



Media Release

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CITY OF BATAVIA TAKES MEASURES TO CONTROL EXPENSES AMID COVID-19 PANDEMIC

BATAVIA, NEW YORK- The City of Batavia has conducted a gap funding analysis amid the COVID-19 pandemic and estimates a potential \$2.5M shortfall in revenue to the General Fund in the 2020-21 fiscal year. The City's budget was passed in March 2020 and was balanced with \$17,598,636 in revenue and expenses.

The potential for a \$2.5M revenue shortfall is dependent on many factors including projections for lower than estimated sales tax, property tax, and fee revenues.

"Currently the City is facing a gap in revenue, and we are working diligently to control spending across all cost centers. The most recent figures for April show a 26% loss in sales tax revenue. This will mean a 26% reduction in the City's sales tax distribution payment for the month of April from the County. Revenue losses from sales tax could ultimately reach 30% over the entire year. Other cuts are expected from state aid as well," said Dr. Martin Moore, City Manager.

Due to the COVID-19 economic shut-down, the City is also forecasting an estimated:

- \$1,950,000 loss of sales tax revenue, a 30% reduction of the budgeted amount.
- \$350,106 shortage in property tax revenue, a 15% reduction of the budgeted amount.
- \$278,386 loss in other revenue (building permits, bail, licenses, and other fee revenue), a 15% reduction of the budgeted amount.

These estimates will change as the full economic impact of the COVID-19 is realized. **Therefore, the City is taking a phased approach to cost cutting and will continue to make adjustments as the year moves on.** Other avenues will be explored to close the funding gap as we move forward.

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City Departments have been directed to make immediate cost cuts by deferring purchasing on a wide range of items, implementing lay-offs of many part-time employees, and instituting a hiring freeze on all open positions. **These measures are only the first phase of plans to reduce costs amid projected revenue shortfalls, and will achieve \$1.1M in expense reductions.**

Specifically, the savings will be realized from the following reductions:

- \$435,384 in savings from hiring freeze
- \$260,972 in reductions from the Administrative Department
 - Cancellation of Summer Recreation program for 2020
 - Reduction in attorney and legal services
 - General liability insurance policy savings
 - Delayed/termed payment to economic development corporation
 - Cut of community celebrations and event support (Picnic in the Park)
 - Cut in travel and training
 - Elimination of employee recognition program funding and GLOW Corporate Cup fee for employees to participate
 - Layoff of part-time clerk position for 3 months
 - Supplies and materials cuts and deferrals of purchasing
- \$133,627 in reductions from the Police Department
 - Crossing guard layoff
 - Eliminate special community policing initiatives (NET details, explorer post, community policing, events, etc.)
 - Delay vehicle purchases
 - Deferral of supplies and equipment purchasing (crime scene camera, camcorder purchases, outfitting new officers, ERT uniform expenses)
 - Cut in non-mandatory training
 - Layoff of part-time dispatcher position
- \$77,370 in reductions from the Fire Department
 - Cut in non-mandatory travel and training
 - Deferral of supplies and equipment purchases (fire gloves, fire extinguisher replacement, gas meters, hydrant markers, turnout gear, ropes, harnesses, portable radios and pagers among other supplies)
- \$118,760 in reductions from the Department of Public Works
 - Cut in non-mandatory travel and training
 - Street light replacement purchases eliminated
 - Deferral of supplies and equipment purchases (patching material, traffic signs, vehicle and plow repair, park equipment)



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- Deferral of repair and maintenance at non-essential equipment at parks
- Deferral of lighting repairs at parks
- Cut in overtime in parks budget, Bureau of Maintenance, community celebrations and special events, street cleaning, Bureau of Inspections
- \$75,000 suspension of funding reserve accounts at this time

These cuts will result in lower levels of service for many programs including parks, youth activities, community celebrations, economic development, as well as police and fire initiatives. All departments will be operating without full staffing levels due to the hiring freeze and lay-offs of part-time workers.

Although there will be reduced levels of spending for the Police and Fire Departments citizens should be reassured that both Department's intend to keep the same level of response to calls for service. Both Police and Fire Department's continue to operate and respond to all emergency and non-emergency calls for service. In the event of an emergency residents are reminded to call 911.

"Between the gap funding analysis and cash flow projections, I am diligently watching the financial health of the City. The first phase of reductions will result in a loss of some services and lay-offs. This is painful but necessary. I can only express my appreciation to the City of Batavia employees for their continued hard work and dedication during these extremely difficult times," said Dr. Martin Moore, City Manager.

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