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

Others: Legislators Larry Dolhof, Jerry King, Randy LaChausse, and Andrea Moroughan; County Manager Ryan Piche; County Attorney Joan McNichol; Human Resource Director Caitlyn Smith; and reporter Julie Abbass.

Committee Chairman Tom Osborne called the meeting at 4:00 p.m.

Legislator Kulzer made a motion to approve the 1/21/2020 committee meeting minutes, seconded by Legislator Burns and carried.

**Treasurer’s Report – Eric Virkler**
Treasurer Eric Virkler handed out a Sales Tax Collection Summary spreadsheet and explained that the 2019 Sales tax revenue received was $12,908,223.07 which was $1,408,223.07 over what was budgeted. The Property Tax Auction currently has 29 parcels that are still unpaid and those individuals have up until 5 days before the auction to pay the back taxes so the number of parcels should diminish. Last year in May there were 20 parcels that sold at auction. There are a few landlocked parcels that County Attorney McNichol proposes if they don’t sell to possibly reach out to the surrounding landowners to see if they have any interest.

Eric has reached out to Carthage Savings & Loan to inquire about adding them as a depository for the County but hasn’t heard back yet. He attended the most recent Business Leaders Breakfast which was a huge success and is looking forward to seeing what comes of the information that was gathered. The PILOT payments should be distributed later this week to the various entities. He is looking forward to the upcoming Treasurer’s Association meeting and will continue on working to close the 2019 books and get ready for auditors.

Legislator Hathway proposed the idea of sharing $200,000.00 of the excess sales tax revenue with the Towns and Villages. He understands that the issue with Medicaid puts some uncertainty on things but feels that this is revenue from 2019 and it will make a huge difference for the Towns and Villages. Legislator Kulzer said he agrees with the idea but would like to put a contingency on the money so the Towns and Villages have to explain what the money will be used for. He explained that the Town of Turin is in need of a new Town Barn and the money could be used to help defray that cost. Legislator Dolhof supported the idea but thought everyone should know more about the Medicaid issue that Ryan will present before deciding. Legislator Osborne supported Legislator Hathway’s proposal but thinks it needs to be considered longer and asked that it be revisited at the next meeting.

**Legislative Terms – Joan McNichol**
County Attorney Joan McNichol handed out a document explain the history of trying to change the legislative terms from 2 years to 4 years. This idea had been brought up many time before and even brought out as a referendum twice and both times it was voted down by the residents. Joan suggested looking at a 3 year term instead. Legislator Burns asked for an explanation of the
benefits of going from a 2 year term to a 4 year term. It was discussed that it would mean not having to campaign as often and it would help with the uniformity. It is hard to make any big decisions knowing you only have 2 years and part of that is spent campaigning, let alone if you are new and have to spend a good 6 months to a year getting to know your duties, responsibilities, and county government. The idea of staggered terms was discussed and the advantage of it would be that no more than 5 board members at a time would be new. This would help with consistency and continuity.

Ryan suggested that if this is something the Legislators want to put forward then there should be forms of marketing done to explain to constituents why this is a good idea and what the benefits are. It needs to have public support in order to pass. Legislator Kulzer felt that most of the public will think this is taking their power away. Legislator LaChausse brought this issue up and wanted it to be discussed because he feels strongly that a 4 year term would be beneficial giving the appropriate time to learn the duties and workings of the county, move projects and other initiatives forward with less turnover of legislators, and not always worrying about having to run for election every other year.

There was brief discussion on what year it would be best to bring it forward to the people for a vote. On a Presidential election year many people come out to vote, but on an off year there are less people but more of the “true” voters who care about local politics. The idea of only having 5 legislators up for re-election at once makes it easier to pass along the history of projects and why certain decisions were made instead of having to possibly start over every 2 years.

The idea of doing an exit poll to feel the waters as to whether the people would even be interested in this type of change was discussed. It was pointed out that the county cannot legally fund an exit poll so it would have to be funded by the political parties or another organization. The committee came to the consensus to reach out to their local Town Board and pitch the idea and see what their response is and if there is positive response look into it further but if there is negative response leave the terms the way they are.

2020 State Budget – Ryan Piche (presentation attached)
The process for the state budget begins with the Governor releasing his executive budget, then the Assembly and Senate release their budgets. Then the Leader of the Senate, Leader of the Assembly, and Governor get together and discuss and a final budget released and adopted by April 1st.

Medicaid is a huge issue that is drawing a lot of attention this year. One out of four people in Lewis County are on Medicaid. The amount spent for the Medicaid program in 2019 for Lewis County was $59.7 million, and $72.4 billion for all of New York State. This equates to $5 million for the Lewis County share, and $23.7 billion for the State’s share. Medicaid is 30% of the County’s property tax levy. $4 billion out of the $6 billion state deficit is from Medicaid.

New York State has a much higher than average spending per capita than other states by almost double. Some of the reasons why, are that our overall health care costs are more expensive, Managed Long term care has grown which is now at 47% of Medicaid spending, and Minimum wage has risen. All of these things have contributed to the rise of Medicaid costs but the
counties costs have been capped at a certain level and have not had to contribute more to offset the rise. There also has been more support for distressed hospitals.

Another aspect of rising costs is the Medicaid transportation aspect which allows Medicaid dollars to be used to transport clients to and from their appointments. When this was a program handled locally the cost was roughly $10,000/month and now that it is handled through Medicaid it is around $13,000/week. All of these rising costs have made Medicaid unsustainable without pushing the costs back on the counties.

In 2015 there was a cap put on counties for Medicaid costs, Lewis County only has to pay the first $5 million each year and the state picks up the rest of the Medicaid costs. Now the Governor is rolling back that cap and making counties pay for any Medicaid growth over 3% each year, however the counties have no control over program costs. On top of this if a county doesn’t stay under the 2% property tax cap they will be responsible for the entire percentage of growth over the previous year. The state will also keep incentive payments that were promised to counties over the past few years and no longer continue those incentives.

Other areas of concern are the possible Medicaid cuts, last year alone Lewis County brought in $59 million from Medicaid. Community Services 730 Evaluation change would require the county to be 100% responsible for all evaluations which could be as high as $86,000. The Early voting reform has been covered 100% by the state but if that changes and the county has to foot the bill it would be an added cost. Another concern is if the state eliminates the Winter Weather assistance money from the CHIPS program. Lastly if marijuana is legalized the state proposes that counties only receive 2% of the sales tax revenue, which is about half of what we receive on everything else.

The following dockets were reviewed:
1. Adopting Local Law (Intro. No. 1 – 2020) Amending Local Law No. 9-2019 Providing for the Partial Exemption of Certain Real Property Owned by Persons 65 Years of Age or Over.  
   YEA: 5     NAY: 0

2. Resolution to authorize the Lewis County Clerk to charge the party seeking to record such conveyance a fee of $10.00 to cover the cost of mailing a notice of such conveyance.  
   County Clerk Jake Moser explained that this charge is a result of the Amendment to Real Property law that requires the Clerk’s Office to now send out a notice on all conveyances. Last year there were 3,156 conveyances processed and it takes time to track down correct addresses and each person involved in the conveyance requires a notice but only one $10.00 fee will be charged. The NYS County Clerks Association recommended setting the fee at $10.00.  
   YEA: 4     NAY: 1  Legislator Hathway was opposed.

3. Resolution removing Reliance Trust Company as Trustee with respect to the Deferred Compensation Plan for Employees of the County of Lewis effective 3/31/2020 and appointing State Street bank and Trust Company of 1 heritage Drive, North Quincy Massachusetts to act as Trustee.  
   YEA: 5     NAY: 0
4. Resolution to authorize a renewal agreement between the County of Lewis and the CSEA Employee Benefit Fund, pursuant to which the FUND shall provide the SUNRISE DENTAL PLAN benefits to the County’s covered employees, with the COUNTY paying the FUND the monthly amounts per covered employee as set forth in the Agreement. The term of the renewal agreement shall be in effect retroactive to January 1, 2018 through December 31, 2020.

YEA: 5     NAY: 0

5. Resolution to respectfully request NYS Legislature to pass such necessary and appropriate “Home Rule Legislation” as would allow the County of Lewis to impose an additional one percent (1%) local sales tax for the period beginning December 1, 2020 and ending November 30, 2023.

YEA: 5     NAY: 0

6. Resolution to transfer funds from BOL Special Contingency in the amount of $1,900.00 to Legislative accounts to cover additional professional services expenses.

YEA: 5     NAY: 0


YEA: 5     NAY: 0

8. Resolution approving correction of tax bill and to authorize the County Treasurer to adjust, apportion, and charge back the Towns a total of $3,558.01.

YEA: 5     NAY: 0

Motions:
1. Legislator Kulzer made a motion, which was recommended by the General Services Committee, to authorize Sheriff Carpinelli to fill a full-time Jail Nurse effective immediately, seconded by Legislator Hathway and carried.

2. Legislator Kulzer made a motion, recommended by the General Services Committee, to authorize Solid Waste Director Kip Turck to fill a full-time Principal Account Clerk due to retirement effective immediately, seconded by Legislator Burns and carried.

3. Legislator Kulzer made a motion, recommended by the General Services Committee, to fill full-time Planning Director due to resignation effective immediately, seconded by Legislator Hathway and carried.

4. Legislator Kulzer made a motion, recommended by the Health & Human Services Committee, to authorize Social Services Commissioner Jennifer Jones to re-fill a full-time Caseworkers position due to resignation effective immediately, seconded by Legislator Burns and carried.

At 5:11 p.m. Legislator Kulzer made a motion to enter into executive session to discuss personnel and union negotiations, seconded by Legislator Burns and carried.
At 5:57 p.m. Legislator Burns made a motion to enter back into regular session, seconded by Legislator Kulzer and carried.

Legislator Burns made a motion to increase the salary for Human Resource Director Caitlyn Smith to $83,000.00 effective January 22, 2020, seconded by Legislator Kulzer and carried.

Legislator Kulzer made a motion to increase the salary of County Manager by 5%, seconded by Legislator Burns and carried.

There was discussion on both the County Manager and County Attorney employment agreements. It was decided that the contract would include a 90 day severance package, and language to increase their salary on year two of the agreement based on the recommendation of a merit based evaluation. The County Attorney agreement will also raise the maximum number of vacation hours from 240 to 340.

At 6:03 p.m. Legislator Osborne made a motion to adjourn the meeting, seconded by Legislator Burns and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board
Why does the State Budget Matter to Lewis County?

- 79% of County Spending is driven by State Mandates
- In 2019, Lewis County received $7.1M in State Aid (not including Lewis County Health System)
2020 State Budget Update

State Budget Process

Medicaid

Other Items of Note
Governor Releases Executive Budget

Assembly and Senate release their budgets

“Three Men in a Room” reconcile the three proposals to create the final spending plan

Final State Budget is due March 31st
Where The Money Goes: FY 2021 State Budget

State Operating Funds $105.8 Billion

Operations $29,045 27%
Other Local Aid $13,895 13%
Health Care $24,476 23%
Education $32,383 31%
Debt Service $6,012 6%

All Governmental Funds $178 Billion

Health Care $71,382 40%
Other Local Aid $23,688 13%
Operations $31,442 18%
Capital Projects $9,025 5%
Debt Service $6,012 3%
Education $36,480 21%

February 2020

Data Source: FY 2021 Executive Financial Plan
MEDICAID
Medicaid by the Numbers

**New York State**
- 6.3M enrolled in NYS – 33% of the population
- $72.4B spent in 2019
- $23.7B 2019 State Share
- 40% of total State spending

**Lewis County**
- 6,672 enrolled in Lewis County – 24.6% of the population
- $59.7M spent in 2019
- $5M 2019 County Share
- 30% of County’s property tax levy
Figure 2. Medicaid spending per capita in 2016

Source: Author’s calculations using data from the Centers for Medicare & Medicaid Services and the Census Bureau
Figure 1. NY Medicaid spending and enrollment FYs 2011-20
(in billions)

Sources: NYS Division of the Budget, NYS Department of Health. *Estimated.
Medicaid Spending Is Growing at an Unsustainable Rate

- We project annual growth in excess of 6% through FY 2023

<table>
<thead>
<tr>
<th>($ in Millions)</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Medicaid Spending Gap</td>
<td>$3,079</td>
<td>$3,515</td>
<td>$3,915</td>
</tr>
</tbody>
</table>

- Must control Medicaid spending and align it with Global Cap spending limits of approximately 3%.

Data Source: Division of the Budget.

February 2020
Cost Pressures on the Medicaid Program

• Overall Health Care Costs are exceeding the 10-year rolling average of the Medical CPI.

• Managed Long Term Care spending grew by 301% between FY 2013 and 2019.

• $15 Minimum wage has been included in Medicaid spending since 2017 – growing from $44M to $1.8B in FY 2021 and $2B in FY 2022.

• Local districts have not contributed additional support to the Medicaid program beginning in 2016 – the State is now assuming $4.5B in local takeover for FY 2021.

• Support for distressed hospitals has steadily grown by over 160% to nearly $500 million (state share) in FY 2021.

February 2020
Long Term Care Represents Over $12B (or 47%) of FY 2020 Medicaid Claims

Member Volume

- 4.4M = Managed Care Members
- 1.5M = Fee-for-Service Members
- 0.3M = Managed Long Term Care
- 6.2M = Total Members

DOH Medicaid Claims

- $12.1B
- $13.4B
- All Other Spending 53%

February 2020

Data Source: Medicaid Data Warehouse Claim Spending Projection
Figure 6. Per-capita Medicaid spending on personal care in 2016

New York
$279

33-state average
$43

Source: U.S. Centers for Medicare & Medicaid Services
Minimum Wage as a Medicaid Growth Factor Will Flatten

Note: Hourly wage schedules are increased on an annual basis on December 31st; wages are listed in the fiscal year in which they were in effect for the majority of the fiscal year. For example, NYC experienced an increase from $13 to $15 on 12/31/18, which first impacted FY 2019 (Jan. to Mar. 2019), but had the longest impact in FY 2020.

* Annual increases for the rest of the state will continue until the rate reaches $15 minimum wage. Starting in 2021, the annual increases will be published by the Commissioner of Labor on or before October 1. They will be based on percentage increases determined by the Director of the Division of the Budget, based on economic indices, including the Consumer Price Index.

February 2020
Taxi/Livery in Medicaid Transportation has Grown Dramatically since 2016

- Total Transportation Spend up ~131% SFY 2011 → SFY 2019

- Taxi/Livery Spend increased by nearly 800% from 2011 → 2019

- Shift in volume from Ambulette to Taxi/Livery: Ambulette Down to 12% of total volume in 2019 from 66% in 2011

  - Population: Total Medicaid
  - Time period: SFY 2011-2019, Dates of Service
  - Data Source: Medicaid Data Warehouse (MDW)

  February 2020
So why is this OUR problem?
State Cost of Local Medicaid Takeover

- True Local Costs
- 2005 Cap
- 3-2-1 Takeover

$ in Billions
$14.00
$13.00
$12.00
$11.00
$10.00
$9.00
$8.00
$7.00
$6.00
$5.00
FY 2008
FY 2010
FY 2012
FY 2014
FY 2016
FY 2018
FY 2020
FY 2022
FY 2024

February 2020

Data Source: Division of the Budget.
State Budget - Why it Matters to Counties

1State Expands Medicaid Eligibility. Enrollment begins in 2002 – by 2005 enrollment increases by 69%. In addition to property tax increases 3 dozen counties increase their sales tax.

In 2013, the Affordable Care Act expanded Medicaid coverage again and enrollment in New York has increased about 30%. The cap and enhanced FMAP prevented another spike in local taxes and allowed localities to maintain local services.

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid Expansion 1</th>
<th>Local 3% Medicaid Growth Cap Begins 2006</th>
<th>0% Medicaid Growth Cap Begins 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>12</td>
<td>10</td>
<td>8</td>
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<td>2003</td>
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<tr>
<td>2020</td>
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</tbody>
</table>

“Ave. Annual Growth 6.70%”

“Ave. Annual Growth 1.82%”

*Estimated by NYSAC
So, why is this OUR problem?

Executive Budget Proposal:
◦ Require Counties and New York City to Adhere to the 2 Percent Property Tax Cap or Lose the Benefits of the State Funded Local Medicaid Growth Cap
◦ Adhere to a Local Share Medicaid Cost Increase of No More Than 3 Percent
◦ Eliminates sharing of eFMAP savings to Counties, retroactive to 2016
## Executive Budget Impact: 3% Growth Cap

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid Growth Rate</th>
<th>Additional County Responsibility</th>
<th>Corresponding Tax Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>7.15%</td>
<td>$419,224</td>
<td>2.55%</td>
</tr>
<tr>
<td>2018</td>
<td>5.42%</td>
<td>$422,974</td>
<td>4.58%</td>
</tr>
<tr>
<td>2017</td>
<td>5.90%</td>
<td>$264,000</td>
<td>1.70%</td>
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<tr>
<td>2016</td>
<td>3.18%</td>
<td>$187,000</td>
<td>1.20%</td>
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<tr>
<td>Total</td>
<td>21.65%</td>
<td>$1,293,298</td>
<td>10%</td>
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</table>
#KeepTheCap
Other areas of Concern

- Medicaid Redesign Team – What will they cut? $59M flowed into Lewis County last year
- Community Services – 730 Eval change – 100% of costs now to Counties
- Eliminates provision that every County must have its own jail
- Eliminates financial assistance to Counties for 2019 Voting Reforms
- Eliminates Severe Winter Weather assistance from CHIPS program
- Marijuana legalization – 2% tax for Counties
Growing Support for Financially Distressed Hospitals

State Share of VBP-QIP, VAPAP and VAP Payments to Non-Public Distressed Hospitals
(SFY 14-20)

February 2020  Data Source: Division of the Budget.