

FINANCE AND RULES COMMITTEE
February 15, 2022

Present: Tom Osborne, Chair; Phil Hathway, Vice-Chair; Ron Burns; Jeffrey Nellenback; and Josh Leviker.

Others present: Legislators Larry Dolhof, Lisa Virkler, Richard Chartrand, and Ian Gilbert; County Manager Ryan Piche; County Attorney Joan McNichol; Treasurer Eric Virkler; and Human Resource Director Caitlyn Smith.

Committee Chair Tom Osborne called the meeting at 3:18 p.m.

Legislator Hathway made a motion to approve the January 18, 2022 committee meeting minutes as recorded, seconded by Legislator Burns and carried.

Capital Reserve & Fund Balances – Eric Virkler, County Treasurer

Eric Virkler began by stating that his presentation should tie in with his monthly report as well as the upcoming projects. Ryan shared his philosophy of comparing the county finances to two buckets. The first bucket is County Operations which is funded through property tax, other taxes & fees, and sales tax in the amount of \$55 million annually. This bucket should be conservative, efficient, sustainable, and requires Board of Legislator's oversight. The second bucket is Capital & Community Projects and has a current debt service of \$575,000 annually with a remaining balance of \$6 million. This bucket is funded by PILOTS, Stimulus Funds, Excess Fund Balance, and Excess Sales Tax and should grow without affecting property tax rates as well as have Board of Legislator leadership.

Eric reviewed the fund balances as of the end of 2021. General Fund is up to \$24,280,000; LCHS is up to \$26,350,000; County Road/Machinery is at \$1,620,000; Health Insurance is up to \$5,670,000; Workers Compensation is up to \$2,925,000; and Solid Waste is at \$610,000.

Eric reported that LCHS had a fund balance as of 11/1/2021 of \$13 million of restricted funds, which was required by the Board several years ago and can only be used by resolution adopted by both, the Board of managers and the Board of Legislators, and \$17.1 million in unrestricted funds for a total of \$30.1 million. The LCHS fund balance as of 2/1/2022 is down to \$26.3 million, the \$13 million restricted and \$13.3 million unrestricted. They have some significant upcoming expenditures, which are: Workers Compensation Assessment of \$600,000; Medicare Advance Repayment of \$5,500,000; Capital Project Down Payment \$5,000,000; 2021 Medicare Overpayment of \$1,500,000; Blue Cross VB Payment of \$500,000, which all equates to \$13.1 million. Eric raised the question is it too much to have the hospital hold a restricted reserve and the county hold a high fund balance?

The Capital Reserve balances as of the end of 2021 showed that the General Capital Reserves had a total of \$5,964,749 which was made up of \$1,740,000 in General Building; \$600,000 General Equipment; \$50,000 in Environmental Cleanup; \$2,556,000 in ARPA Federal Funds; and \$726,749 in Solid Waste Capital Project. The Building Project Capital Reserves had a total

of \$1,736,000 which was made up of \$486,000 in Highway Building; \$210,000 in DSS Building; and \$1,600,000 in 2021 Facilities. This all totals up to be \$7,700,749 in Capital Reserves.

The Estimates for the 2022-2023 Building Project estimates are Highway Campus Project is \$10 million; Social Services Building Renovation is \$8 million; Maintenance Workshop is \$1 million; DMV/BOE Renovation is \$1 million; Soft Costs are \$2.5 million for a total of \$22.5 million. The Reserves that are available are \$210,000 for the DSS Building; \$485,000 for Highway; \$1.6 million for Facility Renovation, bringing the total to \$2,295,000. Which would reduce the amount to bond to only \$20.2 million.

Other future projects to fund could be assisting the hospital by giving them \$3,300,000 to add to their reserves; \$2,500,000 for the Recreation Rails to Trails Program; and \$500,000 for a Homeless Facility. Eric discussed the desired fund balance level of \$14 million, which is 10% of our budget, including the hospital portion. Ryan pointed out that with the hospital having a restricted fund balance of \$13 million is basically doubling up. Eric stated that there is clearly money that can be used for projects.

Eric reviewed the anticipated Green Energy PILOT Annual Revenue. There are several wind and solar projects already established or in the works. The total revenue would be \$2,169,000. The county is in a good financial situation and our future is very bright. Legislator Virkler voiced her opinion that a fund balance policy should be looked at to avoid having a fund balance that gets too high and beyond fiscally responsible.

Eric stated our Economic Development and Community Development has been great and should continue to invest money back into the community. All of the ARPA Programs are on target. Legislator Gilbert felt strongly that a Community Fund should be used to give struggling communities a hand up. Eric stated that the fund is starting to grow by the IDA putting in some of their wind money.

Position Vacancy Report & Motion Process – Caitlyn Smith, Human Resources Director

Caitlyn Smith handed out a draft of the report she is proposing to everyone. The report showed that there are currently 23 vacancies, which is roughly 8% of total positions and considerably higher than normal. It lists the Department, Position Title, and Vacancy Date. At the bottom there is a year-to-date summary of personnel actions, which lists the number of resignations/terminations, retirements, and new hires. This should give the legislators enough information to stay updated on positions in the county. Currently in place we have a system that when a position is vacant a motion comes forward to the appropriate committee to re-fill it. The idea of this report is to eliminate that need.

Any newly Created or Abolished positions need action by a resolution. The motions are only for positions that are already budgeted for in the current year. Not needing to continue to ask for motions will help speed the process up to re-fill vacancies. Each vacancy that is re-filled requires Caitlyn, Eric and Ryan to sign off so there is oversight on each one and whether it is truly needed. Many of the positions are provisional because the state is still trying to catch up on Civil Service test offerings. There also hasn't been nearly as many people taking the tests as in the past. There was continued discussion on how social media is being used to get the word out

on openings. Legislator Hathway questioned if there should be more places we advertise with, Caitlyn responded that there are many, many places that the vacancies are posted.

Legislator Chartrand voiced his concern that the salaries of these positions should be looked at to see how competitive we are, citing that minimum wage continues to increase and the costs for a CDL class is \$4,000. Ryan stated that there was CITEC study done in 2016 for Management and Management Confidential positions and the Union positions have been looked at. Legislator Chartrand thought maybe just the difficult to fill positions could be looked at again. Suggestions were made to indicate the position has been filled and include the date it was filled to the report.

The following dockets were reviewed:

1. Appropriating Funds in the Bus Operations accounts in the amount of \$20,000.00 from NYS ATC Grant award for the purchase and installation of bus stop shelters.

AYE 5 NAY 0

2. Establishing New York State SEQRA Review, Lead Agency and Negative Declaration with Respect to Proposed Facilities Improvement Project at the Lewis County Highway Garage Campus.

AYE 5 NAY 0

3. Establishing New York State SEQRA Review, Lead Agency and Negative Declaration with Respect to Proposed Facilities Improvement Project at the Department of Social Services Campus.

AYE 5 NAY 0

4. Authorizing the Issuance of Up to Twenty Million Dollars (\$20,000,000.00) Aggregate Principal Amount Serial Bonds of the County of Lewis, State of New York, Pursuant to the Local Finance Law, to Finance the Costs of the Acquisition, Construction and Reconstruction of Improvements to County Buildings. *There was discussion on increasing the amount or lowering it. Joan McNichol stated that the wording states it is up to, so if it is less, we just don't bond for the full amount of the resolution. Legislator Hathway made a motion to increase the amount to \$22.5 million, seconded by Legislator Leviker and carried.*

AYE 5 NAY 0

5. Authorizing Renewal/Extension of Lease Agreement between the County of Lewis and Cornell Cooperative Extension of Lewis County.

AYE 5 NAY 0

6. Appropriating Funds in the Legislative Department in the amount of \$292,721.37 from Fund Balance for payment of tax assessment refunds for the years 2013 through 2017 related to the Decision and Order of the Court in the City of Rome tax assessment litigation.

AYE 5 NAY 0

7. Authorizing Application for Community Development Block Grant – Covid-19 Response Funding for Farmworker Housing and Agreement with Snow Belt Housing Company, Inc to Act as Subrecipient and Administrate the Awarded Program.

AYE 5 NAY 0

8. Authorizing Inclusion of Certain Agriculturally Viable Land into a Certified Agricultural District and Negative Declaration Determination. *Ryan explained that this just gives the landowner a reduction in their tax assessment.*
AYE 5 NAY 0

9. Fixing Date of Second Public Hearing for Lewis County Housing Needs Assessment and Market Analysis Program Under NYS CDBG Project # 636CP77-20.
AYE 5 NAY 0

10. Approving Correction of Tax Bill in the total amount of \$3,265.70 for Time Warner Cable based on franchise agreements with several Towns.
AYE 5 NAY 0

11. Authorizing Change Order No. 1 to Agreement with MJ's Contracting Services, Inc. for Lead/Asbestos Abatement work at 7514 S State Street, Lowville, under the Downtown Stabilization Project at a cost not to exceed \$14,239.00.
AYE 5 NAY 0

Motions:

1. Legislator Osborne made a motion to authorize Planning Director, Cassandra Buell to send out several RFP's for the NRBC and CDBG broadband project components, seconded by Legislator Burns and carried.

At 4:11 p.m. Legislator Osborne made a motion to enter executive session for discussion on re-negotiation of an existing contract and acquisition of property, seconded by Legislator Leviker and carried.

At 4:49 p.m. Legislator Burns made a motion to enter regular session, seconded by Legislator Leviker and carried.

Legislator Osborne made a motion to purchase the Glenfield Elementary School from the current owner at a price of \$315,000.00 to house Social Services, Office For the Aging, and Community Services during the 2022 Facilities Improvement Project and have the County Attorney facilitate the necessary paperwork, seconded by Legislator Burns and carried.

There being no other business to come before the committee, Legislator Burns made a motion to adjourn at 4:52 p.m., seconded by Legislator Hathway and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board