Approved

VILLAGE OF GENESEO
BOARD OF TRUSTEES

June 17, 2024
Regular Meeting

Board Present:
Chris Ivers, Mayor
Keith Walters, Deputy Mayor
Marlene Hamann-Whitmore, Trustee
Eddie Lee, Trustee
Alex Livingston, Trustee

Other Village Representatives Present:
Shawn Forrester, Deputy Clerk/Treasurer
Eric Osganian, Police Chief
Andrew Chandler, Fire Chief
Dan Quinlan, Superintendent Public Works

Others Present:
Nick Pezzino, Barton & Loguidice

Meeting Opened:
Mayor Ivers opened the meeting at 5:00pm. All stood for the Pledge of Allegiance.

Action Items:
Nick Pezzino, Senior Project Manager, Barton & Loguidice presented the ***Engineers Agreement for the Wastewater Treatment Plant Project.*** He explained the agreement, as well as the grants that had been and would be applied for. There is much discussion regarding the contract and the funding associated with the project. Deputy Mayor Walters moved to enter an agreement with Barton & Loguidice for Preliminary Engineer Design Phase Only, with costs to not exceed $868,000. Trustee Livingston Seconded. After more discussion the motion passed with ayes from all.

The Board reviewed the ***June 3, 2024, Regular Meeting Minutes***. Deputy Mayor Walters moved to approve the minutes as presented. Trustee Livingston seconded the motion. After some discussion, the motion passed with ayes from all.

The ***Fire Department Membership*** roster was presented. There is discussion regarding the members leaving. It is noted that all were college students that were moving on. Deputy Mayor Walters moved to approve the membership. Trustee Livingston seconded. With no further discussion the motion passed with ayes from all.

Fire Chief Chandler was present to request approval to spend The ***Fire Truck Reserves*** previously approved for the new Fire Truck. There is discussion regarding the new truck. Deputy Mayor Walters moved to approve the request. Trustee Livingston seconded. With no further discussion the motion passed with ayes from all.

The ***Liquor License for the Big Tree Inn*** was presented. There was discussion about the request. Trustee Hamann-Whitmore moved to approve the request for a 30 Day Liquor License Waiver. Deputy Mayor Walters seconded. With no further discussion the motion passed with ayes from all.

Abstract #013 for May in June 2024 of the 2023-2024 Fiscal Year: Following review by Mayor Ivers, the Board reviewed Abstract #013 of the 2023-2024 Fiscal Year. Trustee Livingston moved to approve payment for The General Fund Vouchers in the amount of $82,987.10. Deputy Mayor Walters seconded. After discussion the motion passed with ayes from all. Deputy Mayor Walters moved to approve payment of The Water Fund Vouchers in the amount of $15,389.16. Trustee Livingston seconded. With no further discussion the motion passed with ayes from all. Deputy Mayor Walters moved to approve payment of The Sewer Fund Vouchers in the amount of $25,198.49. Trustee Livingston seconded. With no further discussion the motion passed with ayes from all.

Abstract #01 for June 2024 of the 2024-20245Fiscal Year: Following review by Mayor Ivers, the Board reviewed Abstract #03 of the 2024-2025 Fiscal Year. Deputy Mayor Walters moved to approve payment for The General Fund Vouchers in the amount of $75,236.66. Trustee Livingston seconded. After discussion the motion passed with ayes from all. Deputy Mayor Walters moved to approve payment of The Water Fund Vouchers in the amount of $17,647.59. Trustee Livingston seconded. With no further discussion the motion passed with ayes from all. Deputy Mayor Walters moved to approve payment of The Sewer Fund Vouchers in the amount of $16,722.38. Trustee Livingston seconded. With no further discussion the motion passed with ayes from all.

The ***SUNY Geneseo Ice Cream Truck request*** was introduced for the previously approved park use event on August 21, 2024. Deputy Mayor Walters moved to approve the request for an Ice Cream Truck on August 21, 2024. Trustee Livingston seconded. With no further discussion the motion passed with ayes from all.

Discussion Item:
The Board and the Department Heads had a lengthy discussion regarding the current ***Reserve Policy.*** It is decided that the fund limits should be adjusted for inflation, but more research is necessary.

7. Executive Session:
Deputy Mayor Walters moved to enter executive session at 6:41pm to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal, or removal of a particular person or corporation and proposed, pending or current litigation. Trustee Livingston seconded the motion, and the Board entered into an executive session. Deputy Mayor Walters moved to come out of executive session at 6:46pm. Trustee Livingston seconded. The motion passed with ayes from all. It was noted that no action was taken during the executive session.

Adjourn:
Deputy Mayor Walters moved to close the meeting at 6:47pm. Trustee Livingston seconded. With no further discussion the meeting was closed with ayes from all.

Shawn Forrester
Deputy Clerk/Treasurer

Attachment for June 17, 2024 Minutes

Board Direction and Oversight

Reserve funds can be excellent financial planning tools when combined with a realistic analysis of future financial needs and obligations. All too often, however, reserve funds are established and substantial cash is accumulated without due diligence in monitoring the reasonableness of reserve fund balances. To help ensure that reserve funds are being properly established for an authorized and needed purpose, and the balances in existing reserve funds are not accumulated excessively or unnecessarily, governing boards should answer the following questions:

- Has legal counsel provided guidance on the authority to establish new reserve funds? Has the financial need or purpose served by the reserve been identified? Does the reserve fit within or complement the long-range financial or capital plans of our locality?
- Has a written reserve fund plan or policy been developed? What events and obligations is the board planning for? Is cash being accumulated for the purchase of a major piece of equipment or to help finance other major capital outlays? Is cash being sequestered to help mitigate the impact of other large, nonrecurring expenditures? Are there risks that need to be protected against? Does the board's policy address replenishing depleted reserve balances, as appropriate?
- Is the board provided with periodic financial reports on reserve fund activity? Are reserve balances at an appropriate level?
- Has the board reviewed all reserve funds currently established and determined if the balances are necessary and reasonable? Is there a limit on the dollar amount to be accumulated? Is the reserve serving the purpose for which it was established? Are the best interests of the taxpayers being met?

Any governing board that is planning to establish and finance reserve funds on a regular basis should develop a written policy that communicates to taxpayers why the money is being set aside, the board's financial objectives for the reserves, optimal funding levels, and conditions under which the assets will be utilized. Boards should also periodically assess the reasonableness of the amounts accumulated in their reserves. When conditions warrant (subject to legal requirements), the board should reduce reserve funds to reasonable levels or liquidate and discontinue a reserve fund that is no longer needed or whose purpose has been achieved.

Reserve funds can be excellent financial planning tools when combined with a realistic analysis of future financial needs and obligations.

Visibility of Reserve Fund Transactions

Reserve funds are typically funded from amounts raised through the annual budget process, transfers from unexpended balances of existing appropriations, and surplus moneys.

All reserve fund transactions should be transparent to the public. Reserve funds are typically funded from amounts raised through the annual budget process, transfers from unexpended balances of existing appropriations, and surplus moneys. Ideally, amounts to be placed in reserve funds should be included in the annual budget. By making provisions to raise resources for reserve funds explicit in the proposed budget, the board gives voters and residents an opportunity to know the board's plan for funding its reserves. When appropriations for transfers to reserve funds are not anticipated in the annual budget, a governing board resolution is generally necessary to authorize the transfer of unexpended balances or surplus money into a reserve fund. The resolution should include specifics about the amount to be transferred and the reserve fund to be credited. These resolutions help promote visibility of the board's actions to taxpayers.

The expenditure of reserve fund money is generally guided by the specific statute authorizing the reserve fund. Due care should be taken to adhere to all statutory requirements, as well as to make appropriate disclosure of such transactions in the budget, accounting records, and financial reports.[2]

Investment of Reserve Funds

Generally, reserve funds must be invested under provisions of the General Municipal Law.[3] Interest earned and capital gains realized on investments accrue to, and become part of, each reserve fund. In short, interest and gains on reserve fund balances "follow the principal." If reserve fund cash is commingled with other moneys for investment purposes, each reserve fund must receive its prorated share of any interest or capital gains earned on the total investment. Reserve fund moneys are not required to be kept in separate bank accounts, but the law generally requires that separate accounting records be kept for each reserve fund.

[2] Note that most reserve fund statutes expressly declare that the members of the governing board are trustees of the reserve fund and are subject to all of the duties and responsibilities imposed by law on trustees. Most reserve fund statutes also provide a misdemeanor sanction for governing board members if they authorize a withdrawal from the fund for any purpose other than that authorized under the statute or expend any money withdrawn from the fund for an unauthorized purpose.

[3] General Municipal Law, Section 11

Reserve Fund Accounting Records and Reports

The accounting records for each reserve fund generally must show:

- The date and amount of each sum paid into the fund
- Interest earned by the fund
- Capital gains or losses resulting from the sale of investments of the fund
- The amount and date of each withdrawal from the fund
- The total assets of the fund, showing cash balance and a schedule of investments.

This information may be used for the detailed report of the operation and condition of the fund that must be submitted to the governing board each year.

The Office of the State Comptroller will assist you with any questions you have regarding the information contained in this guide or any special circumstances with which you may need assistance. The addresses and telephone numbers for each of our regional offices, and our legal staff, are located at the end of this publication. Please contact the regional office for your locality or, for legal issues, our legal staff with any questions you may have.

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RESERVES AUTHORIZED BY THE GENERAL MUNICIPAL LAW (GML)

Capital Reserve Fund (GML Sections 6-c, 6-g)

Purpose:

To finance all or part of the cost of construction, reconstruction, or acquisition of:

- A "specific" or "type" capital improvement
- The acquisition of a "specific" or a "type" item(s) of equipment.

The term "capital improvement" means: any physical improvement and any related preliminary studies and surveys; lands or rights in land; any furnishings, equipment, machinery, or apparatus for any physical improvement acquired at the time when such improvement is constructed, reconstructed, or acquired.

The term "equipment" includes any equipment, machinery, or apparatus not included in the definition of capital improvement and for which a period of probable usefulness has been provided by law.[4]

Some examples of specific and type capital reserves are as follows:

	Capital Improvements	Equipment
Specific	City Hall Town Garage County Jail Firehouse Sewage Disposal Plant Off-Street Parking Lot	Pumper Truck Sanitation Truck Bulldozer Snowplow Ambulance
Type	Land Buildings Building Alterations	Snow Removal Equipment Street Cleaning Equipment Highway Equipment Fire Apparatus

Who May Create:

Counties, cities, villages, towns, fire districts, and town or county sewer and water improvement districts may create both specific and type capital reserves.[5]

One exception is that capital reserve funds may not be established for capital improvements constructed, reconstructed, or acquired or equipment acquired as follows:

- On behalf of an improvement district or other similar district (other than a sewer and/or water district) located within a municipality
- Where all or part of the costs are borne by assessments for benefit or ad valorem taxes upon real property within the area of benefited in a municipality (other than a sewer and/or water district).[6]

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[4] For periods of probable usefulness, see Local Finance Law, Section 11.00.

[5] School districts may create capital reserves as authorized by Education Law, Section 3651[1]. See page 23 of this publication for additional information on school district capital reserves.

[6] However, if a capital reserve fund is established for a specific improvement and it is later determined that part of the cost of the capital improvement is to be borne by assessments or ad valorem taxes on real property within the area benefited, then moneys in the fund may be used to pay all or part of the share of the costs to be borne by the municipality at large.

How to Create and Use:

Specific Capital Reserves

A governing board's authorization (resolution) establishing a specific improvement or equipment capital reserve must state the estimated maximum cost of the item(s) of equipment or improvement. A sample resolution for establishing a specific capital reserve is included in Appendix C.

The action of a governing board establishing a specific capital reserve is subject to permissive referendum if an authorization to issue indebtedness for the same improvement or equipment is subject to either a permissive or mandatory referendum, except for fire districts. For fire districts, action of the board of fire commissioners establishing any capital reserve fund may not take effect until approved by a vote of qualified electors of the fire district (i.e., a mandatory referendum), effective January 1, 2007.

There are no referendum requirements for expenditures made from a specific capital reserve fund. However, expenditures from specific capital reserve funds can only be made upon authorization of the governing board.

Type Capital Reserves

The governing board should authorize (by resolution) the establishment of a type improvement or equipment reserve but, there is no requirement to state an estimated maximum cost of the equipment or improvement in the resolution. A sample resolution for establishing a type capital reserve is included in Appendix D.

A referendum is not required when establishing a type capital reserve fund, except in fire districts. For fire districts, action (resolution) of the board of fire commissioners establishing *any* capital reserve fund may not take effect until approved by vote of qualified electors of the fire district (i.e., a mandatory referendum), effective January 1, 2007.

For certain municipalities, expenditures made from a type capital reserve are subject to permissive referendum. If an authorization to issue indebtedness for the purchase of such improvement or equipment is subject to either permissive or mandatory referendum, then the expenditure of type capital reserve funds for the same purpose is generally subject to permissive referendum.

Contingency and Tax Stabilization Reserve Fund (GML Section 6-e)

Purpose:

To finance certain unanticipated revenue losses or unanticipated expenditures chargeable to the "eligible portion of the annual budget," and to lessen or prevent projected increases in excess of 2½ percent of the amount of the real property tax levy needed to finance the eligible portion of the annual budget.

The law defines "unanticipated expenditure" as "an expenditure for a specific purpose for which there is no or insufficient appropriation or which will cause an appropriation to be insufficient that is necessitated by a change in federal or state laws, rules, or regulations, a court order, judgment or decree, a public emergency, or an industry-wide price, rate or premium increase, which takes effect or occurs after final adoption of the annual budget and which could not have been reasonably anticipated prior to final adoption of the annual budget."

An "unanticipated revenue loss" means "estimated revenue which is rendered not receivable because of a change in federal or state laws, rules or regulations, a court order, judgment or decree, or other circumstance, which takes effect or occurs after final adoption of the annual budget and which could not have been reasonably anticipated prior to final adoption of the annual budget."

The "eligible portion of the annual budget" means, in the case of a contingency and tax stabilization reserve fund established for: (1) a county, city, village, or fire district, the general fund portion of the annual budget; (2) a town, the town-wide general fund and highway fund portions of the annual budget; and (3) the part of a town outside any villages, the general and highway fund portions of the annual budget for such part of the town.

Who May Create:

Counties, cities, villages, and fire districts and towns (for town-wide and part-town general funds and highway funds).

How to Create and Use:

Created by resolution of the governing board subject to permissive referendum. Generally, may be used only upon recommendation of the chief executive officer and resolution adopted by at least two-thirds of vote of the governing board.

Source of Funds:

Budgetary appropriations, unappropriated unreserved fund balance, and such revenues not required by law to be paid into any other fund or account. No amount may be appropriated for payment into a contingency and tax stabilization reserve fund that would cause the balance of the fund to exceed 10 percent of the eligible portion of the annual budget for the fiscal year for which the appropriation would be made.

Special Limitation on Maximum Amount in Fund:

When preparing a tentative budget, if the current balance of the contingency and tax stabilization fund exceeds 10 percent of the eligible portion of the annual budget for the current fiscal year, any excess must be used to reduce the amount of real property taxes needed to finance the eligible portion of the annual budget for the next fiscal year.

There are three additional limitations on the use of moneys in the fund:

- The maximum that may be used to finance an unanticipated revenue loss shall equal either the amount of revenue actually received for the base year[14] or the amount of the estimated revenue for the current fiscal year, whichever is less, minus the amount of the revenue actually received for the current year. In addition, moneys in the fund may be used only to finance that portion of an unanticipated revenue loss which, as a matter of law, cannot be financed from moneys available in any other account or fund.
- The maximum that may be used to finance an unanticipated expenditure shall equal the sum of the amount of the unanticipated expenditure and the amount appropriated for that purpose for the current fiscal year minus either the amount appropriated for that purpose for the current fiscal year or the actual expenditure for the same purpose in the base year, whichever is greater. In addition, moneys in the fund may be used only to finance that portion of an unanticipated expenditure that, as a matter of law, cannot be financed from moneys available in any other account or fund.
- The maximum that may be used to lessen or prevent a projected increase in excess of 2½ percent of real property tax levy needed to finance the eligible portion of the annual budget shall equal the difference between the projected amount of the real property tax levy and 102½ percent of the amount of the real property tax levy needed to finance the eligible portion of the annual budget for the current fiscal year.

Use of Unexpended Balances:

Subject to a public hearing on 15 days notice, unexpended balances may also be transferred to a Retirement Contribution Reserve Fund.

[14] Base year for this purpose means the most recent fiscal year for which an annual report has been filed with the State Comptroller pursuant to General Municipal Law Section 30.

Snow and Ice Removal and Road Repair Reserve (GML Section 6-f)

Purpose: To pay for the cost of removal of snow and ice from public thoroughfares and public places of a municipal corporation, and the cost of repairing and maintaining roadways to the extent that such damage was caused by the removal of snow and ice, provided that such snow and ice removal or repairs and maintenance are of a type not likely to recur annually or at shorter intervals.

Who May Create: Municipal corporations (counties, cities, villages and towns).

How to Create and Use: A referendum is not required to establish this reserve. However, except with respect to emergencies as indicated below, a resolution appropriating moneys from this reserve fund is subject to a public hearing after prior public notice has been published. At least five days must elapse between the publication of the notice and the date specified for the hearing.

In an emergency, moneys in this reserve may be expended without a public hearing, by resolution approved by at least a two-thirds vote of the governing board. At least one-half of the moneys expended must be repaid in the next fiscal year and the balance repaid by the end of the fiscal year after that.

Sources of Funds: Budgetary appropriation, revenues that are not required by law to be paid into any other fund or account (e.g., transfers from unexpended balances of existing appropriations, surplus moneys).

Special Provisions: If a town is located wholly or partly within the Adirondack Park (see Appendix B) and has State lands subject to taxation assessed at more than 30 percent of the total taxable assessed valuation of the town, the establishment of, and appropriations from, the snow and ice removal and road repair reserve fund in the town is subject to the consent of the State Comptroller.

Use of Unexpended Balances: In general, all or any part of a reserve fund for snow and ice removal and road repair may be transferred to a capital reserve fund, a repair reserve fund, or a tax stabilization reserve fund. In addition, subject to a public hearing on 15 days notice, unexpended balances may also be transferred to a Retirement Contribution Reserve Fund.

Reserve Fund for Payment of Bonded Indebtedness (GML Section 6-h)

Purpose: To pay or purchase one or more issues of certain bonds of a town, village, city, county, or fire district; however, such a bonded indebtedness reserve fund may not be established for, or used to pay, obligations payable in the first instance from assessments or from taxes levied on an area smaller than the entire town, village, city, county, or fire district.

Expenditures may be made only for the payment of the principal and interest on bonds issued by such municipality or fire district and forming a part of an issue having a maximum maturity of not less than five years or for the purchase of bonds issued by such municipality or fire district and forming a part of an issue having a maximum maturity of not less than five years, subject to certain additional restrictions as to purchase price and terms. If the current budget provides for payment of principal and interest on bonds or the purchase of them from sources other than a reserve fund, moneys of the bonded indebtedness reserve fund may not be used to pay debt service or purchase the bonds during the current fiscal year.

Who May Create: Municipal corporations (counties, towns, cities, villages) and fire districts.

How to Create and Use: Created by resolution of the governing board. Appropriation pursuant to resolution of the governing board to expend money on permitted uses. No referendum is required to establish or expend moneys from the bonded indebtedness reserve fund.

Sources of Funds: Budgetary appropriations, revenues not otherwise appropriated or required by law to be paid into any other fund or account (e.g., transfers from unexpended balances of existing appropriations, surplus moneys).

Special Provisions: In any town located wholly or partly within the Adirondack Park (see Appendix B) that has State lands subject to taxation assessed at more than 30 percent of the total taxable assessed valuation of the town, a bonded indebtedness reserve fund may not be established unless the State Comptroller consents, and no expenditure or transfer may be made unless the State Comptroller consents.

Use of Unexpended Funds: The governing board of a municipal corporation may, subject to a permissive referendum, authorize the transfer of all or a portion of a bonded indebtedness reserve fund to a capital reserve fund. In a fire district, subject to voter approval at a regular or special election, the board of fire commissioners may authorize a transfer of all or a portion of the fund to a capital reserve fund.

Appendix C

Sample Resolution Establishing a Capital Reserve Fund to Finance a Specific Capital Improvement or Item(s) of Equipment

RESOLVED, that pursuant to Section 6-c [6-g for fire districts] of the General Municipal Law, as amended, there is hereby established a capital reserve fund to be known as the " __________ Reserve Fund" (hereinafter "Reserve Fund"). The purpose of this Reserve Fund is to accumulate moneys to finance the cost of a specific [capital improvement] [item(s) of equipment]. The specific [capital improvement] [item(s) of equipment] to be financed from the Reserve Fund [is] [are] the [construction] [reconstruction] [acquisition] of ____________________. The estimated maximum cost of such [capital improvement] [item(s) of equipment] is ____________________.

The chief fiscal officer is hereby directed to deposit and secure the moneys of this Reserve Fund in the manner provided by Section 10 of the General Municipal Law. [The governing board] [The chief fiscal officer] may invest the moneys in the Reserve Fund in the manner provided by Section 11 of the General Municipal Law, and consistent with the investment policy of the [local government]. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of the Reserve Fund. The chief fiscal officer shall account for the Reserve Fund in a manner which maintains the separate identity of the Reserve Fund and shows the date and amount of each sum paid into the fund, interest earned by the fund, capital gains or losses resulting from the sale of investments of the fund, the amount and date of each withdrawal from the fund and the total assets of the fund, showing cash balance and a schedule of investments, and shall, at the end of each fiscal year, render to the Board a detailed report of the operation and condition of the Reserve Fund.

Except as otherwise provided by law, expenditures from this Reserve Fund shall be made only for the purpose for which the Reserve Fund is established. No expenditure shall be made from this Reserve Fund without the approval of this governing board and such additional actions or proceedings as may be required by Section 6-c [6-g] of the General Municipal Law and any other law.

This resolution is subject to permissive [mandatory] referendum pursuant to subdivision 4 of Section 6-c [6-g] of the General Municipal Law.

Note: If the moneys in the Reserve Fund will consist of town highway moneys, the establishment of the Reserve Fund is also subject to the consent of the town superintendent of highways and the approval of the county superintendent of highways. Expenditures would be made on order of the town superintendent of highways upon audit and with the consent of the town board.