



9.23.25 Budget Meeting Questions & Answers

Public Works, Water, and Sewer

1. Overview of the General Fund:

Anything that is funded by taxes and local fees. General funds are based on tax allocations for things that don't generate revenue as a primary fund driver.

2. Overview of Enterprise Fund:

An enterprise fund is a government accounting mechanism that tracks operations, like a private business, that are funded by user fees for the services they provide. Unlike other government funds, an enterprise fund aims to be self-supporting by using revenues generated from user charges (such as water or sewer) to cover its own operating and capital costs.

3. Why do municipalities have separate funds:

The segregation of funds provides a clear view of the total cost of providing a service and allows for better financial management and sustainability of the service itself.

4. Strengths to Enterprise funds

- **Separate Accounting:** Allows to track how funds perform. For example, the business is selling water service and we are charging our customer the amount to provide the service.
- **Cost transparency:** By separating the finances of a particular service, enterprise funds provide a clear picture of the total costs and revenues associated with that activity.
- **Dedicated funding for infrastructure:** Revenue collected through an enterprise fund can be reinvested directly into maintaining and improving the service's infrastructure. This helps prevent funds from being diverted for unrelated general government purposes.
- **Financial flexibility:** With a self-sustaining revenue stream, enterprise funds often have the autonomy and creditworthiness to issue revenue bonds for large-scale capital projects, such as building a new treatment plant, without burdening the general fund.

5. Challenges in enterprise funds

- **Potential for inequity:** The user-pays system can disproportionately impact low-income residents who may struggle to afford essential services like water or electricity. This can raise public policy and equity concerns.
- **Vulnerability to economic shifts:** An enterprise fund's revenue is directly tied to usage. Economic downturns or changes in demand can decrease revenue.
- **Rate-setting challenges:** Municipalities must find a balance between setting affordable rates for the public and generating enough revenue to cover all costs, including depreciation and capital improvements.
- **Complex accounting and valuation:** Establishing an enterprise fund requires specific, and sometimes complex, accounting.
- **Risk of revenue volatility:** An enterprise's expenses may not always be stable. For instance, a water utility is susceptible to large expense spikes from extreme weather events, which can increase the need for working capital.

6. Overview of municipal water and sewer rates:

There is not a universal water and sewer rate for New York State.

- City of Geneva uses metered volumes of water consumption to measure usage; Billing cycles are quarterly
- We charge a one time tap fee for any new customer (currently \$9,800)
- Rates include Operation and Maintenance(O&M)
- We do not impose separate capital charges for infrastructure upgrades
- We charge 5% penalty for late fees
- NYCOM: <https://www.nycom.org/resources/nycom-survey-results?highlight=WYJ3YXRlcilslInJhdGVzIl0=>

7. The Water & Sewer Fund shows a transfer to other funds. What is the purpose, frequency, and reason for interfund transfers from enterprise funds in 2026?

- Both water and sewer have transfers to the General Fund. This is done annually to cover the costs of general fund employees that spend some of their time doing work for water and sewer funds. Staff from DPW, Clerk, City Manager, Finance, IT, and HR provide support to Water and Sewer operations.
- The annual transfer is reviewed by our auditors.
- We are reviewing our framework for the allocation of staffing to each fund as well as part of the current water and sewer rate study.

8. 2026 expected payments from the water and sewer funds to city general fund.

- Water Fund: Total amount to be transferred is \$369,217. This can be found on page 83 of the budget book.
- Sewer Fund: Total amount: Total amount to be transferred is \$324,067 This can be found on page 89 of the budget book.

9. Explanation of fees to outside municipalities and where these funds are fund.

- Water Fund: The water fees are charged based on consumption. This number is not broken out by outside municipal users vs. City of Geneva municipal users. The expected income for water fees are all encompassing via rate revenue. This practice is being reviewed as part of the Water and Sewer fund rate study.
- Sewer Fund: The share paid by Non-City of Geneva municipalities can be found on page 86 of the budget book.
 - i. We currently have two intermunicipal agreements from Town of Geneva and Town of Waterloo for wholesale sewer use. Each municipality is provided a capacity limit that they pay for annually as well as a % of debt related to capital improvements.
 - ii. The Town of Geneva uses its capacity to provide sewer services to the Town of Seneca but only purchases capacity. The City of Geneva does not have agreements with the Town of Seneca as the Town of Geneva does not exceed their allowable capacity.
 - iii. Total amount of municipal sewer fees for 2026 is \$865,953
 - iv. If there were a 30% increase on the municipal sewer fees the increase would be \$259,785; New Total would be \$1,125,738.90

10. Difference between wholesale municipal customer and local customer.

A wholesale sewer customer is another municipality, like the Town of Geneva or the Town of Waterloo, that doesn't run its own wastewater treatment plant. Instead, they contract with the City to move and treat their wastewater. They manage their own collection system within their borders but rely on our larger lines and treatment facilities. A local customer is an individual property inside the City that connects directly to our system.

11. Could I get a current estimate of impact of converting city to sewer rates established by assessments rather than usage.

Based on conversations with NYCOM, moving to an assessment-based model would operate like a tax. That means tax-exempt properties would also be exempt from sewer

charges, leaving fewer properties to cover the overall cost. We're continuing to look at different models through the water and sewer rate study. Adam will also be sharing literature with Council on this approach so you can see more detail.

12. Detail on the shared Highway/Sewer services.

We don't have formal agreements with individual towns for highway services. Instead, we work within the Ontario County framework and rely on a strong mutual aid system among area highway departments.

Here's what that looks like in practice this year:

Support we've provided:

- One week of trucking for the Town of Phelps for paving.
- Equipment loans to the Town of Geneva (vac-con, air compressor, bucket truck, brush hog, asphalt roller).
- Trucks for oil/stone projects.
- Minimal assistance to the Town of Seneca with vac-con and sewer camera.
- A day of sweeping in Gorham when their equipment broke down.

Support we've received:

- Seneca, Phelps, Geneva, Gorham, and Waterloo all pitched in during our milling and paving project, giving almost 480 hours of trucking support. That saved us about \$96,000 compared to hiring private contractors—all for the cost of a few pizzas and wings.
- The Town of Geneva also uses our tree and debris staging site and covers about 25% of the grinding/mulching invoice.

This type of cooperation saves us significant money and ensures we can all step in to help each other when needed.

13. Could we get a list of all parkland in the city by acreage and how many are subject to state repurposing requirements.

- The total acreage of parks can be found on page 71 of the budget book.
- Every park is subject to park alienation laws. However, note that park alienation laws are not limited to parcels that have been officially designated as "parks"; the relevant inquiry is a factual one, whether the facts and circumstances demonstrate that the property is treated as public parkland.

14. Can we estimate STR revenues if we limited licenses to 100 units and doubled the licensing fee?

We currently have 97 active short-term rental listings, with 85 owners completing the registration and application process. Our revenue is collected per bedroom, not per license.

- Current status: 214 bedrooms registered; ~27 bedrooms remain unregistered (with a margin of +/-10).
- Annual revenue: \$53,500 collected on the 214 registered bedrooms.
- Potential additional revenue: \$6,750–\$9,250 if the remaining bedrooms are captured.
- Fee structure: \$250 per bedroom, collected on a two-year cycle – we are collecting \$500 per bedroom at time of payment (so amounts fluctuate year to year).

Because our system is based on bedrooms, not licenses, capping the number of STR units would not directly change revenue. Any change in fee structure would need to be tied to bedrooms to align with our current model.

15. Where do bonded marina project funds rest, and what is recommended for those funds in this budget?

- We borrowed \$3.2 million in total for the marina project. These funds are held with our financial institution, where they are earning interest while we also pay interest on the borrowing.
- The funds may be used for pier stabilization and for any local match requirements if state funders allow us to repurpose marina dollars to replace the current dock structures and stabilize the pier. Pier work is necessary to ensure public safety.
- If Council decided to return all or part of the borrowed funds, it would reduce our overall debt service load. Not all of the \$3.2 M could be returned as some of it has been spent on bond costs.

16. GF debt service rises to \$2.38M in 2026. What are the drivers, and how do 2026 CIP decisions affect this line beyond 2027?

- The \$2.38M already reflects projects previously approved and borrowed for
- The 2026 CIP is the first chance Council has to influence long-term debt moving forward.
- Debt service payments for a CIP project begin the year after approval, not in the year of adoption.

- The principal and interest lines driving these numbers can be found on page 17 of the budget under the “Debt” section. The first two lines show the amounts contributing to the 2026 figure.

17. The General Fund totals \$22.45M; levy \$9.05M (+2%). Why was 2% chosen given the unfunded essentials and ability to offset with reserves?

- The 2% increase was chosen as a conservative starting point in the absence of direct Council guidance. It allows us to maintain essential services while leaving flexibility for Council to adjust.
- We did consider higher rates, but this approach keeps us aligned with Council priorities and allows for further discussion. Fund balance can be used for one-time expenses, but it would not be prudent to rely on it for recurring, multi-year costs.

18. Municipal Fund Balance Overview:

A municipal fund balance is essentially the funds savings account. It represents the difference between what we’ve collected (revenues) and what we’ve spent (expenditures) over time. At the end of each year, any unspent funds or revenues collected beyond what was budgeted contribute to the fund balance.

In budgeting, the fund balance is used in a few keyways:

- **Cushion for emergencies:** Provides flexibility to respond to unexpected expenses, such as storm damage, equipment failures, or other unplanned costs.
- **Stabilizing operations:** Helps manage cash flow and cover expenses while we’re waiting for revenues (like property taxes) to come in.
- **One-time investments:** Can be applied to one-time purchases or projects, such as equipment, studies, or capital improvements.

What it is not best suited for is covering ongoing, recurring costs (like salaries or multi-year contracts). Using savings that way creates a structural gap because the expense continues each year, but the fund balance does not automatically refill.

Best practice: The Government Finance Officers Association (GFOA) recommends municipalities maintain a minimum of two months of operating expenses (roughly 16–17% of annual expenditures) in unrestricted fund balance. Many communities aim for 15–25% as a healthy range. Our council directed ranges are below.

The Council's General Fund Balance range is located on page 5 of the budget book. And is 12-15%. With usage in 2026 recommended budget of \$835,764, the fund balance will be at ~20%.

The Council's Sewer Fund Balance range is located on page 5 of the budget book. The range is 30%-35%. With usage in 2026 recommended budget, the fund balance will be at ~33%.

The Council's Sewer Fund Balance range is located on page 5 of the budget book. The range is 30%-35%. With usage in 2026 recommended budget the fund balance will be at ~34%.

19. Which technology or process investments were cut that would produce measurable savings/revenue in ≤24 months (e.g., asset management, permitting, FOIL/records, meter tech)? Identify the payback profile

- **Performance Metric Software** – Improves efficiency, identifies areas for cost reduction, and enhances data-driven decision making. (Reference model: ICMA and GFOA research show pm software typically yields 5-15% efficiency gains in staff and operating costs)
- **Flow Meter for Fire Department** – Accurate water flow measurement can reduce equipment wear and improve operational efficiency. (Reference model: Initial research noted that flow meters save \$3-5K annually on avoided pump maintenance)
- **Hose Dryer** – Extends life of fire hoses, reducing replacement costs. (Reference model: Fire protection equipment suppliers note dryers can extend lifespan by 2-3 years)
- **SCBA Washer** – Proper cleaning prolongs SCBA life and reduces equipment replacement costs. (Reference model: Departments using washers report 25-30% longer SCBA service life)
- **Thermal Imaging Cameras** – Can reduce property damage and improve firefighter efficiency in emergencies, indirectly lowering costs. (Reference model: Case studies from NFPA and FEMA-funded programs show thermal imaging can reduce fire loss costs by 10-20% per incident)
- **Grant Writer / Grant Administrator (for DPW or all departments)** – Could generate new revenue through secured grants within the first year. (Reference model: GFOA benchmarking shows grant writers generate \$3-5 in external funds for every \$1 of salary/benefits)

- **Replacement Vehicles** – Investing in replacement vehicles reduces long-term costs by lowering maintenance and repair expenses, improving fuel efficiency, and minimizing downtime, ensuring staff can operate reliably and efficiently. However, due to the upfront cost of the replacement, we are unlikely to see those savings in the first 24 months.
- **Electrician** – Potential outsourcing costs on this that we could save.

Investment	Est. Initial Cost	Est. Annual Savings / Revenue	24-Month Savings	Payback Period
Performance Metric Software	\$50,000	~\$25,000 (efficiency gains, avoided costs)	~\$50,000	~24 months
Hose Dryer (Fire Dept.)	\$16,000	~\$8,000 (longer hose life, reduced replacement)	~\$16,000	~24 months
SCBA Washer (Fire Dept.)	\$30,000	~\$15,000 (extended equipment life, reduced cleaning costs)	~\$30,000	~24 months
Flow Meter (Fire Dept.)	\$2,500	~\$4,500 (reduced pump wear, optimized water use)	~\$9,000	<12 months
Grant Writer (All Depts.)	\$75,000 (salary/benefits)	\$100,000–\$300,000 (secured grants)	\$200,000 +	<12 months
Thermal Imaging Cameras	\$4,000	~\$10,000 (reduced property loss, faster operations)	~\$20,000	<12 months

20. Provide a list of any new or materially changed fees used to balance 2026 so we can separate structural from temporary.

- Recommendation of fee/rate review in 2026 in coordination with each department and the Comptroller.
- The only changes in fees proposed in 2026 are the administrative fee for tax foreclosures increasing from \$150 to \$250.
- Page109 shows all current rates/fees

21. Are there anticipated changes in PILOTS?

- All current PILOT agreements are found on page 115 of the budget book.
- If new PILOTS come online in 2026, they will be incorporated into the budget at that time, we have not included any new PILOTS in anticipation of IDA approvals.

22. If funds were used from fund balance to the equipment replacement fund what is the process? Why was this not done?

- We did allocate funds from fund balance to purchase one-time equipment.
- Money can be moved from fund balances (each fund has their own reserve fund for equipment)
- Equipment funds are found on page 99
- We are utilizing general fund, water fund, and sewer fund for some equipment purchases but did not include funds into the equipment reserve due to maintaining the budget at only a 2% levy increase.

23. Grant Writer

There are two grant writer positions that are not included in the 2026 budget. The first is for a grant writer for all departments which would be located in the City Manager's office along with the Grant Administrator. The Assistant City Manager has oversight over this division of operations. The second proposed position would be in the Department of Public Works to work directly with DPW on their grant programs as well as FEMA claims.

Without a grant writer we are still writing grants (our metrics on grant funds received can be found on page 41 of the budget book). We are doing this with generous support from community members, through funding in the Department of Planning and Economic Development (page 55, line 4028), and in house as staff have availability.

If funded, we believe a grant write could generate new revenue through secured grants within the first year. (Reference model: GFOA benchmarking shows grant writers generate \$3-5 in external funds for every \$1 of salary/benefits)

One note of caution: Hiring a municipal grant writer can be difficult due to pay difference between private and public sector grant writing.

24. Time Keeping

Time keeping was not funded in 2025 and is not added in 2026. We are still moving towards collective negotiations to implement a timekeeping system.

The first year of implementation will have more costs than renewal years for these systems.

The return on investment for electronic timekeeping comes from both direct savings and indirect efficiencies. Automating clock-in/clock-out reduces payroll errors and prevents overpayments, while also cutting down on the staff time currently spent entering, verifying, and correcting timesheets. The system also ensures compliance with labor rules by accurately tracking overtime, breaks, and leave, which lowers the risk of disputes or penalties. Beyond cost savings, electronic timekeeping provides

valuable data that can highlight overtime trends, scheduling inefficiencies, and staffing needs—helping the City make better operational decisions over time.

25. Statement from Director Venuti on Deferred Maintenance Costs

Deferred maintenance and disinvestment almost always cost more in the long run. When routine upkeep on roads, buildings, vehicles, or equipment is delayed, small issues compound into larger, more expensive problems that require full replacement rather than repair. This not only drives up future capital costs but can also increase operating expenses; whether through higher energy use, more frequent breakdowns, or emergency fixes. Consistent investment in maintenance protects assets, extends their useful life, and helps stabilize future budgets by avoiding sharp, unexpected spikes in spending.

Next Budget Meeting: September 30, 2025 at 6pm

Topic Areas: Recreation, Fire, and Administrative Departments Part 1

Future Council and Budget Meetings:

- City Council Regular Meeting: October 1, 2025 at 7pm; Public Comment is available for budget or any city items
- Budget Work Session 3: October 7 at 6pm: Police, Planning and Economic Development and Administrative Departments Part 2
- Budget Work Session 4: October 14 at 6pm
- Budget Work Session 5: October 21 at 6pm