

FINANCE AND RULES COMMITTEE
August 15, 2023

Present: Phil Hathway, Vice-Chair; Jeffrey Nellenback; Josh Leviker and Jessica Moser. Legislator Thomas Osborne was excused.

Others present: Legislators Larry Dolhof, Lisa Virkler, Richard Chartrand, Andrea Moroughan and Ian Gilbert; County Manager Ryan Piche; Treasurer, Eric Virkler; and County Attorney Joan McNichol.

Committee Vice-Chair, Legislator Hathway called the meeting to order at 3:00 p.m.

Legislator Hathway moved to accept the June 20, 2023 minutes, seconded by Legislator Moser, and carried.

Preliminary Budget & Review of Financial Goals – Ryan Piche, County Manager

Ryan Piche began by reviewing the timeline for the 2024 budget process which begins August 1st when Departments begin inputting their budget requests; in August and September the County Manager and County Treasurer meet with each Department, On September 19th the Finance & Rules Committee will discuss preliminary budget issues for Capital and Personnel; on October 17th will be the Budget Workshop; on November 7th the Tentative Budget is presented to the Board; and then on November 21st is the potential date for the budget hearing, which allows the budget to be adopted any time after the hearing.

One thing that is surprising is that the full taxable value for all the property in Lewis County increased 15.8% over last year, which equates to a \$393,883,321.00 increase in value. Last year the total full taxable value was \$2,493,481,848 and now it is \$2,887,365,169. The National Real Estate prices have played a part in the increase as they have risen 52.5% since 2018. The taxable value has grown 34% since 2018, however if Lewis County's full taxable value has grown at the national rate, it would be \$3.2 billion not \$2.89 billion. Another contributor is new construction and renovations, both residential and commercial, which has totaled \$233,356,434 to date since 2018.

Sales Tax collection continues to be strong this year, as well as over the past four years. Last year the county ended up collecting \$18,253,000.00 and to date the amount for 2023 is \$10,264,465.00. The 2023 budgeted amount is \$14,750,000.00 which the county should have no problem exceeding.

The Financial Goals established in 2015 are to maintain a minimum fund balance of 10% of County and Hospital Operations (currently \$140 million) which puts the target amount at \$14 million, but our fund balance is actually at \$27 million; maintain A+ credit rating; maintain current county service levels; and reduce budgeted fund balance use to zero. The proposed 2023 Fiscal Goals are to have the

County maintain a fund balance between 10% and 30% of annual operations (currently \$60 million) which puts the target amount between \$6 million and \$30 million; Lewis County Health System needs to maintain a fund balance of at least 16% of annual operations (currently \$80 million) which puts the target at \$13 million and their fund balance is currently \$17 million; maintain A+ credit rating; invest at least 3% of operating budget into capital equipment and projects each year; and maintain a debt ratio no greater than 50% of constitutional limit (currently \$163 million) which puts the target less than \$82 million and the debt is currently at \$56 million or 34%.

Legislator Hathway asked for these proposed financial goals to be put in a resolution for adoption by the board. Legislator Moser stated that the equalization rate is confusing for most people. Legislator Hathway questioned if Ryan knew what the tax rate would be, is it the lowest it has been in 20 years, Ryan responded that there is still a lot to look at before making any predictions.

Legislator Hathway suggested that with the extra sales tax the County could pay down some of its debt, Legislator Dolhof responded that our current debt has a very low interest rate so it is likely by investing the money the return would be more than paying the debt off. Legislator Nellenback agreed with Legislator Hathway that debt is something to look at. Legislator Leviker pointed out that the top three towns that are booming are Pinckney, Osceola and Montague due to the vast outdoor recreation they have to offer. Legislator Moser agreed and stated that a lot of the new homes are for people who have snowmobiles and side by sides and want to ride year-round.

The following dockets were reviewed:

1. Authorizing one-year renewal agreements between the County of Lewis and ICU Security & Private Investigations for unarmed security guard services at the DMV at an hourly rate of \$33.50 from 8:30 a.m. to 4:00 p.m. and Social Services Building at an hourly rate of \$36.50 from 8:30 a.m. to 4:30 p.m., Monday through Friday.
AYE 4 NAY 0
2. Establishing and adopting Information Security Policies.
AYE 4 NAY 0
3. Awarding bid and authorizing contract between the County of Lewis and CloudPermit Software to provide permitting community development software at a cost of \$47,900 for the first year and \$44,000 for years two through five, commencing on September 1, 2023.
AYE 4 NAY 0
4. Authorizing County participation and expense sharing in tax assessment legal challenges by Erie Boulevard Hydropower, LP and Lakeside Beaver Falls, LLC against Town of Croghan and Board of Assessment Review by having the County Attorney represent the County and appear in the two separate, pending tax assessment challenges for the 2023 tax year and to have the County execute an expense sharing agreement with the other taxing jurisdictions affected, whereby the County will pay

one-third of the expert fees, and the County's pro rata share of any refunds determined to be owed in the matter.

AYE 4 NAY 0

5. Authorizing agreement between the County of Lewis and Three + One, LLC to provide liquidity, treasury analysis, management data and programming outlines in its "CashVest" program at an annual cost of \$17,775.00.

AYE 4 NAY 0

At 3:39 p.m. Legislator Hathway moved to enter executive session for personnel matters and an update on union negotiations, seconded by Legislator Nellenback and carried.

At 4:51 p.m. Legislator Nellenback moved to enter regular session, seconded by Legislator Hathway and carried.

There being no other business to come before the committee Legislator Hathway moved to adjourn the meeting at 4:51 p.m., seconded by Legislator Nellenback, and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board