FINANCE AND RULES COMMITTEE
September 15, 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; Human Resource Director Caitlyn Smith; and media representative.

Committee Chairman Tom Osborne called the meeting at 3:20 p.m.

Legislator Burns made a motion to approve the 8/18/2020 committee meeting minutes, seconded by Legislator Gilbert and carried.

2021 Budget Assumptions – County Manager Ryan Piche (attached)

Ryan began his presentation by stating that this information was tentative and only for discussion and input purposes. He outlined that he would address the Health Insurance Fund first and then handout the Personnel requests for the 2021 budget. The Health Insurance Fund is currently increasing month over month because claims are lower than the premium being brought in. Our program costs are broken out that 68% are for medical claims; 25% for prescriptions; and 7% for fixed/administrative costs. The total program costs is broken down to show that 34% is for County Employees and 66% is for Hospital Employees.

Our Actuarial recommends that we have at least a $1.3 million balance and back in 2017 the Legislators decided they wanted to have a target balance of $4 million, however currently the balance is at $6.7 million. Over time as claims grow, the growth rate is currently 7% per year, the fund will balance out so we don’t want to reduce premiums instead hold them steady. In 2021 it is being recommended that we have no premium increase and a one month “Premium Holiday” which would reduce the fund balance by roughly $1.4 million, bringing the overall fund balance down around $5.3 million.

Ryan briefly reviewed the 2021 Budget Personnel Requests noting that if the Codes Department takes over Greig and Watson it would warrant adding another full-time Codes officer. Legislator Dolhof stated that the last time he spoke with Town of Greig Supervisor Marilyn Patterson they were leaning towards keeping their codes officer. Legislator Kulzer questioned why the county would need an extra officer for adding those two Towns, Ryan responded by explaining that currently about one third of all building permits come from the Town of Greig. Legislator Chartrand agreed and stated that he believes the Town of Greig code officer quit due to the overwhelming workload.

Ryan further explained that the Town of Greig had until July 2020 to inform the county if they were no longer going to handle code enforcement through the town. They have missed the deadline, but the county should still be able to do an Intermunicipal Agreement with them in necessary. Legislator Gilbert cautioned stating that he thinks the deadline is set by the state and it should be looked into further before proceeding.
Ryan went on to reiterate the OFA changes suggested earlier in the Health & Human Services Committee by Crystal Collette. It would be abolishing a Long Term Care Coordinator; EISEP Case Manager; Part-time permanent account clerk, and Aging Services Examiner and create two Specialist, Services for Aging positions, and one part-time permanent Office Specialist. Ryan also pointed out that Social Services would be abolishing a Community Services Worker position. All of these changes would have a total net impact of $828.00 savings for the county.

**Smart Growth through Solar Incentives** – Lewis County IDA representatives Brittany Davis & Joe Lawrence (attached)

Brittany introduced Joe Lawrence as the IDA Board Chairman. Solar Growth has been discussed over the past year multiple times with several entities to ensure that the county is entering into this new field with a thoughtful plan. Solar is important and should be embraced by encouraging Towns to adopt the Solar Land Use policy and by utilizing a tax policy through the IDA.

Solar companies are looking for open farmland to put in solar fields because it is the most convenient place, but data shows that money put into the economy by one acre of farmland is roughly $6,000 versus only $1,400 as solar use. Joe stated that things are tough for farmers and although they may only be getting a minimal amount for leasing their land it could still be beneficial. He strongly encourages everyone to think about what is best for the economy and what is best for the landowner and try to balance that out.

The IDA has come up with a plan to incentivize solar developers to use marginal ag land versus prime ag land to allow for a balance. The IDA will utilize a uniform tax exemption policy to determine pilot rates based on whether the land is actively farmed or has been over the past 18 months and what the USDA soil type is for that land. Legislator Kulzer questioned how much emphasis is being put on if the land is or has been actively farmed. His concern is that a farmer who is actively farming but having financial difficulties may want to put solar development on his land for the revenue.

Brittany showed a map of the Town of Turin, noting she had maps of each Town in Lewis County, to point out all the prime ag land, farmland of statewide importance, and prime farmland if drained. This showed that there was still quite a bit of farmland left that would be considered marginal and best utilized for solar fields. The intent behind the Uniform Tax Exemption Policy is to offer a lower PILOT for solar developers that utilize the marginal land versus a higher PILOT agreement for development on prime ag land. It is not in any way limiting developers because they still have the choice of which land to use. Legislator Kulzer voiced his displeasure with this plan as the developer will just choose to go to a different county and then the farmers lose out on possible revenue. Ryan questioned why we would want to give developers a discount to develop land that puts more money into the local economy as prime farmland versus a solar field.

Joe stated that our biggest industry in Lewis County is based off only 12% of the land and we need to protect that 12% to protect our industry. Legislator Hathway questioned whether or not there was certain things a landowner can ask for, specifically if there is a base price they can expect to receive. Joe responded that there has been a lot of effort put into educating landowners
on the things they need to think about before signing an agreement. The IDA is the last step in
the process of the agreement, but Cornell Cooperative Extension has information available to
landowners and can assist. There is also a push to go to each Township and discuss the process
with them. Ryan suggested putting a packet together for each Town to help alleviate any
misunderstandings would be beneficial.

Legislator Hathway understands that the PILOT will determine the rates but has any thought
gone into how that money will be divided out. The State has a law which outlines that and if it
deviates from that law then it has to be negotiated and agreed upon by all three parties, County,
Town and School. Brittany concluded by stating that the UTEP is in draft form and they
welcome feedback and appreciate support. It should go before the IDA board in October for
adoption.

The following dockets were reviewed:

1. Adopting Local Law (Introductory No. 7-2020) “A LOCAL LAW TO AUTHORIZE
OVERRIDING THE TAX LEVY LIMIT ESTABLISHED BY GENERAL MUNICIPAL
LAW § 3-C (A/K/A 2% TAX CAP) FOR THE LEWIS COUNTY 2021 BUDGET”
   YEA 5  NAY 0

2. Resolution to transfer funds from Contingency to the County Clerk accounts in the amount
   of $6,000.00 for increased expenses due to the pandemic. Legislator Kulzer questioned what
   the increases were for and County Clerk Jake Moser responded they were for increased
   postage and phone costs due to increased volume from the pandemic.
   YEA 5  NAY 0

3. Resolution supporting the revised Uniform Tax Exemption Policy (UTEP) proposed by the
   County of Lewis Industrial Development Agency for large scale solar projects in Lewis
   County. Legislator Gilbert abstained.
   YEA 3  NAY 1

4. Resolution authorizing an agreement between Lewis County Office of Real Property Tax
   Services and Systems East, Inc. to provide application software maintenance and support
   services for the Tax Collection System for collection of county and town taxes at a cost of
   $3,712.00 commencing January 1, 2021 through December 31, 2021.
   YEA 5  NAY 0

5. Resolution authorizing a Discharge of Mortgage pursuant to a program administered by
   Snow Belt Housing Company, Inc. in which a $29,400.00 loan has been paid in full and a
   Discharge of Mortgage is now warranted.
   YEA 5  NAY 0

6. Resolution authorizing renewal agreement between Lewis County Treasurer’s Office and
   Systems East, Inc. to provide software support, maintenance services, web and cloud based
   hosting services for the Treasurer’s data processing plan and tax collection system for the
   period of January 1, 2021 through December 31, 2021 at a cost not to exceed $8,184.00.
   YEA 5  NAY 0
7. Resolution amending the Compensation Plan of the County of Lewis with reference to Lewis County General Hospital to create Three (3) FT Patient Account Coder positions and to abolish Two (2) FT Physician Office Assistant positions.
YEA 5  NAY 0

8. Resolution amending the compensation plan of the County of Lewis with reference to the Department of Social Services to create an annual temporary Program Examiner (HEAP) position Grade 17, effective and retroactive to September 16, 2020.
YEA 5  NAY 0

9. Resolution amending the Compensation Plan of the County of Lewis with reference to the Lewis County General Hospital to create One (1) FT Patient Access Clerk position and One (1) FT Infection Control Nurse Position, effective and retroactive to October 5, 2020.
YEA 5  NAY 0

10. Resolution authorizing a Discharge of Mortgage pursuant to a program administered by Snow Belt Housing Company, Inc. in which a $38,088.00 loan has been paid in full and a Discharge of Mortgage is now warranted.
YEA 5  NAY 0

Motions:
1. Legislator Kulzer made a motion to authorize Information Technology Director Conner Biolsi to send out a RFP for Lewis County Government phone services, seconded by Legislator Hathway and carried. Ryan clarified that this would be for all county department phones, including DMV.

At 4:11 p.m. Legislator Gilbert made a motion to enter into Attorney Client privilege session on Union issue, seconded by Legislator Kulzer and carried.

At 4:39 p.m. Legislator Hathway made a motion to enter back into regular session, seconded by Legislator Gilbert, and carried.

At 4:40 p.m. Legislator Burns made a motion to adjourn, seconded by Legislator Gilbert and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board
**Disclaimer**
The 2021 Budget is a work in progress – The Tentative Budget is due in November – This is for discussion and input only.
Budget Issues for Finance and Rules Committee

- Personnel Requests – Handout
- Health Insurance Fund Balance and Premiums
Health Insurance Fund

2020 Total Health Plan Dashboard

Total Program Cost

- TOTAL FIXED COSTS: $2,378,223.09 (25%)
- MEDICAL CLAIMS: $657,470.14 (7%)
- RX CLAIMS: $6,472,390.12 (68%)

Total Program Cost

- County: $2,871,062 (34%)
- Hospital: $5,642,946 (66%)
Health Insurance Fund

Fund Balance “Problem”
- Actuarial Recommend Fund Balance = $1.3M
- Lewis County BOL Target 2017 = $4.0M
- Current Fund Balance = $6.7M

Fund Balance Plan
- Claims Growing an average of 7% per year
- Rather than Reducing Premiums we will hold premiums steady, allowing claims to catch-up in the long run.
2021 Budget Recommendations

- 0% Premium Increase
- One Month (two pay period) “Premium Holiday” - $1.4M total savings
  - Saves County $357,000
  - Saves Hospital $693,000
  - Saves Employees (Hospital and County) $350,000
DISCUSSION & QUESTIONS
SMART GROWTH THROUGH SOLAR INCENTIVES

BRITTANY DAVIS & JOE LAWRENCE
LEWIS COUNTY IDA
SMARTLY EMBRACING SOLAR
TWO-PRONGED APPROACH

ENCOURAGE TOWNS TO ADOPT SOLAR LAND USE POLICIES - LED BY COUNTY PLANNING

TAX POLICY THROUGH THE IDA
WHY ARE WE TALKING ABOUT SOLAR?

- Solar companies are seeking incentives for their projects
- Over 2,800 acres of proposed development
- Ag land has high economic value in our community and is our largest industry
- We want to welcome renewable energy and protect our largest industry at the same time
- Smart, thoughtful and planned solar development
AGRICULTURE IS CRITICAL TO LEWIS COUNTY ECONOMY

Even when farms are not profitable they contribute significantly to the local economy.

Solar generates less economic activity in the County, but can be a significant boost to a landowners income.

Ag land lends itself to development.
HOW CAN THE IDA ASSIST WITH SMART SOLAR GROWTH?

Incentivize the use of marginal land VERSUS prime, actively farmed ag land.
OUR APPROACH

UTILIZE IDA UNIFORM TAX EXEMPTION POLICY TO DETERMINE PILOT RATES BASED ON:

- If land is actively farmed and contributing towards commercial agriculture (within the past 18 months)?
- Land/soil type as defined by USDA
  - Prime / Prime If Drained / Land of Statewide Importance
<table>
<thead>
<tr>
<th>Farmland Soil Type</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>All areas are prime farmland</td>
<td>2,628.9</td>
</tr>
<tr>
<td>Farmland of statewide importance</td>
<td>1,572.6</td>
</tr>
<tr>
<td>Prime farmland if drained</td>
<td>640.9</td>
</tr>
<tr>
<td>Grand Total</td>
<td>4,842.4</td>
</tr>
</tbody>
</table>

**EXAMPLE 1: PRIME, ACTIVELY FARMED LAND**

**EXAMPLE 2: NEITHER, PRIME, PRIME IF DRAINED OR IMPORTANT FARMLAND, BUT ACTIVELY FARMED**
PRESERVE AGRICULTURE

- Preserve our largest industry and best agricultural land
- 12% of land in Lewis County is cropland

PUT PRESSURE ON THE DEVELOPERS

- Our best agricultural land is worth more to us - we want developers to "think twice" about pursuing prime ag lands
- Prime ag lands are "easier" to develop on because it is typically near electrical grids/highway corridors

KEEP LANDOWNERS RIGHTS, THEIR RIGHTS

- If developers want to still develop on that prime agricultural piece of land, they can still come to an agreement with a land owner - they are just paying a higher PILOT because it is worth more to our economy
QUESTIONS OR COMMENTS?