

**Ways and Means Committee Meeting
June 26, 2018**

Members present: Legislator King, Legislator Kulzer, Legislator Chartrand, Legislative Chairman Dolhof, County Treasurer Patty O'Brien, County Manager Ryan Piche, County Attorney Joan McNichol, HVAC Specialist Travis Grunert, Planning Director Frank Pace, L.C.G.H. CEO Gerald Cayer, and media representative Nick Altmire.

The meeting was called order at 1:01 p.m.

Legislator Kulzer made a motion to approve the May 22, 2018 Ways and Means Committee minutes as recorded, seconded by Legislator Chartrand. Motion carried.

Ryan began by explain to the committee that DaVita is a private company that rents space form Lewis County General Hospital and provides dialysis treatments. There is one patient who is covered by the county health insurance plan who receives services through DaVita three time a week. The cost incurred from this patient is over \$800,000 annually, which is not sustainable for the county's health insurance plan. Gerald Cayer, CEO of Lewis County General Hospital, is in discussion with DaVita to try and negotiate a cost savings program or a new price structure as their rates are 2,500% above the Medicare rate. If all parties cannot agree upon a solution within the next few weeks then it has been recommended that the county health insurance plan should no longer carry DaVita Dialysis as an option for plan members.

Gerald Cayer explained that this service is not something Lewis County General Hospital can do in-house as it is difficult to recruit this specialty. There are other in network providers in Watertown and Utica but it would mean that patients on the county health insurance plan would have to travel for services. The reduced Medicare rate only applies to patients 65 or older or if you have been receiving dialysis services for 30 consecutive months.

1:20 p.m. – HVAC Specialist Travis Grunert

Two proposals were received for the RFP that was advertised for painting the old courthouse. The first proposal was from Cedarcrest Constuction LLC with a total cost of \$34,615, and the second proposal was from All-In Painting Co. at a total cost of \$35,716. The committee will review both proposals to make sure all requirements are met before making any further decisions. Ryan noted that Matthew O'Connor has accepted the position of Building & Grounds Supervisor and will begin on Monday, July 16th. He also informed the committee that Travis Grunert has submitted his resignation and his last day will be Friday, July 6th. In the meantime Ryan will work with the maintenance crew to make sure everything is running smoothly.

1:25 p.m. – County Treasurer Patty O'Brien (report attached)

Patty reviewed the monthly balances. There was some discussion on the ISF balance and Stop Loss Insurance. The current premium is \$360,000 a year and it has increased by 80% for the upcoming year. Ryan explained that this is mostly due to the fact that our plan is incurring over \$800,000 annually for one person with no end in sight, which means our Stop Loss carrier has been paying everything over the \$165,000 stop loss threshold. There was an RFP put out but only our current carrier Excellus BCBS offered us any coverage with a price tag of 80% above our current premium.

Patty asked the committee where an invoice that County Attorney Joan McNichol had given her for the county's portion of legal fee costs associated with the Wind Farm negotiations should be paid from. Ryan

suggested that Joan cover it from her account and if we need to make her account whole at the end of the year the committee will use contingency funds to do so. The committee agreed.

1:37 p.m. – Planning Director Frank Pace

Frank Pace updated the committee on the Southern Lewis County Water Study. The reports are being completed and there is hope that the remaining funds could be used to help Lyonsdale form water districts. The Central Lewis County Water Study is just waiting for the DOS bids to be able to put out an RFP. It was pointed out that although it would be great if the Village of Lowville would join this study that it must proceed forward regardless. The Solar Project Team is working with National Grid to finalize the billing format and a tour that was scheduled for South Lewis students to view the operation is being rescheduled. Joan reported to the committee that the refund money from Greenskies has been received. The Clean Energy Communities Grant has been received and the RFP for lighting will be put together once the new Building & Grounds Supervisor starts. The grant money will be used to change all 667 light fixtures, outside pole lights to LED and to install 2 electric charging stations (one at Social Services and one possibly at the hospital).

Frank reported to the committee that the county has received grant money in the amount of \$181,000 for operating costs associated with public transportation and \$124,000 to acquire an additional transit bus. The lead time on the new bus is estimated at six to eight weeks. This bus will be designated for the JCC bus route as there are approximately 200 riders per month.

The JCC Project is moving forward. Frank explained that DASNY, who is funding \$250,000 towards the project, had come back requesting more information which Frank sent to them yesterday. The site work continues to bring it to subgrade so that the water line can be put in. The DOH application for the water line was submitted and the pipe line will be order this afternoon. The county highway crew that is working on the site will install 1300 feet of pipeline, 3 valves and 1 hydrant before the site goes on the next phase.

The option to hire a Clerk of the Works was discussed however it was pointed out that if someone was asked to come in and do a presentation to explain the duties and responsibilities they would not be able to bid for the position. It was then brought up to possibly do the RFP and once the top candidates were chosen then they could come in and do a presentation. The aggressive time table only leaves about 3 weeks for the county to contract with a Clerk of the Works. After continued discussion it was decided that due to the simplistic nature of the building and the competent level of C & S Engineers, in house staff would be used as an oversight level.

Legislator King voiced that he feels confident there will be very few if any change orders on this project but wants to make sure the 4.2 million dollar budget isn't exceeded. The committee agreed that if they feel later on a Clerk of the Works is needed then they will address it at that time but for now Frank Pace and Ryan Piche will handle the oversight level they are looking for. Legislator Chartrand is concerned over the aggressive time table for the JCC project not allowing enough time for proper thought out bids. He would like to see the second phase go out to bid sooner.

2:12 p.m. – County Manager Ryan Piche

Ryan reported that the 2% tax cap level means an increased budget level of only \$474,000. The IGT funding increase alone from the 2014 level is 1.2 million over last year. On top of that there will be a contract negotiated 2% wage increase for employees, personnel increases of 4 new correction officers and 2 new dispatchers, and a Drug Task force with rough budget of \$92,000. Ryan suggested that staying

below the tax cap isn't impossible but it was be extremely difficult. It will most likely come down to reducing services and/or personnel to meet the tax cap requirements.

There was discussion on the Fund Balance which is expected to be at 7 million by the end of the year. Legislator Chartrand asserted that he feels the fund balance should be at a maximum of 10% of the overall budget, however Ryan interjected that if it goes below 13% it can affect the county's bond rating. Ryan would like to see the fund balance at 15 – 20%. There was further discussion on what level was appropriate. It was pointed out that the Hospital is looking at forming their own Contingency Fund which might help with unexpected expenses but ultimately the county will always be responsible for the funding of the hospital as long as it remains county owned. The committee suggested meeting outside of the Ways and Means meetings to discuss budgeting and to open the meetings up to all board members that are interested in learning more about the process.

At 2:38 p.m. Legislator Chartrand made a motion to enter executive session for discussion on pending contract negotiations, seconded by Legislator Kulzer. Motion carried.

At 3:02 Legislator Kulzer made a motion to enter regular session and then with no other business to discuss adjourned the meeting, seconded by Legislator Chartrand. Motion carried.

Respectfully submitted,
Cassandra Moser, Deputy Clerk
Board of Legislators

Encl.

**Activity and Balances before tonight's resolutions
2018**

Special Legislative Contingency

| | |
|------------------------------|------------------|
| Beg Balance | 100,000.00 |
| Res 16-2018 Legislative dues | -95.00 |
| Inc in dues | -100.00 |
| JCC event | -358.56 |
| JCC Event | -64.98 |
| Res 181-18 For IDA Marketing | -20,000.00 |
| Ayers Law Firm for ATV | -2,705.50 |
| JCC event | -58.23 |
| JCC event | -119.98 |
| Res 190-18 Leg dues | -4,750.00 |
| Balance | <u>71,747.75</u> |

Contingency

| | |
|----------------------------|-------------------|
| Beg Balance | 200,000.00 |
| Res 479-2017 | 200,000.00 |
| Res 63-18 Sheriff | -3,058.97 |
| Res 48-18 LF Historical | -1,000.00 |
| Res 149-18 Sheriff Parks | -37,762.00 |
| Res 177-18 Sheriff's Parks | -8,721.80 |
| Res 192-18 Highway dept | -25,000.00 |
| Res 196-18 OFA | -5,000.00 |
| Res 200-18 Planning | -33,000.00 |
| Balance | <u>286,457.23</u> |

Capital Data Processing HAE

| | |
|--------------------------------|------------------|
| Beg Balance | 116,534.08 |
| Interest | 108.82 |
| Res 85-18 upgrade phone system | -18,265.45 |
| Balance | <u>98,377.45</u> |

Capital Equipment HAD

| | |
|-----------------------------------|-------------------|
| Beg Balance | 407,373.05 |
| interest | 269.30 |
| Res 33-18 | 297,000.00 |
| Ins from Sheriff Car | 29,957.27 |
| Res 140-18 F550 Truck Trails | -29,425.21 |
| Res 128-18 Lease Truck & Plow HWY | -48,948.61 |
| Res 176-18 Patrol Vehicles | -124,761.50 |
| | <u>28,796.00</u> |
| | 560,260.30 |
| Highway | <u>158,431.24</u> |
| Total County | 401,829.06 |

| | | |
|---------|------------|-------------------|
| Highway | Beg bal | 7,379.85 |
| | Res 33-18 | 200,000.00 |
| | Res 128-18 | -48,948.61 |
| | | <u>158,431.24</u> |

Sales Tax Collection

| | 2017 | 2018 | Variance | % Change |
|-----------------------|----------------------|---------------------|----------------------|-----------------|
| January | 348,761.13 | 383,699.92 | 34,938.79 | 10.02% |
| February | 663,513.38 | 746,805.54 | 83,292.16 | 12.55% |
| March | 1,401,444.79 | 1,126,758.69 | -274,686.10 | -19.60% |
| 1st qtr | 2,413,719.30 | 2,257,264.15 | -156,455.15 | -6.48% |
| April | 856,267.85 | 961,674.39 | 105,406.54 | 12.31% |
| May | 1,276,783.44 | | -1,276,783.44 | -100.00% |
| June | 810,110.09 | | -810,110.09 | -100.00% |
| 2nd qtr | 2,943,161.38 | 961,674.39 | -1,981,486.99 | -67.33% |
| July | 942,919.98 | | -942,919.98 | -100.00% |
| August | 966,902.35 | | -966,902.35 | -100.00% |
| September | 1,151,577.16 | | -1,151,577.16 | -100.00% |
| 3rd qtr | 3,061,399.49 | 0.00 | -3,061,399.49 | -100.00% |
| October | 834,195.39 | | -834,195.39 | -100.00% |
| November | 1,429,627.59 | | -1,429,627.59 | -100.00% |
| December | 1,234,969.42 | | -1,234,969.42 | -100.00% |
| 4th qtr | 3,498,792.40 | 0.00 | -3,498,792.40 | -100.00% |
| Total Received | 11,917,072.57 | 3,218,938.54 | -8,698,134.03 | -72.99% |
| Budget | 10,825,000.00 | 10,975,000.00 | 150,000.00 | 1.39% |
| Surplus/Deficit | 1,092,072.57 | -7,756,061.46 | -8,848,134.03 | -810.21% |

Hospital repayment

| | |
|-------------|-------------------|
| Beg 1/1/18 | 1,200,000.00 |
| 2/1/2018 | -100,000.00 |
| 2/15/2018 | -100,000.00 |
| 3/23/2018 | -100,000.00 |
| 4/20/2018 | -100,000.00 |
| 5/25/2018 | -100,000.00 |
| Balance due | <u>700,000.00</u> |

ISF Fund Balance

| | |
|---------------------------------------|-------------------|
| 12/31/2017 | 1,882,238.00 |
| Ins recovery/retiree drug subsidy/ref | 388,916.46 |
| stop loss reimbursement | 379,159.63 |
| loss/gain | 296,978.81 |
| 4/30/2018 | 2,947,292.90 |

| | Claims | Premiums | Variance |
|-----------|--------------|--------------|-------------------|
| 1/31/2018 | 988,097.28 | 1,409,824.27 | 421,726.99 |
| 2/28/2018 | 1,257,330.23 | 1,394,568.98 | 137,238.75 |
| 3/31/2018 | 1,268,326.17 | 1,389,952.32 | 121,626.15 |
| 4/30/2018 | 1,776,847.86 | 1,393,234.78 | (383,613.08) |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 296,978.81 |

