



**BATAVIA CITY COUNCIL
BUSINESS MEETING**

**City Hall - Council Board Room
One Batavia City Centre
Tuesday, October 13, 2015
7:00 PM**

AGENDA

- I. Call to Order
- II. Invocation – Councilperson Briggs
- III. Pledge of Allegiance
- IV. Approval of September 2015 Minutes
- V. Approval of August 2015 Financials
- VI. Assignment of Agenda Items
- VII. Communications
 - a.. Batavia Area Jaycees Halloween Parade
 - b. Batavia Cemetery Association
- VIII. Council President Report
 - a. Announcement of the next regular City Council Conference Meeting to be held on Monday, October 26, 2015 at 7:00 p.m. at the City Hall Council Board Room, 2nd Floor, City Centre.
- IX. City Attorney's Report
- X. City Manager's Report
 - a. Presentation of FY 2014/15 Financial Statements – Laura Landers, Freed Maxick
 - b. Batavia Pathway to Prosperity (BP²) Presentation – Investing in the City's Brownfield Opportunity Area (BOA)10
- XI. Committee Reports
- XII. Public Comments
- XIII. Council Responses to Public Comments
- XIV. Unfinished Business

XV. New Business

- #79-2015 A Resolution to Amend the 2015-2016 Fire Department Budget to Reflect the Receipt of a Car Seat Grant, in the Amount of \$5,000
- #80-2015 A Resolution to Amend and Restate the Deferred Compensation Model Plan
- #81-2015 A Resolution Authorizing the Acceptance of the Thomas “Rocket Car”
- #82-2015 A Resolution Authorizing the Acceptance of a Gift by the City of Batavia Centennial Celebration Committee
- #83-2015 A Resolution in Support of Trap, Neuter, Vaccinate, Return (TNVR) for Community and Feral Cats within the City of Batavia and in Support of a Team of Volunteers to Implement TNVR

XVI. Adjournment

CITY OF BATAVIA – CONFERENCE MINUTES

MONDAY, SEPTEMBER 28, 2015

Present were Council President Hawley and Councilpersons Canale, Christian, Briggs, Pacino, Jankowski, Deleo, and Doeringer and Cipollone.

Call to Order

Council President Hawley called the meeting to order at 7:00 PM. Councilperson Pacino led the Invocation and the Pledge of Allegiance.

Public Comments

Michael Jamil, 332 W. Main St., said that he would like to see an Adult Recreation Program in the City. He sees the program offering sports such as pickup-basketball, softball and flag football to adults in the area. He also asked that the City look into the lights at Kibbe Park, as some of the lights weren't working and were very costly for recreational organizations to rent.

Frank Schiavi, 106 ½ North St., said that he was a member of the Neighborhood Watch Program. He noted that the organization's mission is to make Batavia a nice place to live, work and play. He indicated that the group had noticed a need for bike racks within the City. He said that the group had received a grant from Vibrant Batavia and they would be installing 8 bicycle racks city wide.

Linda Starkey, 6918 Hutchins St., Pavilion, said that she supports the trap, neuter, and release approach to dealing with the stray cat issue. She also said that removing all cats from one area can leave a vacuum that is soon filled by other cats.

Gerry Rising, 295 Robin Hill Dr., Williamsville, said that cats are the only source of the rapidly spreading disease of Toxoplasmosis and that having a no-kill policy would equal many kills for wildlife.

Council Response to Public Comments

Councilperson Jankowski said that he would like to have staff look into reducing the expenses charged to organizations renting fields with lights, as public works staff is basically just flipping a switch for the field lights. He also commended the Neighborhood Watch Committee for a job well done with the bicycle rack project.

Council President Report

Council President Hawley announced the next regular City Council business meeting would be held on Tuesday, October 13, 2015 at 7:00pm at the City Hall Council Board Room, 2nd Floor, City Centre.

Legacy Gift Unveiling Update

Leanna DiRisio, Vibrant Batavia, outlined information on the Legacy Gift in honor of the City's Legacy Sponsors for the Centennial Celebration. She supplied Council with a sketch of the Legacy Gift of a Sundial to be placed at the entrance of City Hall for display. She noted that the Sundial was designed by Ed Smart from Smart Design Architecture, PLLC, and that the gift was sponsored by the business owners that contributed to the Centennial Celebration. Councilperson Canale asked what the timeframe of the project was. Leanna DiRisio said that they were looking at the end of October or the beginning of November. Councilperson Jankowski made a motion to move the item to the next business meeting, motion seconded by Councilperson Deleo and all were in favor.

Thomas "Rocket Car"

Dave Howe on behalf of Ken Witt, Dick Moore and a group of antique automobile collectors outlined the group's interest in restoring an automobile, the "Rocket Car," that was developed and built in the City of Batavia. He noted that after restoring the vehicle the group would be looking to have the City accept the vehicle as a gift to have on permanent display. Councilperson Jankowski asked that the timetable was. Mr. Howe indicated that it would be approximately 2 years. Councilperson Christian made a motion to move the item to the next business meeting, motion seconded by Councilperson Cipollone and all were in favor.

Deferred Compensation Plan

Dawn Fairbanks, Human Resource Specialist, noted that the City currently offers a deferred compensation program for its employees. She noted that the City would like to amend the Model Plan to allow Roth 457 plan contributions. She indicated that this amendment would have no budgetary impact. Councilperson Briggs made a motion to move the item to the next business meeting, motion seconded by Councilperson Christian and all were in favor.

Feral Cat Discussion

Gretchen DiFante, Assistant City Manager, said that following the March 23rd Council meeting that she had been given direction to engage a broader audience in the task force. She indicated that she had met with County Manager Jay Gsell, and he had noted that his main concern for the implementation of any community cat management project was that of public health. Ann Marie Brade, Genesee County Animal Control Officer, gave a brief overview of licensing and enforcement laws that are currently in place in other jurisdictions within the area. Sarah Balduf, Genesee County Department of Public Health, gave a brief overview of the statistical data on anti-rabies clinics, incident reports and post exposure treatments from 2012 – 2014 county wide. Dr. Carolyn Caccamise, DVM, and Kathy Schwenk, Spay our Strays, gave a brief overview of the trap, neuter, vaccinate and release program. Councilperson Jankowski asked if there had been an increase in the number of stray cats. Gretchen DiFante said that there are 7 active colonies in the City, which Spay our Strays has been helping with spot management. Gretchen DiFante noted that the task

force was recommending support for a resolution endorsing TNVR with litter/healthy cat adoption and euthanasia for cats too ill to be returned. She also noted that the local legislation may help to secure grant funding for the TNVR program, as the NYS Senate passed a TNVR Funding Bill. She noted that Council might consider nuisance laws. Councilperson Jankowski and Councilperson Briggs asked to have the nuisance law consideration removed. Councilperson Cipollone commended Spay our Strays with their efforts. Councilperson Deleo made a motion to move the item to the next business meeting, motion seconded by Councilperson Canale and all were in favor.

Amend 2015-2016 Budget for Car Seat Grant

Gretchen DiFante said that the City was looking to amend the Fire Department 2015-2016 budget to reflect the receipt of a grant for \$5000.00 from the Governor's Traffic Safety Committee. Councilperson Deleo made a motion to move the item to the next business meeting, motion seconded by Councilperson Pacino and all were in favor.

Discussion Regarding Police Facility Task Force Recommendation

Councilperson Briggs asked what the next step of action was regarding the Police Facility. Council President Hawley said that the City should look into any grant funding that might be available allowing the City to move forward with the project. Councilperson Christian said that she had concerns regarding the cost of the project. Councilperson Doeringer said that he would like to move forward with the Task Force recommendation of the Swan Street site, and would like to look for grant money for funding. Councilperson Cipollone said he was in agreement to move forward, but had concerns on how it would be paid for. Councilperson Canale said that he was in agreement to take the recommendation from the task force with building the facility on Swan Street. Councilperson Pacino said that it was viable to discuss the recommendation of the Swan Street site, as Council must start somewhere.

Executive Session...Employment Matters

MOTION TO ENTER EXECUTIVE SESSION

Motion of Councilperson Pacino

WHEREAS, Article 7, Section 105(1)(f), of the Public Officer's Law permits the legislative body of a municipality to enter into Executive Session to discuss "...the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation...".

WHEREAS, Article 7, Section 105(1)(d), of the Public Officer's Law permits the legislative body of a municipality to enter into Executive Session to discuss "...proposed, pending or current litigation...".

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Batavia, that upon approval of this Motion, the City Council does hereby enter into Executive Session.

Seconded by Councilperson Christian and on roll call approved unanimously.

* * *

Conference Meeting adjourned at 9:40 PM.

Respectfully submitted,

**Aimslee M. Cassidy
Deputy Clerk-Treasurer**

09/28/2015

GENERAL FUND
CITY OF BATAVIA
FOR PERIOD ENDED - August 31, 2015

DESCRIPTION	ADJUSTED BUDGET	YTD TOTAL	% OF BUDGET	YTD 2014	YTD Change %	Change \$
Revenues						
Real Property Taxes	\$ 5,070,713.00	\$ 5,041,556.33	99.42%	\$ 5,029,777.83	0.23%	\$ 11,779
Gain-Sale Tax Acquired Prop	\$ -	\$ -		\$ 30,837.30	-100.00%	\$ (30,837)
Payments in Lieu of Tax	\$ 64,590.00	\$ 63,346.35	98.07%	\$ 61,032.68	3.79%	\$ 2,314
Interest & Pen. on Tax	\$ 175,000.00	\$ 31,117.10	17.78%	\$ 64,519.64	-51.77%	\$ (33,403)
Sales and Use Tax	\$ 6,150,000.00	\$ 1,523,643.73	24.77%	\$ 1,526,917.76	-0.21%	\$ (3,274)
Utility Gross Receipts Tax	\$ 210,000.00	\$ 55,910.50	26.62%	\$ 60,636.76	-7.79%	\$ (4,726)
Cable TV Franchise	\$ 210,000.00		0.00%			\$ -
Clerk/Treasurer Fees	\$ 32,000.00	\$ 13,646.76	42.65%	\$ 11,147.46	22.42%	\$ 2,499
Charges for tax redemption	\$ -	\$ 1,146.00		\$ 2,400.00	-52.25%	\$ (1,254)
Marriage Licenses	\$ 3,000.00	\$ 2,325.00	77.50%	\$ 2,567.50	-9.44%	\$ (243)
Other Gen Govern Dept Inc.	\$ 15,840.00	\$ 15,618.10	98.60%	\$ 15,845.54	-1.44%	\$ (227)
Police Fees	\$ 2,700.00	\$ 1,088.00	40.30%	\$ 1,160.00	-6.21%	\$ (72)
Dog Seizure Fees	\$ 600.00	\$ 250.00	41.67%	\$ 360.00	-30.56%	\$ (110)
Other public safety Dept Inc.	\$ -	\$ 15.00		\$ -		\$ 15
Vital Statistics Fees	\$ 33,000.00	\$ 14,890.00	45.12%	\$ 12,686.00	17.37%	\$ 2,204
Ambulance service revenue	\$ -			\$ 99.27	-100.00%	\$ (99)
Public Works Services	\$ 12,000.00	\$ 4,214.37	35.12%	\$ 5,327.03	-20.89%	\$ (1,113)
Fines & Forfeited Bail	\$ 108,108.00	\$ 52,207.50	48.29%	\$ 36,724.00	42.16%	\$ 15,484
Maintenance Fee - Ice Rink	\$ 35,630.00		0.00%			\$ -
Park User Fees	\$ 3,000.00	\$ 3,195.00	106.50%	\$ 2,025.00	57.78%	\$ 1,170
Special Recreat. Fac Charges	\$ 32,189.00		0.00%			\$ -
Other Culture & Rec income	\$ 3,000.00	\$ 2,000.00	66.67%	\$ 3,000.00	-33.33%	\$ (1,000)
Zoning Fees	\$ 1,500.00	\$ 500.00	33.33%	\$ 350.00	42.86%	\$ 150
Code Violation Charges	\$ 35,500.00	\$ 13,370.00	37.66%	\$ 21,574.75	-38.03%	\$ (8,205)
EMS Program	\$ 53,990.00	\$ (9,220.00)	-17.08%	\$ (4,385.00)	110.26%	\$ (4,835)
Interest and Earnings	\$ 5,000.00	\$ 872.69	17.45%	\$ 1,637.54	-46.71%	\$ (765)
Interest and Earnings Reserves	\$ -	\$ 2,503.12		\$ 568.21	340.53%	\$ 1,935
Rental of Real Property	\$ 46,000.00	\$ 21,036.18	45.73%	\$ 20,429.30	2.97%	\$ 607
Rental, other - facility usage	\$ 500.00	\$ 630.00	126.00%	\$ 385.00	63.64%	\$ 245
Business/Occup. Licenses	\$ 5,000.00	\$ 785.00	15.70%	\$ 1,580.00	-50.32%	\$ (795)
Games of Chance	\$ 100.00	\$ 20.00	20.00%	\$ 30.00	-33.33%	\$ (10)
Bingo Licenses	\$ 2,500.00	\$ 545.72	21.83%	\$ 520.13	4.92%	\$ 26
Dog Licenses	\$ 12,000.00	\$ 5,582.00	46.52%	\$ 5,766.50	-3.20%	\$ (185)
Licenses, Other	\$ 700.00	\$ 1,814.71	259.24%	\$ 1,493.50	21.51%	\$ 321
Bldg/Alter Permits	\$ 45,000.00	\$ 27,058.36	60.13%	\$ 13,571.50	99.38%	\$ 13,487
Street Opening Permits	\$ 10,000.00	\$ 4,160.00	41.60%	\$ 3,490.00	19.20%	\$ 670
Plumbing Permits	\$ 5,000.00	\$ 1,220.00	24.40%	\$ 1,497.00	-18.50%	\$ (277)
Permits, Other	\$ 5,000.00	\$ 5,220.00	104.40%	\$ 5,105.00	2.25%	\$ 115
Parking ticket fees	\$ 35,000.00	\$ 13,175.00	37.64%	\$ 11,050.00	19.23%	\$ 2,125
Forfeiture of Deposits	\$ 500.00	\$ 125.00	25.00%	\$ 275.00	-54.55%	\$ (150)
White Goods	\$ -					\$ -
Sale of Scrap/Excess Mat.	\$ 2,000.00	\$ 61.00	3.05%	\$ 4,789.80	-98.73%	\$ (4,729)
Minor Sales	\$ 1,300.00	\$ 277.38	21.34%	\$ 408.85	-32.16%	\$ (131)
Minor Sales - EMS Program	\$ -					\$ -
Sale of Real Property	\$ -					\$ -
Sale of Equipment	\$ -					\$ -
Insurance Recoveries	\$ -	\$ 27,029.70		\$ 17,617.12	53.43%	\$ 9,413
Other Comp for Loss	\$ -	\$ 720.53		\$ 238.10	202.62%	\$ 482
Refund-Prior Year Exps	\$ -	\$ 1,031.00				\$ 1,031
Healthcare Premiums	\$ 74,370.00	\$ 16,198.01	21.78%	\$ 17,806.43	-9.03%	\$ (1,608)
Healthcare Revenue	\$ -	\$ 7,929.57		\$ 7,757.50	2.22%	\$ 172
Gifts and Donations	\$ -					\$ -
VLT	\$ 125,000.00	\$ 440,789.00	352.63%	\$ 440,789.00	0.00%	\$ -
Unclassified Revenue	\$ 1,000.00	\$ 145,131.23	14513.12%	\$ 719.53	20070.28%	\$ 144,412
Reserve revenue	\$ -					\$ -
Per Capita State Aid	\$ 1,750,975.00	\$ 1,504,868.00	85.94%	\$ 1,504,868.00	0.00%	\$ -
Mortgage Tax	\$ 105,000.00	\$ 76,560.12	72.91%	\$ 57,776.71	32.51%	\$ 18,783
Real Property Tax Admin	\$ -			\$ 11,484.93	-100.00%	\$ (11,485)
State Aid - Record Mgmt	\$ 3,271.00	\$ 2,616.00	79.98%	\$ 13,068.00	-79.98%	\$ (10,452)
Rail Infrastructure Invest. Act	\$ -					\$ -
State Aid - Public Safety	\$ 59,251.31	\$ 8,380.47	14.14%	\$ 3,266.16	156.58%	\$ 5,114
Consolidate Highway (CHIPS)	\$ 201,800.00		0.00%			\$ -
Recreation Program	\$ 19,217.00	\$ 3,442.00	17.91%	\$ 550.00	525.82%	\$ 2,892
Arterial Reimbursement	\$ 157,400.00		0.00%			\$ -
State Aid - Planning Studies	\$ 48,437.26		0.00%	\$ (16,599.26)	-100.00%	\$ 16,599
Assessment Parcel Reimb	\$ -					\$ -
Fed. Aid - Bullet Proof Vest	\$ 1,850.00		0.00%			\$ -
Fed Aid - Public Safety	\$ 100,000.00		0.00%	\$ 9,064.60	-100.00%	\$ (9,065)
Interfund Transfers	\$ 230,500.00		0.00%			\$ -
TOTAL REVENUES	\$ 15,306,031.57	\$ 9,150,601.53	59.78%	\$ 9,025,607.67	1.38%	\$ 124,994

GENERAL FUND
CITY OF BATAVIA
FOR PERIOD ENDED - August 31, 2015

DESCRIPTION	ADJUSTED BUDGET	YTD TOTAL	% OF BUDGET	YTD 2014	YTD Change %	Change \$
Expenses						
City Council	\$ 51,700.00	\$ 18,826.71	36.42%	\$ 18,825.54	0.01%	\$ 1
City Manager	\$ 158,600.00	\$ 52,941.86	33.38%	\$ 56,613.57	-6.49%	\$ (3,672)
Finance	\$ 156,206.00	\$ 55,312.48	35.41%	\$ 44,289.31	24.89%	\$ 11,023
Administrative Services	\$ 316,602.97	\$ 199,183.41	62.91%	\$ 126,440.52	57.53%	\$ 72,743
Clerk-Treasurer	\$ 141,376.00	\$ 82,112.70	58.08%	\$ 62,935.50	30.47%	\$ 19,177
City Assessment	\$ 137,562.00	\$ 41,332.65	30.05%	\$ 40,261.17	2.66%	\$ 1,071
Legal Services	\$ 221,055.00	\$ 68,455.56	30.97%	\$ 88,599.08	-22.74%	\$ (20,144)
Personnel	\$ 130,605.20	\$ 43,467.15	33.28%	\$ 49,322.19	-11.87%	\$ (5,855)
Engineering	\$ 47,000.00	\$ 14,500.00	30.85%	\$ 12,422.68	16.72%	\$ 2,077
Elections	\$ 11,835.00	\$ 11,835.00	100.00%	\$ 34,735.00	-65.93%	\$ (22,900)
Public Works Admin	\$ 94,310.00	\$ 28,892.08	30.64%	\$ 28,443.62	1.58%	\$ 448
City Facilities	\$ 303,782.06	\$ 129,274.73	42.56%	\$ 75,169.55	71.98%	\$ 54,105
Information Systems	\$ 76,668.00	\$ 47,369.00	61.78%	\$ 89,854.76	-47.28%	\$ (42,486)
Contingency	\$ 250,000.00		0.00%			\$ -
Police	\$ 3,621,952.94	\$ 1,118,927.95	30.89%	\$ 1,161,412.38	-3.66%	\$ (42,484)
Fire	\$ 3,485,157.00	\$ 1,095,097.60	31.42%	\$ 1,129,249.52	-3.02%	\$ (34,152)
Control of Dogs	\$ 1,310.00	\$ 1,017.69	77.69%	\$ 802.89	26.75%	\$ 215
Inspection	\$ 289,131.85	\$ 94,697.09	32.75%	\$ 131,030.98	-27.73%	\$ (36,334)
Vital Statistics	\$ 18,330.00	\$ 5,388.18	29.40%	\$ 5,330.64	1.08%	\$ 58
Maintenance Admin	\$ 176,990.00	\$ 54,629.71	30.87%	\$ 60,392.98	-9.54%	\$ (5,763)
Street Maintenance	\$ 549,955.00	\$ 282,659.15	51.40%	\$ 241,866.24	16.87%	\$ 40,793
Public Works Garage	\$ 473,102.00	\$ 147,862.07	31.25%	\$ 117,497.57	25.84%	\$ 30,365
Snow Removal	\$ 514,583.94	\$ 100,929.94	19.61%	\$ 18,787.43	437.22%	\$ 82,143
Street Lights/Traf Signals	\$ 279,849.00	\$ 78,198.47	27.94%	\$ 91,354.09	-14.40%	\$ (13,156)
Sidewalk Repairs	\$ 318,558.00	\$ -	0.00%	\$ 14,047.85	-100.00%	\$ (14,048)
Parking Lots	\$ -	\$ -		\$ 1,081.43	-100.00%	\$ (1,081)
Community Development	\$ 20,600.00	\$ 24,653.08	119.68%	\$ 22,117.80	11.46%	\$ 2,535
Economic Development	\$ 11,988.00		0.00%	\$ 4,850.00	-100.00%	\$ (4,850)
Council on Arts	\$ 2,250.00	\$ 2,250.00	100.00%	\$ 2,250.00	0.00%	\$ -
Parks	\$ 580,426.67	\$ 238,315.81	41.06%	\$ 275,847.33	-13.61%	\$ (37,532)
Summer Recreation	\$ 68,659.68	\$ 47,885.48	69.74%	\$ 47,523.10	0.76%	\$ 362
Youth Services	\$ 185,325.00	\$ 49,732.11	26.84%	\$ 45,998.64	8.12%	\$ 3,733
Historic Preservation	\$ 2,395.00	\$ 201.81	8.43%	\$ 116.46	73.29%	\$ 85
Celebrations	\$ 14,570.00	\$ 6,172.78	42.37%	\$ 5,163.28	19.55%	\$ 1,010
Planning & Zoning Boards	\$ 3,200.00	\$ 1,001.63	31.30%	\$ 432.48	131.60%	\$ 569
Storm Sewers	\$ 208,419.25	\$ 63,506.75	30.47%	\$ 48,107.25	32.01%	\$ 15,400
Refuse & Recycling	\$ 62,430.00	\$ 9,753.74	15.62%	\$ 24,942.73	-60.90%	\$ (15,189)
Street Cleaning	\$ 117,180.00	\$ 20,053.60	17.11%	\$ 22,894.27	-12.41%	\$ (2,841)
Medical Insurance	\$ 1,658,640.00	\$ 741,683.32	44.72%	\$ 751,874.37	-1.36%	\$ (10,191)
Debt Service	\$ 643,846.00	\$ 280,761.17	43.61%	\$ 371,477.55	-24.42%	\$ (90,716)
Energy Lease	\$ 73,255.00		0.00%			\$ -
Transfer for capital projects	\$ 125,000.00	\$ 125,000.00	100.00%			\$ 125,000
Transfer to other funds	\$ 398,230.00	\$ 398,230.00	100.00%	\$ 360,310.00	10.52%	\$ 37,920
Capital Reserves	\$ 201,303.00	\$ 201,303.00	100.00%			\$ 201,303
TOTAL EXPENSES	\$ 16,203,939.56	\$ 5,983,415.46	36.93%	\$ 5,684,671.75	5.26%	\$ 298,744
Operating Income (Loss)		\$ 3,167,186.07		\$ 3,340,935.92	-5.20%	\$ (173,750)

WATER FUND
CITY OF BATAVIA
FOR PERIOD ENDED - August 31, 2015

DESCRIPTION	ADJUSTED BUDGET	YTD TOTAL	% OF BUDGET	YTD 2014	YTD Change %
Revenues					
Metered Water Sales	\$ 2,396,204.00	\$ 763,653.32	31.87%	\$ 775,705.66	-1.55%
Bulk Water Sales	\$ 15,000.00	\$ 11,287.29	75.25%	\$ 11,505.40	-1.90%
Water Service Charges	\$ 2,500.00	\$ 3,270.00	130.80%	\$ 1,344.99	143.12%
Capital improvement fee	\$ 116,762.00	\$ 51,207.64	43.86%	\$ 33,904.99	51.03%
Int/Pen-Water Rents	\$ 35,000.00	\$ 10,654.96	30.44%	\$ 9,889.67	7.74%
County Contract	\$ 1,347,170.00	\$ 324,240.00	24.07%	\$ 329,155.00	-1.49%
Other Govt - Walnut St Const	\$ -				
Interest and Earnings	\$ 1,000.00	\$ 1,290.68	129.07%	\$ 1,055.59	22.27%
Interest and Earnings-Reserve	\$ -	\$ 1,505.75		\$ 413.25	264.37%
State Aid - Rate study	\$ -				
State Aid - Planning	\$ -				
Rental of Real Property	\$ 550,000.00	\$ 137,500.00	25.00%	\$ 137,500.00	0.00%
Sale of scrap	\$ -			\$ 2,443.10	-100.00%
Other compensation for loss	\$ -	\$ 3,799.22			
Insurance recoveries	\$ -				
Healthcare premiums	\$ 8,100.00		0.00%		
Healthcare revenue	\$ -	\$ 827.18		\$ 755.48	9.49%
Grants from Local Governments	\$ -	\$ 10,160.00		\$ -	
Unclassified revenue	\$ 5,000.00	\$ 2,034.90	40.70%	\$ 1,746.29	16.53%
Reserve revenue	\$ -	\$ 142,507.11			
Interfund transfers	\$ -				
Total Revenue	\$ 4,476,736.00	\$ 1,463,938.05	32.70%	\$ 1,305,419.42	12.14%
Expenses					
Contingency	\$ 18,489.00		0.00%		0.00%
Water Admin	\$ 2,322,892.14	\$ 613,536.94	26.41%	\$ 588,538.33	4.25%
Pump Station & Filtration	\$ 1,584,266.63	\$ 364,679.07	23.02%	\$ 357,910.48	1.89%
Water Distribution	\$ 357,250.00	\$ 144,597.66	40.48%	\$ 111,806.19	29.33%
Medical Insurance	\$ 172,910.00	\$ 65,544.15	37.91%	\$ 63,638.89	2.99%
Debt Service bonds	\$ 29,695.00	\$ 1,934.82	6.52%	\$ 2,181.65	-11.31%
Energy lease	\$ 17,481.00		0.00%		
Transfer for capital projects	\$ -	\$ 60,421.11		\$ -	
Transfer to Other Funds	\$ 279,070.00	\$ 54,070.00	19.38%	\$ 48,930.00	10.50%
Capital Reserves	\$ 82,086.00	\$ 82,086.00	100.00%		
Total Expense	\$ 4,864,139.77	\$ 1,386,869.75	28.51%	\$ 1,173,005.54	18.23%
Operating Income (Loss)		\$ 77,068.30		\$132,413.88	-41.80%

Consumption

*consumption in 1,000 gallons

	2015	Difference	2014	Difference	2013	Difference
April	68,893	14.34%	60,255	-2.56%	61,837	2.43%
May	20,338	22.24%	16,638	-16.37%	19,894	-4.81%
June	21,102	2.19%	20,649	4.18%	19,821	-9.13%
July	70,939	4.61%	67,810	0.85%	67,240	-10.36%
August	21,623	3.00%	20,993	-6.42%	22,434	-5.81%
Sept	22,223	0.62%	22,085	-3.66%	22,923	-8.17%
Oct*		-100.00%	76,963	-12.35%	87,803	-26.06%
Nov		-100.00%	21,574	-6.76%	23,137	-4.80%
Dec		-100.00%	21,477	-4.43%	22,473	-2.45%
Jan*		-100.00%	75,713	1.62%	74,507	-8.21%
Feb		-100.00%	20,758	-22.53%	26,795	12.78%
March		-100.00%	22,267	0.86%	22,077	-2.28%
Total	225,118	-49.66%	447,182	-5.05%	470,941	-9.52%

SEWER FUND
CITY OF BATAVIA
FOR PERIOD ENDED - August 31, 2015

DESCRIPTION	ADJUSTED BUDGET	YTD TOTAL	% OF BUDGET	YTD 2014	YTD Change %
Revenues					
Sewer Rents	\$ 2,466,509.00	\$ 1,028,755.67	41.71%	\$ 1,036,210.76	-0.72%
Sewer Surcharge	\$ -	\$ 43,653.86		\$ 27,900.15	56.46%
Int/Pen-Sewer Rents	\$ 25,000.00	\$ 6,372.44	25.49%	\$ 6,263.29	1.74%
Interest and earnings	\$ 1,280.00	\$ 11,301.16	882.90%	\$ 851.31	1227.50%
Interest & Earnings Cap. Rsv	\$ -	\$ 777.90		\$ 182.61	325.99%
Healthcare premiums	\$ 1,600.00		0.00%		
Healthcare revenue	\$ -	\$ 751.12		\$ 700.21	7.27%
Unclassified revenue	\$ 70,000.00	\$ 151,823.78	216.89%	\$ 51,622.45	194.10%
Interfund transfers	\$ -				
Reserve revenue	\$ -	\$ 120,500.00			
Total Revenues	\$ 2,564,389.00	\$ 1,363,935.93	53.19%	\$ 1,123,730.78	21.38%
Expenses					
Contingency	\$ 28,000.00		0.00%		0.00%
Wastewater Admin	\$ 301,343.57	\$ 92,117.29	30.57%	\$ 96,584.48	-4.63%
Sanitary Sewers	\$ 389,655.00	\$ 108,417.55	27.82%	\$ 84,037.91	29.01%
Wastewater Treatment	\$ 877,853.74	\$ 244,698.78	27.87%	\$ 270,880.44	-9.67%
Medical Insurance	\$ 156,380.00	\$ 57,927.58	37.04%	\$ 58,236.05	-0.53%
Debt Service	\$ 188,528.00	\$ 3,708.70	1.97%	\$ 4,259.35	-12.93%
Energy lease	\$ 7,251.00		0.00%		
Transfer to Other Funds	\$ 574,330.00	\$ 39,330.00	6.85%	\$ 35,590.00	10.51%
Transfers for Capital projects	\$ -				
Capital Reserves	\$ 120,500.00	\$ 120,500.00	100.00%		
Total Expenses	\$ 2,643,841.31	\$ 666,699.90	25.22%	\$ 549,588.23	21.31%
Operating Income (Loss)		\$ 697,236.03		\$ 574,142.55	21.44%

Consumption

*consumption in 1,000 gallons

	2015	Difference	2014	Difference	2013
April	105,899	17.73%	89,954	-4.78%	94,469
May	20,308	-62.36%	53,952	11.96%	48,189
June	20,897	1.95%	20,497	4.17%	19,677
July	108,610	5.57%	102,880	5.70%	97,334
Aug	60,763	3.70%	58,595	5.90%	55,333
Sept	22,148	0.59%	22,017	-3.65%	22,851
Oct *		-100.00%	109,123	-1.18%	110,430
Nov		-100.00%	61,673	3.69%	59,481
Dec		-100.00%	21,399	-4.47%	22,400
Jan *		-100.00%	113,840	-1.29%	115,332
Feb		-100.00%	55,705	-3.78%	57,892
March		-100.00%	22,119	0.77%	21,950
Total	338,625	-53.72%	731,754	0.88%	725,338

WORKERS COMPENSATION FUND
CITY OF BATAVIA
FOR PERIOD ENDED - August 31, 2015

DESCRIPTION	ADJUSTED BUDGET	YTD TOTAL	% OF BUDGET	YTD 2014	YTD Change %
<u>Revenues</u>					
Workers Compensation	\$ 467,260.00	\$ 467,260.00	100.00%	\$ 444,830.00	5.04%
Interest and earnings	\$ -	\$ 23.64		\$ 29.84	-20.78%
Interest and earnings - Cap Rsrvs	\$ -	\$ 151.33		\$ 37.24	306.36%
Refund of prior year expenses	\$ -	\$ 74.95		\$ -	
Insurance Recoveries	\$ 64,040.00		0.00%		
Reserve revenue	\$ 30,000.00	\$ 24,370.00	81.23%		
Total Revenues	\$ 561,300.00	\$ 491,879.92	87.63%	\$ 444,897.08	10.56%
Contractual Expense	\$ 561,300.00	\$ 253,494.79	45.16%	\$ 209,945.51	20.74%
Total Expenses	\$ 561,300.00	\$ 253,494.79	45.16%	\$ 209,945.51	20.74%
Operating Income/(Loss)		\$ 238,385.13		\$ 234,951.57	1.46%

Batavia Area Jaycees Halloween Parade

Estimated costs for the police department are \$181. There are no additional costs for any departments.

Batavia Cemetery Association

Estimated costs for the police department are \$271. There are no additional costs for any departments.

Fee Rec'd
9/30/15
Ame



City of Batavia
Batavia, New York 14020
(585) 345-6300

Official Use Only:

2015-31
Event Application #:

Event Application Fee - \$25.00 (non-refundable)
(A separate permit must be issued for each item requested)

BATAVIA AREA JAYCEES

Name of Renter / Sponsor / Organization:

HALLOWEEN PARADE

Type / Name of Event:

Oct 25, 15
1 PM

Date(s) & Time(s) of Event

Profit

☐

Non-Profit

☒

CONTACT INFORMATION:

MELISSA A GEORGE

Primary Contact Name

bayou@yahoo.com

E-Mail Address

PO BOX 285 BATAVIA NY 14021

Primary Contact Address

746 4109

Cell Phone #

343 5775

Other #

Secondary Contact Name

Secondary Contact Address

E-Mail Address

Home Phone #

Cell Phone #

Other #

EVENT DAY CONTACT INFORMATION:

Contact Name

Home Phone #

Cell Phone #

Other #

Location of your event: DOWNTOWN -

Please provide details of your event: walk from Algon Place (Downtown) -
walk through batavia - end at BATAVIAS ORIGINAL
see map

Will there be alcohol at your event?

Yes

☐

No

☒

If yes, complete the following:

Type of alcoholic beverage to be served:

Liquor

☐

Wine

☐

Beer

☐

Will you be providing alcohol to your group?

Yes

☐

No

☒

Will you be selling alcohol to your group?

Yes

☐

No

☒

Insurance certificate WILL BE required
with Liquor Legal.

Will people be allowed to bring alcohol to
the event?

Yes

☐

No

☒

Who will be applying to the NYS Liquor Authority for the permit to sell? NO

It is the Applicant's responsibility to police the area during the gathering to make sure all Alcohol Beverage Control
rules are followed. Also, after the event Applicant is responsible to dispose of all empty bottles and debris.

**If you are contracting with a group to sell alcohol during your event on city property, separate insurance is required
from them with Liquor Legal in addition to your insurance.**

EVENT INFORMATION (required):

Oct 25, 15 1245pm

Set-Up Date:

Set-Up Time:

Tear Down Date:

Tear Down Time:

PLEASE LIST ALL DATES / TIMES AND CROWD INFORMATION BELOW:

Oct 25, 15 1245 → 130pm?

Date:

Start Time:

End Time:

Estimated Crowd Size:

of Vendors / Displays

Date:

Start Time:

End Time:

Estimated Crowd Size:

of Vendors / Displays

WILL THE EVENT INCLUDE:

Parade: Yes ☒ No ☐ (MAP OF DESIRED ROUTE MUST BE ATTACHED)
 Run or Walk: Yes ☐ No ☒ (MAP OF DESIRED ROUTE MUST BE ATTACHED)
 Music: Yes ☐ No ☒ (SITE DRAWING OF STAGE OR DJ LOCATION ATTACHED)
 Street Closure(s): Yes ☒ No ☒ (MAP OF CLOSED STREETS AND DROP LOCATION OF BARRICADES)
 Other: Yes ☐ No ☐ (MAP OF DESIRED ROUTE MUST BE ATTACHED)

Fireworks or Hazardous Materials? Yes ☐ No ☒ Carnival or Amusement Rides? Yes ☐ No ☒

Name of Company Providing Above:

Company Contact/Representative

Phone #

Address, Street

City

Zip Code

Music: Live Group ☐ Recorded/DJ ☐

Name of Company Providing Above:

Company Contact/Representative

Phone #

Address, Street

City

Zip Code

CITY SERVICES SUPPORT:**City Code 66-15, D-2**

The City reserves the right, as part of the permitting process, to require the applicant to pay for additional operational costs of the City associated with the event.

FOR EVENTS IN CITY PARKS, GARBAGE PICK-UP WILL BE MADE ONLY TO GARBAGE CANS ON SITE. ADDITIONAL GARBAGE MUST BE BAGGED AND REMOVED FROM PREMISES BY EVENT SPONSOR.

ELECTRIC:

Will electric be needed for the event? Yes ☐ No ☒

What will you be providing electric to? _____

Will generators be used? Yes ☐ No ☒

If yes, INCLUDE SITE DRAWING INDICATING PLACEMENT/LOCATION OF GENERATOR

SIZE OF GENERATOR(S) _____ FUEL SOURCE - GAS - ☐ - DIESEL - ☐ - PROPANE - ☐

TENTS/CANOPIES:

Will Tents/Canopies or other membrane structures be erected at event?
Will a bounce house or other air supported structures be erected at event?

Yes ☐ No ☒
Yes ☐ No ☒

Please list size(s) of Tents/Canopies or other temporary structures erected.

ANCHORING INTO PAVEMENT IS PROHIBITED!

If anchoring in grass, soil areas please contact the NYS Dig Safe # at: 1-800-962-7962 or 811

STREET CLOSURE(S):

ANY EVENT REQUIRING A STREET CLOSURE REQUIRES 90 DAY ADVANCE NOTICE

Will street(s) need to be closed for the event? Yes ☒ No ☐ Reason:

when kids get to Main & Harvester crossing to BATAVIA 02/16/14
Need police assistance

List Street(s) and Cross Street(s) that will be affected:

Street to be closed	&	Cross Streets
Street to be closed	&	Cross Streets
Street to be closed	&	Cross Streets
Street to be closed	&	Cross Streets

Will street barricades be requested from the City? Yes ☐ No ☒ How Many? _____

Will traffic cones be requested from the City? Yes ☒ No ☐ How Many? _____
(Drop off locations of requested items must be identified on the site drawing)

**BANNERS / SIGNS OR OTHER DECORATIONS ARE NOT TO BE ATTACHED
TO STREET BARRICADES, TRAFFIC CONES, LIGHT POLES, OR ANY OTHER CITY PROPERTY**

Are there any other city materials or personnel requested for the event? Identify below: (there may be additional costs)

Normally a police car leads the parade -

POLICE

Will City Police Officers be requested for the event? Yes ☒ No ☐

**FINAL DETERMINATION FOR NUMBER OF POLICE OFFICERS
and UTILIZATION WILL BE AT THE DISCRETION OF THE CITY.**

PLEASE NOTE:

1. Be as specific as possible in the description so we have the best understanding of your event. Also, be clear as to what you would like provided by the City.
2. Fire hydrants, Cross Streets/Alleys and Store Fronts **Shall Not Be Blocked** by any Vehicle or Concession at any time.
3. An Emergency Vehicle Safety Lane Must be Maintained at All times at All Locations
4. Fuel Containers Must be of an Approved type and Must be Properly Secured
5. Deep Fryers Must Be Approved. Commercial Types Require a Type "K" Portable Fire Extinguisher
6. All Food Vendors Must Have a Type ABC Fire Extinguisher. All Fire Extinguishers Must Be Inspected Within The Last Year. **A Valid Health Department Permit Must Be Displayed.**
7. No grease or substance of any kind may be discharged upon the streets, sidewalks, or into the storm drains and/or sewers
8. City Sign Ordinances Shall Be Complied With At All Times And In All Regards
9. No paint or other markings may be placed on the street surface.
10. Any overtime and/or material costs in excess of \$500, as determined by City Departments, must be paid by the event sponsor or other party
11. The application fee is due at time of submission of the application and is non-refundable.
12. If the event is approved, a Certificate of Liability Insurance naming the City of Batavia as an additional insured for at least the day(s) of the event must be submitted to the City Clerk prior to the event date.

Hold Harmless Agreement

Batavia Area Jaycees, the organizer/sponsor, shall indemnify, hold harmless, assume liability for and defend the City of Batavia, its employees, officers and agents from any and all damages, costs and expenses including but not limited to, attorney's fees, court costs, and all other sums which the City of Batavia its employees, officers and agents may pay or become obligated to pay on account of any and every demand, claim or assertion of liability, or any claim founded thereon, arising or alleged to have arisen out of the activities described in this special event application and sanctioned by the permit issued by the City of Batavia or by any act or omission of the BAT (Organizer/Sponsor), its members, agents, employees, volunteers, officers, or directors in relation to activities described in this application and sanctioned by the issuance of a special event permit.

Insurance policy on file

9-30-15
Date:

BATAVIA AREA JAYCEES, INC
Name of Event Sponsor:
M. George Treasurer
Authorized Signature, Title
M. George
Name - Printed or Typed

The rules and information contained within this application have been read and will be adhered to.
9-30-15
Date:

M. George
Signature of Applicant:

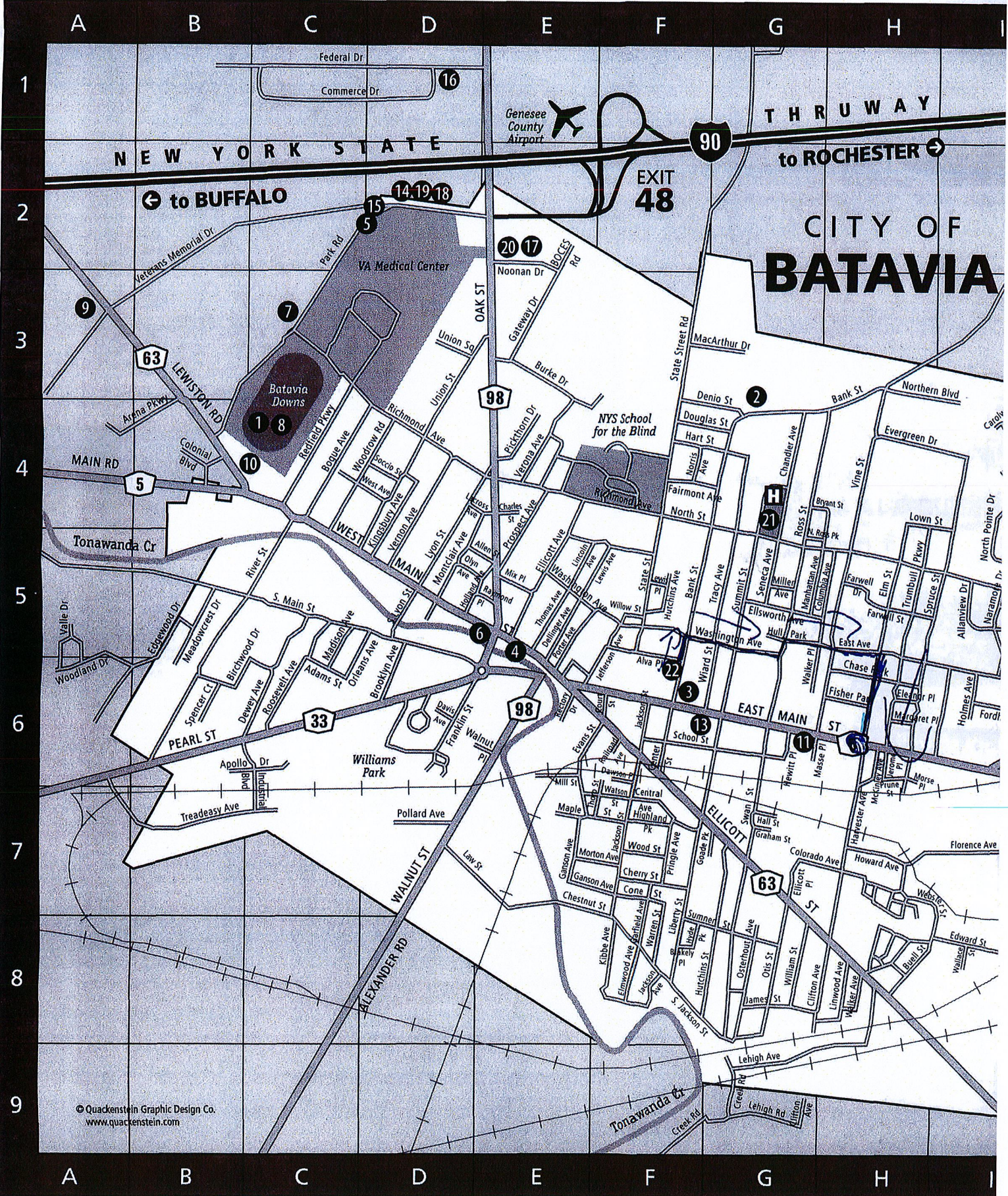
Please forward this application to:

City Clerk's Office
Attention: Events Applications Department
One Batavia City Centre
Batavia, New York 14020

Genesee County New York

VisitGeneseeNY.com

NYS Thruway I-90 (exits 47, 48 & 48A)



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www.quackenstein.com



City of Batavia
Batavia, New York 14020
(585) 345-6300

Official Use Only:

2015-30

Event Application #:

PAID

OCT - 6 2015

CITY OF BATAVIA
CLERK-TREASURER

Event Application Fee - \$25.00 (non-refundable)
(A separate permit must be issued for each item requested)

Batavia Cemetery Association
Name of Renter / Sponsor / Organization:
Run for your Life 5K
Type / Name of Event:
10/17/15 6 pm
Date(s) & Time(s) of Event:
Profit ☐ Non-Profit ☒

CONTACT INFORMATION:

Ashley Bateman
Primary Contact Name
ashley.bateman@gmail.com
E-Mail Address
27 Summit St.
Primary Contact Address
507-6524
Home Phone # Cell Phone # Other #
~~Sharon Bateman~~ Connie Boyd
Secondary Contact Name
16 Montclair Ave
Secondary Contact Address
343-3220
Home Phone # Cell Phone # Other #
E-Mail Address

EVENT DAY CONTACT INFORMATION:

Ashley Bateman
Contact Name
507-6524
Home Phone # Cell Phone # Other #

Location of your event: Historic Batavia Cemetery → St. Joe's Cemetery
Please provide details of your event: a candlelight 5K walk/run in the cemetery & surrounding area, to St. Joe's cemetery & back.

Will there be alcohol at your event? Yes ☐ No ☒ If yes, complete the following:

Type of alcoholic beverage to be served: Liquor ☐ Wine ☐ Beer ☐

Will you be providing alcohol to your group? Yes ☐ No ☐

Will you be selling alcohol to your group? Yes ☐ No ☐ Insurance certificate **WILL BE** required with Liquor Legal.

Will people be allowed to bring alcohol to the event? Yes ☐ No ☒

Who will be applying to the NYS Liquor Authority for the permit to sell? _____

It is the Applicant's responsibility to police the area during the gathering to make sure all Alcohol Beverage Control rules are followed. Also, after the event Applicant is responsible to dispose of all empty bottles and debris.

If you are contracting with a group to sell alcohol during your event on city property, separate insurance is required from them with Liquor Legal in addition to your insurance.

EVENT INFORMATION (required):

10/17/15 4pm 10/17/15 8pm
 Set-Up Date: Set-Up Time: Tear Down Date: Tear Down Time:

PLEASE LIST ALL DATES / TIMES AND CROWD INFORMATION BELOW:

10/17/15 6pm 8pm 150 0-2
 Date: Start Time: End Time: Estimated Crowd Size: # of Vendors / Displays

 Date: Start Time: End Time: Estimated Crowd Size: # of Vendors / Displays

WILL THE EVENT INCLUDE:

Parade: Yes ☐ No ☒ (MAP OF DESIRED ROUTE MUST BE ATTACHED)
 Run or Walk: Yes ☒ No ☐ (MAP OF DESIRED ROUTE MUST BE ATTACHED)
 Music: Yes ☐ No ☒ (SITE DRAWING OF STAGE OR DJ LOCATION ATTACHED)
 Street Closure(s): Yes ☒ No ☐ (MAP OF CLOSED STREETS AND DROP LOCATION OF BARRICADES)
 Other: Yes ☐ No ☐ (MAP OF DESIRED ROUTE MUST BE ATTACHED)

Fireworks or Hazardous Materials? Yes ☐ No ☒ Carnival or Amusement Rides? Yes ☐ No ☒

 Name of Company Providing Above: Company Contact/Representative Phone #

 Address, Street City Zip Code

Music: Live Group ☐ Recorded/DJ ☐

 Name of Company Providing Above: Company Contact/Representative Phone #

 Address, Street City Zip Code

CITY SERVICES SUPPORT:**City Code 66-15, D-2**

The City reserves the right, as part of the permitting process, to require the applicant to pay for additional operational costs of the City associated with the event.

FOR EVENTS IN CITY PARKS, GARBAGE PICK-UP WILL BE MADE ONLY TO GARBAGE CANS ON SITE. ADDITIONAL GARBAGE MUST BE BAGGED AND REMOVED FROM PREMISES BY EVENT SPONSOR.

ELECTRIC:

Will electric be needed for the event? Yes ☒ No ☐

What will you be providing electric to? computer & a set of flood lights
at the finish line.

Will generators be used? Yes ☒ No ☐

If yes, INCLUDE SITE DRAWING INDICATING PLACEMENT/LOCATION OF GENERATOR

SIZE OF GENERATOR(S) _____ FUEL SOURCE - GAS - ☒ - DIESEL - ☐ - PROPANE - ☐

TENTS/CANOPIES:

Will Tents/Canopies or other membrane structures be erected at event?

Yes ☒ No ☐

Will a bounce house or other air supported structures be erected at event?

Yes ☐ No ☒

Please list size(s) of Tents/Canopies or other temporary structures erected.

line. 10x10 at finish**ANCHORING INTO PAVEMENT IS PROHIBITED!**

If anchoring in grass, soil areas please contact the NYS Dig Safe # at: 1-800-962-7962 or 811

STREET CLOSURE(S):**ANY EVENT REQUIRING A STREET CLOSURE REQUIRES 90 DAY ADVANCE NOTICE**Will street(s) need to be closed for the event? Yes ☒ No ☐ Reason: _____**List Street(s) and Cross Street(s) that will be affected:**

<u>Harvester</u>	<u>Howard</u>	&
Street to be closed		Cross Streets
		&
Street to be closed		Cross Streets
		&
Street to be closed		Cross Streets
		&
Street to be closed		Cross Streets

Will street barricades be requested from the City? Yes ☒ No ☐ How Many? 2-4(how many the city thinks we'll need)Will traffic cones be requested from the City? Yes ☐ No ☒ How Many? _____

(Drop off locations of requested items must be identified on the site drawing)

**BANNERS / SIGNS OR OTHER DECORATIONS ARE NOT TO BE ATTACHED
TO STREET BARRICADES, TRAFFIC CONES, LIGHT POLES, OR ANY OTHER CITY PROPERTY**

Are there any other city materials or personnel requested for the event? Identify below: (there may be additional costs)

if necessary, a few police officers at Harvester near the cemetery.**POLICE**Will City Police Officers be requested for the event? Yes ☒ No ☐**FINAL DETERMINATION FOR NUMBER OF POLICE OFFICERS
and UTILIZATION WILL BE AT THE DISCRETION OF THE CITY.**

PLEASE NOTE:

1. Be as specific as possible in the description so we have the best understanding of your event. Also, be clear as to what you would like provided by the City.
2. Fire hydrants, Cross Streets/Alleys and Store Fronts **Shall Not Be Blocked** by any Vehicle or Concession at any time.
3. An Emergency Vehicle Safety Lane Must be Maintained at All times at All Locations
4. Fuel Containers Must be of an Approved type and Must be Properly Secured
5. Deep Fryers Must Be Approved. Commercial Types Require a Type "K" Portable Fire Extinguisher
6. All Food Vendors Must Have a Type ABC Fire Extinguisher. All Fire Extinguishers Must Be Inspected Within The Last Year. **A Valid Health Department Permit Must Be Displayed.**
7. No grease or substance of any kind may be discharged upon the streets, sidewalks, or into the storm drains and/or sewers
8. City Sign Ordinances Shall Be Complied With At All Times And In All Regards
9. No paint or other markings may be placed on the street surface.
10. Any overtime and/or material costs in excess of \$500, as determined by City Departments, must be paid by the event sponsor or other party
11. The application fee is due at time of submission of the application and is non-refundable.
12. If the event is approved, a Certificate of Liability Insurance naming the City of Batavia as an additional insured for at least the day(s) of the event must be submitted to the City Clerk prior to the event date.

Hold Harmless Agreement

Batavia Cemetery Assoc., the organizer/sponsor, shall indemnify, hold harmless, assume liability for and defend the City of Batavia, its employees, officers and agents from any and all damages, costs and expenses including but not limited to, attorney's fees, court costs, and all other sums which the City of Batavia its employees, officers and agents may pay or become obligated to pay on account of any and every demand, claim or assertion of liability, or any claim founded thereon, arising or alleged to have arisen out of the activities described in this special event application and sanctioned by the permit issued by the City of Batavia or by any act or omission of the Batavia Cemetery Assoc. (Organizer/Sponsor), its members, agents, employees, volunteers, officers, or directors in relation to activities described in this application and sanctioned by the issuance of a special event permit.

9/25/15

Date:

the Batavia Cemetery Association

Name of Event Sponsor:

Ashley Bateman event chair

Authorized Signature, Title

Ashley Bateman

Name - Printed or Typed

The rules and information contained within this application have been read and will be adhered to.

9/25/15

Date:

Ashley Bateman

Signature of Applicant:

Please forward this application to:


**City Clerk's Office
Attention: Events Applications Department
One Batavia City Centre
Batavia, New York 14020**





City of Batavia

To: Honorable City Council

From: Jason Molino, City Manager 

Date: October 6, 2015

Subject: FY 2014/2015 Financial Statements

Attached please find the following:

1. A letter to City Council from the Audit Advisory Committee regarding their review of the City's FY 2014/2015 financial statements.
2. A memo from the City Manager to the Audit Advisory Committee regarding reserve recommendations.
3. Fund Balance spreadsheet outlining the City's historical and projected fund balance.
4. A copy of the City's FY 2014/2015 financial statements.



September 25th, 2015

Dear City Council,

The City of Batavia Audit Advisory Committee met on Wednesday, September 23rd to review the City's 2014/2015 audited financial statements. Along with all five members of the Committee, attendees included City Manager Jason Molino, Deputy Director of Finance Lisa Neary, Assistant City Manager Gretchen DiFante, and Certified Public Accountant Laura Landers, partner with Freed Maxick. The meeting lasted just under three hours in length.

Ms. Landers kicked off the meeting by reviewing the 2014/2015 financial statements with all of us. Mr. Molino followed by presenting a number of highlights from the Fiscal Year Ending March 31, 2015 Management's Discussion and Analysis (MDA). Mr. Molino also provided the committee with recommendations for the allocation of the current unassigned fund balance to the restricted reserve fund balance.

The Audit Advisory Committee raised a number of questions and received direct and thorough answers from Ms. Landers, Mr. Molino, Mrs. DiFante, and Mrs. Leary. Topics of in-depth discussion included (in no specific order);

- 1) The necessity of current reserve fund balances
- 2) Interest rate projections
- 3) The alignment of financial priorities with the city's comprehensive plan
- 4) Tax impact on Batavia residents
- 5) Analysis of the City's debt service both short and long-term.
- 6) Factors impacting sales tax revenues
- 7) The stagnation of taxable assessed value and plans to address this
- 8) Business initiatives and driving the commercial property tax base
- 9) A discussion of services that truly enhance quality of life
- 10) The continued commitment to identifying and building reserves when prudent

The Audit Advisory Committee remains very satisfied with the current financial status of the City of Batavia. We applaud the leadership, and members of City Council for their proactive approach and responsible budgeting, particularly when it comes to building reserve balances to address the future needs of our community, and their desire to plan for and implement a 'level debt' strategy going forward. The Audit Advisory Committee asserts that the 2014/2015 financial statements for the City of Batavia appear accurate and tell a very positive story about the direction of the City. In addition The Audit Advisory Committee also brings unanimous consensus that the City Manager's recommendations

for the funding of reserves from unassigned fund balance appear appropriate and reasonable. Our City is in a much better financial position than it was 15 years ago. We are also in a much stronger financial position than many other similar sized Cities, primarily due to our focus and ability to fund reserves for identified long term projects. As interest rates rise over the next decade, proper planning and management of fund balances will become a more paramount issue to avoid higher borrowing costs.

We would like to thank City Council for their continued support of paneling an Audit Advisory Committee. Financial transparency and engaging the public remain critical pillars to effective governing and creating community 'buy-in'. We are honored to serve our City in this capacity. We would also like to thank Mr. Molino and his staff for providing us with all appropriate information, both presented and requested, and for the clear and detailed responses to our questions that arose during the meeting.

Sincerely,

Audit Advisory Committee



To: Audit Advisory Committee

From: Jason Molino, City Manager

Date: September 21, 2015

Subject: FY 2014/2015 Draft Financial Statements

Below is a draft recommendation for the allocation of unassigned fund balance to restricted reserve fund balance. In total the amount recommended for allocation is \$875,000. This is based on the increase in unassigned fund balance at year end, the amount of existing balance in each reserve account and the planned or expected expenditures related to each reserve fund.

This is for discussion purposes at the September 23rd committee meeting.

General Fund Reserve Funds

Fire Equipment Reserve (\$200,000) – Fire department equipment is expensive but crucial to operations. Over the past several years the City has planned and funded this reserve to avoid property tax increases for these types of purchases. As a result, in 2012 the City replaced Engine 14 (22 years old) utilizing reserve funds. Currently, the City's second pumper is 13 years old and the ladder truck is 20 years old. Over the past year the City has had been conducting a ladder truck needs assessment reviewing the existing use of the ladder truck to determine what is needed for the Fire Department to be efficient and effective in the future. This review has included seeing over a half a dozen manufactures of trucks and their capabilities. It is expected that within the next year a recommendation will be made to replace the existing ladder truck. Replacing the ladder truck can range from \$650,000 to \$1 million. Considering all apparatus are expensive, it is strongly suggested that the City continue to replenish this reserve to avoid borrowing for replacement costs in future years.

DPW Equipment Reserve (\$50,000) – Since the development of the Equipment Replacement Plan (ERP) in 2011, the City has replaced over 20 pieces of public works equipment, valued at over \$2 million. While the City has made significant strides in improving the fleet, some of the fleet remains in poor shape, very old and is fully depreciated. Over the past five years the City has been able to replace a significant amount of equipment by utilizing reserve funds to absorb the majority of the cost and not negatively impact the tax rate. With the City street sweeper slotted for 2016/2017, continuing to aggressively replenish reserve funds will allow the City to make these needed investments on a regular basis.

Dwyer Stadium Repair Reserve (\$100,000) – The current budget the City Council adopted a 5-year Dwyer Stadium capital improvement plan. Last year the City utilized \$30,000 for stadium seating replacements. It has been nearly 20 years since major capital improvements have been made to the stadium, and there are signs of aging at the facility. The most significant expenditure (over \$200,000) on the capital plan is a roof replacement for the main building and dugouts. With consistent contributions to the Dwyer Stadium reserve fund, most of the improvements can be completed within the adopted capital plan.

Facilities Reserve (\$300,000) – As with any building, regular maintenance and capital improvements are necessary in order to preserve the functionality of the building and avoid significant or possible catastrophic repairs due to neglect. Consistent improvements to City facilities will be ongoing and reserve funds will be necessary to absorb any planned or emergency improvements in the future.

The City has conducted a space needs assessment of the Police Department and has also received a recommendation from a citizen appointed Task Force on next steps for replacing the Police Station. While the City Council is yet to make a final determination for a renovation or replacement of the current Police facility, other City facilities remain in disrepair and are in need of improvements. As part of the City's strategic plan this year, City staff has been working with City engineers to prepare a list of improvements for the Bureau of Maintenance and Fire Station. Once completed the improvements will then be incorporated into a capital plan along with other City facility improvements for future years and presented as part of the 2016/2017 budget.

In preparation of these upcoming expenditures City Council has committed funding to the Facility Reserve over the past four years. Continuing forward with the planning process, additional commitment of reserve funding will provide the City with greater financial capacity to manage future improvements with all facilities.

Sidewalk Reserve (\$200,000) – The City Council has continued to support the improvement of sidewalks throughout the City. Currently there is approximately 65,665 linear feet of sidewalk that needs to be replaced within the City limits. This equals about 17% of the City's sidewalk network and is estimated to cost approximately \$2.67 million. Continuing to provide reserve funding for sidewalk replacement is critical for neighborhood revitalization efforts, as well as, maintaining safe pedestrian travel routes. In 2014 the City received a Transportation Alternatives Program (TAP) grant for \$720,657 to complete approximately 12,300 linear feet of sidewalk improvements along pedestrian routes to City schools. This grant requires a local match of \$240,000. While the TAP grant improvements will be completed over the next two summers, it is important to build adequate reserves to cover the City's local match as well as for future year improvements.

Administrative Services Equipment and Software Reserve (\$25,000) – In March 2015 the City Council created the Administrative Service Equipment and Software Reserve to assist with upgrading and meeting the City's information technology and records management needs. This includes replacing antiquated software utilized by the City, some more than 30 years old and operating on a DOS platform. Currently the City is beginning a tax collection, utility billing and payroll upgrade of the existing system. As mentioned, parts of the current system are over 30 years old. In upcoming years the City will be looking to upgrade all financial software including accounts payable, accounts receivable and general ledger. Considering these upgrades are similar to capital purchases, utilizing reserve funds will allow these improvements to take place without impacting the City's operating budget.

Sewer Fund Reserve Funds

Over the past year the City negotiated and executed an unprecedented sale of sewer capacity to the Town of Batavia. The City received just over \$2,000,000 for the sale of 500,000 gallons per day (gd) of sewer capacity. In addition to this transaction the City developed and the City Council adopted a comprehensive 10-year \$22 million water and sewer capital infrastructure plan. Included in this plan was an evaluation of the City water and sewer infrastructure needs, rating and ranking of infrastructure priorities and funding mechanisms based on projected costs and estimated revenues sources determined by water consumption and sewer volume trends. Also part of this plan were projected water and sewer rates for the next 10 years.

The City's sewer capacity sale was considered when developing the plan for sewer improvements replacement. That plan included committing \$1,000,000 from the sewer capacity sale to the Sewer Facility Reserve for future infrastructure improvements and \$1,000,000 to the Sludge Reserve for the upcoming sludge removal project that was approved by City Council for fiscal year 2016/17.

The Sewer Facility Reserve was created in 1963 and encompasses a broad scope of sewer infrastructure improvements. This includes but is not limited to sewer line replacements, sewer lining, sewer plant upgrades and general sewer facility and collection system upgrades. This is the primary reserve that will be utilized to take on the \$10 million of sewer infrastructure improvements over the next ten years.

The Sewage Sludge Reserve was created in 1996 for purposes of building capital for the removal of sewage sludge from the City's sewer plant. The last sludge removal project was conducted in 2001. In March 2015 City Council authorized the Sludge Removal Project for Secondary Pond No. 1. Currently staff is working with the City's engineers to develop specifications for the project to competitively bid. Once bid the City can utilize funds in the Sludge Reserve to avoid taking on a large amount debt service for the project. The estimated cost of the project is \$2.3 million and expected to be completed by the end of 2016.

Recommendation

Funding reserves now for future liabilities, equipment, infrastructure and facility improvements has been, and will continue to be, critical in avoiding larger tax burdens in future years. Planning for these improvements/liabilities is a major priority in the City's work plan. Updating capital improvement plans and identifying revenue streams to fund these plans are essential to maintaining a safe financial position for the City.

The recommended appropriations for reserve funding is consistent with the City's adopted Capital Plans and Financial Policies, including the City's fund balance policy.

It should be noted that while the City has been diligently building reserve funds over the past several years, the City's capital planning outlines multiple capital expenditures over the next 2-5 years, such as a ladder truck replacement, sidewalk replacements and multiple facility improvements. As result, it is expected that the City's reserve fund balances will decrease following these expenditures. This is expected as part of the City's financial planning and demonstrates the City's ability to plan and manage large capital expenditures without negatively impacting the City's financial position or tax rate.

City of Batavia
General Fund
Fund Balance

	3/31/2012 balance	3/31/2013 balance	3/31/2014 balance	3/31/2015 balance	15/16 budgeted additions	15/16 budgeted expenditures	15/16 assignment recommendations	3/31/2016 estimated balance
Non-Spendable Fund Balance								
Prepaid expenses	26,008	-	-	-	-	-	-	-
Restricted Fund Balance								
Liability insurance reserve	410,484	416,434	397,447	393,659	-	-	-	393,659
Health insurance reserve	346,447	472,302	498,155	499,675	-	-	-	499,675
Police reserve	55,929	51,053	41,145	19,205	-	(10,000)	-	9,205
Fire reserve	511,631	487,305	558,609	743,498	15,000	(54,940)	200,000	903,558
DPW reserve	465,752	538,113	221,927	247,084	15,000	(51,000)	50,000	261,084
Ice rink reserve	40,831	72,241	130,526	190,334	32,189	(8,000)	-	214,523
Dwyer stadium reserve	65,911	60,658	55,758	85,957	-	(12,900)	100,000	173,057
Facilities reserve	105,777	236,063	766,179	929,830	80,000	(25,000)	300,000	1,284,830
Sidewalk reserve	141,329	200,066	274,485	313,482	-	(318,558)	200,000	194,924
Employee Benefit Liability reserve	275,718	37	40,850	28,212	10,000	-	-	38,212
Retirement contribution reserve	311,094	376,109	386,783	422,999	10,000	(15,000)	-	417,999
Parking lot reserve	0	17,650	21,995	25,974	39,114	-	-	65,088
Administrative equipment reserve	0	0	0	50,000	-	(45,394)	25,000	29,606
EMS Program state restricted	29,474	27,479	32,620	32,620	-	-	-	32,620
Total restricted fund balance	2,760,377	2,955,510	3,426,479	3,982,529	201,303	(540,792)	875,000	4,518,040
Committed fund balance								
Richmond Avenue	-	300,000	-	-	-	-	-	-
Vibrant Batavia	-	45,000	55,423	86,946	-	(45,000)	-	41,946
South Jackson/Otis	-	-	150,000	-	-	-	-	-
Summit/Otis	-	-	325,000	-	-	-	-	-
Comprehensive Plan Update	-	-	-	100,000	-	-	-	100,000
Total committed fund balance	-	345,000	530,423	186,946	-	(45,000)	-	141,946
Assigned Fund Balance								
Encumbrances	187,213	99,978	219,645	261,714	-	-	-	261,714
Appropriated fund balance	100,000	160,000	200,000	275,000	-	-	-	275,000
Total assigned fund balance	287,213	259,978	419,645	536,714	-	-	-	536,714
Unassigned Fund Balance								
	1,098,838	1,344,950	1,648,468	2,431,092	-	-	(875,000)	1,556,092
Total General Fund Balance	4,172,436	4,905,438	6,025,015	7,137,281	201,303	(585,792)	-	6,752,792

(1) estimated balance does not include interest earned or expenditures below budgeted levels.

CITY OF BATAVIA
REPORT TO CITY COUNCIL
MARCH 31, 2015



October 2, 2015

To the President and Members of the City Council
City of Batavia
Batavia, New York 14020

President and Members of the City Council:

We are pleased to present this report related to our audit of the basic financial statements of the City of Batavia, New York, (the City) for the year ended March 31, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process. Also included is a summary of recently issued accounting standards that may affect future financial reporting by the City.

This report is intended solely for the information and use of City Council and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the City.

Very truly yours,

Freed Maxick CPAs, P.C.

Freed Maxick CPAs, P.C.

One Evans Street
Batavia, New York 14020
585.344.1967
Fax 585.344.4156

FREEDMAXICK.COM

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Contents

Required Communications	1 - 2
Summary of Accounting Estimates	3
Recently Issued Accounting Standards	4 - 6
Exhibit A - Certain Written Communication Between Management and our Firm	7
Representation Letter	

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Required Communications

Generally accepted auditing standards require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America, <i>Government Auditing Standards</i> issued by the Comptroller General of the United States; the provisions of the Single Audit Act; OMB Circular A-133; OMB's <i>Compliance Supplement</i> ; have been described to you in our arrangement letter dated April 23, 2015. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. In the current year the City evaluated the implications of GASB Statement No. 69 <i>Government Combinations and Disposals of Government Operations</i> and No. 70 <i>Accounting and Financial Reporting for Nonexchange Financial Guarantees</i>. The City has concluded that the implementation of GASB Statements No. 69 and No. 70 has no impact on the City.</p> <p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates</p> <p>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Accounting Estimates".</p>
Basis of Accounting	The financial statements were prepared on the assumption that the City will continue as a going concern.

Audit Adjustments

There were no audit adjustments made to the original trial balances presented to us to begin our audit.

Uncorrected Misstatements

There were no uncorrected misstatements noted during our audit.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Certain Written Communication Between Management and Our Firm

A copy of certain written communication between our firm and the management of the City is attached as Exhibit A.

City of Batavia
Summary of Accounting Estimates
Year Ended March 31, 2015

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's March 31, 2015 financial statements:

Area	Accounting Policy	Management's Estimation Process	Basis of our conclusions on Reasonableness of Estimate
Depreciation of Property, Plant & Equipment	Management depreciates property, plant and equipment over the estimated lives of the assets.	Useful lives were assigned based on the City's useful life policy. Management was consistent in calculating depreciation based on the useful lives assigned to each asset.	The methods and lives used to estimate depreciation expense appears reasonable.
Compensated Absences Liability	Management estimates compensated absences liability using the unpaid vacation and sick time.	At the end of the year management reviews time sheets and payroll registers to calculate unpaid vacation and sick time. Management then multiplies the unpaid hours by the employee's pay rate to estimate the liability.	Management's process to estimate compensated absences liability appears reasonable.
Post Employment Benefits Liability	Management uses an actuarial valuation to estimate post employment benefits liability each year.	Management receives an actuarial valuation every two years. Management's most recent valuation was completed as of April 1, 2013. Estimates for post employment benefits liability are based on the actuarial report along with actual contributions made during the year.	Management's process to estimate post employment benefits liability appears reasonable.

Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by the City. The City's management has not yet determined the effect these Statements will have on the City's financial statements. However, the City plans to implement all standards by the required dates. The Statements which might impact the City are as follows:

Summary of Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*

This Statement has been issued in June 2012 and will be effective for the City beginning with its year ending March 31, 2016. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

The requirements of GASB Statement No. 68 are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged.

Summary of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*

This Statement issued in November 2013 will be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Summary of GASB Statement No. 72 Fair Value Measurement and Application

This Statement issued in February 2015 will be effective for the City beginning with its year ending March 31, 2017. The objective of this Statement is to define fair value, how fair value is measured, what assets and liabilities should be measured at fair value, and what information about fair value should be reported in the notes to the financial statements. The definition of fair value in GASB Statement No. 72 is consistent with the definition of fair value in FASB *Accounting Standards Codification* (FASB ASC) 820, *Fair Value Measurement*. Additionally, GASB Statement No. 72 utilizes the same three-level hierarchy for measuring fair value that is used in FASB ASC 820. Although GASB Statement No. 72 is similar to the FASB's guidance on fair value, GASB Statement No. 72 differs in some ways with the FASB literature. The requirements of GASB Statement No. 72 are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

Summary of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits other than Pensions

This statement issued in June 2015, will be effective for the City beginning with its fiscal year ending March 31, 2019. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. It establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.

- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

The requirements of GASB Statement No. 75 are effective for financial statements for periods beginning after June 15, 2017. Earlier application is encouraged.

EXHIBIT A - CERTAIN WRITTEN COMMUNICATION
BETWEEN MANAGEMENT AND OUR FIRM

**CITY OF BATAVIA
ONE CITY CENTRE
BATAVIA, NEW YORK 14020**

October 2, 2015

Freed Maxick CPAs, P.C.
One Evans Street
Batavia, New York 14020

This representation letter is provided in connection with your audit of the basic financial statements for the City of Batavia, New York (the City) as of and for the year ended March 31, 2015 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of the auditor's report:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 23, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. There are no related party relationships and transactions.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Net positions and fund balance classifications.
 - b. Amounts of contractual obligations for construction and purchase of real property or equipment, not included in the liabilities or encumbrances recorded on the books.
 - c. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
 - d. Debt issue provisions.
 - e. All leases or material amounts of rental obligations under long-term leases.

- f. All significant estimates and material concentrations known to management which are required to be disclosed.
 - g. Authorized but unissued bonds and/or notes.
 - h. Risk financing activities.
 - i. The effect on the financial statements of Government Auditing Standards Board Pronouncements, which have been issued, but which we have not yet adopted.
 - j. Deposits and investment securities category of custodial credit risk.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
11. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

12. We have provided you with:
- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees of board members, or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of allegations of fraud or suspected fraud, affecting the City's financial statements involving:
- a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
17. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
18. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
19. There are no related parties or related-party relationships or transactions of which we are aware.

20. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize, and report financial data.
21. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
22. We agree with the findings of specialists in evaluating the liability for post employment benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Supplementary Information

23. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
 - e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
24. With respect to the management's discussion and analysis, the schedule of funding progress for retiree health plan and the budgetary comparison schedules presented as required by Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information related to the budgetary comparison schedules are measured and presented in accordance with the budget basis of accounting used by the City. The management's discussion and analysis and the schedule of funding progress for retiree health plan are measured and presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.

Compliance Considerations

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

1. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.

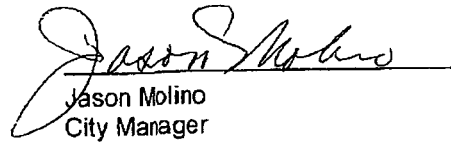
2. There have been no instances that have occurred or are likely to have occurred, of fraud or noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
3. There have been no instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts or grant agreements that have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
4. There have been no instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
5. Has a process to track the status of audit findings and recommendations.
6. Has identified for the auditor previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
7. Has provided views on the auditor's reported findings, conclusions, and recommendations, if applicable.
8. Acknowledges its responsibilities as it relates to nonaudit services performed by the auditor, and assumes all management responsibilities. Jason Molino, City Manager who possesses suitable skill, knowledge, or experience; has evaluated the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, we confirm:

1. Management is responsible for complying, and has complied, with the requirements of Circular A-133.
2. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.
3. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal programs.
4. Management has prepared the schedule of expenditures of federal awards in accordance with Circular A-133 and has included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
5. Management has identified and disclosed to the auditor the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
6. Management has made available all contracts and grant agreements (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
7. There are no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
8. Management believes that the auditee has complied with the direct and material compliance requirements.

9. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
10. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
11. Management has disclosed to the auditor any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
12. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
13. Management is responsible for taking corrective action on audit findings of the compliance audit.
14. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
15. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
16. There are no known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
17. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the date as of which compliance is audited.
18. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
19. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
20. If applicable, management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Circular A-133.
21. If applicable, management has issued management decisions timely after their receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and has ensured that subrecipients have taken the appropriate and timely corrective action on findings.
22. If applicable, management has considered the results of subrecipient audits and has made any necessary adjustments to the auditee's own books and records.
23. Management has charged costs to federal awards in accordance with applicable cost principles.
24. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Circular A-133.
25. Management has accurately completed the appropriate sections of the data collection form.
26. If applicable, management has disclosed all contracts or other agreements with service organizations.
27. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.

During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.



Jason Molino
City Manager

**AUDITED
BASIC FINANCIAL STATEMENTS**

CITY OF BATAVIA, NEW YORK

MARCH 31, 2015

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CITY OF BATAVIA, NEW YORK

Table of Contents

	<u>Page</u>
 <u>SECTION A</u> <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-25
Basic Financial Statements:	
Statement of Net Position	A1
Statement of Activities	A2-A3
Balance Sheet - Governmental Funds	A4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	A5-A6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A7
Statement of Net Position - Enterprise Funds	A8
Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds	A9
Statement of Cash Flows - Enterprise Funds	A10
Statement of Net Position - Fiduciary Fund	A11
Statement of Changes in Net Position – Fiduciary Fund	A12
Notes to Basic Financial Statements	A13-A34
Required Supplementary Information:	
Schedule of Funding Progress for Retiree Health Plan	A35
Budgetary Comparison Schedule for the General Fund	A36
 <u>SECTION B</u> <u>SUPPLEMENTAL SCHEDULES</u>	
Combining Balance Sheet – Non-Major Governmental Funds	B1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	B2

CITY OF BATAVIA, NEW YORK

Table of Contents
(Continued)

Page

SECTION C
FEDERAL FINANCIAL ASSISTANCE

Schedule of Expenditures of Federal Awards	C1
Notes to Schedule of Expenditures of Federal Awards	C2

SECTION D
INTERNAL CONTROL AND COMPLIANCE

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	D1-D2
Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133	D3-D4
Schedule of Findings and Questioned Costs	D5-D6
Summary Schedule of Prior Year Findings and Questioned Costs	D7

SECTION E
NYS DOT STATE SINGLE AUDIT PROGRAM

Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance Over State Transportation Assistance Expended Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	E1-E2
Schedule of State Transportation Assistance Expended	E3
Notes to Schedule of State Transportation Assistance Expended	E4
Schedule of Findings and Questioned Costs for State Transportation Assistance Expended	E5

SECTION A
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the City Council
City of Batavia, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Batavia, New York (the City), as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of March 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule and schedule of funding progress for retiree health plan on pages 3-25, A35 and A36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements, the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, and the schedule of state transportation assistance expended, as required by Draft Part 43 of NYCRR, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the schedule of expenditures of federal awards and the schedule of state transportation assistance expended is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedule of expenditures of federal awards and the schedule of state transportation assistance expended is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Batavia, New York
October 2, 2015

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Management's Discussion and Analysis

City of Batavia, New York

Fiscal Year ended March 31, 2015

This section of City of Batavia, New York's (the City) annual financial report presents its discussion and analysis of the City's financial performance during the fiscal year ended March 31, 2015. Please read it in conjunction with the City's financial statements, which immediately follow this section. **ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF DOLLARS, UNLESS OTHERWISE INDICATED.**

Preliminary Summary

In the fiscal year ending March 31, 2015, the City continued to maintain a healthy and stable financial position. This is the seventh consecutive year the City has maintained a positive unassigned fund balance. Despite challenges such as slow tax base growth and state mandates (ie. the property tax cap) the City continues to remain fiscally diligent by committing one-time surplus to restricted fund balance for future capital investments.

In reviewing the attached financial statements, it is important to understand the critical points of achievement over the past year that have assisted the City with improving its financial stability. These points include:

- Continued strength in assigned and unassigned fund balance in the general fund and cash growth in water and sewer funds
- Healthy operations in general, water and sewer funds
- The commitment of surplus to reserve funds for one-time equipment purchases and infrastructure and facility improvements
- The formal adoption of fiscal policies such as a Fund Balance Policy, Investment Policy, revised Purchasing Manual and monthly financial monitoring

These efforts along with continued expense monitoring and revenue improvements have assisted in maintaining long term fiscal solvency, while building fund balance and investing in capital equipment, city facilities, and infrastructure.

Financial Highlights

- As shown on page A6, there was an excess of revenues over expenditures of \$860,664 at March 31, 2015. However, after transfers in the amount of \$1,398,737 there was a negative net change in fund balance of \$137,733. This was largely due to \$1,400,000 of planned capital expenditures which utilized restricted and committed fund balances.
- Factors contributing to the general funds excess of revenues over expenditures were primarily due to one-time revenue receipts above budget, and lower than expected expenses. For example:
 - Miscellaneous local sources, which included Video Lottery Terminal Aid were \$220,499 over budget.
 - Healthcare expenditures were \$227,703 under budget.

- The City utilized over \$1,400,000 of reserve and committed funding for capital equipment, compensated absence pay outs, facilities, roads and sidewalks and insurance matters. The general fund budgeted and generated over \$153,000 to further build reserves for anticipated liabilities/costs in future years.
- The City's Purchasing Manual revisions, adopted Fund Balance Policy, Investment Policy and the increase in financial reporting to the City Council, supports the City's commitment to strong fiscal planning.
- New York State AIM (Aid and Incentives for Municipalities) stayed flat in the fiscal year ending March 31, 2015. However, since fiscal year ending March 31, 2011 New York State reduced AIM by 6.9% or \$109,949. Meanwhile, New York State retirement costs have increased 37% or \$404,000 since fiscal year ending March 31, 2009.

While the City has experienced a positive surplus from these budget lines, it should be noted that these budget areas have and are subject to changes from year to year. Consistent with the City budgeting practices of the past, the City should committ these surplus funds to decreasing debt or increasing reserve fund balances for future liabiliites such as equipment, facility and infrastructure improvements.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as public safety and transporation were financed in the short term as well as what remains for future spending.
- Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the City's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of City of Batavia, New York's Annual Financial Report

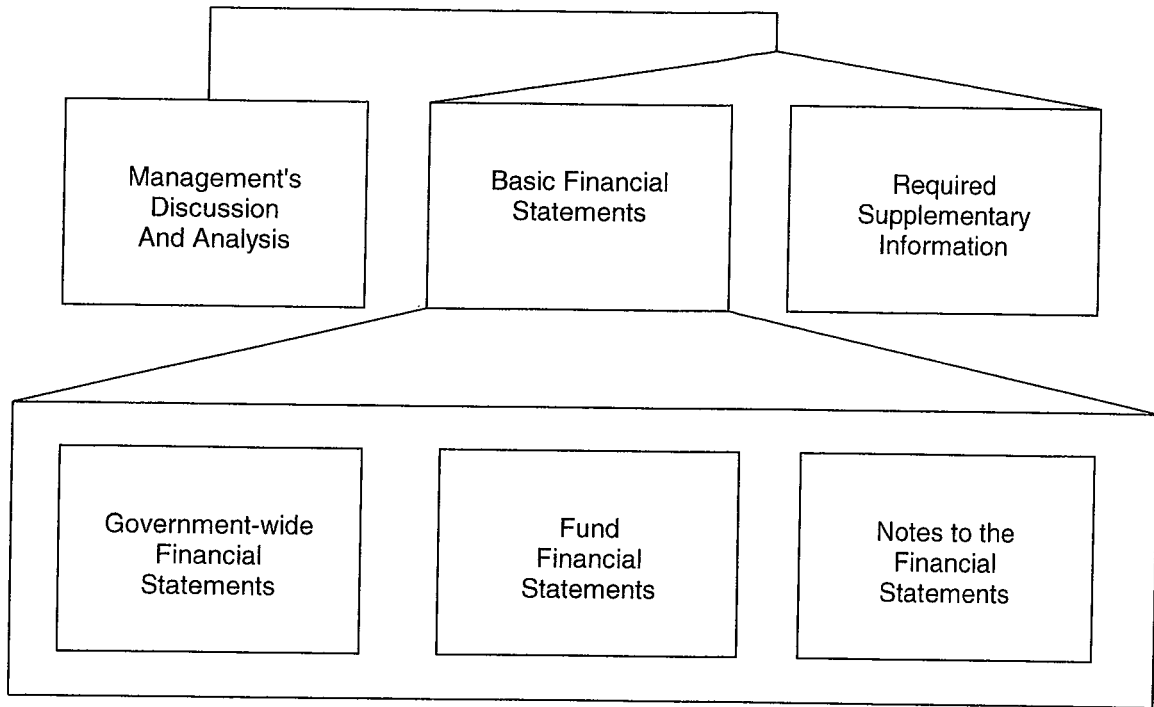


Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 Major Features of the Government-wide and Fund Financial Statements			
	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire government (except Fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as public safety and transportation	The activities of the City in which the City charges for services
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; generally no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements present the financial position of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

The two government-wide statements report the City's net position and how they have changed. Net position - the difference between the City's assets and liabilities - is one way to measure the City's financial health or financial position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the City's overall health, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure and other facilities.

In the Statement of Net Position and the Statement of Activities, the City's activities are separated as follows:

Governmental activities - Most of the City's basic services are reported in this category, including the general government, police, fire, public safety, health, transportation, economic assistance, culture and recreation, home and community services, and refuse and recycling. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business-type activities - The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and sewer activities are reported in this category.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds, focusing on its most significant or "major" funds - not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money.

The City has three kinds of funds:

- **Governmental Funds:** Most of the City's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information provided with the governmental funds statements explains the relationship (or differences) between them.

- **Proprietary Funds:** These funds are generally used to account for services for which the City charges customers (both external and internal). These funds use accrual accounting, which is the same method used by the private sector. The City of Batavia has two enterprise funds. The City's enterprise funds are the water and sewer funds. Enterprise funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for each of the enterprise funds, both of which are considered to be major funds of the City.
- **Fiduciary Funds:** The City is the trustee, or fiduciary, for assets that belong to others, such as deposits. The City is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The City excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the City as a Whole

Over the past few years the City has focused their efforts on proactive financial management and strategic planning emphasizing the City's financial health with specific measured results reviewed every month by City Council. Through these efforts and with multi-year financial planning, the City has committed to and prepared for long-term financial stability and investments.

- **The Annual budget.** In reflecting on the City's multi-year financial plan, the City has maintained a responsible tax rate. The City continues to closely monitor expenses and conservatively budget revenue. As a result, year ending March 31, 2015 resulted in revenues exceeding expenditures before Other financing sources by \$860,664. While this was due to unexpected revenues and well managed expenditures, such as lower than expected healthcare expenditures from the City's self-insured plan and unexpected position vacancies throughout the City, it should be noted that these budget areas have and are subject to changes from year to year. Consistent with the City budgeting practices of the past, the City should committ these surplus funds to decreasing debt or increasing reserve fund balances for future liabiliites such as equipment, facility and infrastructure improvements.
- **Strategic use of unexpected revenues and/or surpluses.** The City uses one-time revenues/surpluses to offset capital project expenses, build fund balance and reserves, assist in purchasing equipment and improving infrastructure. The City remains cautiously optimistic and budgetarily conservative as major revenue sources such as sales tax and State aid, and expenses such as retirement contributions and healthcare costs continue to be inconsistent. The increase in unassigned fund balance should be paired with the City's fund balance policy and one-time surpluses are recommended to be moved to restricted fund balance to support future equipment, facility and infrastructure needs.
- **Investment in City vehicles, equipment, infrastructure and facilities.** The City has aggressively accomplished planned capital projects outlined in the Capital Infrastructure Plan (CIP). In addition, the City has completed several sewer infrastructure projects on a cash for capital basis. An Equipment Replacement Plan (ERP) has also been developed to assist with investing in and replacing the City's fleet of vehicles and equipment. The City has also adopted a Parking Lot and Sports Surface Management Plan that provides a 10 year outline of annual investments for City parking lots and sport surface improvements. In the year ending March 31, 2015 the City planned over \$1,400,000 of capital expenditures related to equipment replacement, facility improvements, roads and sidewalk improvements. Continued planning and investment is needed for long-term stable operations, otherwise one-time equipment and emergency purchases, facility repairs and infrastructure replacement may force the City to increase property tax rates, water and sewer rates and/or debt service levels to meet service demands.

- The City's Strategic Plan. The intent of the City's Strategic Plan is to allocate available resources to best meet the needs of City residents, while balancing the environmental factors that may affect us in the future. Created during the fiscal year ending March 31, 2011, the strategic plan began with a survey of citizens that progressed to creating strategic priorities defined by directional statements. Key intended outcomes linked to the strategic priorities with associated performance goals, became the basis for the annual budget and ultimately the City's Business Plan was created. In May 2014 the City was awarded the 2014 Strategic Leadership & Governance Program Excellence Award by the International City/County Management Association. The award recognized the City's Strategic Business Plan as an innovative and successful local government program and process that has significantly affected a local government's organizational strategic direction. In fiscal year ending March 31, 2015 the City Council updated the Strategic Plan outlining new key intended outcomes and performance objectives to align with City resources.
- State Comptroller's Fiscal Stress Initiative. In May 2014 the New York State Comptroller Thomas P. DiNapoli announced the completion of the initial scoring for all local governments and school districts in New York in the Fiscal Stress Monitoring System. Batavia was issued a fiscal stress score of 0% for 2012, 2013 and 2014, the lowest (best) possible score. The City has since calculated a draft 2015 scoring using the fiscal stress indicators utilized by the Comptroller, and the City scoring is again 0%. This further indicates the progress made resulting from the City's planning budgeting and good fiscal management decisions.
- Bond Rating Upgrade. A bond rating upgrade was is an objective outlined in the City's Strategic Plan. On July 19, 2012 Moody's Investors Service upgraded the City's bond rating from "A2" to "A1". The upgrade reflects the City's improved financial position marked by five consecutive years of operating surpluses, as well as, the City's practice of conservative budgeting of both revenues and expenditures. The rating also factors in the City's moderately sized tax base, below average wealth levels and average direct debt level.
- Fund Balance Recovery. In fiscal year ending March 31, 2006 the City's total fund balance was a deficit \$1,302,857. Fiscal year ending March 31, 2015 the City's total fund balance is \$7,137,282. This recovery in fund balance is due to instituting diligent fiscal management and policies, and as a result has provided the City with the wherewithal to make needed capital investments to provide good services to residents. Continued fiscal prudence also provides the City with the ability to balance better economic times with challenging times.

Capital Projects

The Cedar Street Reconstruction project began construction in fiscal year ending March 31, 2014, and was substantially complete by summer 2015. The Summit Street Reconstruction was in final design, when in December 2013, funding was revoked by New York State. In response, the City committed unassigned fund balance to resurfacing the street in 2014; however, reconstruction is still needed to preserve the long-term life of the street. Federal and state funding was reinstated in summer 2015, and the City will be proceeding with the reconstruction project in 2016.

The City utilized \$325,000 for the construction of a new salt barn. The prior salt barn was built in 1977. The City also utilized committed fund balance to complete additional street resurfacing, Ottis and South Jackson St., in addition to budgeted allocations of Consolidated Highway Improvement Program (CHIPs) funding.

Condensed Statement of Net Position
(in thousands of dollars)

	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2015	2014		2015	2014	
Current and other assets	\$ 13,683	\$ 14,703	-6.94%	\$ 13,040	\$ 11,200	16.43%
Capital assets, net	21,126	19,299	9.47%	26,657	27,245	-2.16%
Total assets	<u>\$ 34,809</u>	<u>\$ 34,002</u>	<u>2.37%</u>	<u>\$ 39,697</u>	<u>\$ 38,445</u>	<u>3.26%</u>
Long-term liabilities	\$ 11,185	\$ 11,264	-0.70%	\$ 2,439	\$ 2,590	-5.83%
Other liabilities	5,156	6,382	-19.21%	786	1,462	-46.24%
Total liabilities	<u>16,341</u>	<u>17,646</u>	<u>-7.40%</u>	<u>3,225</u>	<u>4,052</u>	<u>-20.41%</u>
Net investment in capital assets	14,570	11,905	22.39%	24,956	25,190	-0.93%
Restricted for:						
Insurance	893	896	-0.33%	-	-	0.00%
Capital projects	2,519	2,015	25.01%	3,677	3,573	2.91%
Retirement contributions	423	387	9.30%	-	-	0.00%
Other purposes	33	33	0.00%	-	-	0.00%
Special grant	398	368	8.15%	-	-	0.00%
Small cities	164	139	17.99%	-	-	0.00%
Repairs	86	56	53.57%	-	-	0.00%
Employee benefit accrued liability	28	41	-31.71%	-	-	0.00%
Unrestricted (deficit)	<u>(646)</u>	<u>516</u>	<u>-225.19%</u>	<u>7,839</u>	<u>5,630</u>	<u>39.24%</u>
Total net position	<u>18,468</u>	<u>16,356</u>	<u>12.91%</u>	<u>36,472</u>	<u>34,393</u>	<u>6.04%</u>
Total liabilities and and net position	<u>\$ 34,809</u>	<u>\$ 34,002</u>	<u>2.37%</u>	<u>\$ 39,697</u>	<u>\$ 38,445</u>	<u>3.26%</u>

Governmental Activities

Governmental activities increased the City's net position by \$2,112,123. Key elements of this increase are as follows:

- Revenues increased by 4.75% and expenses increased by 6.79% when compared to prior year.
- Capital Grant and contributions increased significantly due to reimbursements received for the Cedar and Summit Street Reconstruction projects.
- Non property taxes increased by 1.00% due to unanticipated increase in sales tax revenue.

Business-Type Activities

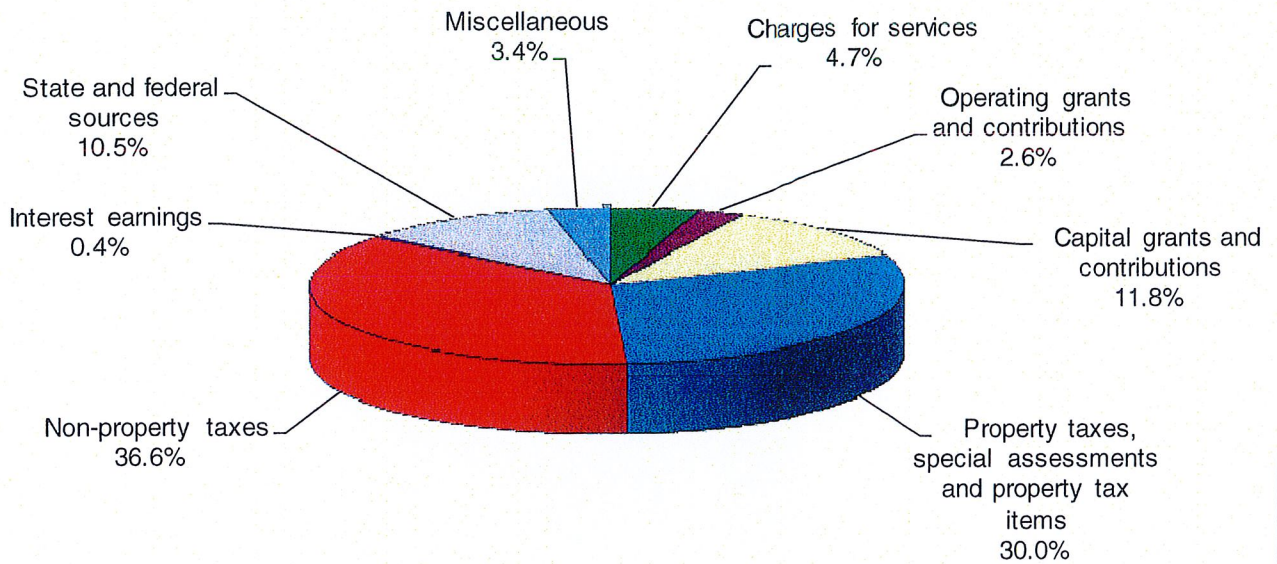
Business-type activities increased the City's net position by \$2,078,863. Key elements of this increase are as follows:

- The sale of sewer plant capacity to the Town of Batavia for over \$2,000,000.
- Water rents decreased \$78,206 when compared to prior year due to lower water consumption than prior year larger volume users.

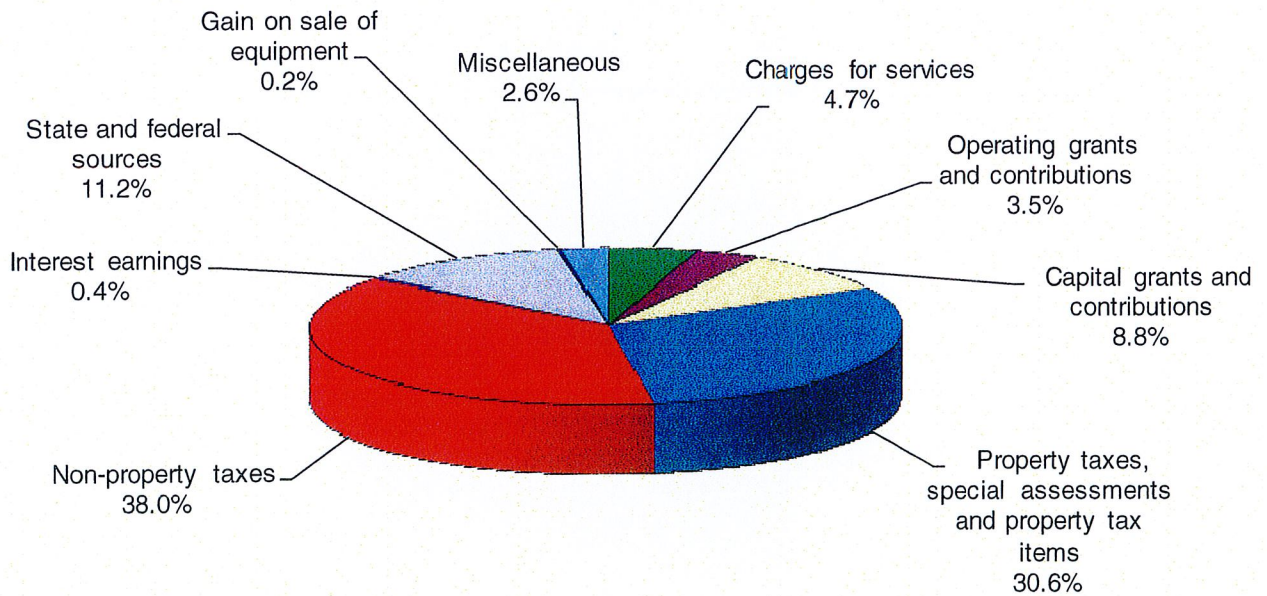
Changes in Net Position from Operating Results
(in thousands of dollars)

	Governmental Activities		Total Percentage Change	Business-Type Activities		Total Percentage Change
	2015	2014		2015	2014	
Program Revenues:						
Charges for services	\$ 835	\$ 798	4.64%	\$ 7,099	\$ 5,004	41.87%
Operating grants and contributions	452	601	-24.79%	2,176	2,171	0.23%
Capital grants and contributions	2,082	1,483	40.39%	-	-	0.00%
General Revenues:						
Property taxes, special assessments and property tax items	5,323	5,170	2.96%	-	-	0.00%
Non-property taxes	6,490	6,426	1.00%	-	-	0.00%
Interest earnings	68	68	0.00%	15	13	15.38%
State and federal sources	1,865	1,892	-1.43%	-	-	0.00%
Gain on sale of equipment	-	38	-100.00%	-	-	0.00%
Miscellaneous	598	434	37.79%	-	-	0.00%
Total revenues	17,713	16,910	4.75%	9,290	7,188	29.24%
Program Expenses:						
General government	3,204	2,029	57.91%	-	-	0.00%
Police	4,002	3,661	9.31%	-	-	0.00%
Fire	4,206	3,696	13.80%	-	-	0.00%
Public safety	392	302	29.80%	-	-	0.00%
Health	20	20	0.00%	-	-	0.00%
Transportation	2,046	2,874	-28.81%	-	-	0.00%
Economic assistance	239	300	-20.33%	-	-	0.00%
Culture and recreation	1,073	929	15.50%	-	-	0.00%
Home and community service	498	603	-17.41%	7,013	6,659	5.32%
Refuse and recycling	57	225	-74.67%	-	-	0.00%
Interest on debt	203	288	-29.51%	-	-	0.00%
Total expenses	15,940	14,927	6.79%	7,013	6,659	5.32%
Increase in net position before transfers and capital contributions	1,773	1,983	-10.59%	2,277	529	330.43%
Capital contributions	-	-	0.00%	141	-	100.00%
Transfers	339	317	-6.94%	(339)	(317)	6.94%
Increase in net position	2,112	2,300	-8.17%	2,079	212	880.66%
Net position-beginning	16,356	14,056	16.36%	34,393	34,181	0.62%
Net position-ending	\$ 18,468	\$ 16,356	12.91%	\$ 36,472	\$ 34,393	6.04%

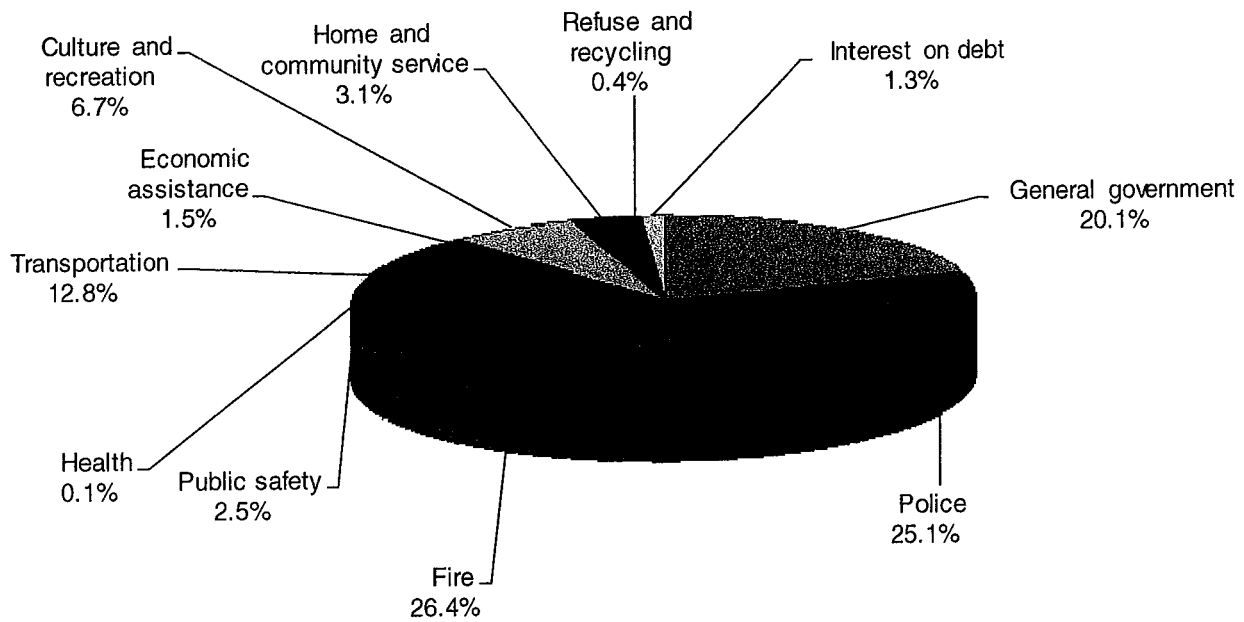
**Revenues for Governmental Activities
Fiscal Year 2015**



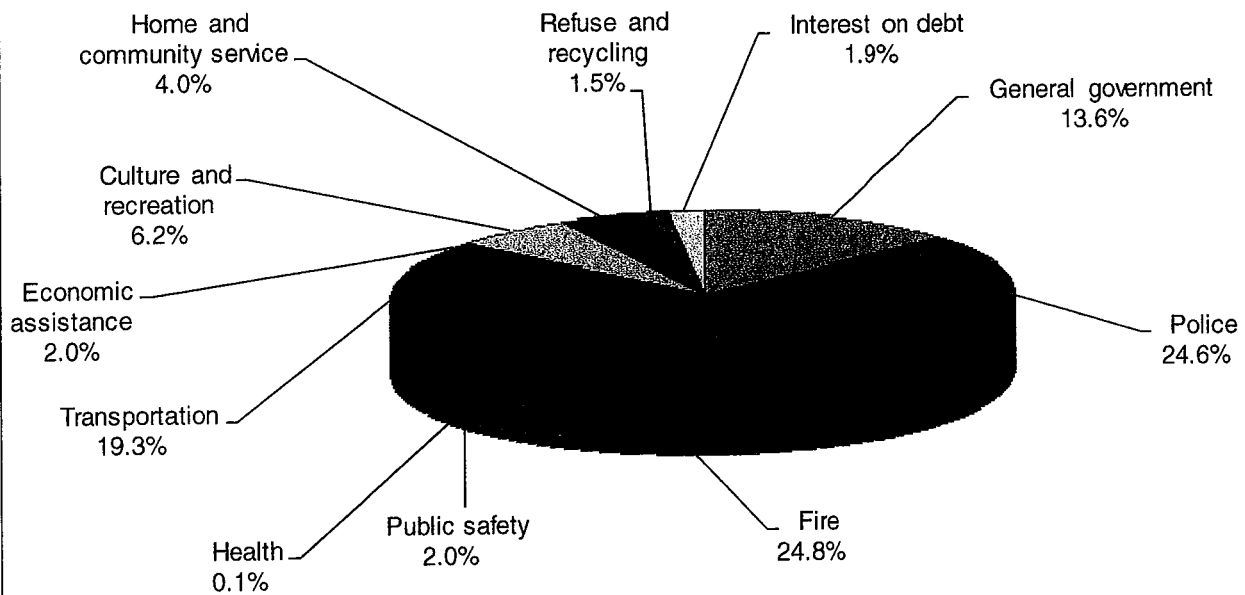
**Revenues for Governmental Activities
Fiscal Year 2014**



**Expenses for Governmental Activities
Fiscal Year 2015**



**Expenses for Governmental Activities
Fiscal Year 2014**



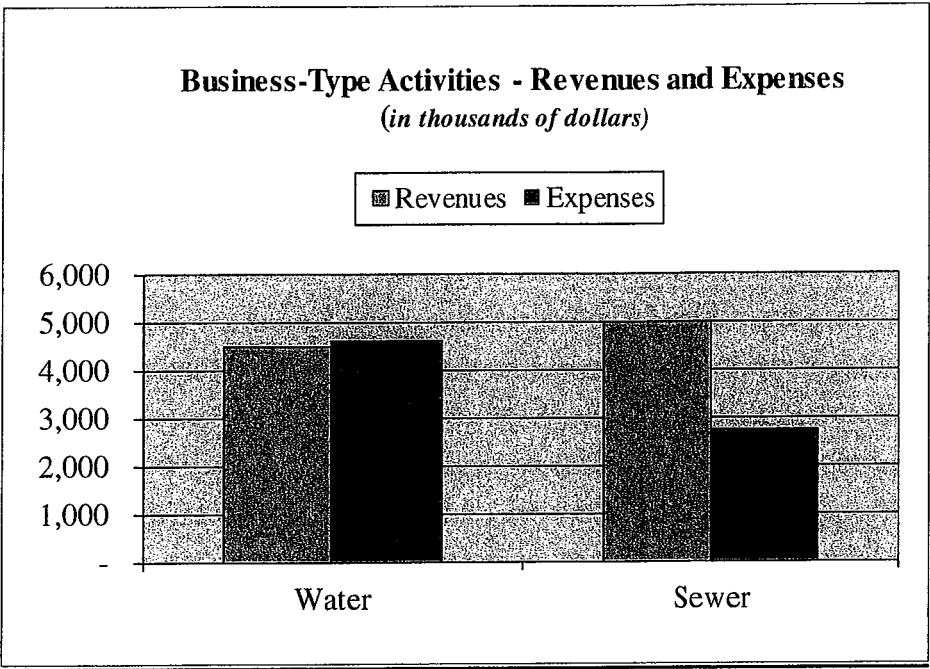
Governmental Activities

The following table presents the cost of eleven major City activities: general government, police, fire, public safety, health, transportation, economic assistance, culture and recreation, home and community service, refuse and recycling and interest on debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the City's taxpayers by each of these functions.

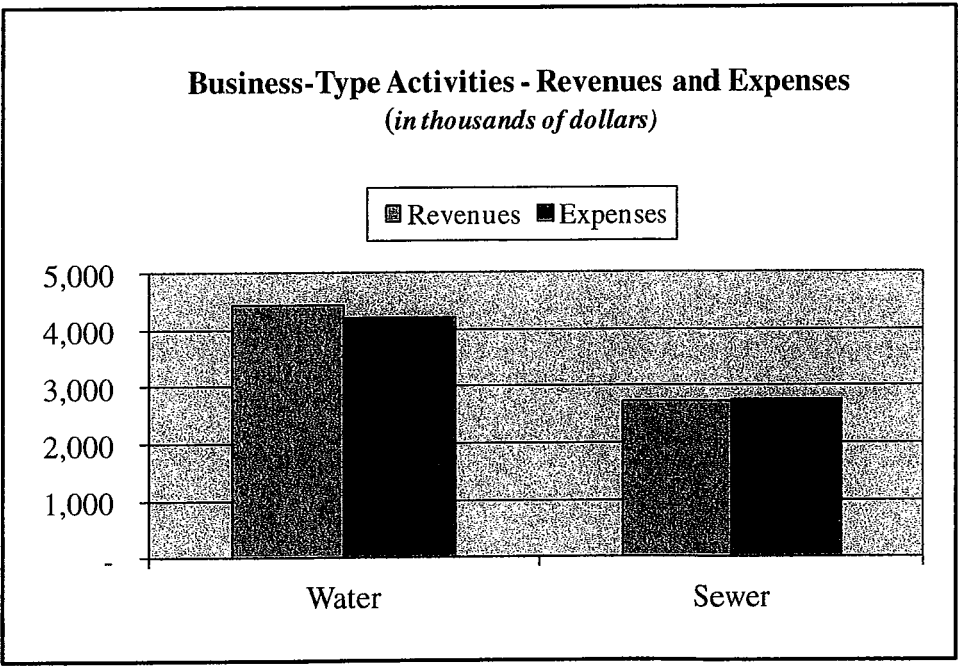
Net Cost of Governmental Activities (in thousands of dollars)						
	Total Cost of Services		Total Percentage Change	Net Cost of Services		Total Percentage Change
	2015	2014		2015	2014	
General government	\$ 3,204	\$ 2,029	57.91%	\$ 2,944	\$ 1,718	71.36%
Police	4,002	3,661	9.31%	3,840	3,503	9.62%
Fire	4,206	3,696	13.80%	4,197	3,644	15.18%
Public safety	392	302	29.80%	160	3	5233.33%
Health	20	20	0.00%	(11)	(14)	-21.43%
Transportation	2,046	2,874	-28.81%	(134)	1,399	-109.58%
Economic assistance	239	300	-20.33%	4	73	-94.52%
Culture & recreation	1,073	929	15.50%	985	839	17.40%
Home & community service	498	603	-17.41%	326	367	-11.17%
Refuse & recycling	57	225	-74.67%	57	225	-74.67%
Interest on debt	203	288	-29.51%	203	288	-29.51%
Total	<u>\$ 15,940</u>	<u>\$ 14,927</u>	<u>6.79%</u>	<u>\$ 12,571</u>	<u>\$ 12,045</u>	<u>4.37%</u>

Business-Type Activities

2015



2014



Financial Analysis of the City's Funds

The fiscal year ending March 31, 2015 concluded with an unassigned fund balance of \$1,556,092 after restrictions and assignments for encumbrance, reserves and other fund balance commitments. This is the seventh consecutive year the City has maintained a positive fund balance.

The General Fund

The general fund's assets increased in fiscal year ending March 31, 2015. This is an increase of \$689,806 over the prior year, of which \$413,767 is attributed to property tax receivables.

Revenues for the general fund decreased compared to last year by \$572,673. This is primarily due to an increase in property tax receivables, a large portion of which is attributed to one commercial property owner being delinquent on property taxes and water bill payments. The property owner has in the past has paid delinquent property taxes and water bills, providing for large cash influx and interest and penalty payments on odd years. The City identifies this influx, however does not budget for increases in penalty and payments as they are considered one-time revenues.

Expenditures for the general fund increased \$488,982 compared to the prior year. This is primarily due to the filling of multiple vacancies throughout the organization compared to the prior year.

Water Fund

The water fund, including depreciation, had a current year decrease in net position of \$138,142, compared to last year's change of \$232,770. Contractual expense accounts for the biggest change from last year within the Fund's net position, due to increases in the County contract expenses as well expenses related to unexpected water main repairs due to the extreme winter weather in 2014/2015.

Sewer Fund

The sewer fund, including depreciation, has experienced an increase in net position of \$2,217,005, when compared to last year. This change is attributed to the sale of sewer plant capacity to the Town of Batavia for just over \$2,000,000.

Workers Comp. Fund

This year's workers compensation fund balance increased by \$69,011. This is primarily due to less expenditures related to open claims from when the City was self-insured (pre-March 31, 2009) than in prior years.

Capital Projects Fund

Cedar Street Reconstruction is currently in final construction phase and Summit Street Reconstruction is in the design phase at March 31, 2015. Cedar Street construction began August 2014. While the design phase is near completion, the construction funding for Summit Street Reconstruction was originally revoked in December 2013 however has been reinstated and expected to begin Spring 2016.

<i>Revenues, Expenditures/Expenses and Changes in Fund Balance/Net Assets - Governmental Funds and Business-Type Activities (in thousands of dollars)</i>			
	2015		
	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Fund Balance/ Net Assets</u>
General Fund	\$ 15,673	\$ 15,811	\$ 7,137
Water Fund	4,472	4,610	9,006
Sewer Fund	4,959	2,742	27,465
	2014		
	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Fund Balance/ Net Assets</u>
General Fund	\$ 16,103	\$ 14,634	\$ 7,275
Water Fund	4,448	4,215	9,144
Sewer Fund	2,740	2,761	25,248

Revenues and Expenditures/Expenses include other financing sources or uses.

General Fund Budgetary Highlights

Amendments to the budget occur throughout the year for a variety of reasons. Possible factors include encumbrances from the prior year, unexpended purchase orders which are added to the current year budget at the close of the prior year, grants or other forms of financial aid which were received during the year but not anticipated in the original budget, appropriations of fund balances needed to offset unanticipated and unavoidable expenditures, and transfers of appropriations among object classes within department budgets to address particular requirements not anticipated in the original budget. The City Council approves and authorizes the annual budget at the level of object class totals within each department. The City Manager has the authority to transfer appropriations among line items within a department. All transfers between departments and funds must be approved by City Council. The encumbrances on prior year purchase orders are added to the budget as part of the annual financial closing process. All other budget amendments must be authorized by formal resolution of the City Council.

The City general fund experienced a decrease fund balance over the prior year of \$137,733. This was due to the planned expenditure of fund balance of over \$1,400,000 for budgeted capital equipment, facility and infrastructure expenditures. These expenditures were planned and executed as part of the 2014/2015 budget or separate resolution enacted by City Council. Aside from the slight decrease in net fund balance position, the City maintained an excess of revenues over expenditures of \$860,664 for general fund operations. This is primarily due to revenues exceeding the modified budget and expenditures falling below the modified budget. This provides the City an opportunity to meet its unassigned fund balance objective of 10% of general fund expenditures while continuing to build several reserve funds for future liabilities.

Revenues that the City does not receive on a consistent basis are not included in future budgets. While some one-time revenues have assisted with financial recovery, sustained growth in larger reoccurring revenues remain questionable. One-time revenues include:

- Interest and Penalties on property taxes were \$83,388 above budget. While this revenue has benefited the City's bottom line, it is completely reliant on delinquent property taxes being paid late.
- Video Lottery Terminal aid received this year was \$440,789. This revenue is not budgeted as it has continually been debated, and at times removed, from the Governor's Executive Budget. The City has utilized this revenue in the past to support capital expenditures and economic development.

Revenues that experience limited to no growth continue to be a concern, and the City continues to monitor these revenues. Should any significant changes occur, the City's general fund would be negatively affected. These revenues include:

- Sales tax revenue increased 1.13%, or \$67,872 over the prior year. While this is an increase over the prior year, the City's sales tax revenue is an economically sensitive revenue, and is subject to volatile swings in receipts, as witnessed in the not so distant past. For example, the past two years annual sales tax growth has been just over 1%, while the three years prior annual average growth was almost 6%.
- Gross utility receipts tax only increased \$10,813 over the prior year. While this is an increase over the prior year, it is a 15% or \$38,000 decrease from 2010 receipts.
- Cable franchise fees decreased 7.7% or \$15,211. This is the third consecutive year of decreasing receipts.
- All of the above revenues, with the exception of sales tax, in total are less than what the City received in fiscal year ending March 31, 2009.

In addition to slower growing revenues the City experienced a lower than normal property tax collection. In fiscal year ending March 31, 2015 the City did not collect approximately 2.2% of its tax levy. In total the City has approximately \$422,991 in uncollected taxes or deferred revenue. A large portion of this delinquency is attributed to one commercial property owner that has, in the past, paid delinquent property taxes and water/sewer charges late. It is expected that this property owner will pay existing delinquencies in fiscal year ending March 31, 2016 and as a result the City will experience a large interest and penalties payment in addition to a cash influx. This was the case in 2013 as the same property owner paid delinquent property taxes and water/sewer charges. Tax collection will continue to be monitored throughout the year.

In addition to revenue changes, this fiscal year had several lower than expected expenditures. These include:

- General fund unappropriated contingency and personnel services in general government and public safety, equaled \$314,716 and \$376,838 respectively.
- Healthcare expenditures were \$227,703 less than budgeted. Considering this is not a consistent trend, it is hard to predict the primary cause, however the City has experienced smaller increases in healthcare expenditures than most municipalities over the past several years. This will continue to be monitored closely in future years.

Aside from conservative budgeting and the utilization of one-time revenues to fund capital acquisitions, the City continued the practice of conservative spending and strict expense monitoring throughout the year.

The City's prudent revenue budgeting and expense monitoring has resulted in general fund surpluses needed to eliminate prior fund balance deficits, grow reserve balances and unassigned fund balance. While the City has experienced several unexpected one-time revenues, these one-time revenues are short lived and will not continue in future years. Furthermore, depending on the severity of change, revenue declines and expenditure increases, such as healthcare, retiree healthcare and retirement costs, the City may experience challenges in building the financial resources necessary to gain better financial footing. With the New York State Property Tax Cap, the inability to increase property taxes may further limit our ability to maintain services to residents at current levels.

Capital Asset and Debt Administration

Capital Assets

In the year ending March 31, 2015, the City funded general fund reserves with an additional \$1,300,000. The City continued to make an effort to plan and fund for future equipment and infrastructure improvements, rather than defer funding for these needed improvements. In addition to funding reserves, the City utilized just over a \$1,000,000 of the reserve funds in the general fund to purchase multiple public works, fire and police vehicles, construct a new salt barn, several additional facility improvements, install sidewalks and absorb compensated absences from several retirements, thereby utilizing reserve funding instead of property tax increases or issuance of debt for these types of improvements.

Capital Assets Net of Depreciation (in thousands of dollars)				
	Governmental Activities		Business -Type Activities	
	2015	2014	2015	2014
Land	\$ 1,135	\$ 1,135	\$ 42	\$ 42
Construction work in progress	10,077	8,438	1,339	1,205
Buildings	6,814	6,738	16,264	17,308
Machinery & equipment	2,212	2,219	606	681
Infrastructure	888	769	8,406	8,009
Total	<u>\$ 21,126</u>	<u>\$ 19,299</u>	<u>\$ 26,657</u>	<u>\$ 27,245</u>

Long-Term Obligations

The City received a bond rating of "A2" from Moody's Investors Service in May 2010. At that time Moody's recalibrated the scale for municipalities to bring their ratings in line with and more comparable to private organizations. Previously the City's bond rating was "Baa2". In June 2011, Moody's affirmed the City's "A2" bond rating and assigned the City a "positive outlook". Moody's assignment of the positive outlook acknowledged a modest financial position by specifically identifying City management's ability to restore financial health, establish a Retirement, Health Insurance and Employee Benefits Reserves and negotiated manageable settlements with three of its unions, which included wage freezes and healthcare concessions. In July 2012 Moody's Investors Service upgraded the City's bond rating from "A2" to "A1". The upgrade reflected the City's improved financial position marked by five consecutive years of operating surpluses as well as the City's practice of conservative budgeting of both revenues and expenditures. The rating also factors the City's moderately sized tax base, below average wealth levels and average direct debt level.

Outstanding Long-Term Obligations
(in thousands of dollars)

	Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
General obligation debt backed by the City	\$ 4,296	\$ 4,620	\$ 1,369	\$ 1,510
Installment purchase debt	547	615	317	367
Other debt	682	783	-	-
Compensated absences	2,275	2,325	386	371
Other post employment benefits	3,345	2,921	367	342
Total	<u>\$ 11,145</u>	<u>\$ 11,264</u>	<u>\$ 2,439</u>	<u>\$ 2,590</u>

Factors Bearing on the City's Future

Following is a description of both short and long-term factors the City will be forced to deal with in the future:

Short-Term Factors

- **General Fund Revenue** – Growth in major revenues has leveled off in the past several years. For the past two years sales tax has experienced less than 2% growth, gross receipts tax has decreased 13% since 2011, and as mentioned interest and penalties varies due to large property owners paying property taxes inconsistently. Mortgage tax remains flat. Decreases, or no increases, in large expenditures such state mandated retirement costs or health insurance claims will be important to balancing the slow growth of general fund revenues.
 - **Sales Tax revenue** – The year ending March 31, 2015 had a slight 1.13%, or \$67,872 increase in sales tax revenues over the prior year. While this is an increase over the prior year, the City's sales tax revenue is an economically sensitive revenue, and is subject to volatile swings, as witnessed in the not so distant past. For example, the past two years annual sales tax growth has been just over 1%, while in the three years prior, the annual average growth was almost 6%. Because sales tax makes up more than one-third of the City's general fund revenue, any slight change in receipts may have a significant effect on the City's budget. Currently a 1% decrease in sales tax receipts equals a 1.5% increase in property taxes. The City needs to continue to remain conservative when budgeting sales tax in the future as growth in sales tax is unpredictable at best.

- Reserve funding – Funding reserves now for future equipment, infrastructure and facility improvements has been and will continue to be critical in avoiding larger tax burdens in future years. In the fiscal year ending March 31, 2015, the City utilized just over \$1,000,000 of reserve funding to purchase needed equipment and offset liabilities as they came due. Planning for these improvements/liabilities is a major priority in the City's work plan. Updating capital improvement plans and designated revenue streams to fund these plans are essential to maintaining a safe financial position for the City. In addition, funding reserves such as the Employee Accrued Liability Reserve, Retirement Reserve and Healthcare Reserve is critical in order to pay for one-time and often unexpected expenses which have the potential to negatively impact the City's unassigned fund balance.
 - Employee Accrued Liability Reserve – Due to a high number of retirements/terminations in prior years, the City depleted its Employee Accrued Liability Reserve in the fiscal year ending March 31, 2013. While it is unreasonable to fully fund all liabilities, it is important to properly assess and evaluate potential risks in order to appropriately fund and prepare for likely obligations. This reserve balance is currently under \$30,000 and should be increased.
- State Budget & Property Tax Cap – The City continues to be proactive in our response to various NYS Budget changes and cuts that affect the City. It is important that the City anticipate these well in advance and remain flexible in our ability to respond during the budget process. With the adoption of the property tax cap without mandate relief, the City's ability to levy the necessary funds to support services may be significantly hampered. The City is continually evaluating the impact of the tax cap on the City's budget and services.
- NYS Retirement Costs – Since FY 2009/10, annual fluctuations in actual retirement payments have ranged from a 29% decrease (\$311,000) in 2009/10 to a 62% increase (\$478,000) the following year in 2010/11, and then a 4% decrease (\$52,000) in 2011/12. In 2012/13 the City's retirement costs increased 45.7% (\$548,032) over the prior year. In 2013/14 the City's retirement costs decreased 22.3% (\$389,118) from the prior year. While in 2014/15 the City's retirement costs decreased again 19.9% (\$369,002) from the prior year, early projections were significantly higher. Because the State's projected retirement contributions in past years have not been consistent with actual retirement payments, it is prudent to assume retirement costs will increase in future years until consistent and reliable retirement payments are restored.
- Healthcare Costs – On average, for the past five years the City's healthcare costs have increased approximately 8-10% per year. On an annual basis the City analyzes the option of transitioning from a self-insured plan to an experienced-based plan, however the City's ability to maintain manageable annual increases in healthcare costs while building a healthcare reserve makes it financially feasible to remain self-insured.
- Retiree Healthcare Costs – Retiree healthcare will continue to increase in the future. In the fiscal year ending March 31, 2012 post employment health insurance cost for the City's 34 retirees was \$257,664. In the fiscal year ending March 31, 2013 post employment health insurance cost for the City's for 38 retirees was \$365,588. This was a 41.9% increase, or \$107,924 increase over the prior year. In the fiscal year ending March 31, 2014 post employment health insurance cost for the City's 52 retirees was \$537,269. This was a 47.96% increase, or \$171,681 increase over the prior year. In fiscal year ending March 31, 2015 post employment health insurance cost for the City's 33 retirees was \$314,727. While this is a decrease when compared to the prior year, retiree healthcare expenses are a large portion of the general fund expenses, are unpredictable and can be extremely volatile due to one single illness. All current union contract settlements have discontinued this benefit for future hires, and as existing employees retire, the liabilities in retiree healthcare are unpredictable.

- *Union Contracts* – All contracts are current. The City's negotiations will be focused on manageable benefit packages that will not significantly impact future property tax levels. Strong but fair negotiations will have to take place to ensure that future benefit packages are reasonable for City employees and affordable for City taxpayers.
- *Taxable Assessed Value Decline* – The City's taxable assessed value has increased very little since 2010. Prior to 2010 the average tax base growth was about 1.5% annually, however since 2010 the average tax base growth has been approximately 1% or less annually. The slowdown in the economy has restricted the City's ability to maintain slow and steady tax base growth, and is a concern for future revenue growth. It will be critical that the City continue to invest in economic development initiatives and actively support further redevelopment and growth in tax base.
- *City Facilities* – For the past three years City Council has committed surplus revenues to the City's Facility Reserve in preparation of needed improvements to several City facilities including the City's Police Station. Currently the City has completed a space needs assessment of the Police Department and a citizen task force has made recommendations for a future facility. In addition, the City has developed 5-year capital plans for Dwyer Stadium and Falletti Ice Arena. The City's Strategic Plan has also outlined a key objective for developing a capital facilities improvement plan for each City facility. By fiscal year ending March 31, 2016, a capital plan for the Bureau of Maintenance and Fire Department will be complete. In preparation of needed upcoming facility improvements, additional commitment of reserve funding will provide the City with greater financial capacity to handle future improvements with each facility.

Long-Term Factors

- *Taxable Assessed Value Decline* – The City has enjoyed an average growth of 1.5% in our tax base annually, however since 2010 the City's taxable assessed value has shown approximately a 1% annually. As the housing market continues to show slow signs of recovery, the City should expect similar trends over the next several years. In addition, with the recent adoption of the property tax cap without relief from State mandated expenses, the City's ability to levy the necessary funds to support services may be significantly hampered. Considering taxable assessed value is the City's largest stable source of revenue, **the City needs to make improving the City's tax base, particularly the non-residential tax base, a priority and encourage future commercial and industrial redevelopment throughout the City's Central Corridor.**
- *Post Employment Benefits (GASB 45) & Retiree Healthcare* – The City's liability for post employment benefits, as of the actuarial valuation date of April 1, 2013, amounted to \$9,225,643. Aggressive labor negotiations to reduce future retiree costs will be essential for maintaining a long term decrease of this liability.
- *Employee costs & retirement costs* – Retirement costs have increased significantly. In the same manner, employee benefit costs continue to increase. Significant fluctuations in retirement costs have been due to the City having large retroactive salary payments due to delayed collective bargaining agreement settlements. Now that all contracts are current, it is expected that the City will experience more consistency in retirement contributions projections. However, maintaining reasonable employee benefits will be a major determining factor in the City's ability to provide quality services.
- *City Facilities* – Improvements are needed to many City facilities. Whether an upgrade of current facilities or proposed new facilities are considered, the City needs to continue to make a targeted commitment to funding the Facility Reserve in upcoming years. Strong facility planning and financial management, specifically debt management, will provide the City with greater financial capacity to handle future improvements with City facilities.

Over the past six years the City has experienced decreases in State aid as well as considerable increases in state retirement costs and retiree healthcare costs. In addition, the imposition of the Property Tax Cap further limits the City's ability to combat increasing State mandated costs as the cap imposes a ceiling on the City's ability to levy property taxes. The City Council's Strategic Plan emphasizes Well-Managed City, which consists of maintaining a healthy and stable financial position. The City's financial improvement over the past several years has been the result of many necessary reactive and proactive approaches to budgeting and operations for the City. It is critically important that the City continue to spend a considerable effort on planning for the future, most specifically with regards to funding reserves, maintaining and funding capital and equipment replacement plans, and maintaining low cost, high quality services to residents. In addition, resources need to be focused on encouraging tax base growth through economic development efforts promoting land use redevelopment and job growth within the City.

Contacting the City's Financial Management

This financial report is designed to provide the City's citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager's Office, City of Batavia, Batavia, New York.

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CITY OF BATAVIA, NEW YORK
STATEMENT OF NET POSITION
MARCH 31, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 9,527,394	\$ 8,812,663	\$ 18,340,057
Cash - restricted	50,593	-	50,593
Property taxes receivable, net	1,605,305	-	1,605,305
Accounts receivable, net	529,232	1,675,666	2,204,898
State and federal receivables	361,304	-	361,304
Loans receivable, net	198,889	-	198,889
Due from other governments	1,351,466	2,610,857	3,962,323
Internal balances	59,030	(59,030)	-
Capital assets not being depreciated	11,211,509	1,380,981	12,592,490
Capital assets, net of accumulated depreciation	<u>9,914,690</u>	<u>25,275,852</u>	<u>35,190,542</u>
 Total assets	 <u>\$ 34,809,412</u>	 <u>\$ 39,696,989</u>	 <u>\$ 74,506,401</u>
LIABILITIES:			
Accounts payable	494,690	139,609	634,299
Accrued liabilities	518,217	631,187	1,149,404
Bond anticipation notes payable	1,700,000	-	1,700,000
Due to other governments	916,542	-	916,542
Unearned revenues	1,503,935	-	1,503,935
Long-term liabilities:			
Due and payable within one year	798,679	246,589	1,045,268
Due and payable after one year	<u>10,409,342</u>	<u>2,208,089</u>	<u>12,617,431</u>
 Total liabilities	 <u>16,341,405</u>	 <u>3,225,474</u>	 <u>19,566,879</u>
NET POSITION:			
Net investment in capital assets	14,570,319	24,955,563	39,525,882
Restricted for:			
Insurance	893,334	-	893,334
Capital projects	2,519,408	3,677,273	6,196,681
Retirement contribution	422,999	-	422,999
Other purposes	32,620	-	32,620
Special grant	397,525	-	397,525
Small cities	164,313	-	164,313
Repairs	85,957	-	85,957
Employee benefit accrued liability	28,212	-	28,212
Unrestricted	<u>(646,680)</u>	<u>7,838,679</u>	<u>7,191,999</u>
 Total net position	 <u>\$ 18,468,007</u>	 <u>\$ 36,471,515</u>	 <u>\$ 54,939,522</u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	\$ 3,203,669	\$ 244,060	\$ 15,518	\$ -	(2,944,091)	\$ -	(2,944,091)
Police	4,002,077	158,706	2,773	-	(3,840,598)	-	(3,840,598)
Fire	4,205,951	-	9,065	-	(4,196,886)	-	(4,196,886)
Public safety	392,071	62,506	169,605	-	(159,960)	-	(159,960)
Health	19,813	31,096	-	-	11,283	-	11,283
Transportation	2,046,376	23,844	202,128	1,954,754	134,350	-	134,350
Economic assistance	238,534	199,110	35,383	-	(4,041)	-	(4,041)
Culture and recreation	1,072,865	70,825	17,197	-	(984,843)	-	(984,843)
Home and community services	498,437	45,175	-	127,099	(326,163)	-	(326,163)
Refuse and recycling	56,957	-	-	-	(56,957)	-	(56,957)
Interest on debt	203,156	-	-	-	(203,156)	-	(203,156)
Total governmental activities	15,939,906	835,322	451,669	2,081,853	(12,571,062)	-	(12,571,062)
Business-type activities:							
Sewer	2,704,554	4,703,463	108,542	-	-	2,107,451	2,107,451
Water	4,308,559	2,394,948	2,067,290	-	-	153,679	153,679
Total business-type activities	7,013,113	7,098,411	2,175,832	-	-	2,261,130	2,261,130

See notes to basic financial statements.
A2

CITY OF BATAVIA, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2015
(Continued)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Total governmental and business-type activities	\$ 22,953,019	\$ 7,933,733	\$ 2,627,501	\$ 2,081,853	(12,571,062)	2,261,130	(10,309,932)
General revenues:							
Real property taxes and tax items				5,323,375	-		5,323,375
Non-property taxes				6,489,747	-		6,489,747
Interest earnings				68,484	14,957		83,441
State aid not restricted for a specific purpose				1,864,805	-		1,864,805
Other miscellaneous revenues				597,884	-		597,884
Capital contributions from other funds				-	141,666		141,666
Transfers:							
Sewer				37,430	(37,430)		-
Water				301,460	(301,460)		-
Total general revenues and transfers				14,683,185	(182,267)		14,500,918
Change in net position				2,112,123	2,078,863		4,190,986
Net position - beginning				16,355,884	34,392,652		50,748,536
Net position - ending				\$ 18,468,007	\$ 36,471,515	\$	54,939,522

See notes to basic financial statements.
A3

CITY OF BATAVIA, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2015

	General	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 8,027,061	\$ 706,071	\$ 794,262	\$ 9,527,394
Cash - restricted	-	50,593	-	50,593
Receivables (net of allowance for uncollectible receivables)				
Property taxes receivable	1,605,305	-	-	1,605,305
Accounts receivable	413,668	-	115,564	529,232
Loan receivables	-	-	198,889	198,889
State and federal receivables	257,251	104,053	-	361,304
Due from other governments	1,351,466	-	-	1,351,466
Due from other funds	10,000	863,294	-	873,294
Total assets	<u>\$ 11,664,751</u>	<u>\$ 1,724,011</u>	<u>\$ 1,108,715</u>	<u>\$ 14,497,477</u>
LIABILITIES:				
Accounts payable	\$ 459,694	\$ 17,034	\$ 17,962	\$ 494,690
Accrued liabilities	460,014	-	58,203	518,217
Unearned revenues	1,503,935	-	-	1,503,935
Bond anticipation note payable	-	1,700,000	-	1,700,000
Due to other governments	876,571	39,971	-	916,542
Due to other funds	804,264	-	10,000	814,264
Total liabilities	<u>4,104,478</u>	<u>1,757,005</u>	<u>86,165</u>	<u>5,947,648</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	<u>422,991</u>	<u>-</u>	<u>-</u>	<u>422,991</u>
Total deferred inflows of resources	<u>422,991</u>	<u>-</u>	<u>-</u>	<u>422,991</u>
FUND BALANCES:				
Restricted	3,982,530	-	561,838	4,544,368
Committed	186,946	-	-	186,946
Assigned	1,411,714	-	460,712	1,872,426
Unassigned (deficit)	<u>1,556,092</u>	<u>(32,994)</u>	<u>-</u>	<u>1,523,098</u>
Total fund balances	<u>7,137,282</u>	<u>(32,994)</u>	<u>1,022,550</u>	<u>8,126,838</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,664,751</u>	<u>\$ 1,724,011</u>	<u>\$ 1,108,715</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	21,126,199
Long-term liabilities, including serial bonds payable, installment purchase debt, bond premium, amounts due to other governments, compensated absences and post employment benefits, are not due and payable in the current period and therefore are not reported in the funds	(11,208,021)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	422,991
Net position	<u>\$ 18,468,007</u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Real property taxes	\$ 4,936,970	\$ -	\$ -	\$ 4,936,970
Real property tax items	333,195	-	-	333,195
Special assessments	-	-	199,110	199,110
Sales and other taxes	6,489,747	-	-	6,489,747
Departmental income	274,611	-	-	274,611
Use of money and property	59,625	1,608	7,251	68,484
Licenses and permits	71,214	-	-	71,214
Fines and forfeitures	127,994	-	-	127,994
Sale of property and compensation for loss	116,920	-	67,939	184,859
Miscellaneous local sources	542,169	5,457	31,632	579,258
Federal and state sources	2,320,034	1,954,754	135,024	4,409,812
	<u>15,272,479</u>	<u>1,961,819</u>	<u>440,956</u>	<u>17,675,254</u>
Total revenues				
EXPENDITURES:				
General government	1,714,492	320,473	438,796	2,473,761
Police	3,418,223	-	-	3,418,223
Fire	3,552,490	-	-	3,552,490
Public safety	317,021	-	-	317,021
Health	17,224	-	-	17,224
Transportation	1,971,476	2,316,365	-	4,287,841
Economic assistance	59,609	-	178,925	238,534
Culture and recreation	827,867	-	-	827,867
Home and community services	207,179	-	243,955	451,134
Refuse and recycling	57,046	-	-	57,046
Employee health benefits	1,477,915	-	28,783	1,506,698
Debt service:				
Principal	513,278	-	-	513,278
Debt issuance costs	73,382	-	-	73,382
Interest	204,613	-	-	204,613
	<u>14,411,815</u>	<u>2,636,838</u>	<u>890,459</u>	<u>17,939,112</u>
Total expenditures				

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2015
(Continued)

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Excess (deficit) of revenues over expenditures	860,664	(675,019)	(449,503)	(263,858)
OTHER FINANCING SOURCES (USES):				
Interfund transfers in	300,000	894,797	592,830	1,787,627
Interfund transfers out	(1,398,737)	(50,000)	-	(1,448,737)
Premium on refunding	64,340	-	-	64,340
Refunding of bond proceeds	2,856,000	-	-	2,856,000
Payment on refunding of bonds	<u>(2,820,000)</u>	<u>-</u>	<u>-</u>	<u>(2,820,000)</u>
 Total other financing sources (uses)	<u>(998,397)</u>	<u>844,797</u>	<u>592,830</u>	<u>439,230</u>
 Net change in fund balances	(137,733)	169,778	143,327	175,372
 Fund balances - beginning	<u>7,275,015</u>	<u>(202,772)</u>	<u>879,223</u>	<u>7,951,466</u>
 Fund balances (deficit) - ending	<u>\$ 7,137,282</u>	<u>\$ (32,994)</u>	<u>\$ 1,022,550</u>	<u>\$ 8,126,838</u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2015

Net change in fund balances - total governmental funds	\$ 175,372
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$3,614,866) less construction work in process removed or placed in service (\$1,057,159) exceeded depreciation (\$701,678) in the current period.	1,856,029
The net effect of various miscellaneous transactions involving capital assets (disposals) is to decrease net position.	(28,520)
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.	53,210
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	429,902
On the statement of activities, the actual and projected long term expenditures for post employment benefits are reported, whereas on the governmental funds, only the actual expenditures are recorded for post employment benefits.	(424,083)
(Increases) decreases in accrued compensated absences reported in the statement of activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.	50,213
Change in net position of governmental activities	\$ <u>2,112,123</u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
MARCH 31, 2015

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 4,211,615	\$ 4,601,048	\$ 8,812,663
Accounts receivable	765,293	910,373	1,675,666
Due from other governments	2,034,588	576,269	2,610,857
Capital assets not being depreciated	207,542	1,173,439	1,380,981
Capital assets, net of accumulated depreciation	<u>21,852,518</u>	<u>3,423,334</u>	<u>25,275,852</u>
 Total assets	 <u>\$ 29,071,556</u>	 <u>\$ 10,684,463</u>	 <u>\$ 39,756,019</u>
LIABILITIES:			
Accounts payable	\$ 29,060	\$ 110,549	\$ 139,609
Accrued liabilities	38,190	592,997	631,187
Due to other funds	46,603	12,427	59,030
Long-term liabilities:			
Due and payable within one year	185,874	60,715	246,589
Due and payable after one year	<u>1,306,156</u>	<u>901,933</u>	<u>2,208,089</u>
 Total liabilities	 <u>1,605,883</u>	 <u>1,678,621</u>	 <u>3,284,504</u>
NET POSITION:			
Net investment in capital assets	20,861,708	4,093,855	24,955,563
Restricted for capital projects	1,227,345	2,449,928	3,677,273
Unrestricted	<u>5,376,620</u>	<u>2,462,059</u>	<u>7,838,679</u>
 Total net position	 <u>27,465,673</u>	 <u>9,005,842</u>	 <u>36,471,515</u>
 Total liabilities and net position	 <u>\$ 29,071,556</u>	 <u>\$ 10,684,463</u>	 <u>\$ 39,756,019</u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2015

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for services	\$ 4,703,463	\$ 2,394,948	\$ 7,098,411
County water agreement charges	-	1,426,234	1,426,234
Rental of real property	-	550,000	550,000
Other operating revenue	108,542	91,056	199,598
Total operating revenues	<u>4,812,005</u>	<u>4,462,238</u>	<u>9,274,243</u>
OPERATING EXPENSES:			
Salaries, wages and employee benefits	816,652	1,213,668	2,030,320
Contractual expense	508,378	2,922,992	3,431,370
Depreciation	1,345,075	148,373	1,493,448
Total operating expenses	<u>2,670,105</u>	<u>4,285,033</u>	<u>6,955,138</u>
Operating income	<u>2,141,900</u>	<u>177,205</u>	<u>2,319,105</u>
NON-OPERATING REVENUES (EXPENSES):			
Investment income	5,318	9,639	14,957
Interest expense	(24,776)	(14,353)	(39,129)
Bond issuance costs	(9,173)	(9,173)	(18,346)
Loss on sale of assets	(500)	-	(500)
Operating subsidy to governmental funds	(37,430)	(301,460)	(338,890)
Total non-operating expenses	<u>(66,561)</u>	<u>(315,347)</u>	<u>(381,908)</u>
Income before capital contributions	2,075,339	(138,142)	1,937,197
Capital contributions	<u>141,666</u>	<u>-</u>	<u>141,666</u>
Change in net position	2,217,005	(138,142)	2,078,863
Net position - beginning	<u>25,248,668</u>	<u>9,143,984</u>	<u>34,392,652</u>
Net position - ending	<u>\$ 27,465,673</u>	<u>\$ 9,005,842</u>	<u>\$ 36,471,515</u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2015

	Sewer	Water	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from customers	\$ 2,610,494	\$ 2,371,428	\$ 4,981,922
Cash payments for contractual expenses	(504,207)	(2,851,425)	(3,355,632)
Cash payments to employees for services	(790,643)	(1,199,389)	(1,990,032)
Other operating revenue	108,542	2,067,290	2,175,832
Net cash provided by operating activities	<u>1,424,186</u>	<u>387,904</u>	<u>1,812,090</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Operating subsidy to governmental funds	(37,430)	(301,460)	(338,890)
Net cash used by noncapital financing activities	<u>(37,430)</u>	<u>(301,460)</u>	<u>(338,890)</u>
<u>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:</u>			
Change in restricted cash	178,504	-	178,504
Proceeds from current refunding of debt	357,000	357,000	714,000
Premium on debt	8,043	8,042	16,085
Acquisition and construction of capital assets	(199,012)	(564,848)	(763,860)
Principal payments on debt	(1,219,876)	(385,586)	(1,605,462)
Interest paid on debt	(30,746)	(16,797)	(47,543)
Issuance costs paid on debt	(9,173)	(9,173)	(18,346)
Net cash used by capital and financing activities	<u>(915,260)</u>	<u>(611,362)</u>	<u>(1,526,622)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest on cash and investments	5,318	9,639	14,957
Net cash provided by investing activities	<u>5,318</u>	<u>9,639</u>	<u>14,957</u>
Net increase (decrease) in cash and cash equivalents	476,814	(515,279)	(38,465)
Cash and cash equivalents - beginning	<u>3,734,801</u>	<u>5,116,327</u>	<u>8,851,128</u>
Cash and cash equivalents - ending	<u>\$ 4,211,615</u>	<u>\$ 4,601,048</u>	<u>\$ 8,812,663</u>
Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations	\$ 2,141,900	\$ 177,205	\$ 2,319,105
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	1,345,075	148,373	1,493,448
Change in assets and liabilities			
Decrease (increase) in:			
Accounts receivable	(58,381)	(3,741)	(62,122)
Due from other governments	(2,034,588)	(19,779)	(2,054,367)
Increase (decrease) in:			
Accounts payable	(27,182)	42,212	15,030
Accrued liabilities	(21,038)	14,665	(6,373)
Accrued interest	5,788	2,263	8,051
Due to other funds	46,603	12,427	59,030
Compensated absences	11,617	3,315	14,932
Other post employment benefits	14,392	10,964	25,356
Net cash provided by operating activities	<u>\$ 1,424,186</u>	<u>\$ 387,904</u>	<u>\$ 1,812,090</u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
STATEMENT OF NET POSITION -
FIDUCIARY FUNDS
MARCH 31, 2015

	<u>Private Purpose Trusts</u>	<u>Agency</u>
ASSETS:		
Cash and cash equivalents	\$ -	\$ 121,383
Cash and cash equivalents - restricted	<u>21,327</u>	<u>-</u>
Total assets	<u>\$ 21,327</u>	<u>\$ 121,383</u>
LIABILITIES:		
Agency liabilities	\$ -	\$ 121,383
Total liabilities	<u>-</u>	<u>121,383</u>
NET POSITION:		
Restricted trust funds	<u>21,327</u>	<u>-</u>
Total liabilities and net position	<u>\$ 21,327</u>	<u>\$ 121,383</u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
STATEMENT OF CHANGES IN NET POSITION -
FIDUCIARY FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Private Purpose Trusts
ADDITIONS:	
Interest	\$ 65
Total additions	<u>65</u>
Change in net position	65
Net position - beginning	<u>21,262</u>
Net position - ending	<u><u>\$ 21,327</u></u>

See notes to basic financial statements.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Batavia (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Council (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and direct revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Direct or program revenues include fees, fines and charges paid by the recipients of goods or services offered by the programs. Operating grants include program-specific and discretionary grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as direct revenues, including property taxes, non-property taxes, investment earnings, and general state aid are presented as general revenues.

B. REPORTING ENTITY

The City reports related organizations under the guidance of the Governmental Accounting Standards Board. The Standards define the primary government, and redefines and establishes the criteria for which potential component units are included in the reporting entity. The Standards also define financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing Council, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

According to GASB Statement No. 14, as amended by GASB Statement No. 61, a related organization of a primary government is defined as one in which the government appoints a voting majority of the board, but is not financially accountable for the organization. The City appoints a voting majority of the Batavia Housing Authority's board; however, no financial burden or benefit relationship exists between the City and the Authority. The Authority maintains and runs a senior citizens' housing unit within the City.

Joint Ventures - The City participates in various joint ventures with other local municipalities for the purpose of providing intermunicipal services. These activities are excluded from the financial statements of all participating municipalities.

The accompanying basic financial statements include only the operations of the City, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity of the City.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF PRESENTATION

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

2. FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

For the purposes of the Statement of Cash Flows - Enterprise Funds, the City considers cash to be all unrestricted and restricted cash accounts including demand accounts and certificates of deposit with an original maturity of generally three months or less.

The government reports the following major governmental funds:

General Fund - the principal operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

The government reports the following major enterprise funds:

Sewer and Water Funds - used to account for operations that provide water and sewer services and are financed primarily by user charges.

Additionally, the government reports the following fund types:

The City maintains several nonmajor governmental funds comprised of the Special Grant, Mall Maintenance, Small Cities and Self Insurance Funds. The Special Grant Fund is used to account for community development block grants and other federal or state grants not required to be accounted for in other funds. The Mall Maintenance Fund is used to account for the maintenance of the Batavia City Centre. The Small Cities Fund is used to account for the activity of the City's New York State Small Cities Block Grant and U.S. Department of Housing and Urban Development programs. The Self Insurance Fund is used to account for workers' compensation insurance transactions for all funds of the City and is also used to account for the liability related to open workers' compensation claims from the period when the City was self insured for workers' compensation.

The Agency Funds and Private Purpose Trust Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Private Purpose Trust Funds are accounted for on the accrual basis.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. BUDGETARY INFORMATION

1. BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, water fund, sewer fund, self insurance fund, mall maintenance fund and capital fund. The capital projects fund is appropriated on a project-length basis. Other special revenue funds and the permanent fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the city council or, in certain limited circumstances the City Manager. The legal level of budgetary control (e.g., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended March 31, 2015 expenditures exceeded appropriations in debt service by \$74,659. This is a result of debt issuance costs and interim interest on general obligation bonds which were refunded during the year. Overall expenditures did not exceed appropriations in the general fund.

F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

1. CASH AND CASH EQUIVALENTS

The City's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

2. RESTRICTED ASSETS

Certain assets are classified on the balance sheet as restricted because their use is limited. The proceeds of bond or bond anticipation note (BAN) sales can only be used for the stated purpose of the borrowing and are restricted specifically for that purpose.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. ACCOUNTS RECEIVABLE

Accounts receivables are carried at their net realizable value. Accounts are written-off as uncollectible after the likelihood of payment is considered remote by management. The allowance for uncollectible accounts has been established by management, using past history of uncollectible accounts. As of March 31, 2015, the provision for uncollectible accounts amounted to \$62,447 and \$34,926 in the community development and small cities grant funds, respectively.

4. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 50,000	straight-line	25-50 years
Improvements	50,000	straight-line	10-50 years
Infrastructure	200,000	straight-line	25-50 years
Furniture and equipment	5,000	straight-line	3-20 years
Vehicles	20,000	straight-line	3-5 years

5. INSURANCE

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks have not yet exceeded commercial insurance coverage for the past three fiscal years.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At March 31, 2015, the City does not have items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. COMPENSATED ABSENCES

The City's labor agreements and City Council rules and regulations provide for sick and vacation leave. Upon retirement certain eligible employees qualify for paid medical and dental insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually.

Consistent with GASB Statement No. 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in compensated absences at year-end. The compensated absences liability is calculated based on the contractually negotiated rates in effect at year-end.

Compensated absences for governmental fund type employees are reported as a fund liability and as an expenditure in the government-wide financial statements. A portion of the compensated absences liability recognized is attributed to the value of sick leave converted to pay the employees' share of post-employment health insurance premiums. The compensated absences liability for the Governmental and Enterprise funds at the year-end totaled \$2,275,178 and \$385,981, respectively.

Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore timing of future payments are not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due.

8. POST EMPLOYMENT BENEFITS

In addition to providing compensated absence and retirement benefits, the City provides post employment health insurance to its retirees in accordance with provisions of the employment contracts negotiated between the City and the Batavia Firefighters Association, I.A.F.F Local 896, the Civil Service Employees Association, CSEA Local 819, the American Federation of State, County and Municipal Employees, AFSCME Local 3632, the Batavia Police Benevolent Association and non-union management. Substantially all employees in these bargaining units may become eligible for these benefits if they meet the retirement eligibility requirements under their contracts while working for the City. The City accounts for these benefits as described in Note 3.E.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. LONG-TERM LIABILITIES

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of serial bonds payable, the City's portion of debt issued by other governments on joint projects, installment purchase debt, other post employment benefits and compensated absences.

Long-term liabilities for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal, interest and other long-term benefits are reported as expenditures.

10. NET POSITION FLOW ASSUMPTION

Sometimes the government will fund outlays for a particular purpose from both restricted (i.e., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

11. FUND BALANCE FLOW ASSUMPTION

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy that the City Council will assess the current financial condition of the City and then determine the order of application of expenditures to which fund balance classifications will be charged.

12. FUND BALANCE POLICIES

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council (Council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. REVENUES AND EXPENDITURES/EXPENSES

1. PROGRAM REVENUES

Amounts reported as *program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and, 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. PROPERTY TAXES

Real property taxes are levied upon budget adoption and become an enforceable lien on April 1st. Taxes are payable in two installments on May 1st and August 1st. The City assumes enforcement responsibility for all property taxes levied by the County on properties within the City. The City also enforces real property taxes of the Batavia City School District, which are unpaid at January 1st. The City pays the County and School District the full amount of the property taxes collected on their behalf. Any amounts which have been collected as of March 31st but have not yet been remitted to the School District are included in the account "Due to other governments".

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. The City is permitted by the New York State Constitution to levy taxes up to 2% of the most recent five-year average full valuation of taxable real property. Principal and interest on long-term debt related to Water and Sewer debt (if application filed with Office of State Comptroller) and budgetary appropriations for capital outlay are excludable. In the 2014-15 year, the five-year average full valuation was \$535,932,061 allowing for a maximum tax limit of \$10,718,641 (includes allowance exclusions). The City tax levy was \$5,045,741 for the year ended March 31, 2015.

3. PROPRIETARY FUNDS – OPERATING AND NONOPERATING REVENUES AND EXPENSES

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund and sewer fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

H. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. FUTURE ACCOUNTING PRONOUNCEMENTS

As of March 31, 2015, the Governmental Accounting Standards Board (GASB) has issued both GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which will be effective for the year ending March 31, 2016 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which should be applied simultaneously with the provisions of Statement No. 68. These Statements would require the City to record the unfunded liability related to the Employees' Retirement System (ERS). As of March 31, 2015, ERS has not provided sufficient information related to this liability to determine whether it will have a material impact on the City's financial statements upon implementation.

The GASB has issued the following new statements:

- Statement No. 72, *Fair Value Measurement and Application*, which will be effective for the year ending March 31, 2017; and
- Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other than Pensions*, which will be effective for the year ending March 31, 2019.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND EQUITY

At March 31, 2015 the capital projects fund, a major fund, has a deficit fund balance of \$32,994. It is not unusual for a capital projects fund, especially one that finances capital projects mainly by borrowings, to report a deficit. The reason for the deficit in this case is that the City issued bond anticipation notes (BANS), which do not qualify for treatment as a long-term liability. Accordingly, the BANS are reported as a fund liability in the capital projects fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANS is spent, expenditures are reported and fund balance is reduced. Because the BANS are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal payments on the BANS.

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

The City's investment policies are governed by state statutes. In addition, the City has its own written investment policy. City monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The City Manager is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

The City's aggregate bank balances were fully collateralized at March 31, 2015.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$50,593 in the Capital Fund, from unexpended bond anticipation note proceeds and \$21,327 in the Private Purpose Trust Fund restricted for fire protection and assistance to citizens.

Investment and Deposit Policy

The City implemented Governmental Accounting Standards Council Statement No. 40, *Deposit and Investment Risk Disclosures*.

The City follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the City Manager.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The City's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The City's investment policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the City's investment policy, all deposits of the City including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 106% of the aggregate amount of deposits. The City restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

B. RECEIVABLES

Significant revenues accrued by the City at March 31, 2015 include the following:

- a. State and Federal Receivables – represents amounts due primarily from New York State and the federal government. Amounts accrued at March 31, 2015 consist of:

Capital Fund:

Cedar Street reimbursement	\$ 84,239
Summit Street reimbursement	19,814
Total state and federal receivables	<u>\$ 104,053</u>

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

- b. Due from Other Governments - represents amounts due primarily from the County of Genesee, New York, and other governmental entities. Amounts accrued at March 31, 2015, consist of:

General Fund:

NYS sales tax	\$ 1,338,503
Fines and forfeitures	12,963
Total governmental activities due from other governments	<u>\$ 1,351,466</u>

Water Fund:

City/County water agreement	<u>\$ 576,269</u>
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Sewer Fund:

Town of Batavia sewer agreement	<u>\$ 2,034,588</u>
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C. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2015, was as follows:

Governmental Activities:

	Balance 04/01/14	Increases	Decreases	Balance 03/31/15
<u>Capital assets, not being depreciated:</u>				
Land	\$ 1,134,588	\$ -	\$ -	\$ 1,134,588
Construction work in progress	<u>8,438,237</u>	<u>2,696,277</u>	<u>1,057,593</u>	<u>10,076,921</u>
Total capital assets not being depreciated	<u>9,572,825</u>	<u>2,696,277</u>	<u>1,057,593</u>	<u>11,211,509</u>
<u>Capital assets, being depreciated:</u>				
Buildings and building improvements	9,781,357	324,548	-	10,105,905
Machinery, equipment & vehicles	5,850,719	294,475	204,598	5,940,596
Infrastructure	<u>3,789,051</u>	<u>300,000</u>	<u>-</u>	<u>4,089,051</u>
Total capital assets, being depreciated	<u>19,421,127</u>	<u>919,023</u>	<u>204,598</u>	<u>20,135,552</u>
<u>Less accumulated depreciation:</u>				
Buildings and building improvements	3,043,143	248,587	-	3,291,730
Machinery, equipment & vehicles	3,631,741	273,208	176,078	3,728,871
Infrastructure	<u>3,020,378</u>	<u>179,883</u>	<u>-</u>	<u>3,200,261</u>
Total accumulated depreciation	<u>9,695,262</u>	<u>701,678</u>	<u>176,078</u>	<u>10,220,862</u>
Total capital assets being depreciated, net	<u>9,725,865</u>	<u>217,345</u>	<u>28,520</u>	<u>9,914,690</u>
Governmental activities capital assets, net	<u>\$ 19,298,690</u>	<u>\$ 2,913,622</u>	<u>\$ 1,086,113</u>	<u>\$ 21,126,199</u>

Decreases in construction work in progress include economic stimulus projects which did not meet the City's capitalization threshold and a project transferred and placed into service in the Sewer Fund in the amounts of \$290,945 and \$141,666, respectively.

Depreciation expense was charged to the functions/programs of the governmental activities as follows:

Governmental activities:

General government	\$ 164,708
Police	47,813
Fire	65,759
Transportation	303,978
Culture and recreation	109,190
Home and community services	<u>10,230</u>
Total depreciation expense - governmental activities	<u>\$ 701,678</u>

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Business-Type Activities:

	Balance 04/01/14	Increases	Decreases	Balance 03/31/15
<u>Capital assets, not being depreciated:</u>				
Land	\$ 41,500	\$ -	\$ -	\$ 41,500
Construction work in progress	1,205,243	747,179	612,941	1,339,481
Total capital assets not being depreciated	1,246,743	747,179	612,941	1,380,981
<u>Capital assets, being depreciated:</u>				
Buildings and building improvements	41,427,000	-	-	41,427,000
Machinery, equipment & vehicles	1,339,863	15,881	17,700	1,338,044
Infrastructure	14,006,730	755,406	-	14,762,136
Total capital assets, being depreciated	56,773,593	771,287	17,700	57,527,180
<u>Less accumulated depreciation:</u>				
Buildings and building improvements	24,119,427	1,043,299	-	25,162,726
Machinery, equipment & vehicles	658,414	90,538	17,200	731,752
Infrastructure	5,997,239	359,611	-	6,356,850
Total accumulated depreciation	30,775,080	1,493,448	17,200	32,251,328
Total capital assets, being depreciated - net	25,998,513	(722,161)	500	25,275,852
Business-type activities capital assets, net	\$ 27,245,256	\$ 25,018	\$ 613,441	\$ 26,656,833

Depreciation expense was charged to the business-type activities as follows:

Water	\$ 148,373
Sewer	1,345,075
Total depreciation expense – business-type activities	\$ 1,493,448

D. PENSION OBLIGATIONS

New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (the Systems)

PLAN DESCRIPTION

The City of Batavia participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (the Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems.

The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of its funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

FUNDING POLICY

The Systems are noncontributory except for employees who joined the Systems after July 27, 1976 who contribute 3.0% to 3.5% of their salary. With the exception of ERS tier V and VI employees, employees in the systems more than ten years are no longer required to contribute. In addition, employees contribution rates under ERS tier VI vary based on a sliding salary scale. For the New York State and Local Employees' Retirement System, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulated fund.

The City is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2015	\$ 649,211	\$1,213,742
2014	692,924	677,447
2013	606,689	1,156,334

The City's contributions made to the Systems were equal to 100% of the contributions required for each year. The City chose to prepay the required contributions by December 15, 2014 and received an overall discount of \$5,843 and \$10,923 for ERS and PFRS, respectively.

E. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB)

City of Batavia Retiree Medical Plan (the Plan)

PLAN DESCRIPTION

The City of Batavia (the City), administers the Plan as a single-employer defined benefit OPEB plan. The Plan provides for continuation of health insurance benefits for certain retirees and their spouses and can be amended by action of the City subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

FUNDING POLICY

The obligations of the plan members, employers and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the City.

ACCOUNTING POLICY

The accrual basis of accounting is used. The fair market value of assets, if any, is determined by the market value of assets, if any, paid by a willing buyer to a willing seller.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the City's net OPEB obligation to the Plan at March 31, 2015.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Annual required contribution (ARC)	\$ 818,303
Interest on OPEB obligation	121,451
Adjustment to ARC	<u>(175,588)</u>
OPEB expense	764,166
Contributions made	<u>(314,727)</u>
Increase in net OPEB obligation	449,439
Net OPEB obligation - beginning of year	<u>3,263,171</u>
Net OPEB obligation - end of year	<u>\$ 3,712,610</u>

Percentage of expense contributed 41.19%

The City's annual OPEB cost, contribution, percentage of OPEB cost contributed, and net post employment benefit obligation for the Plan for the current fiscal year ended March 31, 2015 and the two preceding years are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 764,166	\$ 314,727	41.19%	\$3,712,610
2014	762,166	537,269	70.49%	3,263,171
2013	584,743	365,588	62.52%	3,712,610

FUNDED STATUS AND FUNDING PROGRESS

As of April 1, 2013, the most recent actuarial valuation, the actuarial accrued liability for benefits was \$9,225,643, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was not available, and the ratio of the unfunded actuarial accrued liability to the covered payroll was not available. The total post employment health insurance cost to the city for 33 retirees was \$314,727 for the year ended March 31, 2015.

Actuarial valuations for OPEB involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations, will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The following assumptions were made:

The April 1, 2013 actuarial valuation utilized the entry age actuarial cost method. The actuarial valuation included a 4.0 percent investment rate of return (net of administrative expenses), which is the expected short-term investment rate of the City's own assets, and an annual healthcare cost trend of 19 percent initially, reduced by decrements to an ultimate rate of 5 percent after 4 years for participants under age 65 and 7 percent initially reduced by decrements to an ultimate rate of 5 percent after 4 years for participants over age 65. Both rates included a 2.5 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period is not to exceed thirty years.

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

The City's allocation of their OPEB liability to the City's functions are as follows:

General government	\$ 38,787
Police	134,011
Fire	145,759
Public safety	14,300
Transportation	48,652
Culture and recreation	33,484
Home and community service	9,090
Total governmental activities OPEB expense	<u>424,083</u>

Home and community service	25,356
Total business-type activities OPEB expense	25,356

F. COMMITMENTS

As discussed in Note 1.E.1, Budgetary Information, Budgetary Basis of Accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were \$258,739 in the General Fund.

During the year ended March 31, 2008, the City entered into an agreement with Genesee County whereby the County has assumed responsibility for the production, treatment, operation, maintenance and/or supply of municipal water. Under the terms of the agreement, the County has agreed to lease the City's water supply and treatment facilities for a term not to exceed 10 years. The agreement also calls for the transfer of title to, access to, and/or rights to the County for certain machinery and equipment used in connection with the water supply and treatment facility. In addition, the City entered into an operational agreement with the County to operate and maintain the facilities.

A27

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

G. RISK MANAGEMENT

RISK FINANCING AND RELATED INSURANCE

Health Insurance Plan

The City independently self-insures costs related to an employee health insurance plan (the Plan). The Plan's objectives are to formulate, develop, and administer a health insurance program to obtain lower costs for coverage, and to develop a comprehensive loss control program. The Plan uses reinsurance agreements to reduce exposure to large losses on insured events. Reinsurance permits recovery of a portion of the losses from the reinsurer, although it does not discharge the liability of the Plan as a direct insurer of the risks reinsured.

Since actual claim costs depend on complex factors, the process of computing claim liabilities does not necessarily result in an exact amount. Such liabilities are based on the ultimate cost of claims (including future claim adjustment expenses) that have been incurred but not charged or credited to expense in the periods in which they are made. As of March 31, 2015, the City recorded liabilities in the amounts of \$153,610, \$14,960 and \$13,865 in the General, Water and Sewer Funds, respectively, for incurred but not reported insured events.

Workers' Compensation Plan

The City was previously independently self-insured for costs related to an employee workers' compensation plan (the Plan). However, during the fiscal year ended March 31, 2009, the City changed to a premium based plan. Any claims incurred during the period in which the City was independently self-insured continue to be the responsibility of the City. The formerly self-insured Plan's objectives were to formulate, develop, and administer a workers' compensation program to obtain lower costs for coverage, and to develop a comprehensive loss control program. The former Plan uses reinsurance agreements to reduce exposure to large losses on insured events. Reinsurance permits recovery of a portion of the losses from the reinsurer, although it does not discharge the liability of the Plan as a direct insurer of the risks reinsured.

Since actual claim costs depend on complex factors, the process of computing claim liabilities does not necessarily result in an exact amount. Such liabilities are based on the ultimate cost of claims (including future claim adjustment expenses) that have been incurred but not charged or credited to expense in the periods in which they are made. As of March 31, 2015, the City has recorded a liability for future costs associated with open claims of \$58,017. The City has not consulted an actuary and has not estimated a liability for incurred but not reported claim liabilities.

H. SHORT-TERM DEBT

The purpose of all of the short-time borrowings was to provide resources for various capital construction or improvement projects. The form of financing used in all cases was bond anticipation notes (BAN). The amounts issued for governmental activities are accounted for in the capital projects fund. The amounts issued for business-type activities relate to a single fund and are therefore reported in that single fund, the sewer enterprise fund.

State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date, if not completely repaid. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

The schedule below details the changes in short-term capital borrowings during the year ended March 31, 2015:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance 04/1/14</u>	<u>Issued</u>	<u>Redemptions</u>	<u>Balance 03/31/15</u>
Governmental:						
Highway Improvements	2013	.55%	\$ 3,000,000	\$ -	\$3,000,000	\$ -
Highway Improvements	2014	1.00%	-	<u>1,700,000</u>	-	<u>1,700,000</u>
Total Governmental:			\$3,000,000	\$1,700,000	\$3,000,000	\$1,700,000
Business-Type Activities:						
Sanitary Sewer System Improvements	2013	.55%	\$ 700,000	\$ -	\$ 700,000	\$ -

I. LONG-TERM LIABILITIES

GENERAL OBLIGATION BONDS

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at March 31, 2015 are as follows:

Governmental Activities

<u>Issue Description</u>	<u>Original Issue Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding Balance 03/31/15</u>
General Obligation Bonds:					
Dwyer and BID - Refunding	2011	\$ 1,200,000	2-3.125%	2020	\$ 800,000
City Centre	2005	3,580,000	4-5.000%	2036	-
City Centre - Refunding	2014	2,856,000	2-3.750%	2033	2,836,000
Various Projects	2005	1,795,000	4-5.000%	2021	<u>660,000</u>
					<u>\$4,296,000</u>

Business-Type Activities

<u>Issue Description</u>	<u>Original Issue Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding Balance 03/31/15</u>
General Obligation Bonds:					
State clean water and drinking water	1999	\$ 2,165,590	3.48-5.43%	2019	\$ 660,000
City Centre - Refunding	2014	714,000	2-3.750%	2033	<u>709,000</u>
					<u>\$1,369,000</u>

LEGAL DEBT MARGIN

There is a statutory debt limit applicable to Cities within New York State. The City is in compliance with this debt limit.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

CURRENT REFUNDING

The City issued \$3,570,000 in public improvement bonds with interest rates ranging from 2.00% to 3.75%. The proceeds were used to refund \$3,525,000 of outstanding 2005 Series A and B public improvement bonds which had an interest rate of 4.25%. The net proceeds of \$3,558,697 (including a \$80,425 premium and after payment of \$91,728 in underwriting fees and other issuance costs) were used to provide funds for the debt service payment on the refunded bonds. As a result, the liability for the 2005 Series A and B public improvement bonds has been removed from the statement of net position. The allocation of these public improvement bonds by fund is 80% General Fund, 10% Water Fund and 10% Sewer Fund.

The reacquisition price equated to the net carrying amount of the old debt therefore no additional amortization was considered necessary related to this transaction. The City refunded the 2005 Series A and B public improvement bonds to reduce its total debt service payments over 18 and 21 years, respectively, by \$392,765 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$303,207.

CHANGES IN LONG-TERM LIABILITIES

Changes in the government's long-term liabilities for the year ended March 31, 2015 are as follows:

	Balance 04/01/14	Additions	Reductions	Balance 03/31/15	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 4,620,000	\$2,856,000	\$3,180,000	\$ 4,296,000	\$ 385,000
Unamortized premium	-	64,340	1,457	62,883	3,497
Total bonds payable	4,620,000	2,920,340	3,181,457	4,358,883	388,497
Due to other governments:					
Courthouse	270,750	-	86,250	184,500	90,000
Dwyer Stadium	191,328	-	5,000	186,328	5,000
Landfill	320,865	-	10,507	310,358	17,242
Total due to other governments	782,943	-	101,757	681,186	112,242
Installment purchase debt	614,618	-	67,028	547,590	70,422
Compensated absences	2,325,391	-	50,213	2,275,178	227,518
Net other post employment benefit obligation	2,921,101	424,083	-	3,345,184	-
Governmental activities long-term liabilities	\$ 11,264,053	\$3,344,423	\$3,400,455	\$ 11,208,021	\$ 798,679
Business-Type Activities					
Bonds Payable					
General obligation bonds	\$ 1,510,000	\$ 714,000	\$ 855,000	\$1,369,000	\$ 155,000
Unamortized premium	-	16,085	364	15,721	874
Total bonds payable	1,510,000	730,085	855,364	1,384,721	155,874
Installment purchase debt	367,012	-	50,462	316,550	52,117
Compensated absences	371,049	14,932	-	385,981	38,598
Net other post employment benefit obligation	342,070	25,356	-	367,426	-
Business-type activities long-term liabilities	\$ 2,590,131	\$ 770,373	\$ 905,826	\$2,454,678	\$ 246,589

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

The debt service requirements for the government's bonds and installment purchase debt are as follows:

Governmental Activities

Year ending May 31,	Bonds		Installment Purchase Debt	
	Principal	Interest	Principal	Interest
2016	\$ 385,000	\$ 140,125	\$ 70,422	\$ 10,090
2017	385,000	127,575	73,944	8,789
2018	363,000	115,475	77,597	7,422
2019	363,000	103,665	81,386	5,988
2020	362,000	91,930	81,687	4,485
2021-2025	934,000	336,815	162,554	4,496
2026-2030	816,000	217,152	-	-
2031-2035	652,000	63,000	-	-
2036	36,000	1,350	-	-
Total	<u>\$ 4,296,000</u>	<u>\$ 1,197,087</u>	<u>\$ 547,590</u>	<u>\$ 41,270</u>

Year ending May 31,	Total Governmental Activities	
	Principal	Interest
2016	\$ 455,422	\$ 155,888
2017	458,944	141,080
2018	440,597	126,625
2019	444,386	112,630
2020	443,687	98,067
2021-2025	1,096,555	342,829
2026-2030	816,000	217,152
2031-2035	652,000	63,000
2036	36,000	1,350
Total	<u>\$ 4,843,591</u>	<u>\$ 1,258,621</u>

Business Activities

Year ending May 31,	Bonds		Installment Purchase Debt	
	Principal	Interest	Principal	Interest
2016	\$ 155,000	\$ 30,161	\$ 52,117	\$ 5,673
2017	160,000	27,983	53,824	4,716
2018	162,000	25,562	55,585	3,728
2019	167,000	22,908	57,401	2,707
2020	173,000	20,028	42,744	1,652
2021-2025	176,000	82,360	54,879	1,518
2026-2030	204,000	54,288	-	-
2031-2035	163,000	15,752	-	-
2036	9,000	336	-	-
Total	<u>\$ 1,369,000</u>	<u>\$ 279,378</u>	<u>\$ 316,550</u>	<u>\$ 19,994</u>

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Year ending May 31,	Total Business-Type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest
2016	\$ 207,117	\$ 35,834	\$ 662,539	\$ 191,722
2017	213,824	32,699	672,768	173,779
2018	217,585	56,290	658,182	182,915
2019	224,401	25,615	668,787	138,245
2020	215,744	21,680	659,431	119,747
2021-2025	230,879	83,878	1,327,433	426,707
2026-2030	204,000	54,288	1,020,000	271,440
2031-2035	163,000	15,752	815,000	78,752
2036	9,000	336	45,000	1,686
Total	<u>\$ 1,685,550</u>	<u>\$ 326,372</u>	<u>\$ 6,529,140</u>	<u>\$ 1,584,993</u>

J. FUND BALANCE

FUND BALANCE POLICY

The City adopted a formal spending policy, under the provisions of GASB Statement No. 54, stating the City Council will assess the current financial condition of the City and then determine the order of application of expenditures to which fund balance classifications will be charged.

DETAIL OF FUND BALANCES

As of March 31, 2015, fund balances were classified as follows:

	General	Capital	NonMajor Funds	Total
Restricted:				
Retirement contribution	\$ 422,999	\$ -	\$ -	\$ 422,999
Employee benefit accrued liability	28,212	-	-	28,212
Insurance	893,334	-	-	893,334
Capital projects	2,519,408	-	-	2,519,408
Repairs	85,957	-	-	85,957
Other-EMS	32,620	-	-	32,620
Small cities	-	-	164,313	164,313
Special Grant	-	-	397,525	397,525
Committed:				
Vibrant Batavia	86,946	-	-	86,946
Comprehensive plan	100,000	-	-	100,000
Assigned:				
Encumbrances-				
General government	78,994	-	-	78,994
Public safety	39,970	-	-	39,970
Transportation	37,339	-	-	37,339
Culture and recreation	34,807	-	-	34,807
Home and community	70,004	-	-	70,004
Economic assistance and opportunity	600	-	-	600
Fire equipment	200,000	-	-	200,000
DPW equipment	50,000	-	-	50,000
Dwyer Stadium	100,000	-	-	100,000
Facilities	300,000	-	-	300,000
Sidewalk	200,000	-	-	200,000
Administrative services equipment and software	25,000	-	-	25,000
Subsequent years' expenditures	275,000	-	-	275,000

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

	<u>General</u>	<u>Capital</u>	<u>NonMajor Funds</u>	<u>Total</u>
Self insurance	-	-	390,463	390,463
Mall Maintenance	-	-	70,249	70,249
<u>Unassigned:</u>				
General Fund	1,556,092	-	-	1,556,092
Capital projects	-	(32,994)	-	(32,994)
Total	<u>\$7,137,282</u>	<u>\$ (32,994)</u>	<u>\$1,022,550</u>	<u>\$8,126,838</u>

K. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of March 31, 2015 is as follows:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital	General	\$ 804,264
Capital	Water	12,427
Capital	Sewer	46,603
General	Community Development	10,000
Total		<u>\$ 873,294</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

L. INTERFUND TRANSFERS

The composition of interfund transfers as of March 31, 2015 is as follows:

Interfund transfers:

	<u>General</u>	<u>Capital Projects</u>	<u>Water</u>	<u>Sewer</u>	<u>Total Transfers In</u>
General	\$ -	\$ 50,000	\$ 250,000	\$ -	\$ 300,000
Capital Projects	894,797	-	-	-	894,797
Community Development	125,000	-	-	-	125,000
Self-Insurance	378,940	-	51,460	37,430	467,830
Total Transfers Out	<u>\$ 1,398,737</u>	<u>\$ 50,000</u>	<u>\$ 301,460</u>	<u>\$ 37,430</u>	<u>\$ 1,787,627</u>

During the year, transfers were made per the adopted budget for various purposes.

M. CONTINGENCIES

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

CITY OF BATAVIA, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

N. LANDFILL CLOSURE COSTS

The City has been identified by the United States Environmental Protection Agency (EPA) as a responsible party which can be held liable for a portion of the long-term maintenance and operation of a landfill site in the Town of Batavia.

The cost for the long-term maintenance and operation of the landfill has been estimated to be approximately \$427,820. All parties designated as potentially responsible parties by the EPA participated in a Pilot Allocation Program. As a result of the Pilot Allocation Program, 75% of the long-term operation and maintenance costs have been allocated to the City, or \$310,358. As of March 31, 2015, a liability has been recorded in the Governmental activities funds for future maintenance and operation costs.

O. AUTHORIZED BUT UNISSUED DEBT

On March 9, 2015, the government authorized bond anticipation notes, and the conversion of said bond anticipation notes to general obligation bonds upon completion of the project, in the amount of \$4,050,000, which had not been issued as of March 31, 2015. These bond anticipation notes/general obligation bonds are to be designated to finance the construction or replacement of sanitary sewer improvements, the upgrading of sewage treatment facilities and the replacement of the city water treatment plant roof.

CITY OF BATAVIA, NEW YORK
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN
FOR THE YEAR ENDED MARCH 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
04/01/13	\$ -	\$ 9,225,643	\$ 9,225,643	0.00%	Not available	Not available
04/01/10	-	7,147,986	7,147,986	0.00%	Not available	Not available
04/01/08	-	9,222,599	9,222,599	0.00%	Not available	Not available

Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Actual Contributions</u>	<u>Percentage Contributed</u>
March 31, 2013	818,303	365,858	44.71%
March 31, 2014	818,303	537,269	65.66%
March 31, 2015	818,303	314,727	38.46%

CITY OF BATAVIA, NEW YORK
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2015

	Original Budget	Modified Budget	Actual	Variance From Modified Budget
REVENUES:				
Real property taxes	\$ 5,045,741	\$ 5,045,741	\$ 4,936,970	\$ (108,771)
Real property tax items	236,730	236,730	333,195	96,465
Sales and other taxes	6,495,000	6,495,000	6,489,747	(5,253)
Departmental income	412,279	412,279	274,611	(137,668)
Use of money and property	49,340	49,340	59,625	10,285
Licenses and permits	79,775	79,775	71,214	(8,561)
Fines and forfeitures	37,124	37,124	127,994	90,870
Sale of property and compensation for loss	26,300	26,300	116,920	90,620
Miscellaneous local sources	76,670	321,670	542,169	220,499
Federal and state sources	2,279,375	2,411,219	2,320,034	(91,185)
Total revenues	14,738,334	15,115,178	15,272,479	157,301
EXPENDITURES:				
General government	2,553,604	2,029,208	1,714,492	314,716
Public safety	8,201,214	7,664,572	7,287,734	376,838
Health	18,870	18,240	17,224	1,016
Transportation	2,627,352	2,084,921	1,971,476	113,445
Economic assistance	20,000	72,197	59,609	12,588
Culture and recreation	992,845	921,847	827,867	93,980
Home and community services	393,570	358,850	207,179	151,671
Refuse and recycling	75,150	75,150	57,046	18,104
Employee health benefits	7,190	1,705,618	1,477,915	227,703
Debt service:				
Principal	493,279	513,279	513,278	1
Debt issuance costs	-	-	73,382	(73,382)
Interest	223,335	203,335	204,613	(1,278)
Total expenditures	15,606,409	15,647,217	14,411,815	1,235,402
Excess (deficit) of revenues over expenditures	(868,075)	(532,039)	860,664	1,392,703
OTHER FINANCING SOURCES (USES):				
Interfund transfers in	300,000	300,000	300,000	-
Interfund transfers out	(532,539)	(1,505,461)	(1,398,737)	106,724
Premium on refunding	-	-	64,340	64,340
Refunding of bond proceeds	-	-	2,856,000	2,856,000
Payment on refunding of bonds	-	-	(2,820,000)	(2,820,000)
Appropriated fund balance	1,100,614	1,737,500	-	(1,737,500)
Total other financing sources (uses)	868,075	532,039	(998,397)	(1,530,436)
Net change in fund balance	-	-	(137,733)	(137,733)
Fund balance - beginning of year	-	-	7,275,015	7,275,015
Fund balance - end of year	\$ -	\$ -	\$ 7,137,282	\$ 7,137,282

SECTION B
SUPPLEMENTAL SCHEDULES

CITY OF BATAVIA, NEW YORK
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2015

	Self Insurance	Mall Maintenance Fund	Small Cities Fund	Special Grant Fund	Total Non-Major Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 381,373	\$ 34,300	\$ 96,365	\$ 282,224	\$ 794,262
Accounts receivable	67,939	47,625	-	-	115,564
Loan receivables (net of allowance for uncollectible accounts)	-	-	67,948	130,941	198,889
Total assets	\$ 449,312	\$ 81,925	\$ 164,313	\$ 413,165	\$ 1,108,715
LIABILITIES:					
Accounts payable	\$ 832	\$ 11,490	\$ -	\$ 5,640	\$ 17,962
Accrued liabilities	58,017	186	-	-	58,203
Due to other funds	-	-	-	10,000	10,000
Total liabilities	58,849	11,676	-	15,640	86,165
FUND BALANCES:					
Restricted	-	-	164,313	397,525	561,838
Assigned	390,463	70,249	-	-	460,712
Total fund balances	390,463	70,249	164,313	397,525	1,022,550
Total liabilities and fund balances	\$ 449,312	\$ 81,925	\$ 164,313	\$ 413,165	\$ 1,108,715

CITY OF BATAVIA, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2015

	Self Insurance	Mall Maintenance Fund	Small Cities Fund	Special Grant Fund	Total Non-Major Governmental Funds
REVENUES:					
Special assessments	\$ -	\$ 199,110	\$ -	\$ -	\$ 199,110
Sale of property and compensation for loss	67,939	-	-	-	67,939
Use of money and property	821	298	1,202	4,930	7,251
Miscellaneous local sources	-	-	27,050	4,582	31,632
Federal and state sources	-	-	-	135,024	135,024
Total revenues	68,760	199,408	28,252	144,536	440,956
EXPENDITURES:					
General government	438,796	-	-	-	438,796
Economic assistance and opportunity	-	178,925	-	-	178,925
Home and community services	-	-	3,354	240,601	243,955
Employee benefits	28,783	-	-	-	28,783
Total expenditures	467,579	178,925	3,354	240,601	890,459
Excess (deficit) of revenues over expenditures	(398,819)	20,483	24,898	(96,065)	(449,503)
OTHER FINANCING SOURCES:					
Interfund transfers in	467,830	-	-	125,000	592,830
Total other financing sources	467,830	-	-	125,000	592,830
Net change in fund balances	69,011	20,483	24,898	28,935	143,327
Fund balances - beginning	321,452	49,766	139,415	368,590	879,223
Fund balances - ending	\$ 390,463	\$ 70,249	\$ 164,313	\$ 397,525	\$ 1,022,550

SECTION C
FEDERAL FINANCIAL ASSISTANCE

CITY OF BATAVIA, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2015

<u>Federal Grantor/Pass-Through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Pass-Through</u> <u>Entity Identifying</u> <u>Number</u>	<u>Disbursements/</u> <u>Expenditures</u>
<u>U.S. Department of Transportation</u>			
<i>Pass-Through New York State:</i>			
Highway Planning and Construction	20.205	D032451	\$1,319,526
Highway Planning and Construction	20.205	D032449	<u>17,332</u>
			1,336,858
<u>U.S. Department of Justice</u>			
<i>Passed through New York State:</i>			
Bulletproof Vest Partnership Program	16.607	2009BUBX09046584	3,875
<u>U.S. Department of Homeland Security</u>			
<i>Direct Program:</i>			
Assistance to Firefighters Grant	97.044	EMW-2012-FO-04868	7,256
<i>Passed through New York State Division of Homeland Security and Emergency Services</i>			
Stafford Act – Federal Emergency Management Agency	97.036	037-04715-00	<u>44,057</u>
			51,313
<u>U.S. Department of Housing and Urban Development</u>			
<i>Pass-Through New York State:</i>			
CDBG Housing Rehab	14.228	82HR44-13	13,565
Microenterprise 14 Business Grant	14.228	82MEI-114	<u>31</u>
			<u>13,596</u>
Total Expenditures of Federal Awards			<u>\$1,405,642</u>

See notes to Schedule of Expenditures of
Federal Awards.

CITY OF BATAVIA, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents the activity of the federal financial assistance programs administered by the City of Batavia (the City), an entity as defined in Note 1 to the City's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included in the schedule. Because the schedule presents only a selected portion of the operations of the City, it is not intended and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the City's financial reporting system, which is the source of the City's basic financial statements.

NOTE 3 - PASS-THROUGH GRANTOR

Some of the federal financial assistance received was passed-through departments of the State of New York.

NOTE 4 - MAJOR PROGRAM DETERMINATION

Major program determination is a risk based assessment which classifies programs as either a Type A program or a Type B program. All federal programs with expenditures exceeding the greater of 3% of the total federal awards or \$300,000 are considered Type A programs and all other programs are considered Type B programs. The Type B federal programs with expenditures which do not exceed the greater of .3% of the total federal awards or \$100,000 are considered insignificant and were not further evaluated. All other programs were then further assessed based on risk and major programs were selected.

SECTION D
INTERNAL CONTROL AND COMPLIANCE

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The President and Members of the Council of the City of Batavia
Batavia, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Batavia, New York (the City), as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 2, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Freed Maxick CPAs, P.C.

Batavia, New York
October 2, 2015



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

The President and Members of the Council of the City of Batavia
Batavia, New York

Report on Compliance for Each Major Federal Program

We have audited the City of Batavia, New York's (the City) compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended March 31, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2015.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular-A133. Accordingly, this report is not suitable for any other purpose.

Freed Maxick CPAs, P.C.

Batavia, New York

October 2, 2015

CITY OF BATAVIA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2015

I. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ No

Type of auditor's report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ Yes ☒ No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.205

Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs

\$300,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

CITY OF BATAVIA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2015
(Continued)

II. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no financial statement findings noted in the current year.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

There were no findings or questioned costs related to federal awards noted in the current year.

CITY OF BATAVIA, NEW YORK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2015

I. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no financial statement findings noted in the fiscal year ended March 31, 2014.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

There were no findings or questioned costs related to federal awards noted in the fiscal year ended March 31, 2014.

SECTION E
NYSDOT STATE SINGLE AUDIT PROGRAM

**REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE OVER STATE TRANSPORTATION ASSISTANCE EXPENDED
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The President and Members of the Council of the City of Batavia
Batavia, New York

Report On Compliance For Each Major Federal Program

We have audited the City of Batavia, New York's, (the City) compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on the major state transportation assistance program tested for the year ended March 31, 2015. The program tested is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major state transportation assistance program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major state transportation assistance program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Draft Part 43 of NYCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state transportation assistance program tested has occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state transportation assistance program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major State Transportation Assistance Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state transportation assistance program for the year ended March 31, 2015.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major state transportation assistance program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major state transportation assistance program and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state transportation assistance program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state transportation assistance program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state transportation assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Draft Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

Freed Maxick CPAs, P.C.

Batavia, New York
October 2, 2015

CITY OF BATAVIA, NEW YORK
SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED MARCH 31, 2015

<u>Grantor/Program Title</u>	<u>NYS Contract/Reference Number</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation</u> <i>Passed through New York State Department of Transportation:</i>		
Consolidated Local Street and Highway Improvement Program (CHIPS)	-----	\$ <u>396,753</u>

CITY OF BATAVIA, NEW YORK
NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of State Transportation Assistance Expended by the City of Batavia, New York, (the City) an entity as defined in Note 1 to the City's basic financial statements, presents the activity of all financial assistance programs provided by the New York State Department of Transportation.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedule of state transportation assistance expended is presented using the modified accrual basis of accounting.

CITY OF BATAVIA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE TRANSPORTATION ASSISTANCE
EXPENDED
FOR THE YEAR ENDED MARCH 31, 2015

I. SUMMARY OF AUDIT RESULTS

Internal control over State Transportation Assistance Expended:

- | | | |
|---|-------------------|-----------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> √ </u> No |
| • Significant deficiency(ies) identified? | <u> </u> Yes | <u> √ </u> No |

Type of auditor's report issued on compliance for program tested: Unmodified

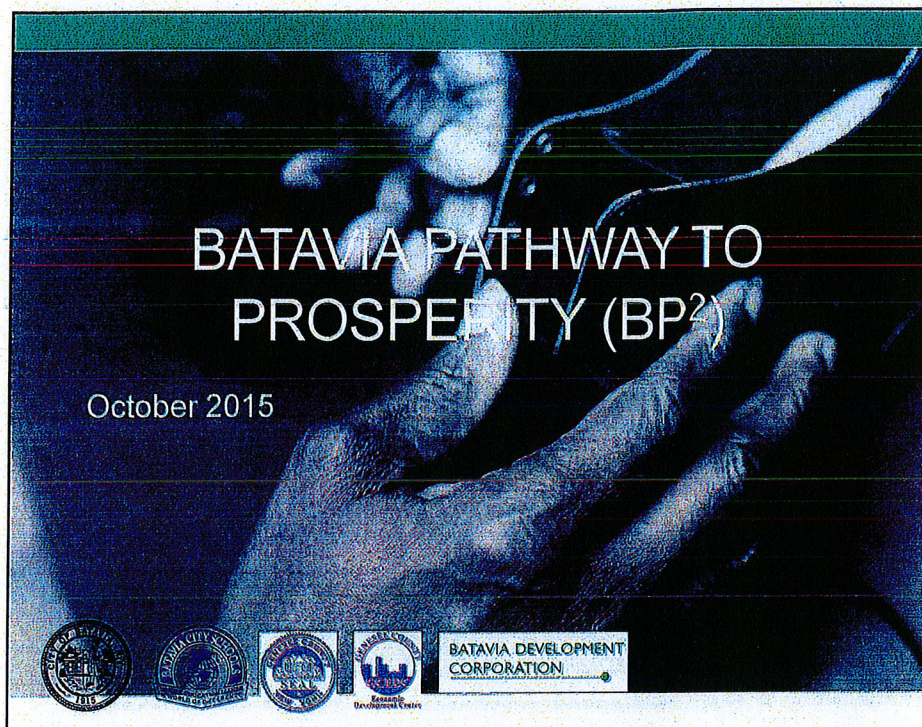
Identification of State Transportation Assistance Program tested:

Name of Project

Consolidated Local Street and Highway Improvement Program (CHIPS)

II. COMPLIANCE FINDINGS AND QUESTIONED COSTS

No findings or questioned costs were noted in the current year.



Importance of Economic Development

- Private investment
- Tax base development
- Economic opportunity for all
- Wealth creation
- Educational attainment
- Healthy community
- Sustainability



Status of Economic Development - Genesee County

GCEDC 2003-2014 Results

- 397 economic development project "wins"
- \$923,000,000 capital investment commitments
- 3,992 new jobs
- Per capita income increase 6%, 16th best in NYS

(US Bureau of Economic Analysis)



MedTech Centre 2009



Ag-Park June 2013



Ag-Park June 2012

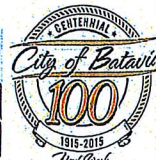
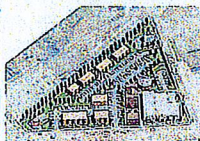
Status of Economic Development - City of Batavia

Gaining momentum in recent years:

- Downtown building improvements exceeded \$1,200,000
- More than \$1,156,000 small business public-private investment
- Defined strategic Brownfield Opportunity Area (BOA), market potential
- Companies pledged \$124,000+ to celebrate City's Centennial

City Council commitment < \$150,000 annually

- Batavia Development Corporation, \$90,000
- Vibrant Batavia Community Development, \$45,000



Health of Community – City of Batavia

Batavia ranks 45 of 50 in WNY poverty, *Buffalo Biz Journal.*

Must address highly distressed neighborhoods

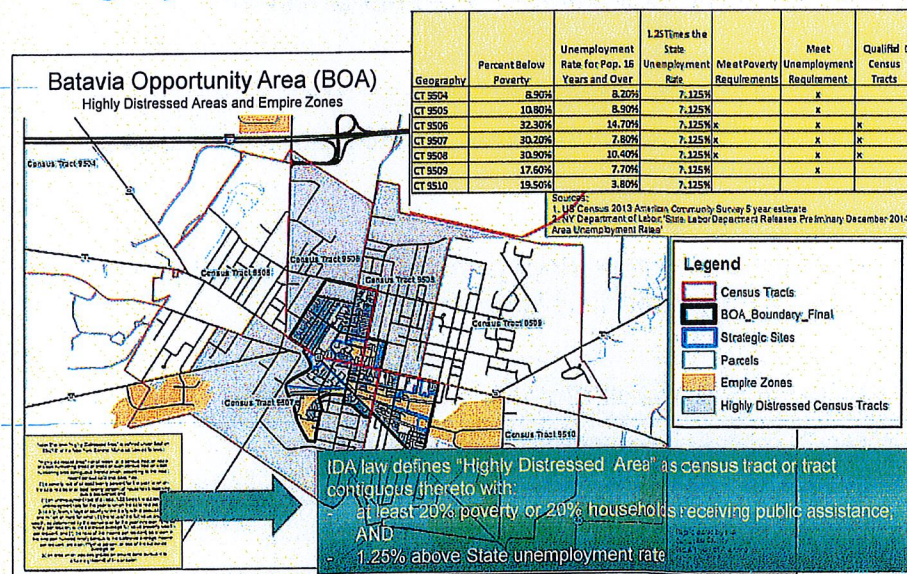
- Poverty levels at more than 30% in half the City
- Unemployment rate exceeds 7.25% in same areas
- Real property taxes paid on 72% property value
- 50% of students qualify for FREE or reduced lunches

City revenues need to be strengthened

- Taxable assessed value sluggish (31% City revenue)
- Sales tax idle (37% City revenue)

**Economic and community development
must become top priority.**

Highly Distressed Areas



Genesee County, NY Overview

Geography	Percent Below Poverty	Unemployment Rate for Pop. 18 Years and Over	1.25 Times the State Unemployment Rate	Meet Poverty Requirements	Meet Unemployment Requirement	Qualified Census Tracts
CT 9401	12.40%	17.40%	7.125%		X	Reservation
CT 9501	7.70%	9.20%	7.125%		x	Byron/Bergen
CT 9502	8.50%	6.20%	7.125%			Elba/Oakfield
CT 9503	11.00%	8.00%	7.125%		x	Alabama/Pemb
CT 9504	8.90%	8.20%	7.125%		x	Batavia, Town
CT 9505	10.80%	8.90%	7.125%		x	City, Ward 4
CT 9506	32.30%	14.70%	7.125%	x	x	X City, Ward 3
CT 9507	30.20%	7.80%	7.125%	x	x	X City, Ward 5
CT 9508	30.90%	10.40%	7.125%	x	x	X City, Ward 2
CT 9509	17.60%	7.70%	7.125%		x	City, Ward 1
CT 9510	19.50%	3.80%	7.125%			City, Ward 6
CT 9511	6.20%	3.00%	7.125%			LeRoy/Stafford
CT 9512	10.80%	6.80%	7.125%			Village of LeRoy
CT 9513	12.60%	6.90%	7.125%			Belhany/Pavill
CT 9514	7.40%	7.70%	7.125%		x	Alex/Darien

County & City Development Strategies Unite

Casting a wide net to prepare the ground for growth.

- County greenfield projects including STAMP attract “creative class”, spur job growth and bring new wealth to the community
- City redevelopment strategies match Millennial market demands for urban living and working
- We agree that a vibrant urban core is essential to growth.

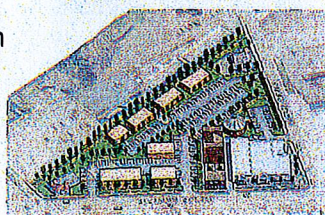
Together, we can provide a new pathway to prosperity.

Leverage More Resources

Batavia Pathway to Prosperity (BP²)

Genesee County & City of Batavia strategies are in alignment with Federal, State & Finger Lakes Region

- Upstate Revitalization Initiative
- Finger Lakes Strategic Plan: *Accelerating our Transformation*
- Finger Lakes Regional Sustainability Plan
- Comprehensive Economic Development Strategy: GFLRPC
- Genesee County Comprehensive Plan
- City of Batavia Strategic Plan

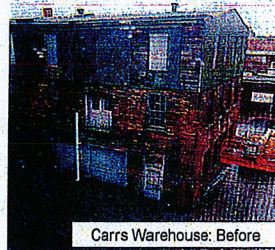


Focused pathway to prosperity.

Accelerate momentum catalyzing private investment and job opportunities.

APPROACH: Revive real estate

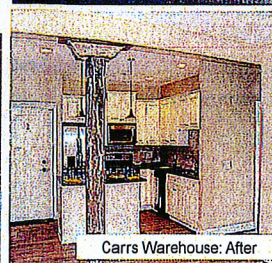
- Attract employers/jobs to the City
- Increase property values
- Exploit market opportunities
- Acknowledge urban redevelopment is trickier than greenfield



Carrs Warehouse: Before



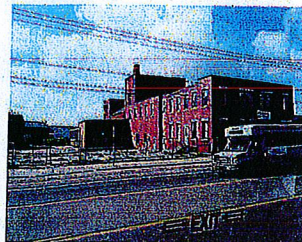
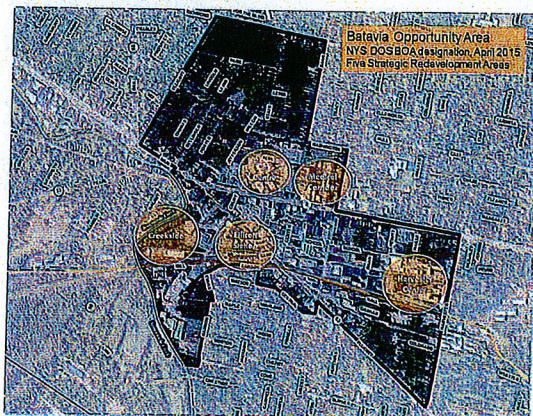
Developers Visit Batavia
2013, 2014 & 2015



Carrs Warehouse: After

Strategic Investment Area Defined

- Batavia Opportunity Area (BOA)
- Central Corridor, 366 acres



Batavia Pathway to Prosperity (BP²)

Introduce a local fund to fully leverage other resources.

GCEDC - IDA Incentives

- Openly promote IDA benefit eligibility for all City projects motivating economic development activity

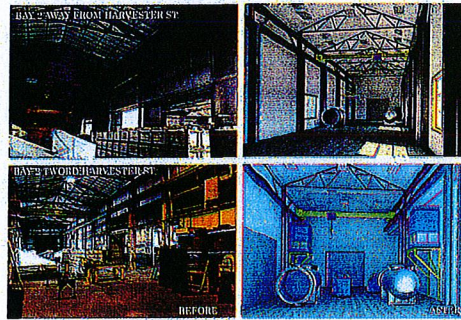
BP²

- Initiate "Batavia Pathway to Prosperity Fund" (BP²) via PILOT Increment Financing (PIF)

GCEDC – IDA Incentives

- Under current law the GCEDC, the County's Industrial Development Agency (IDA), can incentivize projects such as...

- Manufacturing
- Warehousing
- Wholesale Trade
- Research & Development



The City qualifies for exception.

Under current law the GCEDC may also incentivize "retail" projects such as...

- Retail/ Retail Trade/ Services
 - Allowed for Tourism Destination Projects
 - OR-
 - Allowed with additional IDA findings and subsequent approval by County Legislative Chairperson
 - The predominant purpose of the project is to make available goods and services which would not be, but for the project, reasonably accessible to residents of the municipality where the project is located; OR
 - **The project is located within a "highly distressed area" as defined by § 854 of GML.**

Batavia Pathway to Prosperity (BP²) Fund Foundation

PILOT Increment Financing = PIF

- A method to capitalize the "Batavia Pathway to Prosperity" (BP²)
- Ability to repurpose some or all of PILOT payments to fund investments for the public good
- Requires approval of the taxing jurisdictions
- PIFs repurpose "new" PILOT payments; not existing tax revenues

Genesee County PIFs, three since 2007

- Genesee Valley Agri-Business Park Infrastructure; IDA project = Empire Pipeline compressor

Participants

County

- Bergen Sewer Upgrades; Apple Tree Acres park sewer capacity expansion

Town & County

- Bergen Electric Infrastructure Fund; enabled electric upgrades at Apple Tree Acres park

Town, County & School

Capitalizing the BP² Fund

Motivate City Development: GCEDC may approve eligible City projects per GML "highly distressed" census tract / adjacent census tract language to maximize fund growth

Collaborate on Investments: City, County, Batavia City School District consider Agreement to repurpose % of new PILOT payments on all GCEDC projects in City

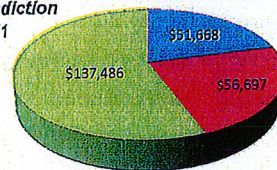
- PILOT schedule remains the same, parties still receive income on increased property value
- % PILOT payments repurposed to capitalize the BP²
- BP² will advance the City's strategic plan specifically related to BOA redevelopment projects and related infrastructure

Capitalizing the BP² Fund via PILOT & PIF – Example 10 year model

PILOT Funds to Taxing Jurisdiction
10 year total = \$245,851

Proposed PIF =

50 / 50
Sharing of
PILOT
Payments



■ City ■ County ■ School

Sample Project:

\$3.5 MM investment
\$1.6 MM assessed value

BP² Funding via PIF (PILOT Payments)
10 year total = \$245,851



■ BP² Funding

BP² Project Ideas/Fund Uses

- Extraordinary development costs related to hazardous material abatement, remediation, flood hazard areas, etc.
- Demolition / rehabilitation of vacant buildings that cause neighborhood blight
- Infrastructure modernization and improvements including roadways, water, sewer, gas, electric, telecommunication enhancements related to an IDA induced City project
- Broadband/ WIFI downtown to support school initiatives
- Advance engineering and implementation of Ellicott Trail, federally sponsored pedestrian trail
- Match other grant resources to secure more project capital for BOA redevelopment

BP² Fund Management

Inter-Municipal Agreements (IMA) outline PIF terms to repurpose % of PILOT payments to BP²

- City, County, Batavia School District, GCEDC & Batavia Dev Corp
- Enact by municipal and organizational resolution

Project Eligibility:

- Must be GCEDC supported project
- Normal GCEDC process authorizing PILOT
- Batavia Dev Corp provides "consistency certification"

GCEDC facilitates BP² expenditures per IMA authorization and coordination with Batavia Development Corporation

Role of the GCEDC

- Encourage mixed-use, commercial and industrial development in the City
 - Attraction
 - Expansion
 - Adaptive Reuse /Infill
- Approve PILOTs that meet project thresholds
- Bill and collect PIF payments in the City per IMA terms
- Facilitate investment of BP² funds consistent with mutually agreed BOA redevelopment strategy

Role of County, City & School

Say NO! to poverty in Batavia.

- Support the ***Batavia Pathway to Prosperity*** (BP²)
- Collaborate on City redevelopment through an IMA
- Implement the City adopted, State designated BOA plan
- Agree to repurpose % of new PILOT payments to the BP² investment fund

Thank you.

#79-2015

**A RESOLUTION TO AMEND THE 2015-2016 FIRE DEPARTMENT BUDGET TO
REFLECT THE RECEIPT OF A CAR SEAT GRANT, IN THE AMOUNT OF \$5,000**

Motion of Councilperson

WHEREAS, the City of Batavia Fire Department has received a grant in the amount of \$5,000 for Award period October 1, 2014 through September 30, 2015 from the New York State Governor's Traffic Safety Committee related to Car Seat Safety for increased child passenger safety and proper installation training of caregivers in an effort to reduce serious injury and death to children; and

WHEREAS, to properly account for the expenditure of this money, a budget amendment needs to be made; and

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Batavia that the City Manager is authorized to make the following budget amendment to the 2015-2016 budgets effective September 29, 2015 to cover various Car Seat Program details and equipment purchases:

Increase revenue accounts:

Increase revenue accounts:	
1.1.3389.1150	\$5000.00

Increase expense accounts:	
1.3410.0201.1150	\$5000.00

**Seconded by Councilperson
and on roll call**

#80-2015
**A RESOLUTION TO AMEND AND RESTATE THE DEFERRED
COMPENSATION MODEL PLAN**

WHEREAS, the New York State Deferred Compensation Board (the "*Board*"), pursuant to Section 5 of the New York State Finance Law ("*Section 5*") and the Regulations of the New York State Deferred Compensation Board (the "*Regulations*"), has promulgated the Plan Document of the Deferred Compensation Plan for Employees of City of Batavia (the "*Model Plan*") and offers the Model Plan for adoption by local employers; and

WHEREAS, City of Batavia, pursuant to Section 5 and the Regulations, has adopted and currently administers the Model Plan known as the Deferred Compensation Plan for Employees of City of Batavia; and

WHEREAS, effective November 14, 2014 the Board amended the Model Plan with optional provisions selected in Schedule A, including allowing ROTH 457 plan contributions; and

WHEREAS, the Board has offered for adoption the amended and restated Model Plan to each Model Plan sponsored by a local employer in accordance with the Regulations; and

WHEREAS, upon due deliberation, City of Batavia has concluded that it is prudent and appropriate to amend the Deferred Compensation Plan for Employees of City of Batavia by adopting the amended Model Plan; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Batavia hereby amends the Deferred Compensation Plan for employees of the City of Batavia by adopting the amended Model Plan effective October 13, 2015 including the optional provisions in Schedule A, in the form attached here to as Exhibit A.

**Seconded by Councilperson
and on roll call**

#81-2015
A RESOLUTION AUTHORIZING THE ACCEPTANCE OF THE
THOMAS “ROCKET CAR” GIFT

Motion of Councilperson

WHEREAS, a group of local antique automobile collectors from Batavia have become aware of a unique car which has historic ties to the City of Batavia known as the Thomas “Rocket Car” built in 1938 by Mr. Charles Thomas at 3 Ellicott Avenue; and

WHEREAS, preserving and restoring the “Rocket Car” for future generations to enjoy spotlights a piece of City history and civic pride; and

WHEREAS, the group of local antique automobile collectors is willing to restore the Rocket Car at their cost and gift the car to the City of Batavia for public display; and

NOW, THEREFORE BE IT RESOLVED, the City Council of the City of Batavia will hereby accept ownership of the “Rocket Car” upon satisfactory completion and restoration; and

BE IT FURTHER RESOLVED, the City Council agrees to publicly display the car in Genesee County and will take the necessary steps to preserve the car including but not limited to providing general liability insurance; and

BE IT FURTHER RESOLVED, that the City Council hereby extends its thanks to local antique automobile collectors for their generosity to the community.

Seconded by
and on roll call

#82-2015

**A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A GIFT BY
THE CITY OF BATAVIA CENTENNIAL CELEBRATION COMMITTEE**

Motion of Councilperson

WHEREAS, the City of Batavia Centennial Celebration Committee has created a schedule of events honoring the 100th anniversary of the formation of the City of Batavia showcasing the importance of this historical time in the City of Batavia's History.

WHEREAS, the Centennial Celebration Committee has raised over \$125,000 through community groups, not-for-profits, businesses, residents, and other interested stakeholder sponsors to support Centennial celebrations throughout the year; and

WHEREAS, a dedication of a Legacy Gift supported by Legacy Sponsors of the Centennial Celebrations have submitted a Batavia Sundial to be located in front of City Hall; and

NOW, THEREFORE BE IT RESOLVED, the City Council of the City of Batavia upon completion and satisfactory construction shall hereby accept the gift of the Batavia Sundial from the Centennial Celebrations Committee; and


NOW, ~~THEREFORE BE IT FURTHER RESOLVED~~, that the City Council of the hereby extends its thanks to the Centennial Celebration Committee and the Legacy Sponsors for their generosity to the community.

Seconded by
and on roll call



City of Batavia

To: Honorable City Council

From: Jason Molino, City Manager 

Date: October 6, 2015

Subject: Feral and Community Cat Resolution

At the City Council meeting on Monday, September 28, the Assistant City Manager and a group of volunteers representing the Genesee County Animal Shelter, the County Department of Public Health, the New York State Department of Agriculture and Markets, local veterinary interests and local feral cat management interests did present four recommendations to City Council. Those included:

- The endorsement (via resolution) of TNVR with litter/healthy cat adoption and euthanasia for cats too ill to be returned as the preferred method for managing feral and community cats within the City of Batavia.
- Support an approach to the County with same requests.
- Empower an implementation team to move forward to recruit community leaders with the ACM serving as facilitator.
- Consider nuisance laws for the future – will involve contracting with a facility to house cats.

While Council approved the first three recommendations, it gave direction to the ACM to not pursue nuisance laws for future consideration as the Council does not support budgeted monies to be used to house cats while owners/caregivers are given the opportunity to make restitution.

Please see the attached recommended resolution in support of TNVR as described above and support of a team of volunteers (not paid City staff) to both lead, seek funding for and implement a TNVR program within the City of Batavia. City staff will serve to support the team – specifically with the ACM acting as team facilitator helping the team and its leader define outcomes and remain on track with those outcomes. That implementation team, once underway, may decide to formally approach the Genesee County Legislature with a request for a similar resolution; however, it is my recommendation that the City not pursue that approval at this stage and that the implementation team take that responsibility upon itself when its members determine the appropriate time for this action. Furthermore, the City's involvement in this matter will be determined by the implementation teams need for support in the future.

Thank you for your support of the task force and its efforts to research best community and feral cat practices.

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#83-2015

**A RESOLUTION IN SUPPORT OF TRAP, NEUTER, VACCINATE, RETURN (TNVR)
FOR COMMUNITY AND FERAL CATS WITHIN THE CITY OF BATAVIA AND IN
SUPPORT OF A TEAM OF VOLUNTEERS TO IMPLEMENT TNVR**

Motion of Councilperson

WHEREAS, consistently applied Trap, Neuter, Vaccinate and Release (TNVR) programs have been proven to reduce the number of feral and community cats, reduce annoyance and damage caused by community cats, address potential disease concerns, and increase the quality of life for both citizens and cats by stabilizing the colony while allowing community cats to live their lives outdoors; and

WHEREAS, modern best practices to manage community cats use the TNVR method and leading animal welfare organizations as well as the International City/County Management Association endorse TNVR of community and feral cats; and

WHEREAS, laws in the City of Batavia do not prohibit TNVR and multiple local governments in New York and throughout the country already have adopted laws supporting TNVR; and

WHEREAS, City Council did authorize a task force made up of City, County and Volunteer community members to study best practices and make recommendations and strongly recommended TNVR as the supported method within the City of Batavia; and

WHEREAS, Volunteer TNVR efforts have already proven effective in portions of the City; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Batavia hereby endorses TNVR with litter/healthy cat adoption and euthanasia for cats too ill to be returned as the preferred method for managing feral and community cats within the City of Batavia.

BE IT FURTHER RESOLVED, that the Batavia City Council hereby endorses a TNVR effort to be led by a group of volunteers that will seek grant funding, raise money and implement a TNVR program within the City of Batavia.

**Seconded by
and on roll call**