

CITY OF BATAVIA – SPECIAL CONFERENCE MINUTES MONDAY, SEPTEMBER 10, 2018

Present were Council President Jankowski and Councilpersons Canale, Christian, Briggs, Pacino, McGinnis, Tabelski, and Bialkowski. Councilperson Viele was absent.

Call to Order

Council President Jankowski called the meeting to order at 7:28 PM following the business meeting.

Sales Tax Agreement with Genesee County

Mr. Worth noted that the original expiration date of the sales tax agreement was February 2018 and was extended to December 31, 2018. The City and County didn't want to extend the original in its current format so worked together to come up with this agreement. Currently the County gets 4% and the City gets 16% of the 4%. Under the proposed agreement, the City would still get the 16% but growth would be capped at 2% and the floor of the City's share would be 14%. Mr. Worth explained that it would be over 20 years before the City would hit that floor so even though the percent is smaller, the revenue would still be higher. He noted that the proposed agreement has already been approved by the County Ways and Means committee and would go to the full legislature on Wednesday. Councilperson Canale wanted to confirm that once the City gets to the 14% it would get to share in all future growth and was told he was correct. Mr. Worth stated that the City would get a smaller piece of a larger pie and the intent is that the City amount will continue to grow. Councilperson Tabelski thanked the committee for getting to this point but asked why a term of 40 years instead of something else, like 10. He asked if other terms were considered. Council President Jankowski noted that the original agreement was supposed to be 40 years but due to a lease agreement of 10 years that was associated with it, it had to be a 10 year agreement. Councilperson Tabelski asked what impact this will have on the City's annual budgeting process. Mr. Worth noted that the benefit would be stabilization for the next 40 years and we receive payments quarterly so we will have an indication of what the amounts will be. Mr. Worth noted that sales tax revenue is tied into fuel prices. Mr. Worth shared that he and Mr. Ficarella met with the former City Manager, Jason Molino, to get his thoughts on the proposal. Councilperson Tabelski noted that the old agreement explicitly states 34% will go to towns and villages but the new agreement doesn't address this specifically. He asked what the intent was for the other municipalities. Mr. Worth explained that the State Comptroller wasn't comfortable with the towns and villages being referenced in the agreement since they were not signing off on the agreement. The understanding was that the County would have separate agreements with the individual municipalities. Council President Jankowski noted that the City has the authority to have our own sales tax so our agreement needs to be approved by the state. Mr. Worth noted that the agreement is strictly between the City and the County, the towns and villages have been removed and the State Comptroller's office is on board with the agreement. Councilperson Bialkowski asked if we had any figures to compare if we pre-

empted. Mr. Worth noted that the formula if we pre-empted was not readily available but Mr. Molino had made some estimates before he left and concluded that sharing with the County would be much more beneficial. He noted that we did consider an increase in internet sales and if that increases fast, we will reach the 14% floor quicker and share the growth quicker. Councilperson Christian noted that she was bothered by the 40 year term and asked how the other towns and villages felt about it. Councilperson Jankowski noted that he spoke with someone on GAM and we know that some counties don't share sales tax with others and was told not to worry about the others as they would work that out with the County. Councilperson Bialkowski asked Mr. Van Nest if the agreement was ironclad or could the County come back and say they need more money. Mr. Van Nest noted that like any contract, it depends on the parties involved but there was a lot of risk if one party wanted to back out. He noted it's an agreement that had been negotiated at arm's length. Council agreed to move the item forward for vote.

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Special Conference Meeting adjourned at 7:55PM.

Respectfully submitted,

**Heidi J. Parker
Clerk-Treasurer**

09/10/2018