T H E   G E N E V A   C I T Y   C O U N C I L

JOURNAL OF PROCEEDINGS

SPECIAL COUNCIL MEETING

October 9, 2024 – 7:00 PM
City Hall – 2nd Floor Council Room
47 Castle Street
Geneva, NY 14456

Presiding – Steve Valentino, Mayor

1. ROLL CALL

Present: Clr. Brennan, Clr. Lavin, Clr. Pealer, Clr. Grimaldi, Clr. Gillotte (arrived at 7:04), Clr. Petropoulos, Clr. Moracco, Clr. Whitfield

Absent:

2. AMENDMENT TO THE AGENDA

ACTION TAKEN by Mayor Valentino; seconded by Clr. Pealer
MOVED THAT the agenda be amended to add Resolution 69-2024, Amendment to Resolution 61-2024 Proposing the Adoption of Amended Levels of Real Property Tax Exemptions for Senior Citizens Under Real Property Tax Law Section 467
MOTION CARRIED UNANIMOUSLY

ACTION TAKEN by Clr. Mayor Valentino; seconded by Clr. Pealer
MOVED THAT the agenda be amended to add Resolution 65-2024, Establishing a Public Hearing for a Local Law overriding the Property Tax Cap

ROLL CALL VOTE:	**Aye -**	Clr. Pealer, Clr, Grimaldi, Clr. Gillotte, Clr. Petropoulos, Clr. Moracco, Mayor Valentino
	Nay -	Clr. Brennan, Clr. Lavin, Clr. Whitfield

MOTION CARRIED

3. 2025 BUDGET DISCUSSION

City Manager Hendrix opened the 2025 Budget discussion by reviewing the process for relaying questions for Staff, and explained that Councilmembers may make motions to amend the budget at any time by following typical procedures. She reviewed key budget data and information to include 2024 adopted budget, tax levy and tax rates, and 2025 proposed budget, tax levy and tax rates, as well as the amount of funding being utilized from fund balance. She further advised that the Senior Exemption resolution takes effect on the 2025 roll for the 2026 City budget. The City Manager and Comptroller then provided responses to Councilmember's questions.

Question 1: If the Council is to look to remove funding from the budget to change to 5% levy growth what would need to be removed from the budget? What would this do to the tax rate? City Manager Hendrix explained that the 2024 Levy was $8,428,837. A 5% increase would be $421,444. Making the 2025 levy $8,850,317, a reduction from the proposed 2025 budget of $1,310,581, making the new tax rate $12.16 per $1,000.

Question 2: Where can we look to see areas to reduce the budget? City Manager Hendrix explained that the proposed budget was crafted catching up on maintenance and other efforts, not an expansion, noting that the City hasn't reached a place where we can proactively work towards future efforts or introduce new offerings. She further explained that reductions may reduce the speed of work that can be done, and services provided, and recommended reviewing departmental budget breakdowns for reductions. An example was given was line 1210.4046 in City Council's budget, where an increase was provided to give Council funding for specialty projects, an area that would be recommended for review. Mayor Valentino encouraged Councilmembers to bring forward a motion on the floor to add or take out items live on the floor.

Question 3: What would the reduction be to the proposed budget if we did not surpass the property tax cap? City Manager Hendrix explained that the proposed tax levy is $10,160,898, while the tax cap limit is $9,852,787, which would mean a reduction in levy of $308,111, bringing the tax rate to $13.54 per $1,000. She further explained that if Council stays below the tax cap there are minimal challenges to not having the override in place, and the reason Council would pass the override is to ensure that if the budget winds up under, but close to the cap, we would be ok. Councilor Pealer recalled the tax cap override being a contentious topic year after year and explained why municipalities lift it, as the State withholds funding if the tax cap is exceeded, and shared that he has no intention of raising taxes about the tax cap. Councilor Brennan wondered about the value of state aid that could be withheld. Comptroller Blowers explained that roughly $2.5 million in State funding, not to say that if the City has a problem with the tax cap that the entire $2.5 million would be withheld. Councilor Lavin wondered if there would be any consequence or loss if the City stays below the cap limit, which Comptroller Blowers explained there is not. Mayor Valentino asked if the budget would have to be reduced to $9.8 million to guarantee funding. Comptroller Blowers explained that the cap is New York State saying "try not to raise taxes too much," and looks at Council raising the levy as a different equation. He recommended the override resolution anyway, and making it known to the State that the City falls underneath it. City Manager Hendrix explained that some governments will rescind the resolution, and discussion followed around giving extra allowance in the event that a PILOT payment is missed, etc. Councilor Gillotte wondered about PILOT payments this year, and was informed that reduced PILOT payments were coming in for some.

Question 4: What did the Senior Exemption do to the budget? City Manager Hendrix explained that it won't impact the budget until 2026. Mayor Valentino explained that sales tax is calculated with the full levy value, including untaxed property, and City Manager Hendrix shared that an audit of not for profits is occurring for the 2025 tax role, for use and contribution. Discussion followed.

Question 5: What has been the growth of the tax levy over the past ten years? City Manger Hendrix explained that the 2014 levy was $6.6 million, and the 2024 levy is $8.4 million. Mayor Valentino wondered what the difference was in other reevaluation years, City Manager Hendrix will come back next week with that data.

Question 6: Why is there such a large increase in the Public Works 7110 budget on page 60? Building Maintenance for specific buildings has been moved from other parts of the budget to Buildings and Grounds as cost centers. These Costs are all one time funded and proposed to come from fund balance. Mayor Valentino noted that there are lots of questions on the topic that will be brought forward next week. Councilor Pealer asked that fund balance transfers into the budget being noted as revenue be highlighted somehow, so Councilmembers can easily identify these items as one-time costs, not recurring costs. City Manager Hendrix explained the regulation behind the fund balance use and its complications when creating the levy, and how it's seen as revenue. Discussion followed.

Question 7: What would the percent change of the budget be if we added the Community Engagement Coordinator to the proposed budget? City manager Hendrix explained that the estimated cost for the position is $95,000 for 2025, anticipating a mid-quarter one onboarding. The new levy amount would be $10,255,898, and the new tax rate would be $14.10 per $1,000. The change to the overall budget would be 0.42%, change to the proposed levy would be 0.93% Councilor Gillotte wondered if the numbers include fringe, City Manager Hendrix confirmed that they do.

Question 8: What is the estimated fund balance expected to roll over in 2024? Comptroller Blowers explained that is a constantly moving number, and as of October 9, the General Fund sits at $4,245,582, Water Fund is at $1,020,471, and Sewer Fund is $1,262,400. Discussion followed.

Question 9: What are the top five spending increases? Overall? Levy Related? City Manger Hendrix shared that salary and benefits increased by $746,000 which includes new staff for 2025; increases in the cost of doing business as overall costs for day to day materials like salt, machinery, and technology all trend up between 12-20%; Continuing to catch up on building maintenance and infrastructure maintenance; equipment cost increases like salt trucks, vehicles, and other heavy equipment; and animal control, while not in the top 5 increases is an imposed increase that nearly doubles the previous allocation. Discussion followed around building conditions and repairs and the intention to not just band aid fix, for example do we repair nine times or replace once, and patching versus fixing. Councilor Pealer wondered about phasing some of these projects, capital improvement five-year plan was reviewed and discussed, and the City Manger highlighted Council's direction to use cash for capitol projects, rather than bond and incur debt, noting that fund balance use doesn't increase taxes. Councilor Pealer then wondered about street reconstruction, noting that some residents don't want full reconstruction of their streets.

Question 10: Where are new staff positions located? City Manager Hendrix reviewed the proposed 1.5 FTE's. The .5 FTE is an IT Network Analyst, to be shared with the City of Canandaigua, and the 1 FTE is for an Administrative Assistant for DPW, to assist working supervisors with administrative work including FEMA reimbursement work. The Safety

Coordinator position will continue from the 2024 budget, discussion followed around attempts to fill that position earlier this year. Another change includes the addition of a Grants Coordinator, who is partially funded by grants in addition to local funding, and a .5 FTE in the Assessor's office in a new shared agreement with the City of Canandaigua. Councilor Pealer noted that Geneva carries the full burden of the shared IT positions, and somewhere the budget shows revenue from the City of Canandaigua. He then noted that if the City employed a part time employee without Shared Services, there would be no full time benefits paid out. Councilor Petropoulos wondered how many other municipalities have a safety coordinator, and how does the position help? City Manager Hendrix explained that every municipality must have a safety coordinator at all times, due to PESH requirements. This was formerly a position add on, and when the person in the role retired, they recommended a whole person for this role alone. She further noted that the City works closely with Ontario County on safety coordination. Councilor Gillotte wondered what the City pays for safety coordination now. Currently there are stipends, under $2,000, and the requirement to have a Safety Committee. It was noted that most members of the Safety Committee do not have a stipend. Councilor Pealer noted that the City has operated forever without this position and has gotten by, allocating funds to existing employees to do the work. Councilor Petropoulos wondered if the City launched a search to fill the role and didn't find someone to fill the role. The City Manager confirmed that was the case, and noted that other municipalities were hiring for the same role at the same time, with higher pay.

Question 11: Where did ONI go? City Manager Hendrix explained that Planning and Economic Development is now the overreaching department for ONI, and the budget code for this department remains 8689.

4. <u>COMPREHENSIVE PLAN DISCUSSION</u>

Mayor Valentino explained that the last comprehensive plan was done in 2018, noting a lot of discussion and references recently to it. Councilor Pealer finds it highly ironic that Council is trying to trim the budget, and this would be spending more, wondering if it's for 2024. Mayor Valentino explained that this motion is for the 2025 budget, and paid from fund balance, with no impact to the tax rate. Councilor Brennan wondered what prompts this initiative, Mayor Valentino explained that since 2018 the nation and the community has experienced a lot of change, noting the impact the pandemic had on the community, and that the comprehensive plan is future focused. Councilor Gillotte agreed that the update is needed. Councilor Lavin shared that he sees this as more paralysis by analysis while facing tax increases, this isn't the year to do it. He further suggested that the City Manager point out $75,000 elsewhere in the budget not to fund instead. Councilor Pealer voiced his support for the plan, with no impact on the budget, noting that the City should have 13-15% fund balance, and is sitting on 19%. He asked Comptroller Blowers if the Comprehensive Plan would bring fund balance in line with where it should be, estimating it to land around 14.9%, Comptroller Blowers agreed that yes, it would be very close. Councilor Pealer further noted that the fund balance does need to be spent down, and if the overall budget is increased, then the amount allocated for fund balance would also need to increase, again voicing support for the Comprehensive Plan if it's paid for out of fund balance. Mayor Valentino reminded Councilmembers that they may bring forward motions as well. City Manager Hendrix shared that she talked to some consultants, and the price is close, also noting that this will position the City for the next DRI initiative as well. Councilor

Gillotte noted that he'd like to see a less detailed plan this time around, the City Manager is supportive of that. Councilor Brennan wondered if the effort could wait, City Manager Hendrix explained that it can, which is why she didn't recommend it for the 2025 budget. Discussion followed around the previous plan being outdated, and an updated plan being a good way to prepare for future growth.

ACTION TAKEN by Mayor Valentino; seconded by Clr. Petropoulos

MOVED TO add in Comprehensive Plan Update for 2025 - $75,000 in City Manager's budget – as a onetime request with the full amount coming from Fund Balance

ROLL CALL VOTE:	**Aye -**	**Clr. Pealer, Clr. Grimaldi, Clr. Gillotte, Clr. Petropoulos, Clr Moracco, Mayor Valentino**
	Nay -	**Clr. Brennan, Clr. Lavin, Clr. Whitfield**

MOTION CARRIED

Mayor Valentino added after the roll call vote that he had intended to bring forward a motion to add Performance Management software and training for the 2025 budget, with an initial setup cost coming from fund balance as well. However, after the conversation related to the Comprehensive Plan, he will hold it over, and push for it in the 2026 budget. He sees this as an important tool for measuring staff effectiveness and meeting benchmarks.
The Mayor also shared that next week he will be making a motion to remove $10,000 from line 6326.4062 for the Cornell Ag/Food Tech Park next week.

5. <u>RESOLUTION – Amending Resolution 61-2024 Proposing the Adoption of Amended Levels of Real Property Tax Exemptions for Senior Citizens Under Real Property Tax Law Section 647</u>

Amendment to Resolution 61-2024 Proposing the Adoption of Amended Levels of Real Property Tax Exemptions for Senior Citizens Under Real Property Tax Law Section 647

City Manager Hendrix presented the following resolution:

WHEREAS, section 467 of the New York State Real Property Tax Law provides for the establishment by taxing municipalities of certain real property tax exemptions for persons over the age of sixty-five; and

WHEREAS, section 467 of the New York State Real Property Tax Law further provides that the governing board of a municipality may establish and amend such real property tax exemptions by adopting, after a public hearing, a local law, ordinance or resolution to such effect; and

WHEREAS, section 318-31 of the Code of the City of Geneva entitled "Exemption for Senior Citizens states that:

Real property owned by one or more persons, each of whom is 65 years of age or over, shall be exempt from taxation by the City of Geneva to the extent of 50% of the assessed valuation thereof; subject to the following conditions:

A. Application; income; exemption.
    1. The owner or all of the owners must file an application annually in the Assessor's Office on or before the appropriate taxable status date or at such other time as may hereafter be fixed by law. The income of the owner or the combined income of the owners of the property must not exceed the sum of $18,000 for the calendar year immediately preceding the date of making application for exemption. Where title is vested in either the husband or wife, their combined income may not exceed the sum. Such income shall include social security and retirement benefits, interest, dividends, rental income, salary or earnings and income from self-employment, but shall not include gifts or inheritance.
    2. A sliding scale exemption pursuant to § 467, Subdivision 1(b)(1), of the New York State Real Property Tax Law shall be provided to certain persons 65 years of age or over.
B. Title to the property must be vested in the owner or all of the owners of the property for at least 24 consecutive months prior to the date of making application for exemption
C. The property must be used exclusively for residential purposes, be occupied in whole or in part by the owners and constitute the legal residence of the owners.

WHEREAS, the City Council of the City of Geneva desires to update and amend the levels of the exemption granted to eligible persons, in accordance with subdivisions one and three of section 467 of the Real Property Law; It is hereby

RESOLVED, by the Geneva City Council that that City of Geneva ordinance 318- 31 A1 be modified as follows at the levels enumerated below *(new language shown in italics, omitted language shown with strikethrough)*:

A. Application; income; exemption
    1. The owner or all of the owners must file an application annually in the Assessor's Office on or before the appropriate taxable status date or at such other time as may hereafter be fixed by law. The *gross* income of the owner or the combined *gross* income of the owners of the property must not exceed the sum of $26,399.99 ~~$18,000~~ for the calendar year immediately preceding the date of making application for exemption. Where title is vested in either the husband or wife, their combined income may not exceed the sum. Such income shall include social security and retirement benefits, interest, dividends, rental income, salary or earnings and income from self-employment, *individual retirement account distributions* but shall not include gifts or inheritance.

Be it further RESOLVED that, the new sliding scale shall be as follows:

$ -	to	$18,000.00	50%
$18,000.01	to	$18,999.99	45%
$19,000.00	to	$19,999.99	40%
$20,000.00	to	$20,999.99	35%
$21,000.00	to	$21,899.99	30%
$21,900.00	to	$22,799.99	25%
$22,800.00	to	$23,699.99	20%
$23,700.00	to	$24,599.99	15%
$24,600.00	to	$25,499.99	10%
$25,500.00	to	$26,399.99	5%
$26,400.00	and over		0%

ACTION TAKEN by Clr. Grimaldi; seconded by Clr. Pealer
MOVED THAT this resolution be approved
MOTION CARRIED UNANIMOUSLY

6. RESOLUTION – 65-2024 Establishing a Public Hearing for a Local Law Overriding the Property Tax Cap

Mayor Valentino presented the following resolution:

WHEREAS, revenues necessary to fund investments include property tax revenues that may exceed a statutory cap set by the State of New York; and

WHEREAS, override of the property tax cap will require adoption of a local law, and holding of a corresponding public hearing.

NOW, THEREFORE BE IT RESOLVED, that the Geneva City Council, hereby and in due form, does establish a public hearing to receive comment on the property tax cap and use of the override mechanism, and directs the City Manager to schedule the hearing for October 23, 2024 at 6:00 p.m.

Councilor Lavin expressed concern for the vote to increase spending tonight, and for taxes being 30% higher than in surrounding communities. He shared that four houses were put on the market this week on South Main Street, and believes this is a result of seniors being unable to pay their taxes, restating his position to keep below the tax cap for the 2025 budget. Councilor Brennan wondered if it's too early to hold a public hearing when Council just said it doesn't want to raise taxes. Mayor Valentino explained that there is still the rest of the month to work on the budget. Councilor Grimaldi reminded the group that this resolution is simply to set the public hearing, and it should be passed just in case.

ACTION TAKEN by Clr. Pealer; seconded by Clr. Petropoulos
MOVED THAT this resolution be approved

ROLL CALL VOTE: **Aye -** **Clr. Brennan, Clr. Pealer, Clr. Grimaldi, Clr. Gillotte, Clr. Petropoulos, Clr. Moracco, Mayor Valentino**
Nay - **Clr. Lavin, Clr. Whitfield**

MOTION CARRIED

7. ADJOURNMENT

ACTION TAKEN by Clr. Petropoulos; seconded by Clr. Gillotte

MOVED THAT the meeting be adjourned at 8:24 pm

MOTION CARRIED UNANIMOUSLY

Nicole Tillotson

City Clerk