

FINANCE AND RULES COMMITTEE
July 21, 2020

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

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

Committee Chairman Tom Osborne called the meeting at 4:05 p.m.

Legislator Gilbert made a motion to approve the 6/16/2020 committee meeting minutes, seconded by Legislator Kulzer and carried.

Lewis County General Hospital Project Finance update – Jerry Cayer, LCGH C.E.O

Mr. Cayer explained to the committee that the original budget was estimated at \$28.2 million and then it was revised in January 2020 and revised again in July 2020 which brings it up to \$32.8 million. The drivers of these increases were that originally the surgical pavilion was going to be an empty shell but then it was decided that now is the time to design the space to create efficiency. This also allowed the supplies room to be relocated which makes more sense as there will be a loading dock next to it instead of being on the opposite end of the hospital and having to transport supplies. It will also allow for the development of Health Education classrooms. Another increase was for site work, which required several more borings than anticipated due to the amount of rock below the surface. John Lehman, Board member and past Legislator also strongly suggested to the committee that a Clerk of the Works is hired for a project of this magnitude so that amount was added into the budget.

Mr. Cayer went on to explain that the hospital would like the county to bond this project, which is supported by the Board of Managers. This would allow the project to move forward and not be a burden on the taxpayers. Legislator Dolhof inquired as to whether it would be a 20-year bond or a 30-year bond, to which Mr. Cayer responded that they are looking at a 30-year bond but will wait to get their bond council's recommendation.

Legislator Hathway questioned if they would bond the full amount of the project or just a portion of it. Mr. Cayer responded that they anticipate bonding the full amount of the project if the interest rates are low enough, however they do have \$5 million set aside that could be used to fund a portion of it. The Hospital Foundation will also be putting together a capital campaign to help raise money towards the project. Jeff Hellinger, LCGH C.F.O. stated that the hospital was in a good financial position right now with 176 days cash on hand compared to at one point in the past only 3 days cash on hand. Ryan clarified that the Hospital Enterprise has \$29 million total. Legislator Dolhof suggested that the bond be for the full amount and then the \$5 million the hospital has set aside could be used in case something came up and they didn't have the funds at the time to make the bond payment, they could use that as a reserve. He went on to point out that the hospital doesn't have any debt now.

Legislator Gilbert questioned the Critical Access Designation and where that was at. Mr. Cayer responded that Carthage Area Hospital and Lewis County General Hospital are the only Critical

Access hospitals that still deliver babies and that is an important thing for rural communities. The issue has been punted down the road but he felt encouraged that they would be given that designation.

Ryan clarified that in order to submit the Certificate of Need for this project the hospital has to have the funding lined up. This requires the approval from the Board of Legislators to be able to bond the project, which requires a public hearing. The time line is tight to get the Certificate of Need filed in September. Ryan asked permission to put forward a resolution at the August Board meeting that will set a public hearing for comment on bonding the \$33 million project for September 1st. The resolution could then be adopted approving bonding the project. The committee agreed to put forward a resolution on August 4th.

Legislator King questioned what would happen if the Critical Access designation isn't granted to the hospital, as this would cripple the state and federal aid that the hospital currently receives. Mr. Cayer explained that the approval from the board doesn't mean that the bond will be completed right away, if the designation did not come through then the project would have to be put on hold. Mr. Cayer felt 80% confident that the designation will be awarded but worst-case scenario if it isn't by January/February 2021 the project will be stopped. Lewis County General Hospital is not the only hospital dealing with this uncertainty, there are 9 other hospitals.

Legislator Dolhof agreed with Legislator King but added that in a business there is always risk. You can either invest in your business with some risk or you don't and eventually your business goes down. Ryan pointed out to the committee that next month the auditors are coming to meet with Legislators to go over the counties financial state. Ryan went on to explain that next month on August 18th he will have the hospital come and set up in his office for any legislator that may have questions about the project. If you are not in the active committee at the time you can meet with Mr. Cayer, that way everyone will get a chance.

Compensation Policy & Step Schedules for Exempt Employees – Caitlyn Smith

Caitlyn opened the floor up to anyone who had any questions about the information that was handed out regarding the Salary Ad Hoc Committee's work. Legislator La Chausse spoke up and stated that there was a lot of effort and work put into this policy and although it isn't perfect it is a great working tool. This is needed in order to avoid situations like last December. This tool is for management and non-union employees. Legislator Hathway thought it was very well done and commended the Salary Ad Hoc Committee for all their hard work and effort. Legislator Dolhof felt that this issue has been kicked down the road many times and was grateful to this Ad Hoc Committee for tackling it. Legislator Osborne stated that in the beginning he was not in favor of a step system but after discussing things and working together to come up with a solution he is very happy with the end result. Ryan clarified for Legislator Hathway that Caitlyn and himself will do the performance evaluations for all Management employees. Ryan went on to explain that they do have a standardized Employee Evaluation form that is being used and with both himself and Caitlyn being involved in the evaluations it will help eliminate any personal feelings towards a person.

Amending DMV Compensation Plan – Jake Moser (attached)

Jake Moser presented reasons why he would like to abolish a clerk position at the DMV and create a 5th DMV Examiner position. This would increase customer service, increase revenue,

allow dealership opportunities, quicken transactions for customers, and have the ability to have 4 main stations operational at all times. He went on to show the revenue increase from adding a 5th full-time person would roughly equate to \$78,000 per year. The cost to add a 5th full-time employee would be approximately \$44,453.00 including benefits. There would also be an additional cost of \$3,000 to purchase a 5th station. Jake figures that this additional station would pay for itself within the 1st year. Another benefit of having a 5th person would be that they could offset some of the times when employees are using benefit time. On average there are 173 days when someone is out of the office which reduces the amount of transactions but having a 5th person to help alleviate some of those short-staffed days would help recover some of the estimated lost revenue of \$51,400 per year. In conclusion the 5th full-time DMV Examiner position would be roughly \$44,453.00 a year but has the potential to bring in \$78,000 of revenue each year, which equates to roughly 2,595 additional customers served.

Legislator Hathway stated that the increased revenue would help offset the cost from having a part time position go to a full-time position. Jake explained that with the savings from a retired employee and budgeting a full year for the part time employee he has about \$15,000 extra in his budget right now. The additional cost of this new full-time employee for the remainder of this year would only be \$8,500.00. Next year the cost would be roughly \$31,000.00. His staff are currently working as much as they can but are falling behind due to the sheer volume of mail in transactions, dealer work and now the in-person appointments. Ryan stated that they did have a DSS clerical employee who was helping answer the appointment line. The appointments are scheduled out to August 17th. Legislator Osborne commended the effort at the DMV during these difficult times.

The following dockets were reviewed:

1. Resolution Amending Compensation Plan of the County of Lewis with reference to the County Clerk's Department of Motor Vehicles to abolish One (1) PT Clerk position and Create One (1) FT Motor Vehicle Application Examiner Position.
YEA 5 NAY 0
2. Resolution for budget transfers in the Elections accounts in the amount of \$20,0000 for new ballot printers. *There was discussion. Ryan explained that this gives the ability to print ballots on demand at each location which will greatly reduce the cost of over printing ballots for those that do not show up to vote as well as the number of election workers needed. The savings would be roughly \$16,00 per election. Legislator Dolhof suggested increasing the amount of the resolution to \$25,000 so that there could be a back-up printer in case something happened and one malfunctioned. The Committee agreed to increase the amount.*
YEA 5 NAY 0
3. Resolution Amending Compensation Plan of the County of Lewis, with reference to the Lewis County General Hospital to Abolish One FT (1) Group Practice Administrator Position and Create One (1) FT Registered Nurse CHHA and One (1) PT Licensed Practical Nurse CHHA.
YEA 5 NAY 0

4. Resolution to accept and adopt the Exempt Employee Compensation Policy, inclusive of the step and longevity schedules appended thereto, as submitted by the Ad Hoc Committee on Exempt Employee Compensation.

YEA 5 NAY 0

5. Resolution increasing taxes on sales and uses of tangible personal property and of certain services on, occupancy of hotel rooms and on amusement charges pursuant to Article 29 of the Tax Law of the State of New York effective December 1, 2020.

YEA 5 NAY 0

6. Resolution for budget transfers in the amount of \$4,800.00 in the Solid Waste accounts for new vehicles under lease through Enterprise.

YEA 5 NAY 0

Legislator Hathway addressed the Committee and suggested the sign “In God We Trust” could be moved from behind the projector screen to the adjacent wall where it would be visible at all times, no one objected.

Eric Virkler explained how he would like to set up a Special Committee meeting for Finance & Rules sometime in August to meet with a company he had mentioned a few months ago that aids with cash management and investing. They would analyze the counties situation and suggest where money could be better invested for the greatest return. Eric said he would work on a date and time and then let the Finance & Rules Committee know.

Legislator Hathway questioned on how the IT Interviews would be scheduled. It was discussed and set for Monday, July 27th in the afternoon. Caitlyn will email out the specific details.

Legislator Gilbert asked to be able to join via phone.

Legislator LaChausse brought up a concern that he has just been made aware of with the Village of Castorland and their new Fire Department project. They believe they should be exempt under the Mortgage Tax Law, Section 253. Jake stated that they just had to file with his office.

At 5:22 p.m. Legislator Burns made a motion to adjourn, seconded by Legislator Kulzer and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board



DMV Examiner Proposal

Why



- Our behind the scenes clerk will be leaving at the end of July. I'm proposing to abolish her position and create a position for another DMV examiner. Here are the benefits:
 - Increase in customer service
 - Increase in revenue
 - Ability to expand dealership opportunities to our office
 - Quicken transactions for customers
 - Ability to have 4 main stations full at all times

Revenue To County



- Average 2018 and 2019 figures show DMV creates a revenue of \$312,000 for Lewis County annually.
 - Currently we have 5 employees. 4 with DMV credentials and 1 without.
 - Only 4 employees are able to complete transactions on the State DMV work stations
 - The accredited examiners input roughly \$78,000.00 per examiner per year
 - Or \$297.71 per examiner per day

Cost to Add Another Examiner



- Examiners start at \$16.80 per hour
 - 2018 and 2019 average of hours at DMV was 1890 working hours
 - Total cost before fringe is \$31,752.00
 - Add 40% for fringe then total cost is \$44,453.00
- Additionally I would need authorization to purchase a 5th Station to be set up in supervisors office to process mail and dealer work.
 - I'm estimating the cost of this station to not exceed \$3,000.00
 - When at full staff this will give the supervisor the ability to process mail and dealer work from within the office, freeing up the examiners to solely wait on customers
 - With a 5th station it will give DMV the ability to process additional transactions when at full staff, and the ability to pursue more work from dealerships which will bring in additional revenue to the DMV
 - The ROI of this station will be less than 1 fiscal year

Benefit Time



- 2018, 2019 average of benefit time for DMV was 173 days.
 - Each examiner can conservatively process between 15-25 completed transactions per day
 - At 15 transactions per day this translates to 2595 transactions (**customers served**) per examiner per year
 - Each day 1 examiner is out on benefit time this is a loss of \$297.71
 - Taking the average over the past 2 years this is missed income of \$51,400.00 over the course of a fiscal year

Conclusion



- With benefits an examiner will cost \$44,453.00
 - The same examiner will bring in approximately \$78,000.00 based on 2018, 2019 figures
 - Approximately serve an additional 2,595 customers per year.
 - Having the extra examiner gives the ability recoup \$51,400.00 yearly lost by benefit time
- A 5th station will give the supervisor the ability to do their supervisory duties and bring in additional revenue to the county
 - A 5th station has a ROI within 1 fiscal year
- 5 staff with DMV credentials will...
 - Increase annual income for Lewis County general fund
 - Provide more efficient customer service to all of our customers