

# **CITY OF BATAVIA**

## **BUSINESS MINUTES**

### **JUNE 8, 2020**

The regular business meeting of the City Council was held Monday, June 8, 2020 with Council President Jankowski presiding. The meeting was held in Council Chambers, was closed to the public, held via Zoom video conference due to restrictions from the COVID-19 pandemic for the department heads, and was streamed live for the public to view.

Present were Council President Jankowski and Councilmembers Pacino, Briggs, Christian, McGinnis, Karas, Canale, Viele, and Bialkowski.

In attendance from the City of Batavia via Zoom were Matt Worth, Chief Napolitano, Chief Heubusch, Rachael Tabelski, and Lisa Neary. In addition to Council, City Manager Martin Moore, Attorney George Van Nest, Confidential Secretary Lisa Casey, and City Clerk Heidi Parker were in physical attendance.

Council President Jankowski called the meeting to order at 7:00 PM.

The Invocation and Pledge of Allegiance were led by Councilmember Viele.

The minutes from the May 2020 meeting and the April financials were approved.

The Council President assigned the regular agenda items.

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#### **Communications**

Pizza 151 of Batavia, Inc. submitted a liquor license application. There were no oppositions from the police department. Council approved.

John Roach, 116 Grandview Ter, submitted a letter which was read to Council. Mr. Roach noted that he was in favor of increasing the percent held in unassigned fund balance from 10 to 15 or 20% to allow for a buffer in the event of another unforeseen fiscal shock. He wanted to know where the money would come from and how would the repayment take place. Mr. Roach also asked for assurance that repayment for borrowing from the water or sewer funds wouldn't come just from property taxes. He felt that all users of water/sewer should pay and thus it should include tax exempt properties as well. Mr. Moore stated that he was looking at the funds to see what was feasible and a fiscal plan would be coming to Council. He also noted that the last sales tax payment was down about 36% but that was at the height of the pandemic. He explained that we have money in the bank to pay bills but couldn't give more specifics at this time.

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## **Council President's Report**

Council President Jankowski announced that the next City Council Conference Meeting would be held on Monday, June 22, 2020 at 7:00pm at City Hall, Council Board Room, 2<sup>nd</sup> Floor.

Council President Jankowski noted that there had been some confusion online and wanted to clear up that the Council President is just a ceremonial figure who leads the meetings and has the authority to sign documents but he is just a member of Council like all the others. He stated that anyone can call him for concerns but if he can't help he will pass them onto their specific ward Councilmember.

Council President Jankowski stated that he was invited to and did attend the march on Sunday. He noted that the people want more police accountability, more police community involvement, and they sometimes feel uncomfortable in the community at some businesses. He noted that they want to be treated fair and equal and would like to see more people of color on the police force, in the fire department and in the school district. He stated that he saw a genuine love of the community and some were shocked that others would think they would hurt their community because they love it like everyone else.

Council President Jankowski wanted to let everyone know that the email server for the City has been down for the last three days so they aren't ignoring people's emails, they just aren't getting them but will respond once they are back or can take phone calls.

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## **City Attorney's Report**

George Van Nest, City Attorney, noted that they continue to work on a variety of City project but there was nothing specific to report. He also noted they had been assisting with COVID related questions.

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## **City Manager's Report**

Martin Moore, City Manager, noted that he'd had good discussions with the FEMA representative to help get the most reimbursement we could. He also noted that the City was properly registered in the system. Mr. Moore stated that it was unique to be able to see operations from the other side when it came time to implement the protest over the weekend with regards to police, fire and public works. He felt that everyone conducted themselves appropriately, it was refreshing to see, and the City was well prepared. Mr. Moore explained that the email system crashed due to a Microsoft exchange server issue that started Friday afternoon. He noted that it was being worked on in batches, a temporary server had been set up so we could have some email capability, and were still not sure what the cause was but staff was working with the consultants to get it solved. Mr. Moore

explained that the contact form on the website could be used to communicate as well or call the City's main number. Councilmember Canale asked if this was just a technical fail or something to be concerned with. Mr. Moore stated that they weren't sure yet but several emails were quarantined due to identified corrupted files.

Mr. Moore stated that he needed a couple of Councilmembers to sit on the audit committee. Councilmembers Karas and Bailkowski volunteered and Councilmember Viele would be an alternate.

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## **Committee Reports**

Councilmember Pacino stated that everyone should have received information regarding food trucks. She noted that we want to invite people to be downtown but they need to go through the proper channels. She noted that this may take a while to figure out how to make it work with the BID. Councilmember Bialkowski noted that the Memorial Day parade was unfortunately cancelled and it was pretty sad.

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## **Unfinished Business**

None.

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### **#41-2020**

## **A RESOLUTION AUTHORIZING THE ADOPTION OF A FUND BALANCE POLICY FOR THE CITY OF BATAVIA, NEW YORK**

### **Motion of Councilmember Viele**

**WHEREAS**, a fund balance policy is a key element of ensuring long-term economic and financial stability; and

**WHEREAS**, the objective of the Governmental Accounting Standards Board (GASB) Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*" is to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying governmental fund type definitions; and

**WHEREAS**, the City Council last adopted its Fund Balance Policy in February of 2012; and

**WHEREAS**, it is necessary and prudent to update the City's Fund Balance Policy to ensure that procedures are current and appropriate to meet the changing needs of the City of Batavia; and

**NOW THEREFORE, BE IT RESOLVED**, that the Batavia City Council of the City of Batavia, New York hereby authorizes the adoption of the attached Fund Balance Policy effective immediately.

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the adoption of the attached Fund Balance Policy is consistent with the City's Strategic Plan in achieving Key Intended Outcome's identified under the Financial Health strategic priority.

**Seconded by Councilmember McGinnis and on roll call approved 9-0.**

### **City of Batavia Fund Balance Policy**

#### **I. Purpose**

The City of Batavia recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the City, is fiscally responsible, helps mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and assists in ensuring stable tax rates. This policy establishes goals and provides guidance concerning the desired level of year-end fund balance to be maintained by the City of Batavia.

#### **II. Background**

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Statement 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications for Governmental Funds: non-spendable, restricted, committed, assigned and unassigned.

#### **III. Definitions**

Fund balance is a measurement of available financial resources and represents the difference between total assets and total liabilities in each fund.

GASB Statement No. 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported by the following classifications:

Non-spendable – Consists of assets that are inherently nonspendable in the current period either because of their form or because they are legally or contractually required to be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.(e.g., principal of a permanent fund).

Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation (e.g.grants, donations and established reserve funds).

Committed – Consists of amounts that are subject to a purpose constraint imposed by a formal action of the City's highest level of decision-making authority before the end of the fiscal year, and the same level of formal action is required to remove the constraint.

Assigned – Consists of amounts that are intended to be used for a specific purpose established by the government's highest decision-making authority, or by the City Manager. Amounts cannot be assigned to a specific purpose if it would cause a deficit in the unassigned fund balance.

Unassigned – Represents the residual classification for the government's general fund, and could report a surplus or a deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for the specific purposes for which amounts had been restricted, committed or assigned.

#### **IV. Guidelines**

The fund balance of the City's General Fund provides stability and flexibility and to respond to unexpected adversity and/or opportunities.

The City shall strive to attain and maintain an adequate fund balance in its general fund to provide flexibility and to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures), to ensure stable tax rates, to provide for one-time opportunities and to retain favorable credit ratings. The City will endeavor to maintain unassigned fund balances in its general fund of ~~ten~~ fifteen - twenty percent (~~40~~ 15 - 25%) of regular general fund operating expenditures. This amount provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule, and to respond to contingent liabilities.

If the unassigned fund balance falls below the ~~40~~ 15 - 25% minimum fund balance percentage, the Audit Advisory Committee will evaluate current fund balance classifications in order to recommend the final distribution of fund balance in any fiscal year in consideration of estimated liabilities of the City and sound financial planning.

The actual level of fund balance in the City's general fund is determined in its annual financial statement, several months after the end of the fiscal year. The City's budgeting process, which culminates both in the establishment of the following year's tax rate and the use of any appropriated fund balance, begins approximately two years in advance of the financial statement that will show the budget's results. Because of this time lag and because of the uncertainties of the budgeting process (such as the amounts of appropriated fund balance actually used each year), it is not possible to guarantee in advance a specific level of fund balance at the close of any fiscal year. Therefore, the City will use the following procedures to adjust the levels of fund balance, as necessary.

1. Once the external auditor has ~~reviewed~~ audited the City's financial statements for the prior year and has confirmed the fund balances of the general fund, the City Manager will recommend to the Audit Advisory Committee the amounts and types of assignments for the fund balance to be included in the financial statement.
2. The Audit Advisory Committee will review these assignments, discuss them with the external auditor as necessary and accept or modify the assignments prior to the presentation of the statement to the City Council.
3. The City Manager, as the Chief Executive and Administrative Officer, shall make recommendations regarding the use of fund balance to be appropriated in the following year's budget based on this policy; specifically, he/she shall recommend an amount that will, in his/her estimation, retain the requisite/appropriate level of

fund balances established in this policy based on current budgetary constraints and opportunities.

**V. Disbursement Policy for Fund Balances**

The City Manager will assess the current financial condition of the City and then recommend to the City Council the order of application of expenditures to which fund balance classification will be charged related to restricted or unrestricted amounts spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available.

The City considers that committed amounts will be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**VI. Fund Balance Classifications – Governmental Funds:**

The following is a listing of the ~~new~~ classifications for the City's General Fund current reserves and designations:

Non-spending Fund Balance:

None

Restricted Fund Balance:

- Retirement contribution reserve (GML §6-r) – used for payment of “retirement contributions,” which are defined as all or any portion of the amount payable to either the New York State and Local Employees’ Retirement System or the New York State and Local Police and Fire Retirement System, pursuant to Sections 17 or 317 of the Retirement and Social Security Law.
- Reserve for employee benefits accrued liability (GML §6-p) – established for payment of accrued employee benefits due to an employee upon termination of the employee’s service. This includes payments for accrued leave time and benefits due to termination or separation from service and payments for professional services rendered in connection with the investigation or settlements of claims or judgments relating to accrued employee benefits. This reserve is evaluated based on the Compensated Absence liability ~~analyzed~~ audited annually by the City’s external auditors.
- Insurance reserve (GML §6-n) – used for payment of health benefit claims and for the payment of costs for judgments, actions and claims against the City being the result of a self-assumed or uninsured occurrence, casualty or event of the type insurable by the City.
- Workers Comp reserve (GML 6-j) - used to pay compensation and benefits, medical, hospital or other expenses authorized by Workers Compensation Law and to pay the expenses of administering a self-insurance program.
- Capital projects reserve (GML §6-c) – used to pay the cost of construction, reconstruction or acquisition of a type of capital improvement or equipment.

Capital reserves are evaluated based on the status of capital projects, capital improvement plans and equipment replacement plans.

- Reserve for repairs (GML §6-d) – a Dwyer Stadium Repair Reserve Fund was established for the purpose of replacing or making major repairs to capital improvements and equipment for Dwyer Stadium, or supplement other available moneys, by gift, grant from the State of New York, or from any other source, for replacing or making major repairs to capital improvements and equipment for Dwyer Stadium
- Designated for special projects – restricted by the State of New York – represents accumulated profits earned as a result of Emergency Medical Service training, provided by the City’s fire department, whose use is restricted for the purposes of purchasing supplies, materials and equipment that will benefit future Emergency Medical training sessions.

Committed Fund Balance:

Represents amounts committed by City Council for funding of specific projects or grants.

Assigned Fund Balance:

~~Reserved~~ Assigned for Encumbrances – represents the amount of outstanding encumbrances at the end of the fiscal year.

Unassigned Fund Balance:

Undesignated fund balance – remaining fund balance that has not been designated or reserved.

**VII. Reference(s)**

- Governmental Accounting Standards Board (GASB) Statement No. 54
- New York State General Municipal Law
- Office of the New York State Comptroller, Local Government Management Guide, Reserve Funds
- Office of the New York State Comptroller, November 2010 memo – Fund Balance Reporting and Governmental Fund Type Definitions

Original Author: Lisa Neary, Deputy Director of Finance

<b>Date Revised/ Adopted</b>	2/22/12	6/8/20						
<b>Revised by</b>	L Neary	L Neary						

**Discussion** – Councilmember Christian asked how much was in the fund balance. Mr. Moore noted that it wasn’t about a dollar figure but rather a percent that was allowed to be in there. He noted that the 10% we allow now wasn’t enough when an event like Covid hits.

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**#42-2020**  
**A RESOLUTION AUTHORIZING AGREEMENT WITH**  
**NEW YORK STATE DEPARTMENT OF HEALTH FOR**  
**THE REPLACEMENT OF LEAD SERVICE LINES**

**Motion of Councilmember Briggs**

**WHEREAS**, a project for the replacement of lead service lines in the City of Batavia; and

**WHEREAS**, the City of Batavia desires to advance the Project by making a commitment;  
and

**NOW THEREFORE**, the City Council, duly convened does hereby resolve that the above-referenced Project is approved; and

**BE IT FURTHER RESOLVED**, that the sum of \$554,112 is hereby appropriated and made available to cover the cost of participation in the above phase of the Project; and

**BE IT FURTHER RESOLVED**, that the City Manager of the City of Batavia, New York, is hereby authorized as the official representative of the City of Batavia to accept the grant on behalf of the City by executing the grant agreement provided by NYSDOH, provide additional information or action as may be required by the grant.

**Seconded by Councilmember Bialkowski and on roll call approved 9-0.**

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**#43-2020**  
**A RESOLUTION TO ENTER INTO AN AGREEMENT**  
**WITH GHD FOR ENGINEERING SERVICES FOR THE DOH REPLACEMENT OF**  
**LEAD SERVICE LINES PROJECT WHICH IS PART OF**  
**NEW YORK STATES CLEAN WATER INFRASTRUCTURE ACT OF 2017**

**Motion by Councilmember Canale**

**WHEREAS**, a Project for the replacement of approximately 70 lead waterlines in the City of Batavia; and

**WHEREAS**, a request for proposals were received for a consultant to perform the Engineering Services, and a committee of City personnel selected GHD to perform the work;

**NOW, THEREFORE**, be it resolved that City Council approves the award of a contract for Administrative Services for the replacement of lead service lines throughout the City of Batavia to GHD in the amount of \$48,200.

**Seconded by Councilmember McGinnis and on roll call approved 9-0.**

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**#44-2020**

**A RESOLUTION TO ENTER INTO AN AGREEMENT  
WITH LABELLA ASSOCIATES PC FOR ADMINISTRATIVE/ENGINEERING  
SERVICES FOR THE DRI JACKSON SQUARE PROJECT**

**Motion by Councilmember Pacino**

**WHEREAS**, a Project for the enhancement of Jackson Square was approved for the Downtown Revitalization Initiative (DRI) in the City of Batavia; and

**WHEREAS**, a request for proposals were received for a consultant to perform the Administrative Services, and a committee of City personnel selected LaBella Associates PC to perform the work;

**NOW, THEREFORE**, be it resolved that City Council approves the award of a contract for Administrative Services for the enhancement of Jackson Square to LaBella Associates PC in the amount of \$18,750.

**Seconded by Councilmember Briggs and on roll call approved 9-0.**

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**MOTION TO ENTER EXECUTIVE SESSION**

**Motion of Councilperson Pacino**

**WHEREAS**, Article 7, Section 105(1)(h), of the Public Officer's Law permits the legislative body of a municipality to enter into Executive Session to discuss "...the proposed acquisition, sale, or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof..."and;

**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..."and;

**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 Viele and on roll call approved 9-0. Council entered executive session at 7:50pm and ended at 9:30pm.**

**Meeting adjourned at 9:30 PM.**

**Respectfully submitted,**

**Heidi J Parker  
Clerk-Treasurer**