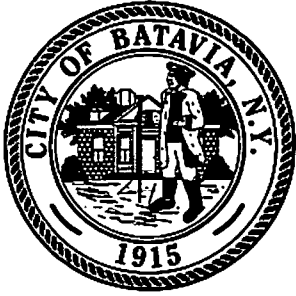


**BATAVIA CITY COUNCIL  
CONFERENCE MEETING**

**Tuesday, May 26, 2020 at 7:00 PM  
ZOOM Video Conference**

**AGENDA**

- I. Call to Order
- II. Invocation - Councilmember Pacino
- III. Pledge of Allegiance
- IV. Communications
- V. Council President Report
  - a. Announcement of the next City Council Business Meeting to be held on Monday, June 8, 2020 at 7:00 p.m. at the City Hall Council Board Room, 2<sup>nd</sup> Floor, City Centre
  - b. Event Applications and Food Truck Discussion (Councilmember Bialkowski)
- VI. Investment Policy
- VII. Fund Balance Policy
- VIII. Agreement with New York State Department of Health for the Replacement of Lead Service Lines
- IX. Lead Services Grant Project Engineer Selection
- X. Grant Consultant Jackson Square
- XI. Adjournment



# City of Batavia

## **MEMORANDUM**

**To:** Martin Moore, City Manager  
**From:** Heidi J. Parker, Clerk-Treasurer  
**Date:** May 18, 2020  
**Subject:** Investment Policy Update

When the City is investing their funds to earn maximum interest earnings, we need to be able to invest in financial institutions that may not be listed by name in the investment policy. As discussed, we would like to ask Council to amend the investment policy to allow the City Manager to authorize the deposit of funds into established financial institutions so the investment can be made timely to ensure maximum return. On these occurrences and after the investment is complete, the City Manager will advise Council of the new financial institution that was used at the next Council meeting during the City Manager's report. The investment policy will then be amended during the annual update to include, by name, any new financial institution that was used. This will allow for timely investing, maximization of returns, and timely communication to Council of the impending change to the investment policy.

At this point, we are only asking to add BankonBuffalo (formerly Bank of Akron) to the list of Designation of Depositories and will add more general language at a later meeting. This is my recommendation to Council based on our discussions with our investment team and Three Plus One advisors.

**#-2020**

**A RESOLUTION TO AMEND THE INVESTMENT POLICY TO ADD BANKONBUFFALO AS A DESIGNATED DEPOSITORY**

**Motion of Councilmember**

**WHEREAS**, the City invests funds on a regular basis; and

**WHEREAS**, the financial institutions used are listed in the investment policy; and

**WHEREAS**, sometimes better interest can be earned from financial institutions not listed in the policy:

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Batavia, that it does hereby add Bank on Buffalo as a designated depository in section VII of the City of Batavia Investment Policy.

**Seconded by Councilmember  
and on roll call**

## **City of Batavia Investment Policy**

### **I. Scope**

This investment policy applies to all money and other financial resources available to the City of Batavia for deposit and/or investment on its own behalf or on behalf of any other entity or individual.

### **II. Objective**

The primary objectives of the local government's investment activities are, in priority order:

1. To conform with all applicable federal, State and other legal requirements (legality)
2. To adequately safeguard principal (safety)
3. To provide sufficient liquidity to meet all operating requirements (liquidity)
4. To obtain a reasonable rate of return (yield)

### **III. Delegation of Authority**

The governing board's responsibility for administration of the investment program is delegated to the City Manager who shall establish written procedures for the operation of the investment program consistent with these investment policies. Such procedures shall include internal controls to provide a satisfactory level of accountability based upon records incorporating the description and amounts of investments, the fund(s) for which they are held, the place(s) where kept, and other relevant information, including dates of sale or other dispositions and amounts realized. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program.

### **IV. Prudence**

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the City of Batavia to govern effectively.

Investments shall be made with prudence, diligence, skill, judgment, and care, under circumstances then prevailing, which knowledgeable and prudent persons acting in like capacity would use, not for speculation, but for investment, considering the safety and liquidity of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

### **V. Diversification**

It is the policy of the City of Batavia to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

The governing board shall establish appropriate limits for the amount of investments which can be made with each financial institution or dealer, and shall evaluate this listing at least annually.

**VI. Internal Controls**

It is the policy of the City of Batavia for all moneys collected by any officer or employee of the government to transfer those funds to the Clerk-Treasurer within one (1) day of receipt, or within the time period specified by law, whichever is shorter.

The City Manager is responsible for establishing and maintaining internal control procedures to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization, properly recorded, and managed in compliance with applicable laws and regulations.

**VII. Designation of Depositories**

The banks and trust companies that are authorized for the deposit of funds:

<u>Depository Name</u>	<u>Officer</u>
Bank of Castile	Jaime Sallome
Bank of America	Timothy Clark
JP Morgan Chase	Pamela Thompson
Key Bank	Julie Holman
Manufacturers & Traders Trust Company	Joe Cosimeno
Five Star Bank	Jane Scott
Edward Jones Investments	
BankonBuffalo	David Paul

**VIII. Securing Deposits and Investments:**

All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, “deposits”) made by officers of the City of Batavia that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by:

1. A pledge of “eligible securities” with an aggregate “market value” (as provided in GML Section 10) that is at least equal to the aggregate amount of deposits by the officers. See Attachment A of this policy for a listing of “eligible securities.”
2. A pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of deposits from all such officers within the State at the bank or trust company
3. An “eligible surety bond” payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed-upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims – paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The governing board shall approve the terms and conditions of the surety bond.
4. An “irrevocable letter of credit” issued in favor of the City of Batavia by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100% of the aggregate amount of deposits and the agreed-upon interest, if any.

## **IX. Collateralization and Safekeeping**

Eligible securities used for collateralizing deposits made by officers of the City of Batavia shall be held by (the depository or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities (or the pro rata portion of a pool of eligible securities) are being pledged to secure such deposits together with agreed-upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon a default. It shall also provide the conditions under which the securities (or pro rata portion of a pool of eligible securities) may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities.

In the event that the pledged securities are not registered or inscribed in the name of the City of Batavia, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the City of Batavia or the custodial bank or trust company. Whenever eligible securities delivered to the custodial bank or trust company are transferred by entries on the books of a federal reserve bank or other book-entry system operated by a federally regulated entity without physical delivery of the evidence of the obligations, then the records of the custodial bank or trust company shall be required to show, at all times, the interest of the government in the securities (or the pro rata portion of a pool of eligible securities) as set forth in the security agreement.

The custodial agreement shall provide that pledged securities (or the pro rata portion of a pool of eligible securities) will be held by the bank or trust company as agent of, and custodian for, the City of Batavia, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt, substitution, or release of the collateral and it shall provide for the frequency of revaluation of collateral by the custodial bank or trust company and for the substitution of collateral when a change in the rating of a security causes ineligibility. The security and custodial agreements shall also include all other provisions necessary to provide the City of Batavia with a perfected security interest in the eligible securities and to otherwise secure the local government's interest in the collateral, and may contain other provisions that the governing board deems necessary.

## **X. Permitted investments**

As provided by General Municipal Law Section 11, the City of Batavia authorizes the City Manager to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York
- Through a deposit placement that meets the conditions set forth in General Municipal Law Section 10(2)(a)(ii)
- Obligations of the United States of America
- Obligations guaranteed by agencies of the United States of America, where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York

- Obligations of the City of Batavia, but only with moneys in a reserve fund established pursuant to General Municipal Law Section 6-c, 6-d, 6-e, 6-f, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the City of Batavia within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event at the option of the City of Batavia within two years of the date of purchase. Time deposit accounts and certificates of deposit shall be payable within such times as the proceeds will be needed to meet expenditures for which the moneys were obtained, and shall be secured as provided in Sections VIII and IX herein.

Except as may otherwise be provided in a contract with bondholders or noteholders, any moneys of the City of Batavia authorized to be invested may be commingled for investment purposes, provided that any investment of commingled moneys shall be payable or redeemable at the option of the City of Batavia within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained, or as otherwise specifically provided in General Municipal Law Section 11. The separate identity of the sources of these funds shall be maintained at all times and income received shall be credited on a pro rata basis to the fund or account from which the moneys were invested.

Any obligation that provides for the adjustment of its interest rate on set dates is deemed to be payable or redeemable on the date on which the principal amount can be recovered through demand by the holder.

#### **XI. Authorized financial institutions and dealers**

All financial institutions and dealers with which the City of Batavia transacts business shall be creditworthy, and have an appropriate level of experience, capitalization, size, and other factors that make the financial institution or the dealer capable and qualified to transact business with the City of Batavia. The City Manager shall evaluate the financial position and maintain a listing of proposed depositaries, trading partners, and custodians. Recent Reports of Condition and Income (call reports) shall be obtained for proposed banks, and security dealers that are not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

The City of Batavia shall maintain a list of financial institutions and dealers approved for investment purposes, and establish appropriate limits to the amounts of investments that can be made with each financial institution or dealers.

#### **XII. Purchase of investments**

The City Manager is authorized to contract for the purchase of investments:

1. Directly, from an authorized trading partner
2. By participation in a cooperative investment agreement with other authorized municipal corporations pursuant to article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold, or presented for redemption or payment by such bank or trust company only in

accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the City of Batavia by the bank or trust company.

Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law Section 10(3)(a). The agreement shall provide that securities held by the bank or trust company, as agent of, and custodian for, the City of Batavia, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to secure the local government's perfected interest in the securities, and the agreement may also contain other provisions that the governing board deems necessary. The security and custodial agreements shall also include all other provisions necessary to provide the City of Batavia with a perfected interest in the securities.

The City Manager can direct the bank or trust company to register and hold the evidences of investments in the name of its nominee, or may deposit or authorize the bank or trust company to deposit, or arrange for their deposit with a federal reserve bank or other book-entry transfer system operated by a federally regulated entity. The records of the bank or trust company shall show, at all times, the ownership of such evidences of investments, and they shall be, when held in the possession of the bank or trust company, at all times, kept separate from the assets of the bank or trust company. All evidences of investments delivered to a bank or trust company shall be held by the bank or trust company pursuant to a written custodial agreement as set forth in General Municipal Law Section 10(3)(a), and as described earlier in this section. When any such evidences of investments are so registered in the name of a nominee, the bank or trust company shall be absolutely liable for any loss occasioned by the acts of such nominee with respect to such evidences of investments.

### **XIII. Courier service**

The City Manager may, subject to the approval of the governing board by resolution, enter into a contract with a courier service for the purpose of causing the deposit of public funds with a bank or trust company. The courier service shall be required to obtain a surety bond for the full amount entrusted to the courier, payable to the City of Batavia and executed by an insurance company authorized to do business in the State of New York, with a claims-paying ability that is rated in the highest rating category by at least two nationally recognized statistical rating organizations, to insure against any loss of public deposits entrusted to the courier service for deposit or failure to deposit the full amount entrusted to the courier service.

The City of Batavia may agree with the depository bank or trust company that the bank or trust company will reimburse all or part of, but not more than, the actual cost incurred by the City of Batavia in transporting items for deposit through a courier service. Any such reimbursement agreement shall apply only to a specified deposit transaction, and may be subject to such terms, conditions and limitations as the bank or trust company deems necessary to ensure sound banking practices, including, but not limited to, any terms, conditions or limitations that may be required by the banking department or other federal or State authority.

### **XIV. Annual review and amendments**

The City of Batavia shall review this investment policy annually, and it shall have the power to amend this policy at any time.



**XV. Definitions**

The terms “public funds”, “public deposits”, “bank”, “trust company”, “eligible securities”, “eligible surety bond”, and “eligible letter of credit” shall have the same meanings as set forth in General Municipal Law Section 10.

**XVI. Reference(s)**

- City of Batavia Charter
- New York State General Municipal Code

Original Author: Lisa Neary, Deputy Director of Finance  
Heidi Parker, Clerk/Treasurer

<b>Date Revised/ Adopted</b>		4/11/11	2/27/12	3/11/13	2/19/14	3/9/15	3/14/16	3/13/17	3/12/18
<b>Revised by</b>			L Neary	L Neary	L Neary	L Neary	H Parker	H Parker	H Parker
<b>Revised by</b>		2/18/20	H Parker						

**Attachment A**

**Schedule of Eligible Securities**

(i) Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States sponsored corporation.

(ii) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

(iii) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.

(iv) Obligations issued or fully insured or guaranteed by this state, obligations issued by a municipal corporation, school district or district corporation of this state or obligations of any public benefit corporation which under specific state statute may be accepted as security for deposit of public moneys.

(v) Obligations issued by states (other than this state) of the United States rated in one of the three highest categories at least one nationally recognized statistical rating organization.

(vi) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

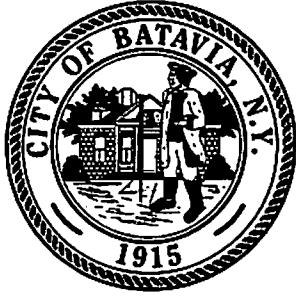
(vii) Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

(viii) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

(ix) Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.

(x) Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are being pledged.

(xi) Zero-coupon obligations of the United States government marketed as "Treasury STRIPS".



# City of Batavia

## *Memorandum*

To: Martin Moore, Ph.D., City Manager

From: Lisa Neary, Deputy Director of Finance

Date: May 18, 2020

Subject: Fund Balance Policy

It is fiscally responsible to maintain an adequate fund balance to help mitigate current and future risks. The City's fund balance policy provides you, the City Manager, with guidance as to the desired level of year end fund balance the City should maintain.

In consideration of the current economic situation the City is facing and in an effort to create a healthier financial outlook, the attached revised Fund Balance Policy guidelines have been changed to reflect an unassigned fund balance level to be at a range of 15 to 20% of the City's general fund operating expenditures; increased from 10%. This increase, when accomplished, will provide the City with a much healthier fund balance allowing the City to more easily absorb changes in the economy, like the one we are currently faced with.

This policy, when approved by City Council, will go into effect immediately, therefore providing you and the City's audit committee with appropriate updated guidance moving forward.

Attached please see the updated policy. I'm available at any time if you have any questions.

#-2020

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

**Motion of Councilmember**

**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  
and on roll call**

## 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 (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 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.

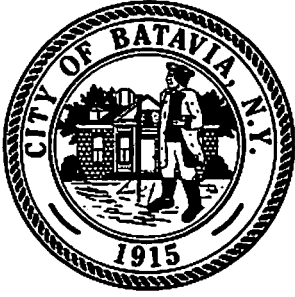


**VII. Reference(s)**

- **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						



# City of Batavia

## *Memorandum*

To: Martin Moore, City Manager

From: Matt Worth, Director of Public Works

Date: May 15, 2020

Subject: Lead Services Grant from NYS Department of Health

In 2019 the City of Batavia was notified that it was awarded a grant in the amount of \$554,112 for the replacement of lead services in our community. Since the award notification the City has developed a work plan to the NYSDOH indicating how the project would be completed in an effort to replace the highest number of services as possible with the grant funds.

The City has identified Swan Street, Hutchins St, and Otis St as the three streets to have initial investigations as to the presence of lead services and to draft the construction contract documents based on the finding of these investigations. City crews will be conducting these investigations utilizing vacuum excavations during the summer in expectation of actual service line replacements occurring in late 2020 or early 2021

NYSDOH has accepted the City's proposed work plan and subsequently issued a grant agreement for execution. The agreement from NYSDOH commits for the City to complete the project and for the commitment of the funds by NYSDOH. While there is not any required matching funds from the City, we have committed City crews to do the preliminary investigation in an effort to preserve funds to allow for more service lines to be replaced.

### Supporting Documentation:

Draft Resolution  
Grant Agreement  
Grant Notification

**#-2020**

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

**Motion of Councilmember**

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

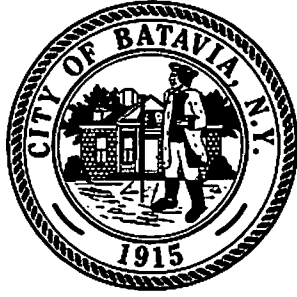
**WHEREAS**, the City of Batavia desires to advance the Project by making a commitment;  
and

**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  
and on roll call**



# City of Batavia

## *Memorandum*

To: Martin Moore, City Manager

From: Matt Worth, Director of Public Works

Date: May 15, 2020

Subject: Lead Services Grant Project Engineer Selection

In 2019 the City of Batavia was notified that it was awarded a grant in the amount of \$554,112 for the replacement of lead services in our community. The City will utilize contracted services to complete this work which will require engineering expertise in the preparation of appropriate and most efficient construction methods for the contractor to utilize. In addition, the contract documents must also utilize special requirements of the grant in meeting a 30% Minority or Woman owned Business Enterprise (MWBE) goal.

The City issued an RFQ to engineering firms, specifically reaching out to MWBE firms for this project. Three letters of interest were received for consideration and evaluation. A City team consisting of the Director of Public Works, Superintendent of Water/WW, Superintendent of Maintenance, and Water Maintenance Supervisor reviewed and scored the applicants based on four specific criteria.

The result of the review and scoring is the recommendation that GHD Consultants be utilized for this project. The City is very familiar with their work, and they have familiarity with the Lead Services Replacement Program as the consultant for the City of Buffalo, and the City of Binghamton NY for their Lead Service Replacement Program Grants.

Supporting Documentation:  
Draft Resolution  
Proposal/Contract

**#-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**

**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 \$XX,000.

**Seconded by Councilmember  
And on roll call**



May 6, 2020

Proposal No. 11208459

Mr. Matthew Worth  
Director of Public Works  
City of Batavia  
One Batavia City Centre  
Batavia, New York 14020

Dear Mr. Worth:

**Re: Professional Engineering Services  
Lead Service Line Replacement Project  
Letter of Interest**

GHD is pleased to provide this Letter of Interest (LOI) to the City of Batavia (City) for professional engineering services in connection with the City's Lead Service Line Replacement Program (LSLRP) grant from the New York State Department of Health (NYSDOH). As requested, enclosed is one copy of our LOI and qualifications for your consideration.

The GHD team proposed for this project has the knowledge and technical expertise necessary to successfully conduct the LSLRP through our past infrastructure design and construction projects for the City, as well as our recent assistance to the Cities of Buffalo and Binghamton with their NYSDOH LSLRP grants. Our upfront knowledge of the City's policies and procedures and our familiarity with the LSLRP grant requirements means there is no learning curve for GHD on this project.

GHD has developed our approach for this project based on the City's April 16, 2020 request, our knowledge of City's system and the NYSDOH LSLRP grant requirements. However, even though GHD is very familiar with the City, if selected, we propose to meet with the City to refine the approach and discuss any alternatives or concepts that might be more cost-effective or beneficial to the City to maximize the number of LSLRs performed under the grant.

Thank you for the opportunity to provide our LOI to the City, and we look forward to working with you on this critical project. If you have any questions or require additional information, please do not hesitate to contact me at 716.362.8810.

Sincerely,

GHD

Stephen C. Waldvogel, PE  
Vice President

SCW/LJD/las/1

Encls.

cc: Robert P. Lannon Jr., PE – GHD  
Lisa J. Derrigan, PE – GHD

## 1. Project Team and Experience with Similar Projects

GHD's proposed team offers project experience with both the City of Batavia and the New York State Department of Health (NYSDOH) Lead Service Line Replacement Program (LSLRP). We have listed our key team members and their relevant experience below:

**Stephen Waldvogel, PE | Project Officer/Manager.** Stephen is a Principal at GHD with more than 20 years of diverse financial, engineering and utility system management experience. He has assisted the City of Batavia in the development of its water and wastewater capital improvement plan, various rate studies, and general consulting. He has also directed the recent filter investigation and evaluation at the Water Treatment Plant. In recent years, Stephen has assisted the Buffalo Water Board with its LSLRP.

**Lisa Derrigan, PE | LSL Investigation and NYSDOH Grant Coordination.** Lisa has 26 years of experience encompassing drinking water and wastewater treatment evaluations and planning. She led the City of Buffalo's efforts for their NYSDOH LSLRP grant, including preparing the budget, work plan, and project outline documents for the City, helping develop the procedures for implementing the LSLRP with City staff, preparing the quarterly vouchers and providing overall NYSDOH coordination. Lisa also assisted the City of Binghamton with their LSLRP, which included NYSDOH coordination, identifying the City's approach to replacing lead service lines (LSLs), preparing the budget, work plan and project outline documents, and GIS mapping of known lead goosenecks.

**Jason Davenport, PE | Quality Assurance/Quality Control.** Jason is a project manager with 17 years of civil engineering design and construction experience. His recent work includes water treatment, storage and distribution, investigation of lead found to exceed point of use action levels, and preparation of construction bid documents for LSL replacement using NYSDOH LSLRP funding for the City of Binghamton.

**Mel Gates | Design Lead.** Mel has more than 40 years of experience including management, design and construction administration. He has design more than 325 miles of water mains including many infrastructure improvement projects for the City of Batavia during the last 10+ years.

**Daniel Hamlin, EIT | Engineer.** Dan is an environmental engineer that has been involved in the planning, design and construction of multi-disciplinary water and wastewater projects. For the past few years, Dan has been involved with a pilot-scale corrosion control study for the City of Buffalo, including troubleshooting of the pipe loop system to maintain optimal performance. He has a broad understanding of lead pipe scale chemistry from his work on the pipe loop study and his master's thesis.

## 2. Approach and Understanding

The City of Batavia was awarded a \$554,112 grant from the NYSDOH for the LSLRP to assist in the replacement of LSLs. GHD understands that the City has already submitted the budget worksheets, work plans, and a project outline to the NYSDOH and is working to finalize the contract with the state for the LSLRP. Moreover, GHD understands that the City intends to utilize the LSLRP grant as efficiently as possible and develop an approach that replaces the maximum number of LSLs possible. Currently, the City estimates approximately 70 LSLs will be replaced under this project. GHD will work closely with the City to maximize this number by identifying the most cost effective approach possible.

The City has approximately 5,000 service lines in the water distribution system. The City owns the service line from the water main to the curb valve (public portion), while the service line from the curb valve to the home/building (private portion) belongs to the property owner. The City estimates that there are

approximately 2,000 LSLs present in the system, consisting mainly of the public portion of the service line. The City does not believe there are any private portions that contain lead, although some private service lines may be galvanized pipe. We also understand that the City expects the LSL replacements to be limited to the public portion of the service line. Based on experience and familiarity with the LSLRP, if it is determined that both the public and private portions are lead, the NYSDOH will *only* reimburse for replacement of both the public and private portions. Furthermore, if the public portion is lead and private portion is galvanized, the City is not mandated to replace the galvanized private portion, but will be reimbursed for both sections if the entire service is replaced.

GHD understands that the City is looking for an engineering firm to investigate and verify LSL locations, prepare specifications/documents for bid, and provide contract administration and limited construction inspection for the LSLRP. GHD has the technical expertise to conduct this work based on: (1) hundreds of waterline and service replacement projects throughout Western New York, (2) significant project and construction experience specifically for Batavia, and (3) our direct experience working on NYSDOH LSLRP grant projects. We are familiar with all aspects of these projects including survey and mapping, DOH, SHPO, ADA, ESA, DOT, FHWA and other stakeholder requirements.

While GHD will work closely with the City to refine our approach such that the grant funding is optimized, we have developed our proposed approach based on the City's April 16, 2020 request, our knowledge of City's system and the NYSDOH LSLRP grant requirements as detailed below:

## 2.1 Investigation Work and Design Phase

While the City has identified potential condensed areas of suspected LSLs, GHD proposes to conduct a desktop investigation to refine the target neighborhoods with a high expectancy of LSLs. This effort would include meeting with City staff to obtain their institutional knowledge of the system and reviewing available City records such as waterline record drawings, tap cards, plumbing permits, and home construction dates to help identify potential LSLs. We also propose to conduct a walkthrough of the target neighborhoods with City staff to identify potential conflicts or circumstances that may complicate construction.

GHD also recognizes that City records may not be completely accurate or up-to-date, and physical exploratory investigations may be necessary to confirm the service line material. While the need for these investigations will be discussed with the City, GHD proposes to have the contractor investigate the service lines at the curb box either in summer 2020 or as part of the construction work in summer 2021. If the curb box has copper on both sides of the curb stop, the service line will not be replaced and the contractor will be paid a lump sum fee for the investigation, including coordination with the property owner for access to private property, investigation, and restoration of surfaces to match existing conditions. We will also encourage contractors to utilize means and methods that minimize disturbance to reduce the cost for investigations and maximize grant funding (i.e., hydrovac excavation).

GHD will use the verification results to develop specifications and an overall map showing the locations/addresses of potential LSLs to be replaced. The design will incorporate replacing the LSL with a new 1-inch poly service line, curb stop and curb box (the existing corporation valve will be re-utilized). Due to the nature of service line replacement work, GHD proposes to work with the City to structure the contract for either lump sum or unit cost bid requirements, or a combination of the two based on the initial investigations this summer, to achieve the best value for the City and maximize the number of LSLRs performed under the grant. GHD will also prepare regulatory permit applications, as necessary to obtain local, county, and state approvals associated with the design and construction work. In accordance with the



grant, Prevailing Wage Rate Schedules, MWBE and Vendor Responsibility forms from the NYSDOH contract will be included in the construction documents.

The specifications will require the contractor be responsible for coordinating with property owners to schedule the LSLR, including obtaining temporary easements or property access agreements. Additionally, the contractor will be required to take photos at each site to document conditions before, during and after construction, as well as provide full restoration once the work has been completed. The contractor will submit these photos to GHD and the City for submission to the NYSDOH. The contractor will also be responsible for providing the resident/property owner with post-LSLR information, including flushing instructions and information on how they can have their water tested for lead through the NYSDOH's Free Lead Testing Pilot Program (FLTPP).

## 2.2 Bid Phase

GHD proposes to prepare the contract documents for public bid, including an advertisement for bids, preparing for and attending a pre-bid meeting, and assisting the City in securing bids, responding to bidder questions, preparation of addenda (if required), tabulating and analyzing the bid results, and furnishing recommendations on the award of the construction contract. We anticipate the entire project will be bid and awarded as one contract in March 2021.

## 2.3 Construction Contract Administration Phase

GHD proposes to provide construction contract administration services for the duration of construction. This includes items such as:

- Reviewing and approving contractor submittals for material and equipment.
- Conducting preconstruction and monthly progress meetings to review project progress, schedule, and costs (for the duration of the construction contract), and issuing typed minutes.
- Reviewing and making recommendations for all construction progress payment requests, and generating summary and continuation sheets consistent (excludes supplemental funding forms).
- Conducting bi weekly visits to the project site during construction by Construction Manager.
- Providing general consultation, advice, and problem resolution to the City, during construction.
- Assisting the City with the NYSDOH quarterly voucher preparation for grant money reimbursement.

## 2.4 Resident Inspection Phase

Based on GHD's understanding of the City's approach for resident inspection, a combination of City and GHD staff will be used for inspection services, including a part-time GHD resident inspector.

## 3. Descriptions of Similar Projects

The following projects highlight GHD's experience with similar, relevant projects. GHD has completed numerous infrastructure design projects for the City and we are familiar with the City's policies and procedures. GHD also has similar experience on NYSDOH LSLRP for two other cities.

**Waterline Replacement Projects | City of Batavia, NY.** Due to its aging water infrastructure, the City has developed a comprehensive CIP and has been proactively renewing its water system. GHD has assisted the City by providing design, bidding and construction phase services for numerous water projects including the replacement of approximately 10,800 linear feet of watermains, numerous customer service lines, valves, hydrants and associated appurtenances throughout the City's water system. Consequently, GHD is very familiar with all aspects of watermain work in the City including customer service line replacements.

## **Lead Task Force and NYSDOH LSLRP Assistance | Buffalo Water Board, Buffalo, NY**

GHD serves as the retained engineer to the Buffalo Water Board (since 1993) and in this role is an inaugural member of the Buffalo Lead Task Force. Over the past 2-3 years, GHD has assisted the Task Force develop and implement proactive practices and policies that minimize potential exposure to lead in drinking water. GHD actively provides assistance in developing LSL replacement protocols, procedures, and informational documents (e.g., customer letters, door tag notices, etc.); researching relevant LSL news, regulation and guideline updates, and other communities' best practices on lead; and providing input on programs for replacing LSLs, including addressing program funding and affordability issues. Additionally, GHD is providing implementation assistance for a LSLRP grant, which includes:

- Coordinating with the NYSDOH
- Developing the LSLRP approach, project outline and budget
- Preparing and coordinating the MWBE Utilization Plan/Waiver
- Preparing the City's quarterly vouchers

## **NYSDOH LSLRP Assistance | City of Binghamton, NY**

The City of Binghamton was awarded an LSLRP grant from the NYSDOH. GHD was retained to provide engineering and coordination to support the City in developing a scope for lead service replacement and development of Contract Documents for municipal public bid. Services included:

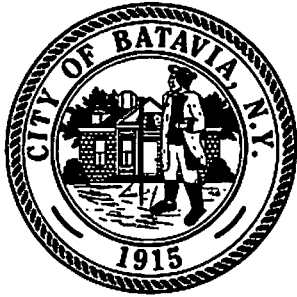
- Coordination with NYSDOH to clarify grant requirements and reimbursable expenditures
- Development of the LSLRP approach, project outline and budget. The approach included a step to verify the presence of lead at each service followed by complete replacement (public and private side).
- Utilization of GIS mapping to create visual representation of lead service locations and to prioritize areas for lead service replacement.
- Development of Contract Documents for municipal public bid
- Bid administration

## **4. MWBE Participation (percentages and types of work)**

GHD is familiar with the MWBE requirements of the LSLRP grant through our work on the Cities of Buffalo and Binghamton projects. The City must show a good faith effort to achieve 30 percent combined MBE and WBE (15 percent each), and if this cannot be achieved, complete a partial or full waiver as part of the MWBE Utilization Plan documenting the good faith effort.

While GHD expects to work closely with the City on any MWBE plan, we have identified two potential approaches that may assist the City achieve its MWBE participation. The first approach would be to include the MWBE requirements as part of the bid package. This approach may identify an MWBE prime contractor qualified to perform the LSLRs, or at minimum would require contractors to make a good faith effort to identify MWBE subcontractors. This approach should enable the City to achieve the 30 percent MWBE goal, or at a minimum serve as a good faith effort that would be used to apply for an MWBE waiver if necessary.

While GHD is not aware of any local MWBE contractors qualified to perform LSLRs, as a second approach, we have identified Arold Construction, a certified MBE and DBE in New York, as a potential contractor that could investigate and verify the presence of a LSL using exploratory technologies such as hydrovac excavation. We estimate this approach may achieve partial MWBE participation of approximately 5 to 10 percent, assuming up to 80 locations for investigation.



# City of Batavia

## *Memorandum*

To: Martin Moore, City Manager

From: Matt Worth, Director of Public Works

Date: May 15, 2020

Subject: Grant Consultant Jackson Square

One of the Downtown Revitalization (DRI) projects is for the enhancement of Jackson Square as a community gathering place. The project has a budget of \$750,000 which is the full amount of the grant issued as part of the DRI process. The administration of this grant is under the direction of the Department of State which requires significant documentation and required steps for the successful utilization of the grant funds.

The City issued an RFQ to professional firms, specifically reaching out to MWBE firms for this project. The letters of interest are due on May 27<sup>th</sup> for consideration and scoring by City staff. A City team consisting of the City Manager, Assistant City Manager, Director of Public Works, and Public Works Administrative Assistant will score the applicants based on specific criteria. An update as to the scoring results and proposal shall be provided to City Council members ahead of the June 8, 2020 business meeting.

The cost of this service shall be charged against the DRI grant as a project cost.

Supporting Documentation:  
Draft Resolution  
RFQ

**#-2020**

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

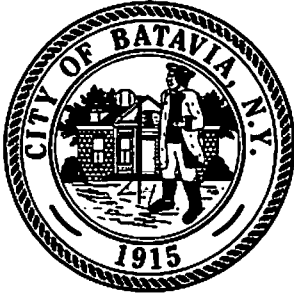
**Motion by Councilperson**

**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 XXXX 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 XXXX in the amount of \$XX,000.

**Seconded by Councilperson  
And on roll call**



# City of Batavia

May 6, 2020

RE: Request for Proposals for Administrative Services  
Downtown Revitalization Initiative (DRI) Program Award Project

Dear Consultant:

The City of Batavia has been awarded a New York State Department of State DRI Grant of \$ 750,000 to improve Jackson Square. Construction is anticipated for the fall of 2021 to spring 2022. The City of Batavia is seeking proposals from qualified firms to provide administrative services to assist the City in managing the DRI Program grant award. The City will award a contract to a qualified consultant for the project, with services to be provided during the grant period which ends in 2024, or until the project is completed.

The selected firm will assist the City to monitor and supervise of all DRI program activities, including but not limited to: program planning; scheduling of activities; compliance with DRI regulations; fiscal monitoring; preparation of Performance Assessment Reports; and coordination with field representatives of the NYS Office of State.

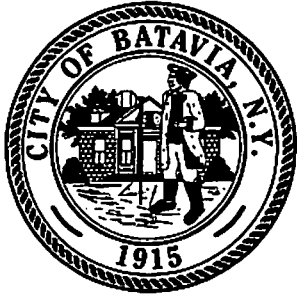
If you are interested in serving as the City's Consultant and in providing the program delivery, administrative and grant assistance services specified above, please provide me with information which details your firm's experience in developing successful NYSDOS program or DRI programs and in managing and effectively closing out the implementation of such activities. Please provide me with the names and telephone numbers of contact persons for projects currently in progress or recently completed.

Please provide a scope of work that describes the level of effort and a cost proposal that you determine to be necessary to provide the program delivery and administrative services to insure the successful management of the City's program. The scope should be sufficiently detailed to document your familiarity with the rules, regulations and requirements of the DRI Program.

The staff person to be assigned as project manager should be identified in your proposal. This individual will be expected to be on site in Batavia at all times that are deemed necessary by the City to insure effective project management. Resumes of key staff to be assigned to our project should also be enclosed with your proposal. The City will expect the consultant to focus on program compliance issues, developing an effective administrative plan, maintaining communications with DOS and to assist City staff, as needed, to carry out program delivery and administrative responsibilities.

**Department of Public Works**  
One Batavia City Centre  
Batavia, New York 14020

Phone: 585-345-6325  
Fax: 585-343-1385  
[www.batavianewyork.com](http://www.batavianewyork.com)



# City of Batavia

The City will make its selection based on the following criteria:

1. The successful performance in managing similar NYSDOS programs and the extent of experience attained by the project manager and other staff persons to be assigned to the project
2. The demonstrated technical resources available within the firm to carry out the assignments
3. The availability of these resources to Batavia
4. The cost for the services (in relation to DOS guidelines).
5. WMBE participation (List percentage & Type of Work).

Minority and Women Owned Business Enterprises and Section 3 firms are encouraged to submit proposals. The WMBE goal is 30% (a breakdown of WBE 15% and MBE 15%).

Please limit your submission to a cover letter and no more than **four (4) single sided pages** with 12 point font for the proposed scope of work, summary of DOS experience and expertise, and fee schedule. You may submit as appendixes past DOS or DRI projects, resumes of staff that will be assigned to project, references and proposed time schedule. Submit four (4) copies or one (1) hard copy and an electronic copy of this information to my office by **3 P.M. on Wednesday May 27th**; Please call me at 585-345-6325 if you have any questions about our grant or this request for proposals.

Sincerely,

Janice Smith  
Department of Public Works