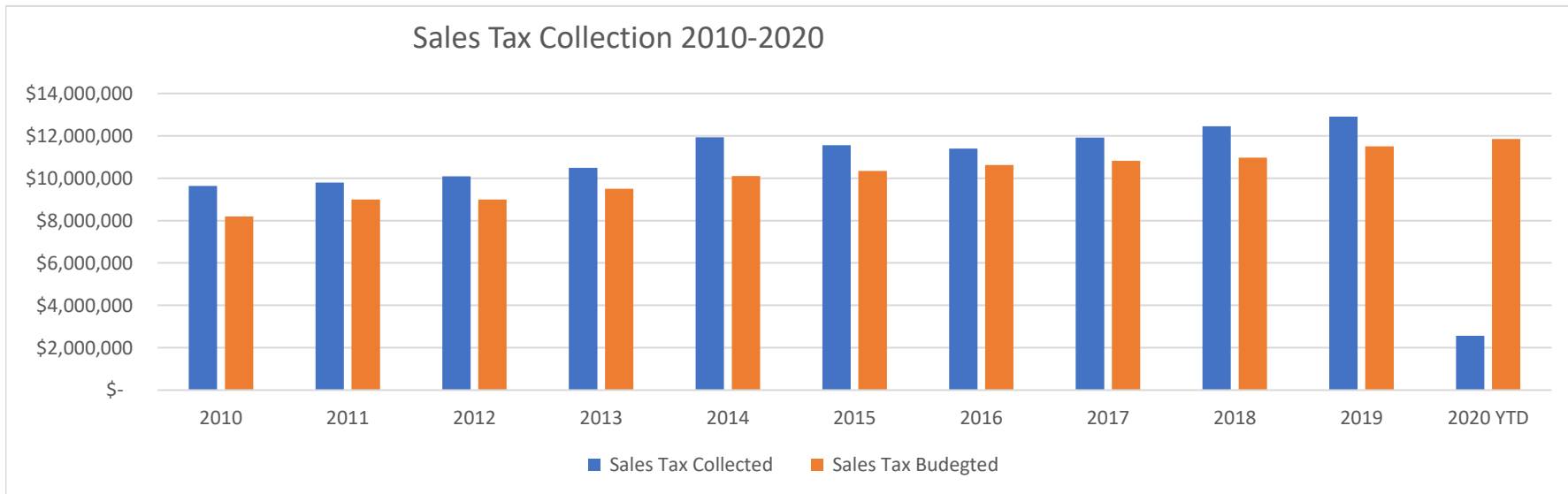
With no other business to come before the committee Legislator Osborne made a motion to adjourn at 3:39 p.m., seconded by Legislator Gilbert and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board

Historical Sales Tax Collection

April 20th, 2020

Year	Sales Tax Collected	Sales Tax Budegted	Difference	Yr. Over Yr. Change (\$)	Yr. Over Yr. Change (%)	Notes
2007	\$ 9,308,449	\$ 9,050,000	\$ 258,449			
2008	\$ 9,461,461	\$ 9,050,000	\$ 411,461	\$ 153,012	1.6%	
2009	\$ 8,951,325	\$ 9,000,000	\$ (48,675)	\$ (510,136)	-5.4%	Housing Bubble
2010	\$ 9,635,694	\$ 8,200,000	\$ 1,435,694	\$ 684,369	7.6%	
2011	\$ 9,801,643	\$ 9,000,000	\$ 801,643	\$ 165,950	1.7%	
2012	\$ 10,088,341	\$ 9,000,000	\$ 1,088,341	\$ 286,698	2.9%	
2013	\$ 10,485,593	\$ 9,500,000	\$ 985,593	\$ 397,251	3.9%	
2014	\$ 11,926,733	\$ 10,100,000	\$ 1,826,733	\$ 1,441,140	13.7%	Increase to 4% Sales Tax
2015	\$ 11,557,624	\$ 10,350,000	\$ 1,207,624	\$ (369,109)	-3.1%	Low Gas Prices
2016	\$ 11,405,000	\$ 10,625,000	\$ 780,000	\$ (152,624)	-1.3%	
2017	\$ 11,917,073	\$ 10,825,000	\$ 1,092,073	\$ 512,073	4.5%	
2018	\$ 12,452,581	\$ 10,975,000	\$ 1,477,581	\$ 535,508	4.5%	
2019	\$ 12,908,223	\$ 11,500,000	\$ 1,408,223	\$ 455,642	3.7%	
2020 YTD	\$ 2,564,102	\$ 11,850,000	\$ (9,285,898)			Through Feb. 2020
13 Yr. Avg.					2.90%	



COVID-19 Sales Tax Analysis

April 20th, 2020

% Reduction in Sales Tax Receipts	5-Year Average Sales Tax Receipts	Difference From 2020 Budgeted
Actual	\$ 12,048,100	\$ 11,850,000
5%	\$ 11,445,695	\$ (404,305)
10%	\$ 10,843,290	\$ (1,006,710)
15%	\$ 10,240,885	\$ (1,609,115)
20%	\$ 9,638,480	\$ (2,211,520)
25%	\$ 9,036,075	\$ (2,813,925)
30%	\$ 8,433,670	\$ (3,416,330)
35%	\$ 7,831,265	\$ (4,018,735)
40%	\$ 7,228,860	\$ (4,621,140)
45%	\$ 6,626,455	\$ (5,223,545)
50%	\$ 6,024,050	\$ (5,825,950)
55%	\$ 5,421,645	\$ (6,428,355)
60%	\$ 4,819,240	\$ (7,030,760)
65%	\$ 4,216,835	\$ (7,633,165)
70%	\$ 3,614,430	\$ (8,235,570)
75%	\$ 3,012,025	\$ (8,837,975)
80%	\$ 2,409,620	\$ (9,440,380)
85%	\$ 1,807,215	\$ (10,042,785)
90%	\$ 1,204,810	\$ (10,645,190)
95%	\$ 602,405	\$ (11,247,595)
100%	\$ -	\$ (11,850,000)

% Red.	3-Year Average Sales Tax Receipts	Difference From 2020 Budgeted
Act.	\$ 12,425,959	\$ 11,850,000
5%	\$ 11,804,661	\$ (45,339)
10%	\$ 11,183,363	\$ (666,637)
15%	\$ 10,562,065	\$ (1,287,935)
20%	\$ 9,940,767	\$ (1,909,233)
25%	\$ 9,319,469	\$ (2,530,531)
30%	\$ 8,698,171	\$ (3,151,829)
35%	\$ 8,076,873	\$ (3,773,127)
40%	\$ 7,455,575	\$ (4,394,425)
45%	\$ 6,834,277	\$ (5,015,723)
50%	\$ 6,212,980	\$ (5,637,020)
55%	\$ 5,591,682	\$ (6,258,318)
60%	\$ 4,970,384	\$ (6,879,616)
65%	\$ 4,349,086	\$ (7,500,914)
70%	\$ 3,727,788	\$ (8,122,212)
75%	\$ 3,106,490	\$ (8,743,510)
80%	\$ 2,485,192	\$ (9,364,808)
85%	\$ 1,863,894	\$ (9,986,106)
90%	\$ 1,242,596	\$ (10,607,404)
95%	\$ 621,298	\$ (11,228,702)
100%	\$ -	\$ (11,850,000)

% Red.	2019 Sales Tax Received	Difference From 2020 Budgeted
Act.	\$ 12,908,223	\$ 11,850,000
5%	\$ 12,262,812	\$ 412,812
10%	\$ 11,617,401	\$ (232,599)
15%	\$ 10,971,990	\$ (878,010)
20%	\$ 10,326,578	\$ (1,523,422)
25%	\$ 9,681,167	\$ (2,168,833)
30%	\$ 9,035,756	\$ (2,814,244)
35%	\$ 8,390,345	\$ (3,459,655)
40%	\$ 7,744,934	\$ (4,105,066)
45%	\$ 7,099,523	\$ (4,750,477)
50%	\$ 6,454,112	\$ (5,395,888)
55%	\$ 5,808,700	\$ (6,041,300)
60%	\$ 5,163,289	\$ (6,686,711)
65%	\$ 4,517,878	\$ (7,332,122)
70%	\$ 3,872,467	\$ (7,977,533)
75%	\$ 3,227,056	\$ (8,622,944)
80%	\$ 2,581,645	\$ (9,268,355)
85%	\$ 1,936,233	\$ (9,913,767)
90%	\$ 1,290,822	\$ (10,559,178)
95%	\$ 645,411	\$ (11,204,589)
100%	\$ -	\$ (11,850,000)

2020 Sales Tax Collection Schedule

April 20th, 2020

First Quarter	Month Earned	Check Received From NYS
	December	2/7/2020
	December	2/14/2020
	January	3/6/2020
	January	3/14/2020
	February	4/8/2020
	February	4/15/2020

Second Quarter	Month Earned	Check Received From NYS
	March	5/7/2020
	March	5/14/2020
	April	6/7/2020
	April	6/14/2020
	May	6/27/2020
	May	6/30/2020
May	7/15/2020	

Third Quarter	Month Earned	Check Received From NYS
	June	8/5/2020
	June	8/12/2020
	July	9/5/2020
	July	9/12/2020
	August	10/6/2020
August	10/10/2020	

Fourth Quarter	Month Earned	Check Received From NYS
	September	11/5/2020
	September	11/12/2020
	October	12/4/2020
	October	12/12/2020
	November	12/29/2020
	November	12/31/2020
December	1/12/2021	

2020 Sales Tax Projections

April 20th, 2020

First Quarter	Period Earned	Received From NYS	2019	2020 Q1 Actual	Percent Change
	December	2/7/2008	\$ 701,793	\$ 739,274	5.3%
December	2/14/2008	\$ 147,877	\$ 170,709	15.4%	
January	3/6/2008	\$ 566,596	\$ 651,941	15.1%	
January	3/14/2008	\$ 117,368	\$ 127,074	8.3%	
February	4/8/2008	\$ 975,595	\$ 1,108,123	13.6%	
February	4/15/2008	\$ 243,494	\$ 256,667	5.4%	
	Q1 Total	\$ 2,752,723	\$ 3,053,788	10.9%	
	Difference		\$ 301,065		

5-Year Average	2020 Q1 Actual	Percent Change
\$ 670,148	\$ 739,274	10.3%
\$ 157,812	\$ 170,709	8.2%
\$ 553,723	\$ 651,941	17.7%
\$ 129,316	\$ 127,074	-1.7%
\$ 879,664	\$ 1,108,123	26.0%
\$ 282,413	\$ 256,667	-9.1%
\$ 2,673,077	\$ 3,053,788	14.2%
Difference	\$ 380,711	

3-Year Average	2020 Q1 Actual	Percent Change
\$ 683,024	\$ 739,274	8.2%
\$ 147,697	\$ 170,709	15.6%
\$ 579,405	\$ 651,941	12.5%
\$ 118,689	\$ 127,074	7.1%
\$ 995,934	\$ 1,108,123	11.3%
\$ 253,164	\$ 256,667	1.4%
\$ 2,777,913	\$ 3,053,788	9.9%
Difference	\$ 275,875	

Second Quarter	Period Earned	Received From NYS	2019	2020 Q2 Projected	
				25% Reduction	50% Reduction
March	5/7/2008	\$ 744,116	\$ 558,087	\$ 372,058	
March	5/14/2008	\$ 165,456	\$ 124,092	\$ 82,728	
April	6/7/2008	\$ 791,014	\$ 593,261	\$ 395,507	
April	6/14/2008	\$ 158,153	\$ 118,615	\$ 79,077	
May	6/27/2008	\$ 617,067	\$ 462,800	\$ 308,533	
May	6/30/2008	\$ 465,160	\$ 348,870	\$ 232,580	
May	7/15/2008	\$ 343,769	\$ 257,827	\$ 171,885	
	Q2 Total	\$ 3,284,735	\$ 2,463,551	\$ 1,642,367	
	Difference		\$ (821,184)	\$ (1,642,367)	

5-Year Average	2020 Q2 Projected	
	25% Reduction	50% Reduction
\$ 694,623	\$ 520,967	\$ 347,311
\$ 181,261	\$ 135,946	\$ 90,631
\$ 719,952	\$ 539,964	\$ 359,976
\$ 148,178	\$ 111,133	\$ 74,089
\$ 531,287	\$ 398,465	\$ 265,643
\$ 440,489	\$ 330,367	\$ 220,244
\$ 397,832	\$ 298,374	\$ 198,916
\$ 3,113,622	\$ 2,335,216	\$ 1,556,811
Difference	\$ (778,405)	\$ (1,556,811)

3-Year Average	2020 Q2 Projected	
	25% Reduction	50% Reduction
\$ 709,773	\$ 532,330	\$ 354,886
\$ 199,398	\$ 149,549	\$ 99,699
\$ 751,017	\$ 563,263	\$ 375,508
\$ 142,957	\$ 107,218	\$ 71,478
\$ 559,195	\$ 419,396	\$ 279,597
\$ 460,216	\$ 345,162	\$ 230,108
\$ 394,024	\$ 295,518	\$ 197,012
\$ 3,216,579	\$ 2,412,434	\$ 1,608,290
Difference	\$ (804,145)	\$ (1,608,290)

Third Quarter	Period Earned	Received From NYS	2019	2020 Q3 Projected	
				10% Reduction	25% Reduction
June	8/5/08	\$ 849,080	\$ 764,172	\$ 636,810	
June	8/12/08	\$ 159,010	\$ 143,109	\$ 119,257	
July	9/5/2008	\$ 829,874	\$ 746,887	\$ 622,406	
July	9/12/2008	\$ 178,183	\$ 160,365	\$ 133,637	
August	10/6/2008	\$ 1,298,281	\$ 1,168,453	\$ 973,711	
August	10/10/2008	\$ 351,888	\$ 316,699	\$ 263,916	
	Q3 Total	\$ 3,666,316	\$ 3,299,685	\$ 2,749,737	
	Difference		\$ (366,632)	\$ (916,579)	

5-Year Average	2020 Q3 Projected	
	10% Reduction	25% Reduction
\$ 770,364	\$ 693,328	\$ 577,773
\$ 157,729	\$ 141,956	\$ 118,297
\$ 761,912	\$ 685,720	\$ 571,434
\$ 168,207	\$ 151,386	\$ 126,155
\$ 1,017,961	\$ 916,165	\$ 763,471
\$ 417,846	\$ 376,061	\$ 313,384
\$ 3,294,018	\$ 2,964,616	\$ 2,470,513
Difference	\$ (329,402)	\$ (823,504)

3-Year Average	2020 Q3 Projected	
	10% Reduction	25% Reduction
\$ 807,011	\$ 726,310	\$ 605,258
\$ 155,206	\$ 139,686	\$ 116,405
\$ 801,055	\$ 720,950	\$ 600,791
\$ 168,773	\$ 151,895	\$ 126,580
\$ 1,086,517	\$ 977,865	\$ 814,888
\$ 327,374	\$ 294,636	\$ 245,530
\$ 3,345,936	\$ 3,011,343	\$ 2,509,452
Difference	\$ (334,594)	\$ (836,484)

Fourth Quarter	Period Earned	Received From NYS	2019	2020 Q4 Projected	
				10% Reduction	25% Reduction
September	11/5/2008	\$ 809,720	\$ 769,234	\$ 688,262	
September	11/12/2008	\$ 137,415	\$ 130,545	\$ 116,803	
October	12/4/2008	\$ 703,374	\$ 668,205	\$ 597,868	
October	12/12/2008	\$ 143,452	\$ 136,279	\$ 121,934	
November	12/29/2008	\$ 595,076	\$ 565,322	\$ 505,815	
November	12/31/2008	\$ 418,997	\$ 398,047	\$ 356,147	
December	1/12/2009	\$ 338,661	\$ 321,728	\$ 287,862	
	Q4 Total	\$ 3,146,695	\$ 2,989,360	\$ 2,674,690	
	Difference		\$ (157,335)	\$ (472,004)	

5-Year Average	2020 Q4 Projected	
	10% Reduction	25% Reduction
\$ 705,385	\$ 634,847	\$ 529,039
\$ 147,240	\$ 132,516	\$ 110,430
\$ 721,155	\$ 649,040	\$ 540,866
\$ 149,970	\$ 134,973	\$ 112,478
\$ 491,816	\$ 442,634	\$ 368,862
\$ 403,427	\$ 363,085	\$ 302,571
\$ 349,572	\$ 314,615	\$ 262,179
\$ 2,968,566	\$ 2,671,710	\$ 2,226,425
Difference	\$ (296,857)	\$ (742,142)

3-Year Average	2020 Q4 Projected	
	10% Reduction	25% Reduction
\$ 724,643	\$ 652,179	\$ 543,483
\$ 142,840	\$ 128,556	\$ 107,130
\$ 737,925	\$ 664,133	\$ 553,444
\$ 144,819	\$ 130,337	\$ 108,614
\$ 560,850	\$ 504,765	\$ 420,638
\$ 418,928	\$ 377,035	\$ 314,196
\$ 339,340	\$ 305,406	\$ 254,505
\$ 3,069,346	\$ 2,762,411	\$ 2,302,009
Difference	\$ (306,935)	\$ (767,336)

Year End Total	2020 Year-End Projected			
	2019	Bad	Worst Case	
	Year Total	\$ 12,850,469	\$ 11,806,384	\$ 10,120,583
	Difference From 2019	\$ (1,044,085)	\$ (2,729,886)	
	Difference From Budget	\$ (43,616)	\$ (1,729,417)	

5-Year Average	2020 Year-End Projected	
	Bad	Worst Case
\$ 12,049,283	\$ 11,025,330	\$ 9,307,537
Dif. 5-yr. Avg.	\$ (1,023,952)	\$ (2,741,745)
Dif. 2020 Budget	\$ (824,670)	\$ (2,542,463)

3-Year Average	2020 Year-End Projected	
	Bad	Worst Case
\$ 12,409,775	\$ 11,239,976	\$ 9,473,539
Dif. 3-yr. Avg.	\$ (1,169,798)	\$ (2,936,235)
Dif. 2020 Budget	\$ (610,024)	\$ (2,376,461)

Sales Tax Projections - 2020

April 20th, 2020

Q1	2019 Actual	2020 Q1 Actual	Percent Change
	\$ 2,752,723	\$ 3,053,788	10.9%
	Difference	\$ 301,065	

3-Year Average	2020 Q1 Actual	Percent Change
\$ 2,777,913	\$ 3,053,788	9.9%
Difference	\$ 275,875	

5-Year Average	2020 Q1 Actual	Percent Change
\$ 2,673,077	\$ 3,053,788	14.2%
Difference	\$ 380,711	

Q2	2019 Actual	2020 Q2 Projected	
		25% Reduction	50% Reduction
	\$ 3,284,735	\$ 2,463,551	\$ 1,642,367
Difference	\$ (821,184)	\$ (1,642,367)	

3-Year Average	2020 Q2 Projected	
	25% Reduction	50% Reduction
\$ 3,216,579	\$ 2,412,434	\$ 1,608,290
Difference	\$ (804,145)	\$ (1,608,290)

5-Year Average	2020 Q2 Projected	
	25% Reduction	50% Reduction
\$ 3,113,622	\$ 2,335,216	\$ 1,556,811
Difference	\$ (778,405)	\$ (1,556,811)

Q3	2019 Actual	2020 Q3 Projected	
		10% Reduction	25% Reduction
	\$ 3,666,316	\$ 3,299,685	\$ 2,749,737
Difference	\$ (366,632)	\$ (916,579)	

3-Year Average	2020 Q3 Projected	
	10% Reduction	25% Reduction
\$ 3,345,936	\$ 3,011,343	\$ 2,509,452
Difference	\$ (334,594)	\$ (836,484)

5-Year Average	2020 Q3 Projected	
	10% Reduction	25% Reduction
\$ 3,294,018	\$ 2,964,616	\$ 2,470,513
Difference	\$ (329,402)	\$ (823,504)

Q4	2019 Actual	2020 Q4 Projected	
		10% Reduction	25% Reduction
	\$ 3,146,695	\$ 2,989,360	\$ 2,674,690
Difference	\$ (157,335)	\$ (472,004)	

3-Year Average	2020 Q4 Projected	
	10% Reduction	25% Reduction
\$ 3,069,346	\$ 2,762,411	\$ 2,302,009
Difference	\$ (306,935)	\$ (767,336)

5-Year Average	2020 Q4 Projected	
	10% Reduction	25% Reduction
\$ 2,968,566	\$ 2,671,710	\$ 2,226,425
Difference	\$ (296,857)	\$ (742,142)

Year End Total	2019 Actual	2020 Year-End Projected	
		Bad	Worst Case
	\$ 12,850,469	\$ 11,806,384	\$ 10,120,583
	Diff. 2019 Actual	\$ (1,044,085)	\$ (2,729,886)
	Diff. 2020 Budget	\$ (43,616)	\$ (1,729,417)
Percent Change	-8.1%	-23.1%	

3-Year Average	2020 Year-End Projected	
	Bad	Worst Case
\$ 12,409,775	\$ 11,025,330	\$ 9,307,537
Diff. 3-yr. Avg.	\$ (1,023,952)	\$ (2,741,745)
Diff. 2020 Budget	\$ (824,670)	\$ (2,542,463)
Percent Change	-8.3%	-24.9%

5-Year Average	2020 Year-End Projected	
	Bad	Worst Case
\$ 12,049,283	\$ 11,239,976	\$ 9,473,539
Diff. 5-yr. Avg.	\$ (1,169,798)	\$ (2,936,235)
Diff. 2020 Budget	\$ (610,024)	\$ (2,376,461)
Percent Change	-9.7%	-26.1%