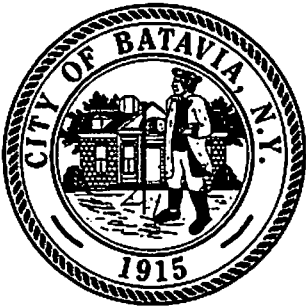


## **BATAVIA CITY COUNCIL SPECIAL CONFERENCE MEETING**

**City Hall - Council Board Room  
One Batavia City Centre  
Monday, February 10, 2020  
(Prior to Business Meeting)**

### **AGENDA**

- I. Call to Order
- II. Invocation – Councilmember Pacino
- III. Pledge of Allegiance
- IV. Public Comments
- V. Council Response to Public Comments
- VI. Communications
- VII. Council President Report
  - a.) Announcement of the City Council Conference Meeting to be held on Monday, February 24, 2020 at 7:00 p.m. at the City Hall Council Board Room, 2<sup>nd</sup> Floor, City Centre.
  - b.) Proclamation for Retired Assistant Police Chief Todd Crossett
- VIII. Tax Cap Override
- IX. Adjournment



# City of Batavia

## *Memorandum*

To: Honorable City Council  
From: Dr. Martin D. Moore (Marty)  
Date: February 5, 2020  
Subject: VLT Funds, Reserves, Unassigned Cash, and City Budget

## **Discussion**

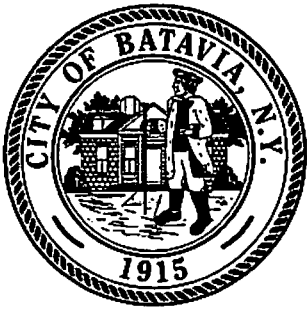
The original budget proposal, submitted to the City Council on January 13, 2020, recommended meeting expenses and not overriding the property tax cap by doing the following:

1. a property tax rate increase of .97%, and below the property tax cap;
2. the use of \$259,100 in General unassigned funds;
3. the use of \$225,000 in Water unassigned funds;
4. the transfer of \$257,540 in unassigned funds from workers' compensation into the General Fund; and
5. reduced funding requests by over \$500,000 (vehicles, new positions to cover Bail and Discovery law requirements, capital project and equipment reserves, travel costs, etc.).

After the original budget was submitted to City Council, the state of New York included in its proposed budget the elimination of the Video Lottery Terminal (VLT) revenue to municipalities, which will reduce City revenues \$440,789 starting in fiscal year 2020/2021, and every year thereafter.

If we strictly use unallocated cash to cover the VLT revenue loss, combined with the use of \$259,100 in unallocated General funds, \$225,000 in unallocated water funds, and \$257,540 in unassigned workers' compensation funds, the City would increase its drain on its backup funds from \$741,640 to \$1,182,429. **Our fiscal 2019/2020 use of backup funds was \$525,000.**

In the face of the VLT revenue loss, and strong concerns from financial and management staff about the growing gap between revenues and ongoing expenses, I performed an extensive (15+ year) review of past City budgets, and agree that my original **recommendation for the use of \$257,540 unallocated cash from workers compensation is unsustainable. We need to come up with a combination of \$700,000 in cost savings and revenues to pass a sustainable budget.**



## **RECOMMENDED- BALANCING THE LOAD BETWEEN EXPENSES AND REVENUES**

### **Reduce expenses \$350,000 and Increase the Property Tax Levy \$350,000 from currently Proposed Levels. This requires an override of the Tax Cap.**

Balancing the \$700,000 burden equally between expenses and revenues, we retain our ability to accomplish the following:

1. Maintain our credit rating for bonds to build a new Police Station and secure short term bond funds up front for reimbursement grants.
2. Maintain the tax levy rate BELOW \$10 per \$1,000 taxable assessed value. The rate in this scenario would be \$9.60 per \$1,000 of taxable assessed value.
3. Cover unexpected budget cost overruns and emergency purchases.
4. Maintain sufficient room in the budget to provide for:
  - a. Our current School Resource Officer presence (1 officer)
  - b. Salary and benefit levels for employees (Union and Non-union)
  - c. Increases in repeated criminal offenses due to bail reform.
5. Cover deductibles and improve the City's ability to absorb unknown future worker's compensation insurance, health insurance, property damage, and other liability insurance claims.
6. Assign funds to capital, retirement, and/or insurance reserves.
7. Maintain lower levels of fiscal stress. The lower the stress score, the lower the stress level on the City budget. According to the Office of the State Comptroller, the maximum level of acceptable financial risk is 44 points. Our current risk level is 3.3 points, due to expenses exceeding revenues in the Fiscal 2017/2018 budget.

The maintenance of fiscal stress levels is possible by avoiding a:

- Maintain the total General Fund Balance as a Percent (%) of Gross Expenditures
- Maintain Assigned and Unassigned General Fund Balance as a Percent (%) of Gross Expenditures
- Maintain the Cash Position of the combined funds
- Lower likelihood of operating deficits.

#-2020

**A RESOLUTION TO INTRODUCE A LOCAL LAW TO OVERRIDE THE TAX CAP  
LIMIT FOR THE BUDGET FISCAL YEAR COMMENCING APRIL 1, 2020 AND TO  
SCHEDULE A PUBLIC HEARING**

**Motion of Councilperson**

**WHEREAS**, according to New York State's Property Tax cap legislation, if a City government decides to adopt a budget with a property tax levy that exceeds the level set by the State, the City government must pass a local law to override that cap; and

**WHEREAS**, adopting said local law is not predictive of the final tax-levy but will provide the City of Batavia flexibility to exceed the Property Tax Cap if it is deemed necessary, and to ensure that any State re-calculation of the applicable limit will not make the City inadvertently out of compliance, and;

**NOW, THEREFORE, BE IT RESOLVED**, that Local Law No. 1 of 2020 entitled "LOCAL LAW NO. 1 OF THE YEAR 2020 CITY OF BATAVIA A LOCAL LAW AUTHORIZING A PROPERTY TAX LEVY IN EXCESS OF THE LIMIT ESTABLISHED IN GENERAL MUNICIPAL LAW § 3-C" be introduced before the City Council of Batavia New York; and

**BE IT FURTHER RESOLVED**, that copies of the aforesaid proposed Local Law be laid upon the desk of each member of the City Council by the City Clerk; and

**BE IT FURTHER RESOLVED**, that the City Council will hold a public hearing on said proposed Local Law in the Council Room, Second Floor, One Batavia City Centre, Batavia New York, at 7:00 p.m. on Monday, February 24, 2020; and

**BE IT FURTHER RESOLVED**, THAT THE City Clerk publish or cause to be published a public notice in the official newspaper of the City of Batavia of said public hearing at least three (5) days prior thereto.

**Seconded by Councilperson  
and on roll call**

**LOCAL LAW NO. 1 OF THE YEAR 2020  
CITY OF BATAVIA  
A LOCAL LAW AUTHORIZING A PROPERTY TAX LEVY IN EXCESS OF  
THE LIMIT ESTABLISHED IN GENERAL MUNICIPAL LAW § 3-C**

Be it enacted, by the City Council of the City of Batavia, New York, as follows:

**Section 1. Legislative Intent**

It is the intent of this Local Law to override the limit on the amount of real property taxes that may be levied by the City of Batavia, County of Genesee, State of New York (hereinafter "City of Batavia" pursuant to General Municipal Law § 3-c, and to allow the City of Batavia to adopt a budget for the fiscal year commencing April 01, 2020 that requires a real property tax levy in excess of the "tax levy limit" as defined by General Municipal Law § 3-c.

**Section 2. Authority**

This local law is adopted pursuant to Subdivision 5 of General Municipal Law § 3-c, which expressly authorizes the City Council to override the property tax cap for the next fiscal year by the adoption of a local law approved by a vote of sixty percent (60%) of the City Council.

**Section 3. Tax Levy Limit Override**

The City Council of the City of Batavia is hereby authorized to adopt a budget for the fiscal year commencing April 1, 2020 that may require a real property tax levy in excess of the amount otherwise prescribed in General Municipal Law § 3-c.

**Section 4. Severability**

If a court determines that any clause, sentence, paragraph, subdivision, or part of this local law or the application thereof to any person, firm or corporation, or circumstance is invalid or unconstitutional, the court's order or judgment shall not affect, impair, or invalidate the remainder of this local law, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, or part of this local law or in its application to the person, individual, firm or corporation or circumstance, directly involved in the controversy in which such judgement or order shall be rendered.

**Section 5. Effective date**

This local law shall take effect immediately upon filing with the Secretary of State.