

**CITY OF WATERTOWN, NEW YORK
AGENDA**

This shall serve as notice that the next regularly scheduled meeting of the City Council will be held on **Tuesday**, January 21, 2014, at 7:00 p.m. in the City Council Chambers, 245 Washington Street, Watertown, New York.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF MINUTES

COMMUNICATIONS

PRESENTATION

Independent Auditors' Report for the Fiscal Year Ending June 30, 2013
Liz Bush, CPA, Bowers & Company CPAs PLLC

PRIVILEGE OF THE FLOOR

RESOLUTIONS

- Resolution No. 1 - Appointment to the Board of Assessment Review,
Matthew P. Saunders
- Resolution No. 2 - Approving Online Auction Contract,
Auctions International Inc.
- Resolution No. 3 - Approving Design Phase for Factory Street Reconstruction
Project
- Resolution No. 4 - Approving Change Order No. 1 to Waste Water
Disinfection Improvement Project, General Construction,
C.O. Falter Construction Inc.

ORDINANCES

- Ordinance No. 1 - Amending City Municipal Code § 293,
Vehicles and Traffic

- Ordinance No. 2 - Changing the Approved Zoning Classification of 520-526 Meade Street, Parcels 1-15-220 and 1-15-221, From Residence B to Neighborhood Business District
- Ordinance No. 3 - Changing the Approved Zoning Classification of VL10 Washington Street, Parcel 14-26-102.100, From a Mix of Commercial, Neighborhood Business, and Residence C to Fully Commercial
- Ordinance No. 4 - Changing the Approved Zoning Classification of 1108 Lewis Street, VL-R Bradley Street, 1079 Bradley Street, and 1069 Bradley Street, parcels 1-27-104, 1-27-103, 1-27-103.001, and 1-27-102, from Residence A to Light Industrial

LOCAL LAW

PUBLIC HEARING

- 7:30 p.m. Establishing Assessment Charge for Sidewalks, Spring and Fall 2014 Pursuant to Section 93 of the City Charter

OLD BUSINESS

STAFF REPORTS

1. Fiscal Year 2012-13 Audit Report
2. Sales Tax Revenue – December 2013
3. The 25th Annual Local Government Conference Workshop on March 27, 2014
4. Tree Watertown 2013 Annual Report

NEW BUSINESS

EXECUTIVE SESSION

Collective Bargaining

WORK SESSION

ADJOURNMENT

NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS MONDAY, FEBRUARY 3, 2014.

Res Nos. 1

January 8, 2014

To: The Honorable Mayor and City Council
From: Sharon Addison, City Manager
Subject: Appointment to the Board of Assessment Review

We presently have two vacancies on the Board of Assessment Review. The Annual Assessment Review Hearing is scheduled on February 11, 2014.

Attached is a letter of interest in joining this Board from Matthew P. Saunders. Staff believes this individual would be an excellent addition to our current composition of members. Appointment at this time would allow for the required training prior to the February 11 meeting and would create a quorum.

Mr. Saunders is recommended to join effective immediately for a five-year term, such term expiring on September 30, 2018.

Attached for City Council consideration is a resolution appointing Mr. Saunders to the Board of Assessment Review.

RESOLUTION

Page 1 of 1

Appointment to the Board of Assessment Review,
Matthew P. Saunders

- Council Member BURNS, Roxanne M.
- Council Member BUTLER, Joseph M. Jr.
- Council Member JENNINGS, Stephen A.
- Council Member MACALUSO, Teresa R.
- Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

Introduced by

RESOLVED that the following individual is appointed to the Board of Assessment Review effective immediately for a five-year term, such term expiring on September 30, 2018:

Matthew P. Saunders
212 Green Street
Watertown, New York 13601

Seconded by

Matthew P. Saunders
212 Green Street
Watertown, NY 13601



January 2, 2014

Brian Phelps
City Assessor
245 Washington Street
Watertown, NY 13601

Re: Board of Assessment

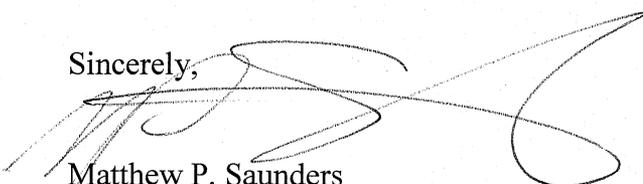
Dear Mr. Phelps,

I am writing to you to express my interest in volunteering my time to serve on the Board of Assessment. It is my understanding that there are vacant positions on this board and I feel that I would be a good candidate. I am a lifetime resident of the City of Watertown and a self employed business owner of Van Dusen Auto Sales which is also located in the City at 725 Leray Street.

Tracking of local real estate transactions has been a hobby that I have enjoyed for many years. I find myself checking the NNY multiple listing website daily for new properties that are for sale. Also, I like to follow up with the Watertown Daily Times weekly to see what has sold as well as the sale price. Although I am not employed in the field of real estate, I feel that I have the working knowledge required to assist this board with annual assessment reviews.

Thank you in advance for your consideration and I look forward to hearing from you soon. If you have any further questions for me, please feel free to contact me on my cell phone at (315) 783-8440.

Sincerely,


Matthew P. Saunders

Res No. 2

January 10, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Approving Online Auction Contract,
Auctions International Inc.

The City of Watertown and the Purchasing Department have successfully utilized Auctions International on several occasions. As detailed in the attached report of Purchasing Manager Amy M. Pastuf, this organization has assisted several departments with sales totaling \$46,008.

Attached for City Council consideration is a resolution authorizing the City to enter into the Online Auction Agreement with Auctions International, Inc. for another two years, along with a copy of the contract.

RESOLUTION

Page 1 of 1

Approving Online Auction Contract,
Auctions International, Inc.

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown has successfully used the services of Auctions International over the past two years for various City Departments, and

WHEREAS it is the City's desire to get the best price possible for vehicles and/or equipment it deems surplus or excess, and

WHEREAS the Purchasing Manager, Amy M. Pastuf, has contacted Auctions International, Inc., which conducts online auctions of vehicles and equipment, and

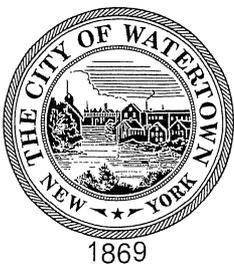
WHEREAS there is no cost to the City, as the buyer pays a fee charged by Auctions International,

NOW THEREFORE BE IT RESOLVED by the City Council that it hereby approves the Online Auction Contract with Auctions International, Incorporated, a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that if the highest bid does not meet the City's estimated scrap value, no sale will take place, without prior approval of the City Council, and

BE IT FURTHER RESOLVED that City Manager Sharon Addison is hereby authorized and directed to execute the Contract and accept the highest offer at the time of sale above the City's estimated scrap values, on behalf of the City.

Seconded by



CITY OF WATERTOWN, NEW YORK

ROOM 205, CITY HALL
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601-3380
E-MAIL APastuf@watertown-ny.gov
☎(315) 785-7749 ☎(315) 785-7752

Amy M. Pastuf
Purchasing Manager

MEMORANDUM

TO: Sharon Addison, City Manager
FROM: Amy M. Pastuf, Purchasing Manager
SUBJECT: Surplus Sale of Water Meters
DATE: 1/9/2014

The Purchasing Department is requesting renewal of the On-line Auction contract with Auctions International. The City has successfully utilized on-line auction services from this organization to sell items from various departments over the last two calendar years. A summary of the past sales is included below:

Year	Season	Department/Description	Amount
2012	Spring	Water Department - Meters	\$4,550.00
2012	Fall	DPW - Misc. Vehicles	\$11,662.00
2013	Spring	Water Department - Meters	\$2,905.00
2013	Fall	DPW - Misc. Vehicles	\$23,044.00
2013	Fall	Fire Dept. - Misc. Items	\$3,847.00
		Total	\$46,008.00

Attached is a copy of Auction's International Contract for City Council review and approval.

Thank you for your consideration in this matter.

Enclosures

Res No. 3

January 14, 2014

To: The Honorable Mayor and City Council
From: Sharon Addison, City Manager
Subject: Factory Street Reconstruction – Approval of Design Phase

In the spring of 2010, the City of Watertown received notification from the State of New York, Department of Transportation that the reconstruction of Factory Street had been added to the State's Capital Construction Program and Federal STP Small Urban funds to support the Preliminary Engineering and Right of Way Incidentals Phase of this project had been received. This project is similar in scope to that of State Street. The project limits are from the intersection of Factory and Mill Street to the intersection of Factory and High Street.

On April 19, 2010, the City Council approved the Federal Aid Highway and Marchiselli Aid Project Agreement, which included a \$940,000 project cost, and \$752,000 in Federal assistance for the Preliminary Engineering and Right of Way Incidentals Phase of this project. On October 18, 2010, the City Council approved the Marchiselli Aid Agreement which provides \$141,000 in State funding for this project, leaving the local match for these two Phases of the project at \$47,000.

Public hearings have been conducted on this project. The Federal Highway Administration and New York State Department of Transportation have completed their review of the Final Design Report for the Factory Street Reconstruction Project.

Attached for Council consideration is a resolution authorizing Mayor Graham to give his design approval so that this project may proceed to the Detailed Design Phase. This approval also allows the acquisition of real property to commence. A copy of the signature page is enclosed for reference and the complete report is posted on the City of Watertown website for review.

RESOLUTION

Page 1 of 1

Approving Design Phase for
Factory Street Reconstruction Project

Introduced by

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

WHEREAS a project for the reconstruction of Factory Street, PIN 775315, D032467 (the "Project") is eligible for funding under Title 23 U.S. Code, as amended that calls for the apportionment of the cost of such program to be borne at the ratio of 80% Federal and 20% non-federal funds, and

WHEREAS on April 19, 2010 and October 18, 2010, the City Council adopted resolutions authorizing the Master Federal Aid Local Agreement and the Marchiselli Agreement, respectively which provide \$752,000 and \$141,000 respectively for the costs of the Preliminary Engineering & Right-of-Way Incidentals, and

WHEREAS the Federal Highway Administration and the New York State DOT have completed their review of the Final Design Report for the Factory Street Reconstruction Project,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Final Design Report, Factory Street Reconstruction PIN 7753.15, and to proceed with Final Design Approval of the Factory Street Reconstruction project, and

BE IT FURTHER RESOLVED that the Mayor, Jeffrey E. Graham, is hereby authorized and directed to execute the design approval on behalf of the City of Watertown.

Seconded by



U.S. Department
of Transportation
**Federal Highway
Administration**

New York Division

January 1, 2014

Leo W. O'Brien Federal Building
11A Clinton Avenue, Suite 719
Albany, NY 12207
518-431-4127
Fax: 518-431-4121
New York.FHWA@dot.gov

In Reply Refer To:
HED-NY

Mr. Scott Docteur
Director, Planning and Program Management
New York State Department of Transportation, Region 7
317 Washington Street
Watertown, NY 13601

Subject: PIN 7753.15 – Factory Street Reconstruction, City of Watertown, Jefferson County:
National Environmental Policy Act (NEPA)

Dear Mr. Docteur:

In response to your November 15, 2013 letter requesting concurrence that the subject project meets the classification of a Categorical Exclusion with Documentation, we have completed our review of the November 2013 Final Design Report (FDR).

Based on our review, we concur with the Categorical Exclusion with Documentation classification as the applicant has demonstrated that the criteria for Categorical Exclusions in accordance with 23 Code of Federal Regulations (CFR) 771.117 are satisfied, and that significant environmental effects will not result.

If you have any questions, please contact me at (518) 431-8882.

Sincerely,

Omar Elkassed
Area Engineer

cc:

Don Mattimore, PPMS, NYSDOT Region 7
Nancy Catalina, RLPL, NYSDOT Region 7

PROJECT APPROVAL SHEET

(Pursuant to SAFETEA-LU Matrix)

- A. IPP Approval:** The project is ready to be added to the Regional Capital Program and project scoping can begin.
The IPP was approved by:
Mark E. Frechette, P.E. 10/29/09

Regional Director
- B. Scope Approval:** The project cost and schedule are consistent with the Regional Capital Program.
The scope was approved by:
Scott Docteur, P.E. 10/21/09

Regional Program Manager
- C. Public Hearing Certification (23 USC 128):** A public hearing was held on August 29, 2013 in accordance with 23 USC 128.

Project Manager , AECOM USA, Inc.
- D. Recommendation for Design Approval:** The project cost and schedule are consistent with the Regional Capital Program.

City Engineer, City of Watertown
- E. Recommendation for Design and Nonstandard Feature Approval:** All requirements requisite to these actions and approvals have been met, the required independent quality control reviews separate from the functional group reviews have been accomplished, and the work is consistent with established standards, policies, regulations and procedures, except as otherwise noted and explained.

Project Manager, AECOM USA, Inc.
- F. Nonstandard Feature Approval:** The nonstandard features have been adequately justified and it is not prudent to eliminate them as part of this project.

Mayor, City of Watertown
- G. Design Approval:** The required environmental determinations have been made and the preferred alternative for this project is ready for final design.

Mayor, City of Watertown

Res No. 4

January 14, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Approving Change Order No. 1 for Waste Water Treatment Plant
Disinfection Improvements Project, C.O. Falter Construction Inc.

On June 3, 2013, City Council accepted the bid submitted by C.O. Falter Construction Inc. in the amount of \$3,923,101.00 for the General Construction work for the Waste Water Treatment Plant Disinfection Improvement Project.

C.O. Falter Construction Inc. has now submitted Change Order No. 1 in the additional amount of \$11,781.55, as detailed in City Engineer Kurt W. Hauk's attached report. This brings the total contract amount to \$3,934,882.55.

The current Bond Ordinance does not need to be amended as this Change Order does not increase the total cost above the Bond Ordinance limit.

A Resolution is attached for City Council consideration.

RESOLUTION

Page 1 of 1

Approving Change Order No. 1 to Waste Water Disinfection Improvement Project, General Construction, C.O. Falter Construction Inc.

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

Introduced by

WHEREAS on June 3, 2013, the City Council of the City of Watertown approved a bid submitted by C.O. Falter Construction Inc. in the amount of \$3,923,101.00 for the Waste Water Disinfection Improvement Project general construction, and

WHEREAS Change Order No. 1 has been submitted for an additional charge of \$11,781.55, bringing the contract amount to \$3,934,882.55,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown approves Change Order No. 1 to the contract with C.O. Falter Construction Inc.. for the Waste Water Disinfection Improvement Project general construction, and

BE IT FURTHER RESOLVED that City Manager Sharon Addison is hereby authorized and directed to execute the Change Order documents on behalf of the City of Watertown.

Seconded by



CITY OF WATERTOWN
ENGINEERING DEPARTMENT
MEMORANDUM

1869

DATE: 14 January 2014

TO: Sharon Addison, City Manager

FROM: Kurt Hauk, City Engineer *kwH*

SUBJECT: WWTP Disinfection Project, Change Order #1G

Enclosed is a copy of Change Order #1G for the WWTP Disinfection Project. The total change order amount is for \$11,781.55. This will bring the final contract amount to \$3,934,882.55 from the original contract amount of \$3,923,101.00.

The items of work included concrete modifications for a new column support around an existing electrical pull box and a new access hatch for the pull box.

Please prepare a resolution for City Council consideration.

Cc:
Mike Sligar, Superintendent of Water

Change Order No. 01G

Date of Issuance: 11-26-2013

Effective Date: Date of Owner's Signature

Project: Disinfection Improvements Project	Owner: City of Watertown	Owner's Contract No.: N/A
Contract: Contract No. 1 – General		Date of Contract: July 19, 2013
Contractor: C.O. Falter Construction		Engineer's Project No.: 8614925

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Concrete modifications for new column support around the existing subsurface electrical pull box at the Control Building. Addition of a new access hatch for the pull box.

Attachments (list documents supporting change):

See attached PCO #00001 from the General Contractor dated 11-01-2013, and Figures 01 and 02 issued by GHD on 10-31-2013.

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price:

\$ 3,923,101.00

[Increase] [Decrease] from previously approved Change Orders No. NA to No. NA:

\$ Not Applicable

Contract Price prior to this Change Order:

\$ 3,923,101.00

Increase of this Change Order:

\$ 11,781.55

Contract Price incorporating this Change Order:

\$ 3,934,882.55

Original Contract Times: Working days Calendar days

Substantial completion (days or date): 393

Ready for final payment (days or date): 453

[Increase] [Decrease] from previously approved Change Orders No. NA to No. NA:

Substantial completion (days): 0

Ready for final payment (days): 0

Contract Times prior to this Change Order:

Substantial completion (days or date): 393

Ready for final payment (days or date): 453

Increase of this Change Order:

Substantial completion (days or date): 14

Ready for final payment (days or date): 14

Contract Times with all approved Change Orders:

Substantial completion (days or date): 407

Ready for final payment (days or date): 467

RECOMMENDED:

By: Ernie C. Hook

Engineer (Authorized Signature)

Date: 11/26/13

Approved by Funding Agency (if applicable):

ACCEPTED:

By: _____

Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: Mark Falk - PM

Contractor (Authorized Signature)

Date: 12-2-13

Date: _____



RECEIVED
GHD CSI
NOV - 4 2013

C. O. Falter Construction Corp. · 403 West Bear St. · Syracuse, NY 13204 · Tel. (315) 422-3016
Fax (315) 422-3539

November 1, 2013

Jason Greene
GHD Consulting Engineers
1 Remington Park Drive
Cazenovia, NY 13035

**RE: Proposed Change Order # 00001- Control Building Column Support at Pull Box
City of Watertown
WPCP Disinfection Improvements
Contract No. 1 – General
COF Job No: 1304
COF Letter No. 0002**

Dear Mr. Greene:

Please reference the attached Proposed Change Order No. 00001, regarding all work associated with GHD Engineering issued drawings Figure 01 & Figure 02 provided via GHD email dated 10/31/2013. The additional cost is \$11,781.55. Please review and advise accordingly.

If you have any questions or concerns; please feel free to contact our office.

Very Truly Yours,
C.O. Falter Construction Corp.

A handwritten signature in black ink, appearing to read 'Martin Falter', written in a cursive style.

Martin Falter
Project Manager
Enclosures: PCO #1
Cc: Project File # 15

C.O. Falter Construction Corp.

PROPOSED CHANGE ORDER

No. 00001

403 West Bear Street
Syracuse, NEW YORK 13204

Phone: 315/422-3016
Fax: 315/422-3539

TITLE: Column Support at Pull Box

DATE: 11/1/2013

PROJECT: Watertown WPCP

JOB: 1304

TO: Attn: Mark Crandall
City Of Watertown
700 William T. Field Drive
Watertown, NY 13601
Phone: 315/785-7840

CONTRACT NO: WWPCP CON 01

RE: To: From: Number:

DESCRIPTION OF PROPOSAL

Installation of Column Support at Pull Box as shown on drawings Figure 01 & Figure 02 per GHD Engineerings email dated 10/31/2013.

Item	Description	Stock#	Quantity	Units	Unit Price	Tax Rate	Tax Amount	Net Amount
00001	Installation of Column Support at Pull Box as shown on drawings Figure 01 & Figure 02 per GHD Engineerings email dated 10/31/2013.		1.000		\$11,781.55	0.00%	\$0.00	\$11,781.55

Unit Cost: \$11,781.55
Unit Tax: \$0.00
Lump Sum: \$0.00
Lump Tax: \$0.00
Total: \$11,781.55

APPROVAL:

By: _____
Mark Crandall

By: _____
Martin Falter

Date: _____

Date: _____

EXTRA WORK ORDER

Name of Project: Water Pollution Control Plant Disinfection Improvements

DATE:

Customer: City Of Watertown

COF # 0001

Description of work performed: Control Building Column Support at Pull Box

LABOR	REG. HRS.	REG. RATE	OVER. HRS.	OVER. RATE	TOTAL	EQUIPMENT	HRS.	RATE	TOTAL
Formen	4	\$ 52.52		\$ 78.78	\$ 210.08	Utility Truck		\$ 16.00	\$ -
Carp	24	\$ 45.76		\$ 68.64	\$ 1,098.24	330 Excav-Kobl		\$ 177.00	\$ -
Carp	24	\$ 45.76		\$ 68.64	\$ 1,098.24	End Dump		\$ 155.00	\$ -
Operator A		\$ 58.15		\$ 87.23	\$ -	Loader		\$ 65.00	\$ -
Op A Crane		\$ 60.65		\$ 90.98	\$ -	110-Ton Crane		\$ 232.00	\$ -
Operator B		\$ 57.27		\$ 85.91	\$ -	Dozer		\$ 86.00	\$ -
Laborer	16	\$ 42.11		\$ 63.17	\$ 673.76	Roller		\$ 47.00	\$ -
Laborer	16	\$ 42.11		\$ 63.17	\$ 673.76	Trench Shield		\$ 15.00	\$ -
Project Manager		\$ 75.00			\$ -	Tractor w/ Trailer		\$ 120.00	\$ -
Iron Worker	8	\$ 48.99		\$ 73.48	\$ 391.92	Dump Truck		\$ 75.00	\$ -
Iron Worker	8	\$ 48.99		\$ 73.48	\$ 391.92	Demo Jaws		\$ 150.00	\$ -
						Misc. Tools			\$ 75.00
					TOTAL			SUB TOTAL	\$ 75.00

MATERIAL	QTY	UNIT	PRICE	HRS	AMOUNT	MAINT. & FUEL CHARGE				
Concrete	1	Lump	\$ 886.00		\$ 886.00	FUEL @ \$6.00 / GAL.			\$ -	
Rebar	1	Lump	\$ 1,115.00		\$ 1,115.00	INSURANCE ON EQUIPMENT				
Forms	1	Lump	\$ 660.00		\$ 660.00	\$1.85/DAY/MAJOR EQUIP.			\$ -	
Epoxy Adhesive	1	Lump	\$ 45.00		\$ 45.00	EQUIPMENT & FUEL TOTAL				
Floor Hatch	1	Lump	\$ 562.00		\$ 562.00	SUMMARY				
Halliday S1S										
Pickup-Deliver	1	Lump			\$250.00	LABOR				
						MATERIAL				
						EQUIPMENT				
						O & P @ 15%				
						Payroll Taxes & Insurances @ 51%				
						on Labor				
						OTHER-Subcontractor				
						O & P @ 5%				
						Bond Cost				
					TOTAL	\$ 3,518.00				
					TOTAL	\$ -	TOTAL			
									\$ 116.65	
					TOTAL	\$ -	TOTAL			

MFC \$ 11,781.55

Marty Falter

From: Jason Greene [Jason.Greene@ghd.com]
Sent: Thursday, October 31, 2013 4:30 PM
To: 'mfalter@falterconstruction.com'
Cc: Cosimo Pagano III; Mark Grzella
Subject: Watertown WPCP Disinfection - Control Bldg Elec Pull Box Figures
Attachments: 86-14925-FIG 2.pdf; 86-14925FIG 1.pdf

Marty,

Per our discussion, please find the attached updated figures, including the details/models for the cast in place hatch.

Jason Greene, P.E.
Project Engineer

GHD

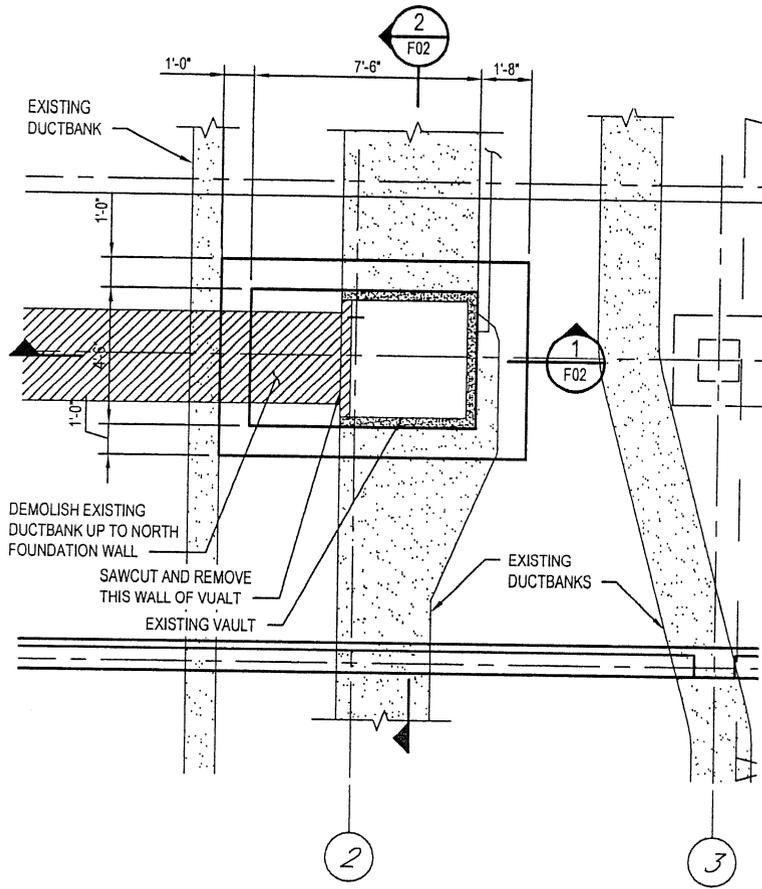
T: 315-679-5768 | F: 315-679-5801 | Jason.Greene@ghd.com
1 Remington Park Drive, Cazenovia, NY 13035, USA | www.ghd.com

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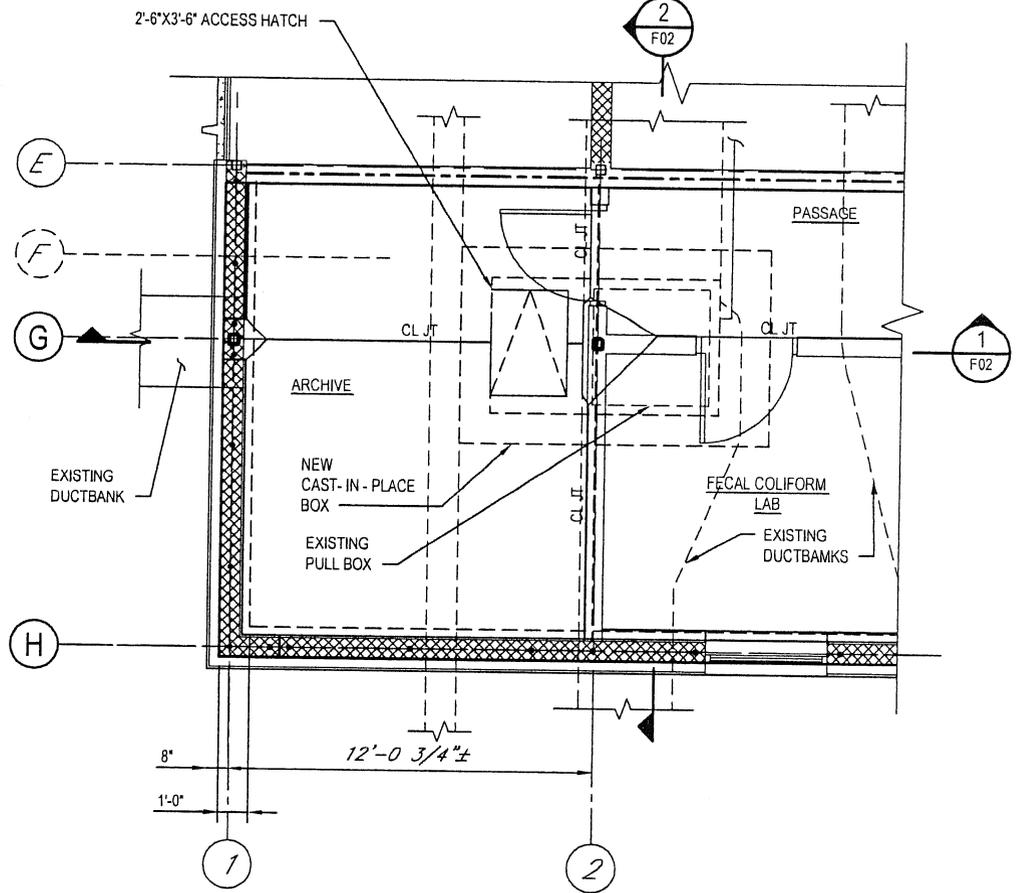
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**CONTROL BUILDING -
PARTIAL FOUNDATION PLAN**

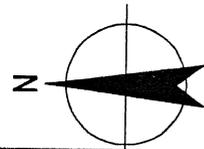
0 2'-0" 4'-0" 6'-0" 8'-0"
SCALE 1/4"=1'-0" AT ORIGINAL SIZE

SCALE: 1/4"=1'-0"



**CONTROL BUILDING -
PARTIAL FLOOR PLAN**

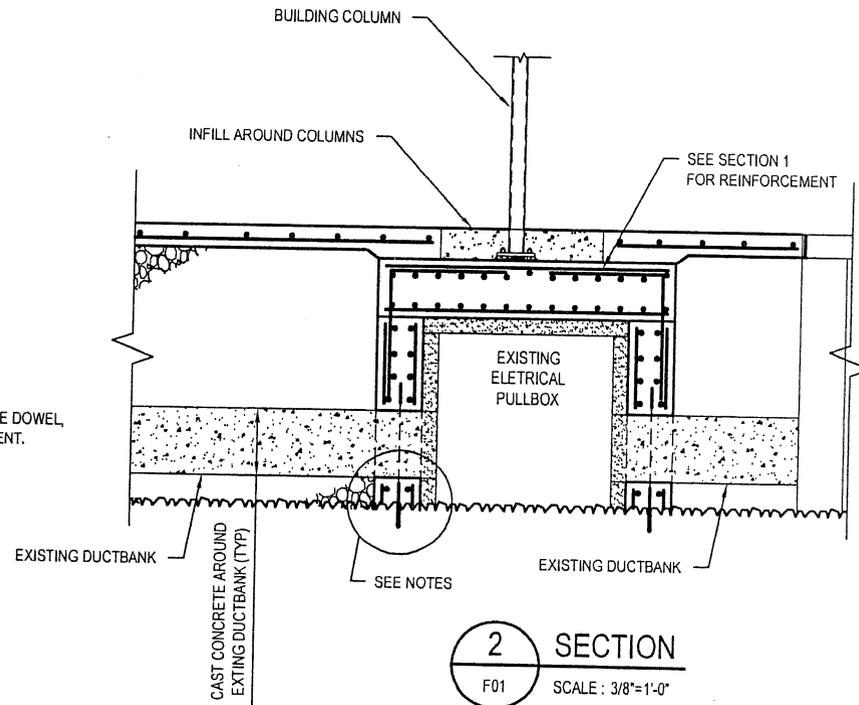
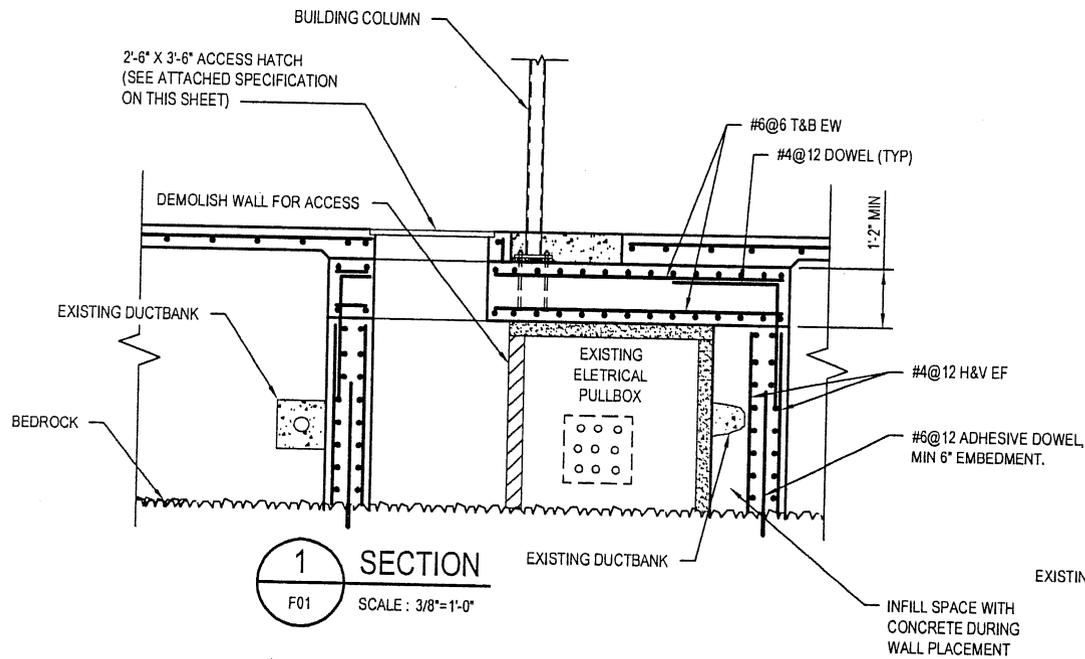
SCALE: 1/4"=1'-0"



CITY OF WATERTOWN, NEW YORK
WATERTOWN WPCP
DISINFECTION IMPROVEMENTS
CONTROL BUILDING
COLUMN SUPPORT AT PULL BOX

Job Number 86-14925
Revision A
Date Month Year

Figure 01



1 SECTION
F01 SCALE: 3/8"=1'-0"

2 SECTION
F01 SCALE: 3/8"=1'-0"

HATCH SPECIFICATIONS:

- HATCH SHALL BE CAST IN CONCRETE FLOOR. USE 1/4-INCH ALUMINUM CHECKERED PLATE COVER WITH GASKET SEAL, ALUMINUM ANGLE FRAME, BACKPAINTED, 300 PSF LOAD CAPACITY AND COMPLETE STAINLESS STEEL HARDWARE INCLUDING STANDARD SLAM LATCH WITH FLUSH LIFT HANDLE.
- USE STANDARD SIZE SINGLE LEAF BILCO 'TYPE K-AL', EJ GROUP 'MODEL LEC' OR HALLIDAY PRODUCTS 'SERIES S1S' OR EQUAL.

NOTES:

- EXCAVATE BELOW EXISTING DUCTBANK TO CAST WALL AROUND DUCTBANK.
- THE WALL SHALL BE REINFORCED AROUND THE DUCTBANK PENETRATIONS AS INDICATED BY THE STANDARD DETAILS.

PRELIMINARY



CITY OF WATERTOWN, NEW YORK
WATERTOWN WPCP
DISINFECTION IMPROVEMENTS
CONTROL BUILDING
COLUMN SUPPORT AT PULL BOX

Job Number 86-14925
Revision A
Date 10/13

Figure 02

Ord No. 1

January 10, 2014

To: The Honorable Mayor and City Council
From: Sharon Addison, City Manager
Subject: Ordinance to Amend Parking Restrictions on Clinton Street

City Council requested at the January 6, 2014 meeting that an Ordinance be drafted to allow 2 hour parking on the south side of Clinton Street to help alleviate the parking concerns of the Chiropractic Wellness Center.

Attached for City Council's consideration is an ordinance amending the time limits of parking on the south side of Clinton Street. This Ordinance also corrects language in the City Code previously amended when work was done to the State Office Building parking garage to accommodate handicap parking.

ORDINANCE

Amending City Municipal Code § 293,
Vehicles and Traffic

Page 1 of 2

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

Introduced by

BE IT ORDAINED that Section 293-67 of the City Code of the City of Watertown is amended as follows:

Name of Street	Side	Restricted Time Limit; Hours/Days	Location
Clinton Street	South	2 hrs.; 9:00 a.m. to 8:00 p.m.	From 248 feet east of Sherman Street west for a distance of 198 feet

and,

BE IT FURTHER ORDAINED that Section 293-75 of the City Code of the City of Watertown is amended by adding the following:

§ 293-75 Schedule XXVII: On-Street Handicapped Parking.

Name of Street	Side	Location
Academy Street	North	From 116 feet east of Washington Street to 156 feet East of Washington Street. Two parking spaces.

and,

BE IT FURTHER ORDAINED that Section 293-75 of the City Code of the City of Watertown is amended by deleting the following:

§ 293-75 Schedule XXVII: On-Street Handicapped Parking.

Name of Street	Side	Location
Academy Street	North	From Gotham Street to the parking garage exit four parking spaces

and,

ORDINANCE

Amending City Municipal Code § 293,
Vehicles and Traffic

Page 2 of 2

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

BE IT FURTHER ORDAINED that this amendment shall take effect as soon as it is printed as the City Manager directs.

Seconded by

Ord No. 2

January 15, 2014

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, Planning & Community Development Coordinator

Subject: Changing the Approved Zoning Classification of 520-526 Meade Street, Parcels 1-15-220 and 1-15-221, From Residence B to Neighborhood Business District

James and Laura Williams have submitted the above subject zone change request for a property they are purchasing.

The Planning Board reviewed the request at its January 14, 2013 meeting and voted to recommend that City Council approve the request.

Attached are the report on the zone change request prepared for the Planning Board and an excerpt from the minutes.

The attached ordinance adopts the change as requested. The Council must hold a public hearing on the ordinance before it may vote. It is recommended that a public hearing be scheduled for 7:30 pm on Monday, February 3, 2014. A SEQRA resolution will also be presented for City Council consideration at that meeting.

ORDINANCE

Page 1 of 1

Changing the Approved Zoning Classification of 520-526 Meade Street, Parcels 1-15-220 and 1-15-221, From Residence B to Neighborhood Business District

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Mayor GRAHAM, Jeffrey E.

YEA	NAY

Total

Introduced by

BE IT ORDAINED where James and Laura Williams have submitted an application to change the approved zoning classification of 520-526 Meade Street, parcels 1-15-220 and 1-15-221, from Residence B to Neighborhood Business District, and

WHEREAS the Planning Board of the City of Watertown considered the request at its January 14, 2014 meeting and recommended that City Council adopt the zone change as requested, and

WHEREAS the County Planning Board reviewed the application pursuant to General Municipal Law Section 239-m, and

WHEREAS a public hearing was held on the proposed zone change on February 3, 2014, after due public notice, and

WHEREAS the City Council has made a declaration of Negative Findings of the impacts of the proposed zone change according to the requirements of SEQRA, and

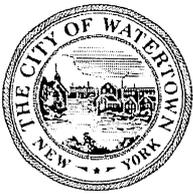
WHEREAS the City Council deems it in the best interest of the citizens of the City of Watertown to approve the requested zone change,

NOW THEREFORE BE IT ORDAINED that the approved zoning classification of the entirety of 520-526 Meade Street, parcels 1-15-220 and 1-15-221, be changed to Neighborhood Business District, and

BE IT FURTHER ORDAINED that the Zoning Map of the City of Watertown shall be amended to reflect these changes, and

BE IT FURTHER ORDAINED this amendment to the Zoning Ordinance of the City of Watertown shall take effect as soon as it is published once in the official newspaper of the City of Watertown, or otherwise printed as the City Manager directs.

Seconded by



MEMORANDUM

CITY OF WATERTOWN, NEW YORK – PLANNING OFFICE
245 WASHINGTON STREET, ROOM 304, WATERTOWN, NY 13601
PHONE: 315-785-7730 – FAX: 315-782-9014

TO: Planning Board Members

FROM: Kenneth A. Mix, Planning and Community Development Coordinator

SUBJECT: Zone Change – 520-526 Meade Street *KAM*

DATE: December 30, 2013

Request: To change the approved zoning classification of 520 and 526 Meade Street, parcels 1-15-220 and 1-15-221, from Residence B to Neighborhood Business

Applicant: James and Laura Williams

Owner: God in Christ Inc Family Worship Ctr

SEQRA: Unlisted

County review: January meeting

Comments: The applicant is requesting to change the subject property from Residence B to Neighborhood Business to allow the operation of a martial arts studio. The building was most recently used as a church, but has also previously been used as a distribution warehouse. A July 1978 variance permitted this specific use in the residential district.

Surrounding land uses include retail, government offices, and residences. The adjacent parcel to the south is zoned Neighborhood Business.

The proposed change area is designated for medium density residential use in the adopted Land Use Plan.

cc: City Council Members
Robert J. Slye, City Attorney
Justin Wood, Civil Engineer II
James Williams, 8494 Rte 12E, Three Mile Bay NY 13693

James N. Williams
Laura M. Williams
8494 State Rte. 12 E
Three Mile Bay, NY 13693
Ph-315 408-8623
Email-inwilli@yahoo.com

Honorable Jeffery E. Graham, Mayor
Members of City Council
Watertown, New York
245 Washington Street, Room 302 A
Watertown, NY 13601

RE- Change of Zoning Request for 520-526 Meade Street

Dear Mayor Graham and the Members of the Watertown City Council,

Please allow me to introduce ourselves. My name is Mr. James N. Williams and my wife is Mrs. Laura M. Williams. We reside near the City of Watertown, in the hamlet of Three Mile Bay, New York. For the past several years we have been looking for a way to invest in our communities. We believe we have found this opportunity in beautiful Watertown, New York.

We are currently in the process of purchasing a commercial property, located at 520 and 526 Meade Street in Watertown, from Reverend Lawrence Ketcham. For many years, Reverend Ketcham has administered to the needs of the surrounding community from the building at this location. Sadly though, Reverend Ketcham decided a few years ago to close his church and sell the property due to personal reasons. Although the church he ran is no longer there, we believe that we have found an opportunity to continue to serve the community from this location.

We therefore are respectfully requesting a change of zoning from Residential B to Neighborhood Business.

A local business, Empire Family Martial Arts, Inc., would like to reestablish their martial arts studio there. Empire Family Martial Arts, Inc. has been in business for over twelve years in the City of Watertown. They are dedicated to serving the community by empowering students with endless self-confidence, a solid foundation of self-respect, and encouragement of responsible citizenship. The program they have built has produced leaders which benefit our community. They also tirelessly work with autistic children and their families to bring out the best in them. We have personally witnessed the amazing results. Children, who when first entering the program, could not even look or speak to another person, now greet you warmly with confidence and determined purpose. Some of these families were told their children would not even get beyond an elementary education. These families are now preparing to attend their children's high school graduations. We would like to help Empire Family Martial Arts continue this worthwhile program by providing them with a suitable place to operate. The building we have found at 520-526 Meade has a large open area, which is very desirable for their purpose, and is well located in the City of Watertown.

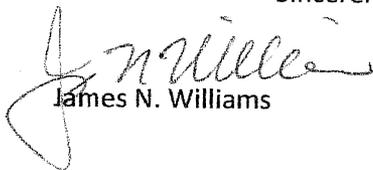
Currently, the property is zoned as Residential B due to its former use as a church. Residential B zoning, under the Accessory Uses Provisions, would allow a business, such as a martial arts, dance or art studio, as long as the owner of said business lives in the building and uses it also as their place of residence. The building at 520 Meade Street does not support residential living. It was designed only to support commercial purposes. Additionally, most of the properties surrounding the building at 520 Meade are already zoned for Neighborhood Business or used commercially. Our closest neighbors will be the Party Rental Store on Main Street and the Jefferson County Health Department directly across from us on Meade Street. A change of zoning from Residential B to Neighborhood Business will have minimal negative impact on our residential neighbors.

We recognize that the building could become unoccupied if a change in zoning is not granted. An unoccupied building is unproductive for both the community and the city in which it is located. Our purchase of this building, and the zoning change we are proposing, will have certain advantages for both the community and the city. The community will have a productive, valuable resource that promotes responsible citizenship within the community. The city will gain a property that will be productively returned to the tax rolls and will be well maintained by a business that can pay its way forward.

Reverend Ketcham, upon inquiring as to our plans for the property, is delighted that the property he owned for so many years will continue to be of benefit to the community and to the City he has ministered to. Reverend Ketcham has given us his permission to seek this zoning change.

We thank you for your valuable time in considering this request. Please find attached to this request the additional information you will need. Should you need anything else or have any questions, please do not hesitate to call upon us.

Sincerely,


James N. Williams


Laura M. Williams



- Legend**
-  520-526 Meade Street
 -  RIVER DEVELOPMENT DISTRICT
 -  DOWNTOWN CORE OVERLAY
 -  Open Space and Recreation
 -  DOWNTOWN
 -  RESIDENCE A
 -  RESIDENCE B
 -  RESIDENCE C
 -  WATERFRONT
 -  LIMITED BUSINESS
 -  NEIGHBORHOOD BUSINESS
 -  COMMERCIAL
 -  HEALTH SERVICES
 -  LIGHT INDUSTRY
 -  HEAVY INDUSTRY
 -  PLANNED DEVELOPMENT



CITY OF WATERTOWN, NEW YORK
 GIS DEPARTMENT
 ROOM 305B, MUNICIPAL BUILDING
 245 WASHINGTON STREET
 WATERTOWN, NEW YORK 13601
 TEL: (315) 785-7793

Drawn By: J. Carlsson					
Date: 12/23/2013					
Approved By:					
Date:					
Scale: As Noted					
Map Number: 13-24					
Revision:	Description of Revision:	Date:	By:		



Project: ZONE CHANGE MAP
 Title: 520-526 MEADE ST
 (01-15-220 & 01-15-221)

August 7, 1978

Mr. Richard Wells
7406 Taft Park Drive
E. Syracuse, NY 13057

Re: Application for a Variance
of Use for the Property at
520 Meade Street
Parcel No. 115220

Dear Mr. Wells:

This is to advise you of the decision of the Zoning Board of Appeals regarding your application for a Variance of Use of the above referenced property.

At a meeting held on July 20, 1978 a Use Variance was granted as follows:

DECISION

A use Variance is hereby granted to the applicant to allow the subject premises to be used as a distribution warehouse for the products of Syracuse Vending Company. The only condition on the use as a warehouse is that signs are not to be obtrusive or large in identifying the warehouse or the company.

Very truly yours,

Willard S. Abel

by Gary Olson

Willard S. Abel
City Engineer

WSA:vz

cc: Ronald G. Forbes, City Manager
Lawrence Katzman
Paul J. Diardorf
Peter S. Blodgett, Asst. Corporation Counsel
John Willmott, Chairman Zoning Board of Appeals

SHORT ENVIRONMENTAL ASSESSMENT FORM

For UNLISTED ACTIONS Only

PART 1 - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT/SPONSOR
James and Laura Williams2. PROJECT NAME
Williams Purchase of 520-526 Meade Street

3. PROJECT LOCATION:

Municipality **Watertown**County **Jefferson**

4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map)

520-526 Meade Street situated on the east side of Meade Street in the City of Watertown, Ny, across the street from the Jefferson County Public Health Dept. and behind the Party Rental store located on Main Street. The property is identified as Tax Map Parcels 1-15-220 and 1-15-221.

5. IS PROPOSED ACTION:

 New Expansion Modification/alteration

6. DESCRIBE PROJECT BRIEFLY:

A commercial property formerly used as a church is being sold. The new owners are seeking a change of zoning to allow for additional commercial pursuits as a neighborhood business.

7. AMOUNT OF LAND AFFECTED:

Initially 0.383 acres Ultimately 0.383 acres

8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS?

 Yes No

If no, describe briefly

9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT?

 Residential Industrial Commercial Agriculture Park/Forest/Open Space Other

Describe:

The property was formerly used as a church by a religious corporation.

10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)?

 Yes No

If yes, list agency(s) and permit/approvals

State Supreme Court

Leave to Convey Real Property Order# 13-2269

11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL?

 Yes No

If yes, list agency(s) and permit/approvals

State Supreme Court Leave to Convey Real Property Order# 13-2269 and approval of current owner.

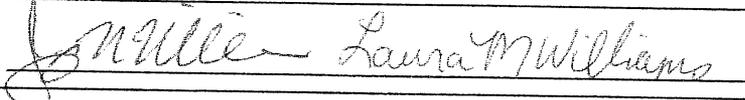
12. AS A RESULT OF PROPOSED ACTION, WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION?

 Yes No

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor name: James N. Williams and Laura M. WilliamsDate: 12/22/2013

Signature:



If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.12?

Yes No

If yes, coordinate the review process and use the FULL EAF.

B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6? If NO, a negative declaration may be superseded by another involved agency.

Yes No

C. COULD ACTION RESULT IN **ANY** ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)

C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic patterns, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly:

C2. Aesthetic agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly:

C3. Vegetation or fauna, fish shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly:

C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain briefly:

C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly.

C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly.

C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly.

D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CEA?

Yes No

E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS?

Yes No If yes, explain briefly

PART III – DETERMINATION OF SIGNIFICANCE (To be completed by Agency)

INSTRUCTIONS: For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed.

Check this box if you have identified one or more potentially large or significant adverse impacts which **MAY** occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.

Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action **WILL NOT** result in any significant adverse environmental impacts AND provide on attachments as necessary, the reasons supporting this determination:

Name of Lead Agency

Print or Type Name of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (If different from responsible officer)

Date

**ZONE CHANGE – RESIDENCE B TO NEIGHBORHOOD BUSINESS
520-526 MEADE STREET – PARCELS 1-15-220 AND 1-15-221**

The Board then considered a request submitted by James and Laura Williams to change 520-526 Meade Street, parcels 1-15-220 and 1-15-221, from Residence B to Neighborhood Business District.

James Williams approached the board to explain his request. He stated that a martial arts studio was moving out of the Lincoln Building and looking for a new location. He felt that the former church in question would be a good location, and that he was interested in making an investment in the community.

Mr. Katzman asked if he would be the owner or the landlord for the martial arts studio.

Mr. Williams said he would be the landlord. He is in the process of purchasing the property, but the bank asked to have the zoning issue settled before closing.

Mr. Katzman noted that the board should consider other potential future uses, not just the martial arts studio.

Mrs. Freda and Mrs. Gervera discussed the other potential uses permitted in NBD, which include hotels and restaurants, and with a Special Use Permit: auto repair and gas stations.

Mr. Coburn said that he felt to site would be appropriate for other small retail.

Mrs. Freda asked if the land to the rear was vacant.

Mr. Williams said that it was.

Mrs. Freda and Mr. Williams discussed the current use of some nearby properties, which include multi-family housing, a costume store, a county office building, and an auto repair shop.

Mr. Mix noted that a Use Variance issued in 1978 allows the building to be used for storage. Also, the office across the street would not normally be allowed except that the County is exempt from zoning regulations. Thus, the potential development in the area is somewhat more intense than would normally be seen in a Residence B neighborhood.

Mr. Williams said that he had spoken to some of the neighbors and none of them voiced opposition.

Mrs. Freda asked why the adjacent vacant parcel had been included in the request.

The current owner of the building, Mr. Ketchum, said that it used to have a house on it, which was torn down by the City. The City then divided the parcel up and gave it to the neighbors. The vacant lot would be sold along with the building, and might be used in conjunction with it in the future.

Mrs. Gervera moved to recommend that City Council approve the request submitted by James and Laura Williams to change 520-526 Meade Street, parcels 1-15-220 and 1-15-221, from Residence B to Neighborhood Business District.

Mr. Coburn seconded, all voted in favor.

Ord No. 3

January 15, 2014

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, Planning & Community Development Coordinator

Subject: Changing the Approved Zoning Classification of VL10 Washington Street, Parcel 14-26-102.100, From a Mix of Commercial, Neighborhood Business, and Residence C to Fully Commercial

Mark Purcell of Purcell Construction has submitted the above subject zone change request.

The Planning Board reviewed the request at its January 14, 2013 meeting and voted to recommend that City Council approve the request.

The County Planning Board reviewed the application pursuant to General Municipal Law Section 239-m on December 30, 2013 and adopted a motion that the project does not have any county-wide or inter-municipal issues and is of local concern only.

Attached are the report on the zone change request prepared for the Planning Board and an excerpt from the minutes.

The attached ordinance adopts the change as requested. The Council must hold a public hearing on the ordinance before it may vote. It is recommended that a public hearing be scheduled for 7:30 pm on Monday, February 3, 2014. A SEQRA resolution will also be presented for City Council consideration at that meeting.

ORDINANCE

Page 1 of 1

Changing the Approved Zoning Classification of VL10 Washington Street, Parcel 14-26-102.100, From a Mix of Commercial, Neighborhood Business, and Residence C to Fully Commercial

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Mayor GRAHAM, Jeffrey E.
 Total

YEA	NAY

Introduced by

BE IT ORDAINED where Mark Purcell of Purcell Construction has submitted an application to change the approved zoning classification of VL-10 Washington Street, parcel 14-26-102.100, from a mix of Commercial, Neighborhood Business, and Residence C to full Commercial, and

WHEREAS the Planning Board of the City of Watertown considered the request at its January 14, 2014 meeting and recommended that City Council adopt the zone change as requested, and

WHEREAS the County Planning Board reviewed the application pursuant to General Municipal Law Section 239-m on December 30, 2013 and adopted a motion that the project does not have any county-wide or inter-municipal issues and is of local concern only, and

WHEREAS a public hearing was held on the proposed zone change on February 3, 2014, after due public notice, and

WHEREAS the City Council has made a declaration of Negative Findings of the impacts of the proposed zone change according to the requirements of SEQRA, and

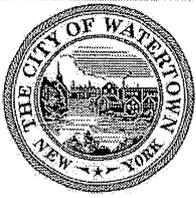
WHEREAS the City Council deems it in the best interest of the citizens of the City of Watertown to approve the requested zone change,

NOW THEREFORE BE IT ORDAINED that the approved zoning classification of the entirety of VL-10 Washington Street, parcel 14-26-102.100, be changed to Commercial, and

BE IT FURTHER ORDAINED that the Zoning Map of the City of Watertown shall be amended to reflect these changes, and

BE IT FURTHER ORDAINED this amendment to the Zoning Ordinance of the City of Watertown shall take effect as soon as it is published once in the official newspaper of the City of Watertown, or otherwise printed as the City Manager directs.

Seconded by



MEMORANDUM

CITY OF WATERTOWN, NEW YORK – PLANNING OFFICE
245 WASHINGTON STREET, ROOM 304, WATERTOWN, NY 13601
PHONE: 315-785-7730 – FAX: 315-782-9014

TO: Planning Board Members

FROM: Kenneth A. Mix, Planning and Community Development Coordinator ^{KAM}

SUBJECT: Zone Change – VL-10 Washington Street, Parcel 14-26-102.100

DATE: December 12, 2013

Request: To change the approved zoning classification of VL-10 Washington Street, parcel 14-26-102.100 from a mix of Commercial, Neighborhood Business, and Residence C to fully Commercial

Applicant: Mark Purcell, Purcell Construction

Owner: KDM Alliance LLC

SEQRA: Unlisted

County review: December 31st meeting

Comments: The applicant, a representative of Purcell Construction Corp., is requesting to resolve the split zoning condition of the subject address. The property in question is a roughly 2.3 acre lot on the west side of Washington Street at the city boundary. The applicant also owns about 18 contiguous acres in the Town of Watertown.

Current zoning allows for Commercial use along the front of the parcel, within 100 feet of the street line, plus a small area of Neighborhood Business District following a defunct property line behind that. The majority of the property is zoned Residence C.

The portion in the Town is zoned “Business,” which is similar to the City’s Commercial District.

Surrounding land uses include medical offices, transitional living residences, and a large multi-family residential complex.

The front (eastern) 200 feet of the parcel is designated for commercial use on the adopted Land Use Plan. The rear (western) 160 feet is designated for low density residential.

cc: City Council Members
Robert J. Slye, City Attorney
Justin Wood, Civil Engineer II
Rick Gefell, 566 Coffeen St

November 27, 2013

The Honorable Mayor and City Council
245 Washington St.
Watertown, NY 13601

Re: Change of Zoning Request for Parcel 14-26-102.100

Dear Honorable Mayor and City Council,

We are in the early stages of developing land located at VL-10 Washington St. in the City of Watertown. This parcel is situated on the edge of the city limits. We also own the land that is to the south of this parcel that is located in the Town of Watertown.

We would like to have the zoning of this parcel changed from Residential C/Neighborhood Business to Commercial. Our intentions are to create a new business park development on this land with approximately ten to twelve individual buildings. We may have a retail or restaurant business located on this parcel.

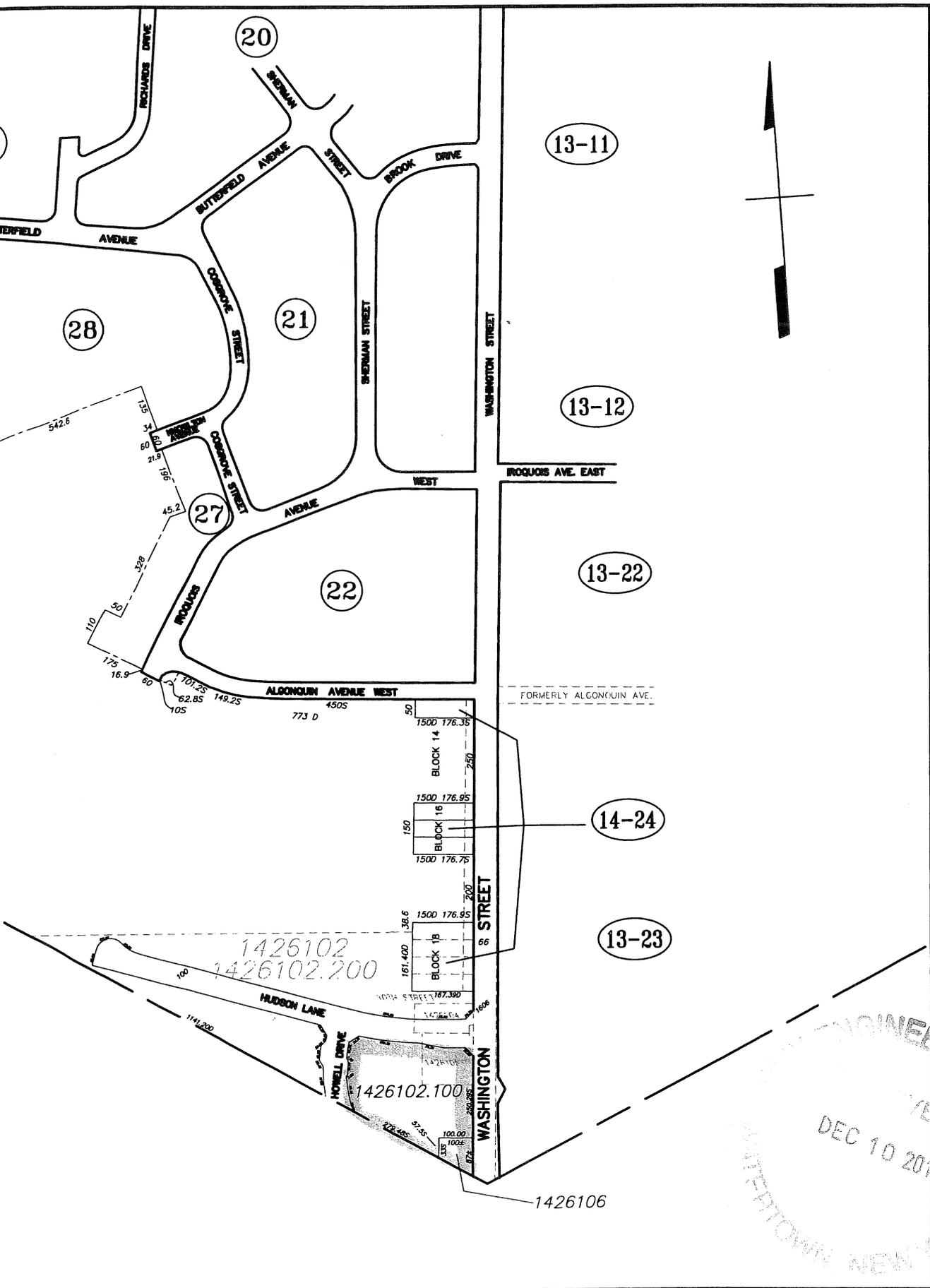
The land is bordered by Hudson Lane to the north, Washington St. to the east, and Howell Drive to the west.

Please feel free to contact us at 315-782-1050 if you have any questions.



Mark S. Purcell
President
Purcell Construction Corp.





DISTRICT 14 MAP 26

REVISED 3/25/2010



- Legend**
- VL-10 WASHINGTON STREET
 - Requested Zone Change
 - RIVER DEVELOPMENT DISTRICT
 - DOWNTOWN CORE OVERLAY
 - Open Space and Recreation
 - DOWNTOWN
 - RESIDENCE A
 - RESIDENCE B
 - RESIDENCE C
 - WATERFRONT
 - LIMITED BUSINESS
 - NEIGHBORHOOD BUSINESS
 - COMMERCIAL
 - HEALTH SERVICES
 - LIGHT INDUSTRY
 - HEAVY INDUSTRY
 - PLANNED DEVELOPMENT

14-26-102.100

0 25 50 100 Feet

CITY OF WATERTOWN, NEW YORK
GIS DEPARTMENT

 ROOM 305B, MUNICIPAL BUILDING
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601
TEL: (315) 785-7793

Drawn By: J. Carlsson
Date: 12/10/2013
Approved By:
Date:
Scale: As Noted
Map Number: 13-21

Revision:	Description of Revision:	Date:	By:



Project:
ZONE CHANGE MAP

Title:
VL-10 WASHINGTON ST (14-26-102.100)



Department of Planning
175 Arsenal Street
Watertown, NY 13601

Donald R. Canfield
Director of Planning



(315) 785-3144
(315) 785-5092 (Fax)

January 3, 2014

Andrew Nichols, Planner
City of Watertown
245 Washington Street
Watertown, NY 13601

Re: Purcell Construction, Zoning Map Amendment – Washington Street
JCDP File # C 12 - 13

Dear Andrew,

On December 30, 2013, the Jefferson County Planning Board reviewed the above referenced project, referred pursuant to General Municipal Law, Section 239m.

The Board adopted a motion that the project does not have any significant County-wide or intermunicipal issues and is of local concern only.

During the review the County Planning Board made the local advisory comment that New York State Law requires zoning amendments to be made in accordance with a Comprehensive Plan. The local board should ensure that this amendment is consistent with any current plans and the vision for the City.

Please note that the advisory comment is not a condition of the County Planning Board's action. It is listed to assist the local board in its review of the project. The local board is free to make its final decision.

General Municipal Law, Section 239m requires the local board to notify the County of its action on this matter within thirty (30) days after taking a final action.

Thank you.

Sincerely,

E. Hartley Bonisteel
Community Development Coordinator

**ZONE CHANGE – VARIOUS TO COMMERCIAL
VL-10 WASHINGTON ST – PARCEL 14-26-102.100**

The Planning Board then considered a request submitted by Mark Purcell of Purcell Construction to change VL-10 Washington Street, parcel 14-26-102.100, from a mix of Commercial, Neighborhood Business, and Residence C to fully Commercial.

Rick Gefell was present for Purcell Construction and approached the Board to explain the request, which will allow the development of a restaurant on the site. His company also owns a large contiguous piece of land in the Town of Watertown that would be developed, but requires no zone change from the town.

Mrs. Freda asked what the zoning for the portion in the town is.

Mr. Gefell said that it is commercial.

Mr. Katzman asked if the neighbors had been contacted, and if they had any objections.

Mr. Gefell said that he hadn't talked to any of them; the surrounding area is mostly apartments and commercial buildings.

Mr. Katzman moved to recommend that the City Council approve the request submitted by Mark Purcell of Purcell Construction to change VL-10 Washington Street, parcel 14-26-102.100, from a mix of Commercial, Neighborhood Business, and Residence C to fully Commercial.

Mrs. Gervera seconded, all voted in favor.

Ord No. 4

January 15, 2014

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, Planning & Community Development Coordinator

Subject: Changing the Approved Zoning Classification of 1108 Lewis Street, VL-R Bradley Street, 1079 Bradley Street, and 1069 Bradley Street, parcels 1-27-104, 1-27-103, 1-27-103.001, and 1-27-102, from Residence A to Light Industrial

Mark Purcell of Purcell Construction has submitted a request to change parcels 1-27-103 and 1-27-104 from Residence A to Light Industrial.

The Planning Board reviewed the request at its January 14, 2013 meeting and voted to recommend that City Council approve the request with the addition of parcels 1-27-102 and 1-27-103.001. These two parcels are used for propane sales.

The County Planning Board reviewed the application pursuant to General Municipal Law Section 239-m on December 30, 2013 and adopted a motion that the project does not have any county-wide or inter-municipal issues and is of local concern only.

Attached are the report on the zone change request prepared for the Planning Board and an excerpt from the minutes.

The attached ordinance adopts the change as requested. The Council must hold a public hearing on the ordinance before it may vote. It is recommended that a public hearing be scheduled for 7:30 pm on Monday, February 3, 2014. A SEQRA resolution will also be presented for City Council consideration at that meeting.

ORDINANCE

Page 1 of 1

Changing the Approved Zoning Classification of 1108 Lewis Street, VL-R Bradley Street, 1079 Bradley Street, and 1069 Bradley Street, parcels 1-27-104, 1-27-103, 1-27-103.001, and 1-27-102, from Residence A to Light Industrial

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

Introduced by

BE IT ORDAINED where Mark Purcell of Purcell Construction has submitted an application to change the approved zoning classification of 1108 Lewis Street and VL-R Bradley Street, parcels 1-27-104 and 1-27-103, from Residence A to Light Industrial, and

WHEREAS the Planning Board of the City of Watertown considered the request at its January 14, 2014 meeting and recommended that City Council adopt the zone change, also including 1069 Bradley Street and 1079 Bradley Street, parcels 1-27-103.001 and 1-27-102, and

WHEREAS the County Planning Board reviewed the application pursuant to General Municipal Law Section 239-m on December 30, 2013 and adopted a motion that the project does not have any county-wide or inter-municipal issues and is of local concern only, and

WHEREAS a public hearing was held on the proposed zone change on February 3, 2014, after due public notice, and

WHEREAS the City Council has made a declaration of Negative Findings of the impacts of the proposed zone change according to the requirements of SEQRA, and

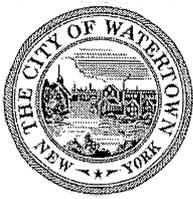
WHEREAS the City Council deems it in the best interest of the citizens of the City of Watertown to approve the requested zone change,

NOW THEREFORE BE IT ORDAINED that the approved zoning classification of 1108 Lewis Street, VL-R Bradley Street, 1079 Bradley Street, and 1069 Bradley Street, parcels 1-27-104, 1-27-103, 1-27-103.001, and 1-27-102, be changed from Residence A to Light Industrial, and

BE IT FURTHER ORDAINED that the Zoning Map of the City of Watertown shall be amended to reflect these changes, and

BE IT FURTHER ORDAINED this amendment to the Zoning Ordinance of the City of Watertown shall take effect as soon as it is published once in the official newspaper of the City of Watertown, or otherwise printed as the City Manager directs.

Seconded by



MEMORANDUM

CITY OF WATERTOWN, NEW YORK – PLANNING OFFICE
245 WASHINGTON STREET, ROOM 304, WATERTOWN, NY 13601
PHONE: 315-785-7730 – FAX: 315-782-9014

TO: Planning Board Members

FROM: Kenneth A. Mix, Planning and Community Development Coordinator

SUBJECT: Zone Change – VL-R Bradley St and 1108 Lewis St *KAM*

DATE: December 12, 2013

Request: To change the approved zoning classification of VL-R Bradley Street and 1108 Lewis Street, parcels 1-27-103 and 1-27-104, from Residence A to Light Industrial

Applicant: Mark Purcell, Purcell Construction

Owner: The Pyramid Co of Watertown

SEQRA: Unlisted

County review: December 31st meeting

Comments: The applicant, a representative of Purcell Construction Corp., is requesting to change the zoning of two parcels along the northwest boundary of the City from Residence A to Light Industry in order to allow development of an industrial park. The majority of the park will be located in the Town of Pamela, with access from Outer Bradley Street (NY 12) in the Town. Utilities will also likely be provided through the Town. A rail siding is proposed on the City side.

The Town of Pamela portion is zoned “Light Industrial.”

There are two small parcels to the east (1-27-103.001 and 1-27-102) that are currently zoned Residence A but used for propane sales, a non-conforming use. If this zone change is approved, they will be surrounded by Light and Heavy Industry Districts. The Planning Board may wish to recommend that these two parcels be included in the zone change.

The proposed change area is designated for industrial use in the adopted Land Use Plan.

cc: City Council Members
Robert J. Slye, City Attorney
Justin Wood, Civil Engineer II
Rick Gefell, 566 Coffeen St

November 27, 2013

The Honorable Mayor and City Council
245 Washington St.
Watertown, NY 13601

Re: Change of Zoning Request for Parcel # 1-27-103-000 & 1-27-104-000

Dear Honorable Mayor and City Council,

We have recently purchased a large parcel of land on Bradley St. in The Town of Pamela that is 80 acres . This parcel is zoned Light Industrial. Contiguous to this land are two parcels located in the City of Watertown. The parcels are located at VL-R Bradley St. (1-27-103.000 / 2.0 Acres) and 1108 Lewis St. (1-27-104.000 / 5.0 Acres).

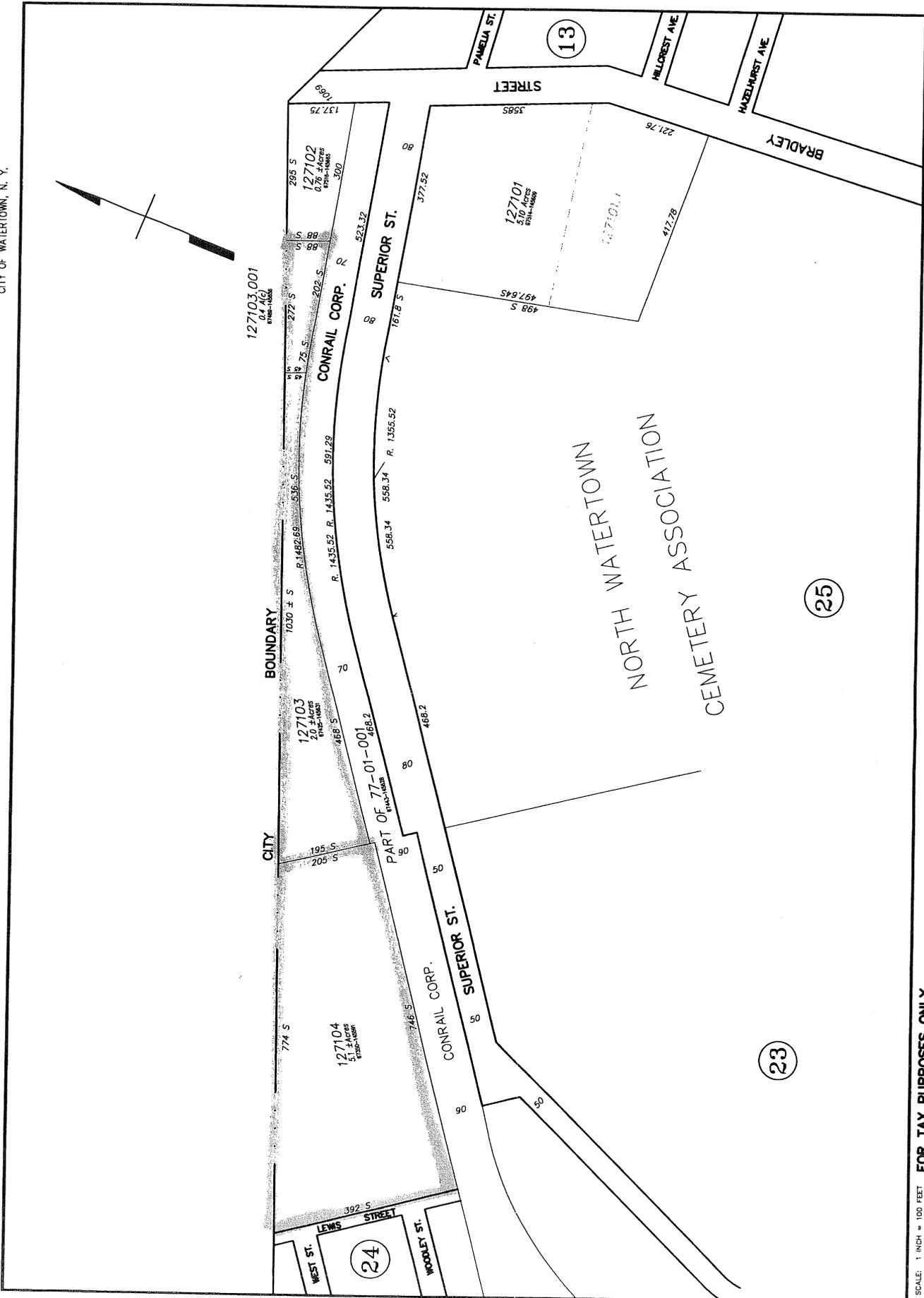
We would like to have the zoning of these two parcels changed from Residential A to Light Industrial. Our intentions are to create a new commerce park development on these parcels. Both parcels are bordered to the north by land in the Town of Pamela that we own and is zoned light industrial.

Both parcels border Superior St. to the south.

Please feel free to contact us at 315-782-1050 if you have any questions.



Mark S. Purcell
President
Purcell Construction Corp.



REVISED SEPTEMBER 23, 2004

DISTRICT 1 MAP 27

SCALE: 1 INCH = 100 FEET
FOR TAX PURPOSES ONLY
NOT TO BE USED FOR CONVEYANCE

(23)

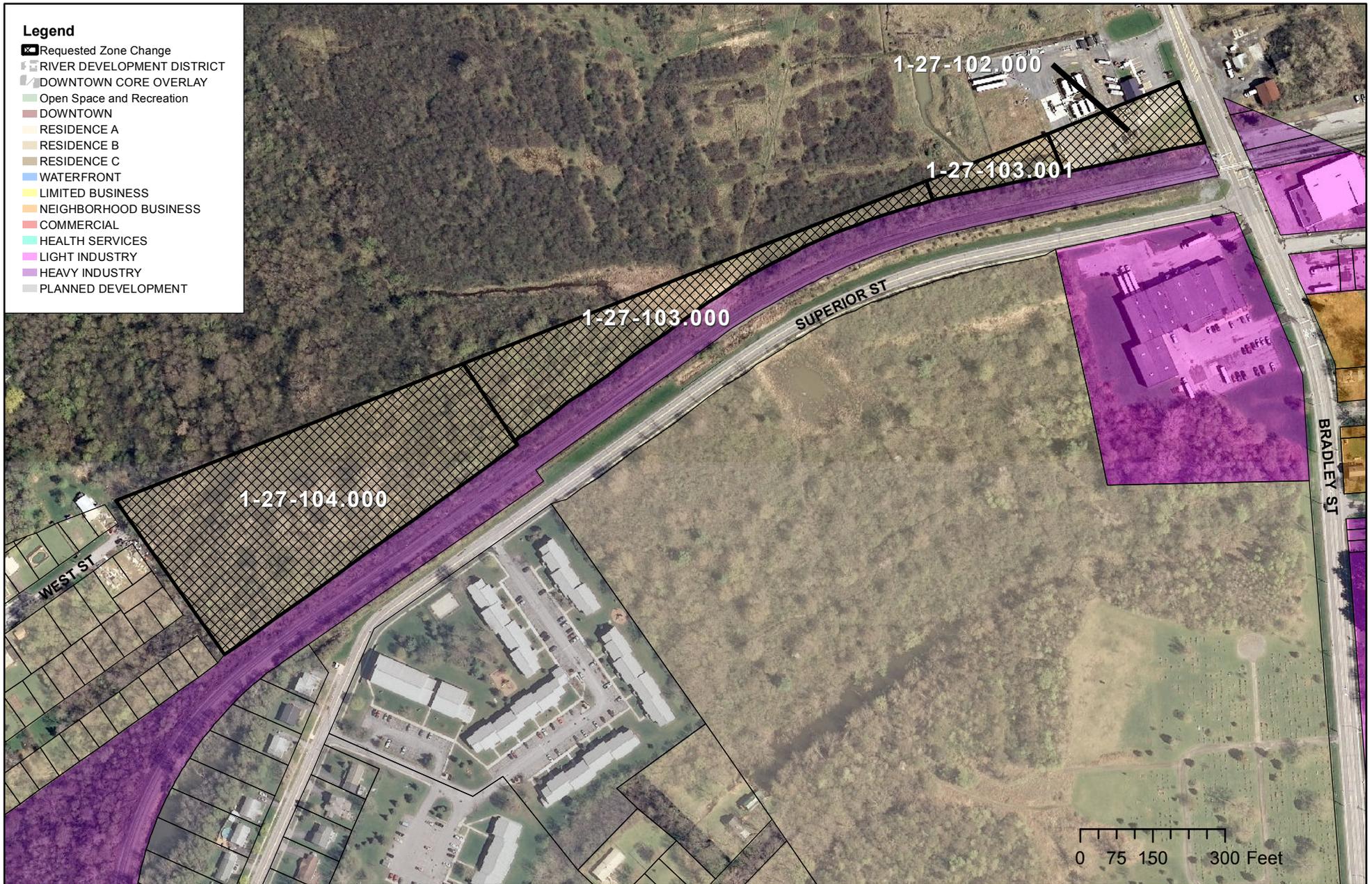
(25)

(13)

(24)

Legend

-  Requested Zone Change
-  RIVER DEVELOPMENT DISTRICT
-  DOWNTOWN CORE OVERLAY
-  Open Space and Recreation
-  DOWNTOWN
-  RESIDENCE A
-  RESIDENCE B
-  RESIDENCE C
-  WATERFRONT
-  LIMITED BUSINESS
-  NEIGHBORHOOD BUSINESS
-  COMMERCIAL
-  HEALTH SERVICES
-  LIGHT INDUSTRY
-  HEAVY INDUSTRY
-  PLANNED DEVELOPMENT



CITY OF WATERTOWN, NEW YORK
GIS DEPARTMENT

 ROOM 305B, MUNICIPAL BUILDING
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601
TEL: (315) 785-7793

Drawn By: J. Carlsson

Date: 1/15/2014

Approved By:

Date:

Scale: As Noted

Map Number: 13-22

Revision:	Description of Revision:	Date:	By:



Project:

ZONE CHANGE MAP

Title:

Superior Street Area
(Residence A to Light Industry)



Department of Planning
175 Arsenal Street
Watertown, NY 13601

Donald R. Canfield
Director of Planning

(315) 785-3144
(315) 785-5092 (Fax)

January 3, 2014

Andrew Nichols, Planner
City of Watertown
245 Washington Street
Watertown, NY 13601

Re: Purcell Construction, Zoning Map Amendment – Bradley Street
JCDP File # C 11 - 13

Dear Andrew,

On December 30, 2013, the Jefferson County Planning Board reviewed the above referenced project, referred pursuant to General Municipal Law, Section 239m.

The Board adopted a motion that the project does not have any significant County-wide or intermunicipal issues and is of local concern only.

During the review the County Planning Board made the local advisory comment that New York State Law requires zoning amendments to be made in accordance with a Comprehensive Plan. The local board should ensure that this amendment is consistent with any current plans and the vision for the City.

Please note that the advisory comment is not a condition of the County Planning Board's action. It is listed to assist the local board in its review of the project. The local board is free to make its final decision.

General Municipal Law, Section 239m requires the local board to notify the County of its action on this matter within thirty (30) days after taking a final action.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Bonisteel", written over a faint, larger version of the same signature.

E. Hartley Bonisteel
Community Development Coordinator

**ZONE CHANGE – RES A TO LIGHT INDUSTRIAL
VL-R BRADELY ST AND 1108 LEWIS ST – 1-27-103, 1-27-104**

The Board then considered a request by Mark Purcell of Purcell Construction to change VL-R Bradley Street and 1108 Lewis Street, parcels 1-27-103 and 1-27-104, from Residence A to Light Industrial.

Rick Gefell of Purcell Construction explained that his company planned to build an industrial park just outside the city, and that this sliver of land within the city needed to be changed to allow a rail spur to cross into the industrial park.

Mr. Katzman asked Mr. Gefell to describe the surroundings, and point out the location of some nearby housing on the map.

Mr. Gefell pointed these locations out. He also noted the location of a nearby Pepsi bottler and a propane distributor.

Mr. Katzman asked if the residents living on Superior Street would be impacted by the industrial park.

Mr. Gefell said that it would be unlikely. The houses are located down the street from the edge of the industrial park, and no traffic access was planned for Superior Street. The industrial park would be accessed only from outer Bradley Street.

Mr. Mix pointed out that the only neighboring uses are a cemetery and a non-conforming propane distributor. Thus, the sliver of Res A in question is surrounded by incompatible uses. Also, the Adopted Land Use Plan marked the area for industrial development 25 years ago.

Mrs. Freda said that the distance to the nearest residence is substantial; she does not see any likely negative impact.

Mrs. Gervera asked why this area was zoned Residence A in the first place.

Mr. Mix said that it was probably just a leftover area. In fact it may have been accidental—an unzoned white space on an old mylar map may have been interpreted as Residence A. He also noted that the staff report recommends changing the propane distributor's property as well, as it faces the same circumstances as the applicant, plus it has an existing non-conforming use.

Mr. Katzman moved to recommend that City Council approve the request by Mark Purcell of Purcell Construction to change VL-R Bradley Street and 1108 Lewis Street, parcels 1-27-103 and 1-27-104, from Residence A to Light Industrial.

Mrs. Gervera seconded, all voted in favor.

Mr. Katzman then moved to recommend that City Council also change 1079 Bradley Street and 1069 Bradley Street, parcels 1-27-103.001 and 1-27-102, from Residence A to Light Industry.

Mrs. Gervera seconded, all voted in favor.

Public Hearing – 7:30 p.m.

January 15, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Establishing Assessment Charge, Sidewalk Special Assessment
District 10, Spring and Fall 2014

On December 2, 2013, the City Council approved the establishment of the Sidewalk Improvement Special Assessment for District 10 (see adopted Resolution attached). As you will recall, under the Charter provisions related to Special Assessment Programs, after a Public Hearing, the City Council must officially determine whether all or a portion of the cost for the proposed sidewalk improvements should be a charge or expense upon the abutting property owner.

Notices were sent to all property owners in the defined area notifying them of their inclusion in this year's program and also notifying them of the Public Hearing to consider whether all or a portion of the cost for the proposed sidewalk improvements should be a charge or expense upon the abutting property owner. The attached report provides a detailed listing of the properties that will be included in Sidewalk Special Assessment District 10.

Staff prepared the notices to property owners using the \$5.25 per sq. ft. price, which is the price charged to property owners included in Special Assessment District 9.

As in previous years, this Special Assessment Program provides taxpayers with an opportunity to pay the cost of work performed by the City over a ten-year period. Property owners will have the option of having the City perform the work, hiring a contractor to do the work, or doing the work themselves.

A Public Hearing for Special Assessment District 10 has been scheduled for Tuesday, January 21, 2014, at 7:30 p.m. in City Council Chambers. Following the Public Hearing, the City Council can consider the attached resolution, which establishes the assessment charge for the Special Assessment District 10.

RESOLUTION

Page 1 of 1

Establishing Assessment Charge for Sidewalks, Spring and Fall 2014 Pursuant to Section 93 of the City Charter

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Mayor GRAHAM, Jeffrey E.
 Total

YEA	NAY

Introduced by

WHEREAS a public hearing was held in accordance with Section 93 of the City Charter on January 21, 2014 at 7:30 p.m. to hear public comment concerning whether all or a portion of the cost for proposed sidewalk improvements to the properties identified in the attached report, which constitutes Special Assessment District 10, shall be a charge or expense upon the abutting properties, and

WHEREAS the City Council has determined that it shall fix the charge to be paid by the abutting property owner at _____ per square foot, with the remaining cost being paid by the City,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown, pursuant to Section 93 of the City Charter, hereby fixes the charge to be paid for by the abutting property owner's of Special Assessment District 10 at _____ per square foot, with the remaining cost being paid by the City.

Seconded by

Proposed Residents in District #10:

Please Reference Attached:

301	BRAINARD	11-10-111.000	Moglia Mary Ellen
351	BRAINARD	11-10-101.000	Kehoe Sherri
401	BRAINARD	11-09-106.000	Shaughnessy Mary L/Edward
711	CADWELL	11-09-113.000	O'Hara Muzeyyen/Mark
712	CADWELL	11-09-218.000	Murphy Richard E/Clara
714	CADWELL	11-09-219.000	Lalonde Pamela
716	CADWELL	11-09-220.000	Lynough Elizabeth K
717	CADWELL	11-09-112.000	Varno S
718	CADWELL	11-09-221.000	Sandoval Ramiro
723	CADWELL	11-09-111.000	Marinez Robert J/Shawna
724	CADWELL	11-09-222.000	Widrick KB/Patricia D
726	CADWELL	11-09-223.000	Pearson Hilarie E/Martin
727	CADWELL	11-09-110.000	Mclaughlin Bryan M
730	CADWELL	11-09-224.000	Currier Gretchen L
733	CADWELL	11-09-109.000	Gray Michael W/Shelia
736	CADWELL	11-09-225.000	Currier Albert J
737	CADWELL	11-09-108.000	Davis William R Jr
740	CADWELL	11-09-226.000	Murdock Paula
741	CADWELL	11-09-107.000	Smith Quintin A/Epreliza
744	CADWELL	11-09-201.000	Mendez Paul M
178	FLOWER AVE E	11-12-143.000	Martusewicz Kim H
188	FLOWER AVE E	11-11-134.000	Hall Dustin D
210	FLOWER AVE E	11-10-128.000	John J/Melissa A Puccia
227	FLOWER AVE E	11-07-101.000	Cean David
264	FLOWER AVE E	11-10-142.000	Laney Thomas J / Heather
301	FLOWER AVE E	11-08-120.000	Meyers Stephen E
302	FLOWER AVE E	11-09-213.000	Barlow Joshua J /Carole
318	FLOWER AVE E	11-09-217.000	Douthit Luciana Braga / Lonny lynn
326	FLOWER AVE E	11-09-114.000	Campbell Eleanor M, Slate Eila M, Kidder Eileen M
602	FRANKLIN	11-08-137.000	Sandoval Ramiro
607	FRANKLIN	12-04-105.000	Kirkland Wendell J
608	FRANKLIN	11-08-138.000	Matney Sophia M/Conner
610	FRANKLIN	11-08-139.000	Fry John A G
611	FRANKLIN	12-04-104.000	Sprouse Grace
614	FRANKLIN	11-08-140.000	LaLonde Heather M/Noel
617	FRANKLIN	12-04-103.000	Johnson Laura H/David
618	FRANKLIN	11-08-141.000	Chapman Valerie A/Kevin
623	FRANKLIN	12-04-102.000	Catlin William J/SA/WH
624	FRANKLIN	11-08-101.000	Lachine Properties LLC

627	FRANKLIN	12-04-101.000	Spooner Living Trust / Brien / Cynthia
702	FRANKLIN	11-09-118.000	Quencer Aaron P/ Sandy
703	FRANKLIN	12-07-321.000	Frazier Ricky E
707	FRANKLIN	12-07-320.000	McCormick Diane M/Jack
708	FRANKLIN	11-09-119.000	Kalk James A/Louise
713	FRANKLIN	12-07-320.000	McCormick Diane M/Jack
716	FRANKLIN	11-09-120.000	Ives Gertrude,Louis G,Gerald E,Johnny A
719	FRANKLIN	12-07-317.100	Duffy Adrian M
720	FRANKLIN	11-09-121.000	Romeo Vincent G/Karen
723	FRANKLIN	12-07-316.000	Carnahan Kimberly T/Charles
724	FRANKLIN	11-09-122.000	Bates Lynne / Charles
608	GOTHAM	11-06-135.000	Hall John H
614	GOTHAM	11-06-136.000	Brown Adam M
617	GOTHAM	11-07-111.000	Malloy Gabriella C/Robert
620	GOTHAM	11-06-137.000	Pollock Mitchell/Shannon
622	GOTHAM	11-06-138.000	Kehoe Myron C Jr
623	GOTHAM	11-07-110.000	Fursman Andrea K/Christopher
629	GOTHAM	11-07-109.000	Fleming Troy M
630	GOTHAM	11-06-139.000	Levier Ryan S
635	GOTHAM	11-07-108.000	Thoma Andrew R
636	GOTHAM	11-06-101.000	Macaluso Teresa R
637	GOTHAM	11-07-107.000	Burkard Robert B / Tammy
708	GOTHAM	11-11-102.000	Wisner Louise S/ Scott
712	GOTHAM	11-11-103.000	Jenkins Lori A
715	GOTHAM	11-10-125.000	Bolton Anita M
716	GOTHAM	11-11-104.000	Cornaire James
719	GOTHAM	11-10-124.000	Quencer Aaron P / Sandy
720	GOTHAM	11-11-105.000	Irwin Mark D
724	GOTHAM	11-11-106.000	Ignat Adriana
727	GOTHAM	11-10-123.000	Busler Melvin J Jr / Rose
732	GOTHAM	11-11-108.000	Davis Anne
734	GOTHAM	11-11-109.200	Northern Federal Credit Union
735	GOTHAM	11-10-121.000	Perry Karen A
740	GOTHAM	11-11-111.000	Hornbeck Bruce L
741	GOTHAM	11-10-120.000	Plante William P
744	GOTHAM	11-11-112.000	Voss Rodger H / Jennifer
749	GOTHAM	11-10-119.000	Misercola Christopher G / Kristin
752	GOTHAM	11-11-113.000	Coleman James V
755	GOTHAM	11-10-118.000	Garland Timothy R / Katrina
758	GOTHAM	11-11-114.000	Cloutier Marc A
761	GOTHAM	11-10-116.000	Hoistion Eric L
764	GOTHAM	11-11-115.000	Boulter Elizabeth H / Anne
765	GOTHAM	11-10-115.000	LeFrancois Adriene / Judy

769	GOTHAM	11-10-114.000	Hough Joseph M / Lourdes
770	GOTHAM	11-15-101.000	Netto Aaron A
773	GOTHAM	11-10-112.000	Burkard Tammy / Robert
13	HAMLIN	11-08-122.000	Gianfagna Joseph C / Rachael
614	HAMLIN	11-07-125.000	Parsell John C & Joyce S / Bennett Susan
617	HAMLIN	11-08-121.000	Grosse Timothy
618	HAMLIN	11-07-126.000	Woiwode Joseph / Jennifer
624	HAMLIN	11-07-127.000	Woiwode Joseph / Jennifer
709	MYRTLE	11-11-133.000	Nilhad Group LLC
713	MYRTLE	11-11-132.000	McCarty Michael M Jr
714	MYRTLE	11-12-143.001	Jackson Dennis/Kimberly
717	MYRTLE	11-11-131.000	Kocsi Geraldine L / Ronald
720	MYRTLE	11-12-144.000	Deline Catherine D / Michael
721	MYRTLE	11-11-130.000	Hutchinson Franklin D
724	MYRTLE	11-12-145.000	Ehrig Becky S / Thomas Shane
725	MYRTLE	11-11-129.000	Deline Michael N
731	MYRTLE	11-11-128.000	Bartlett Jeanne / Schroeder Doris
735	MYRTLE	11-11-127.000	Nortz Dennis / Patricia
741	MYRTLE	11-11-125.000	Bolton Nola C
706	NELLIS	11-10-143.000	Lafferty James L
710	NELLIS	11-10-144.000	McKinney Nicholas D / Vanessa
713	NELLIS	11-09-212.000	Burns Gary W / Burns K
714	NELLIS	11-10-145.000	Petrie Christopher J / Alison
717	NELLIS	11-09-211.000	Bolton Orrin P / Beth
718	NELLIS	11-10-146.000	Eades Jean C
721	NELLIS	11-09-210.000	Brunson Roscoe D
722	NELLIS	11-10-147.000	Gorgeny Thomas P / Jennifer
724	NELLIS	11-10-148.000	Fulton Karl A / Thomas
725	NELLIS	11-09-209.000	Thomas Oswald M
729	NELLIS	11-09-208.000	Harberson Margaret L
731	NELLIS	11-09-207.000	Augustus Craig S/Janet M
739	NELLIS	11-09-206.000	King Brian A
183	PARK AVE	11-12-101.000	Lamson James P / Molly
339	WILLIAMS	12-04-106.000	Spooner Living Trust / Brien / Cynthia
170	WINSLOW	11-06-134.000	Lee Stephen H / Sally
204	WINSLOW	11-07-112.000	Marilley John D/Shirley A
252	WINSLOW	11-07-124.000	Siver John R
300	WINSLOW	11-08-123.000	Gianfagna Joseph C / Rachael

RESOLUTION

Page 1 of 1

Sidewalk Improvement Special
Assessment Program, District No. 10

Council Member BURNS, Roxanne M.
 Council Member BUTLER, Joseph M. Jr.
 Council Member MACALUSO, Teresa R.
 Council Member SMITH, Jeffrey M.
 Mayor GRAHAM, Jeffrey E.

	YEA	NAY
Council Member BURNS, Roxanne M.	X	
Council Member BUTLER, Joseph M. Jr.	X	
Council Member MACALUSO, Teresa R.	X	
Council Member SMITH, Jeffrey M.	X	
Mayor GRAHAM, Jeffrey E.	X	
Total	5	0

Introduced by

Council Member Jeffrey M. Smith

WHEREAS the City Engineering Department has inspected sidewalks within the City of Watertown, and

WHEREAS it has been determined that the condition of sidewalks on certain streets are in need of repair and/or replacement, and

WHEREAS the City Council of the City of Watertown feels it is in the overall public interest to provide property owners within the City of Watertown with an opportunity to pay for said repair/replacement work through a Special Assessment Program,

NOW THEREFORE BE IT RESOLVED that a Public Hearing will be held on Tuesday, January 21, 2014, at 7:30 p.m. at which time property owners included in the Special Assessment Program will have an opportunity to make comments on whether all or a portion of the cost for proposed sidewalk improvements should be a charge or expense upon the abutting property owners, and

BE IT FURTHER RESOLVED that the City Engineering Department will send notices to all property owners notifying them of their inclusion in this year's program and that there will be a public hearing to consider whether all or a portion of the cost for proposed sidewalk improvements should be a charge or expense upon the abutting property owners, and

BE IT FURTHER RESOLVED that the properties included in the Sidewalk Special Assessment Program, District No. 10, are those detailed in the attached report.

Seconded by Council Member Joseph M. Butler Jr.

January 15, 2014

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Fiscal Year 2012-13 Audit Report

Attached for your review is a copy of the independent audit report for the fiscal year ended June 30, 2013 as prepared by Bowers & Company CPAs PLLC. The audit report is also available on the City Comptroller's web page at <http://www.watertown-ny.gov/index.asp?NID=548>.

CITY OF WATERTOWN,
NEW YORK

FINANCIAL STATEMENTS

June 30, 2013

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CITY OF WATERTOWN, NEW YORK

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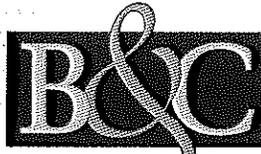
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**BOWERS & COMPANY
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

**SENIOR MANAGEMENT, MAYOR AND
MEMBERS OF THE CITY COUNCIL OF
THE CITY OF WATERTOWN, NEW YORK**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WATERTOWN, NEW YORK**, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Watertown, New York as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information (page 70) and the supplementary schedule of the funding progress of the post employment healthcare benefit plan (page 73) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Watertown, New York's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2013, on our consideration of the City of Watertown, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Watertown, New York's internal control over financial reporting and compliance.

Bowers & Company

Watertown, New York
December 17, 2013

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

As management of the City of Watertown (the "City") we offer this overview and analysis of the financial activities of the City of Watertown for the fiscal year ended June 30, 2013. This discussion and analysis is designed to (a) assist the reader in focusing on the significant financial issues, (b) provide an overview of the financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the approved budget, and (e) identify individual fund issues or concerns. Since management's discussion and analysis is designed to focus on the current year's activities, resulting changes, and known facts, readers are encouraged to consider the information presented here in conjunction with the financial statements that follow.

FINANCIAL HIGHLIGHTS

- The assets of the City of Watertown exceeded its liabilities at June 30, 2013 by \$94,849,395. Of this amount unrestricted net assets of \$5,806,695 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased \$93,263 in fiscal year 2012-13, with a decrease of \$574,600 in governmental activities and an increase of \$481,337 in business-type activities.
- At the close of the current fiscal year, the City of Watertown's governmental funds reported combined ending fund balances of \$17,312,501.
- General Fund revenues of \$42,370,598 on a budgetary basis fell short of budgeted revenues by \$261,824 or 0.65% while budgetary basis expenditures finished \$5,551,308 lower than budgeted expenditures. These results reduced the need to use the full \$2,277,096 in appropriated fund balance budgeted for in the 2012-13 General Fund budget.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,144,614 or 20.60% of total General Fund expenditures.
- The City issued \$1,645,000 in serial bonds dated June 12, 2013 maturing October 15, 2027 at interest rates ranging from 3.00% through 3.50% (priced to yield 3.13%) to provide financing for various capital projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow users to address relevant questions, broaden a basis for comparison (inter-period or intergovernmental) and enhance the City's accountability. This report also contains supplementary information in addition to the basic financial statements, which further explains and supports the information presented in these statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Watertown's finances, in a manner similar to a private-sector business. All of the activities of the City, except of a fiduciary nature, are included in these statements. The government-wide statements provide short-term and long-term information about the City's financial status as a whole.

The Statement of Net Position presents information on all of the City's assets (including capital assets) and liabilities (including long-term debt), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, other indicators, including non-financial indicators like the City's property tax base, bond ratings, the condition of its infrastructure, and the County's sales tax base, should also be considered.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and interest payments on debt). This statement also focuses on both the gross and net costs of the various functions of the City, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions are self-supporting and/or dependent on general taxes and other revenues for support.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Government-Wide Financial Statements

Both of the government-wide financial statements distinguish functions of the City of Watertown that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include most of the City's basic services such as the City's fire and police services, public works, parks and recreation, the bus system, library and general government support. Sales tax, property taxes, and State Aid finance most of these services. The business-type activities of the City include the water and sewer utilities. User fees support these activities.

The government-wide financial statements include not only the City of Watertown itself (known as the primary government), but also the Watertown Empire Zone as a blended component unit as it is not a legally separate entity and the Roswell P. Flower Memorial Library Board of Trustees as a discretely presented component unit.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. These statements provide more detailed information about the City's most significant funds (major funds) and not the City as a whole. All of the funds of the City can be divided into three categories: (1) governmental funds, (2) proprietary funds and (3) fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term sources and uses of available resources. These funds are reported using the modified accrual method of accounting that measures cash and all other financial assets that can be readily converted to cash.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Governmental Funds - Continued

The governmental funds statements provide a more detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because the focus (current financial resources) of governmental funds is narrower than that of the government-wide financial statements (total economic resources), it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Watertown maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balance for the General and Capital Projects Funds, which are considered to be the City's major governmental funds. Data for the other governmental funds is combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, a Budgetary Comparison Schedule for the General Fund has been provided as Required Supplemental Information following the Basic Financial Statements.

Proprietary Funds

Proprietary funds are generally used to account for services for which the City charges customers (both external and internal). These funds use accrual accounting, which is the same method used by the private sector. The City of Watertown has two proprietary or enterprise funds. The City's proprietary funds are the Water and Sewer Funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, both of which are considered to be major funds of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. While these funds represent trust responsibilities of the City, these assets are restricted in purpose and do not represent discretionary assets of the City. Therefore, these assets are not reflected in the government-wide financial statements. These funds are reported using the accrual accounting method.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

Following the basic financial statements is additional required supplementary information that further explains and supports the information in the financial statements. This section includes the budgetary comparison schedule for the General Fund.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2013, the City's assets exceeded liabilities by \$94,849,395 compared to \$94,942,658 at June 30, 2012. By far the largest portion of the City's net position (88.95%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$4,677,758 or 4.93% of the net position represents resources that are subject to external restrictions on how they may be used. Currently, the amount of restricted net position represents the net position of the Watertown Empire Zone, Alex T. Duffy Fairgrounds Stadium Repair Reserve Fund, Capital Reserve Fund, Tourism Fund, Community Development Fund, Capital Projects Fund, Workers Compensation Fund, Insurance Liability Fund and Debt Service Fund. The unrestricted net assets, \$5,806,695 compared to \$9,600,814 last year, may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF WATERTOWN, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

City of Watertown's Net Position						
	Governmental Activities		Business-type Activities		Total	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Current and other assets	\$23,367,213	\$21,728,609	\$6,116,422	\$5,755,133	\$29,483,635	\$27,483,742
Capital Assets	71,413,449	71,979,446	34,878,644	33,927,819	106,292,093	105,907,265
Total Assets	\$94,780,662	\$93,708,055	\$40,995,066	\$39,682,952	\$135,775,728	\$133,391,007
Long-term liabilities outstanding	\$22,828,710	\$21,011,859	\$8,134,162	\$7,481,113	\$30,962,872	\$28,492,972
Other liabilities	8,353,232	8,522,876	1,610,229	1,432,501	9,963,461	9,955,377
Total liabilities	\$31,181,942	\$29,534,735	\$9,744,391	\$8,913,614	\$40,926,333	\$38,448,349
Net Position:						
Invested in Capital Assets, net of related debt	\$55,824,359	\$55,046,244	\$28,540,583	\$27,513,338	\$84,364,942	\$82,559,582
Restricted	4,514,880	2,551,679	162,878	230,583	4,677,758	2,782,262
Unrestricted	3,259,481	6,575,397	2,547,214	3,025,417	5,806,695	9,600,814
Total Net Position	\$63,598,720	\$64,173,320	\$31,250,675	\$30,769,338	\$94,849,395	\$94,942,658

As of June 30, 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate categories- governmental and business-type activities.

The following table provides a summary of the City's operations for the year ended June 30, 2013.

CITY OF WATERTOWN, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

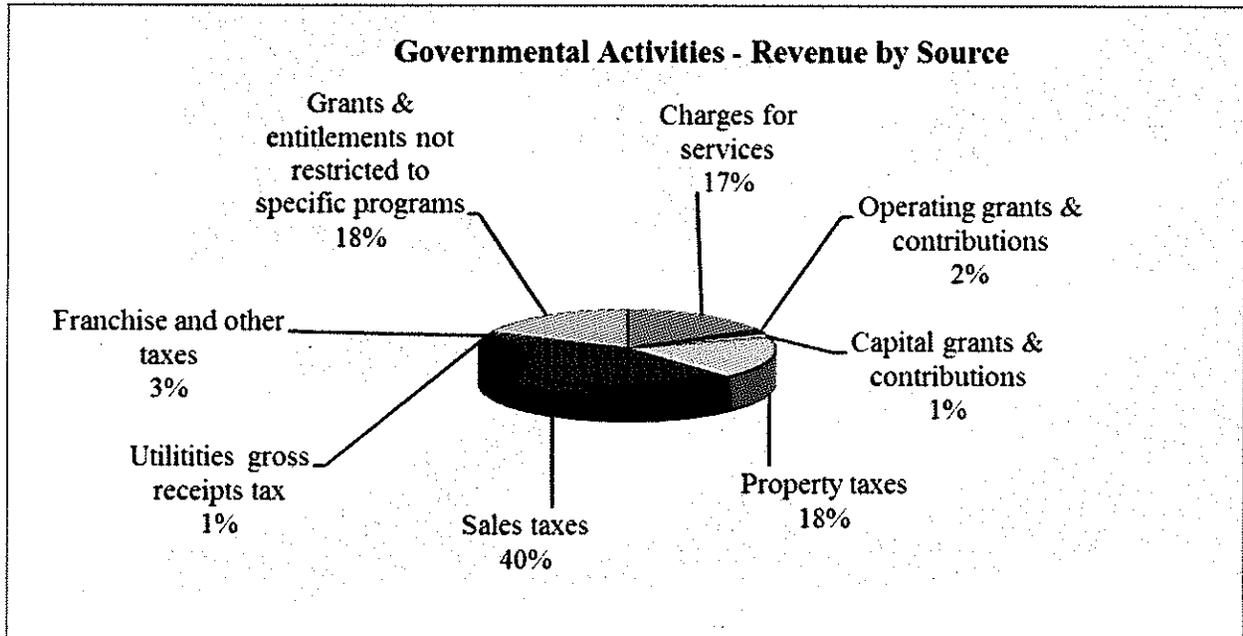
City of Watertown's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Revenues:						
Program Revenues:						
Charges for services	\$7,203,333	\$7,120,316	\$10,107,067	\$10,119,094	\$17,310,400	\$17,239,410
Operating grants and contributions	863,653	1,186,708	-	-	863,653	1,186,708
Capital grants and contributions	629,919	2,209,424	164,190	104,187	794,109	2,313,611
General revenues:						
Property taxes	7,733,866	7,589,639	-	-	7,733,866	7,589,639
Sales tax	17,247,801	17,215,058	-	-	17,247,801	17,215,058
Utilities gross receipts tax	329,528	351,716	-	-	329,528	351,716
Franchise tax	412,138	429,250	-	-	412,138	429,250
Mortgage tax	480,981	307,384	-	-	480,981	307,384
Hotel occupancy tax	250,684	221,947	-	-	250,684	221,947
Grants and Entitlements not restricted to specific programs	7,803,208	4,703,208	-	-	7,803,208	4,703,208
Investment earnings	18,568	58,787	2,502	10,826	21,070	69,613
Total revenues	\$42,973,679	\$41,393,437	\$10,273,759	\$10,234,107	\$53,247,438	\$51,627,544
Expenses:						
General government support	\$14,032,867	\$12,440,712	\$ -	\$ -	\$14,032,867	\$12,440,712
Hydroelectric production	631,684	592,900	-	-	631,684	592,900
Fire	8,274,802	8,347,846	-	-	8,274,802	8,347,846
Police	7,282,227	7,430,795	-	-	7,282,227	7,430,795
Other Public Safety	565,548	336,295	-	-	565,548	336,295
Public Works	6,780,642	6,357,799	-	-	6,780,642	6,357,799
Bus	885,209	841,388	-	-	885,209	841,388
Watertown Empire Zone	5,681	8,228	-	-	5,681	8,228
Other Economic Assistance	116,232	118,984	-	-	116,232	118,984
Library	1,110,602	935,944	-	-	1,110,602	935,944
Other Culture and Recreation	1,977,977	1,596,795	-	-	1,977,977	1,596,795
Refuse and Recycling	936,054	1,056,053	-	-	936,054	1,056,053
Other Home and Community Serv.	342,932	489,438	-	-	342,932	489,438
Interest on Debt Service	635,822	728,192	-	-	635,822	728,192
Water	-	-	4,730,740	4,436,105	4,730,740	4,436,105
Sewer	-	-	5,031,682	4,308,061	5,031,682	4,308,061
Total Expenses	\$43,578,279	\$41,281,369	\$9,762,422	\$8,744,166	\$53,340,701	\$50,025,535
Excess of Revenues over Expenses	(604,600)	112,067	511,337	1,489,941	(93,263)	1,602,009
Transfers	30,000	30,000	(30,000)	(30,000)	-	-
Change in Net Position	(574,600)	142,068	481,337	1,459,941	(93,263)	1,602,009
Net Position - Beginning	64,173,320	64,031,252	30,769,338	29,309,397	94,942,658	93,340,649
Net Position - Ending	\$63,598,720	\$64,173,320	\$31,250,675	\$30,769,338	\$94,849,395	\$94,942,658

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Governmental activities. Governmental activities decreased the City's net position by a total \$574,600 compared to last year's increase of \$142,068. Key elements of the year are as follows:

- Sales tax revenue totaled \$17,247,801 which was an increase of only \$32,743 or 0.19% over last year's total of \$17,215,058. Sales tax revenue represented 40.14% of the governmental activities' revenue in FY 12/13 compared to 41.59% in FY 11/12.
- The base level of New York State Aid to Municipalities (AIM) remained unchanged from the FY 2011-12 level of \$4,703,208. However the City received a one-time AIM spin-up payment of \$3,100,000 due to the State offering to adjust the City's payment cycle. The City placed the amount in a Capital Reserve Fund to be used to mitigate the costs of the City's multi-year capital plan.
- The City received \$564,887 in Federal and State Aid for various capital projects which is a decrease of \$1,257,522 from the amount received last year for Federal and State grants for capital projects. Some of the major projects include the Consolidated Local Street and Highway Improvement Program for various streets (\$174,935), Sewall's Island environmental rehabilitation (\$140,193), the Soldiers and Sailors Monument rehabilitation (\$74,950) and the Factory Street reconstruction project (\$242,913).



MANAGEMENT'S DISCUSSION AND ANALYSIS

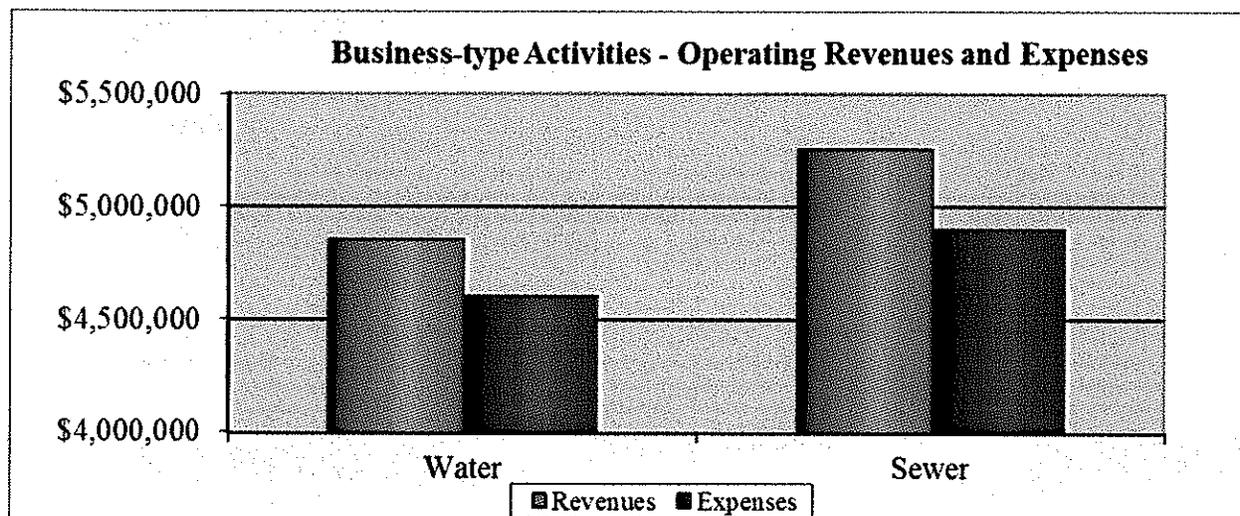
June 30, 2013

Business-type activities. Business-type activities increased the City's net position by \$481,337 compared to \$1,459,941 last year. Key elements for this year are as follows:

- Water operating revenues increased by \$196,722 or 4.22% to \$4,853,525 while operating expenses increased by \$314,627 or 7.33% to \$4,605,169.
- The City has a contract with the Development Authority of the North Country to produce and deliver treated fresh water to Fort Drum as well as other outside water districts connected to the Development Authority of the North Country's water distribution line. In the current fiscal year the revenue derived from this agreement was \$730,203 or an increase of \$98,464 or 15.59% over last year's total of \$631,739. Water revenues from this agreement accounted for 15.04% of the total water revenues compared to 13.57% last year.
- Total revenues from water sales to outside of the City customers such as the Development Authority of the North Country and Town of Watertown water districts was \$1,331,556 or an increase of \$178,607 or 15.49% over last year's total of \$1,152,949. Water revenues to outside of the City customers represented 27.43% of the water operating revenues compared to 24.76% last year.
- Sewer operating revenues decreased by \$208,749 or 3.82% to \$5,253,542 and operating expenses increased by \$741,181 or 17.82% to \$4,900,201. Revenues related to the City's tanker hauled waste program decreased \$249,085 with the leachate revenue from the Development Authority of the North Country increasing \$134,690 or 130.24% and the revenue from the Seneca Meadows landfill decreasing \$215,225 or 37.77% due to a change in their operations that has significantly reduced the volume of leachate delivered to the City's treatment plant. Transfers to the Sewer Fund capital projects increased by \$124,143 to \$906,158 as the Sewer Fund continues to be able to afford paying more of its capital projects on a pay-as-you-go method and avoid the issuance of debt.
- The City has a contract with the Development Authority of the North Country to provide wastewater treatment services to Fort Drum as well as other outside sewer districts. In the current fiscal year the revenue derived from this agreement was \$720,289 or a decrease of \$1,605 or 0.22% over last year's total of \$721,894. Sewer revenues from this agreement accounted for 13.71% of the total sewer revenues compared to 13.22% last year.
- Total sewer revenues from outside of the City customers such as the Development Authority of the North Country and Town of Watertown districts was \$1,622,978 or an increase of \$25,352 or 1.59% over last year's total of \$1,597,626. Sewer revenues to outside of the City customers represented 30.89% of the sewer operating revenues compared to 29.25% last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013



Financial Analysis of the Government's Funds

The focus of the City of Watertown's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2013 the City's governmental funds reported combined ending fund balances of \$17,312,501 an increase of \$1,704,601 or 10.92% in comparison with the prior year. Approximately 47% or \$8,144,614 represents the unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is 1) *non-spendable* to indicate that it is not available for new spending because it must be maintained intact for inventories (\$2,362) and prepaid expenditures (\$45,991), and 2) *restricted* to indicate limitations on its use imposed by grants, debt or legislation (\$4,514,880).

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,144,614, while the total General Fund balance equaled \$16,186,135 compared to \$13,308,140 in the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures and other financing uses. Unassigned fund balance represents 20.60% of total General Fund expenditures and other financing uses compared to 21.02% last year, while total fund balance represents 40.94% of that same amount compared to 33.36% last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

During the current fiscal year, the fund balance of the City's General Fund increased by \$2,838,238 compared to last year's decrease of (\$887,723) due to the receipt of the one-time NYS AIM spin-up of \$3,100,000.

Capital projects fund. The capital projects fund accounts for the construction and acquisition of the capital assets of the City. At the end of the current fiscal year, the fund balance was \$603,480 compared to \$1,741,003 in the previous year. Within the current year no amount is considered restricted due to debt financing and \$603,480 is considered assigned due to the funding being from operating fund transfers.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the fiscal year of the Water Fund was \$1,134,704 compared to \$922,441 in the prior fiscal year. The water fund had an increase in net position in the amount of \$189,507 compared to an increase of \$254,096 in the previous year.

Unrestricted net position at the end of the fiscal year of the Sewer Fund was \$1,412,510 compared to \$2,102,976 in the prior year. The Sewer Fund had an increase in net position in the amount of \$291,830 compared to an increase of \$1,205,845 in the prior fiscal year. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The General Fund budget was re-adopted three times during the fiscal year which resulted in a total increase in appropriations by \$209,800 to provide additional funding for Parks and Recreation personnel and equipment costs related to the 1000 Islands Privateers making the Watertown Municipal Arena their home ice for the 2012-13 hockey season (\$140,450) and to increase the transfers to the Capital Projects Fund for the Library HVAC upgrade (\$38,000) and the masonry and fountain restoration (\$31,350). As part of the budget re-adoptions Arena concession revenues were increased by \$45,000 due to the 1000 Islands Privateers games. Appropriated fund balance was increased \$164,800. Other budget amendments between departmental expenditure accounts also did occur.

General Fund revenues of \$42,370,598 on a budgetary basis fell short of final budgeted revenues of \$42,632,422 by \$261,824 or 0.65% while budgetary basis expenditures of \$39,532,360 were \$5,551,308 or 12.31% lower than the final budgeted expenditures of \$45,083,668. The shortage of actual revenues to budgeted revenues is primarily due to the lower than anticipated sales tax

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

General Fund Budgetary Highlights - Continued

revenue (\$612,199), sale of hydro-electric power (\$269,896) and insurance recoveries on large self-insurance claims (\$209,958). Revenues that did exceed budgetary expectations were the sale of real property (\$174,403), and mortgage recording tax revenue (\$180,981). Actual expenditures were lower than the budgeted expenditures due mostly to the \$3,100,000 of NYS AIM spin-up funds that were placed in a Capital Reserve within the General Fund but were budgeted as an expenditure, health insurance claim costs (\$601,053), health insurance stop loss insurance (\$112,129), transfers to the Capital Projects Fund (\$626,019) that were delayed due to under-performing sales tax and hydro-electric sales. These combined results reduced the use of \$2,277,096 in appropriated fund balance that was budgeted in the 2012-13 General Fund original adopted budget to \$261,762.

Capital Assets and Debt Administration

The City's investment in capital assets, net of related debt, for its governmental and business-type activities as of June 30, 2013, amounts to \$84,364,942. This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, traffic signals and other infrastructure.

City of Watertown's Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-type Activities		Total	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Land	\$2,601,285	\$2,601,285	\$ -	\$ -	\$2,601,285	\$2,601,285
Construction in Progress	1,936,343	3,835,880	868,030	281,986	2,804,373	4,117,866
Land Improvements	3,681,210	2,186,393	1,765	4,852	3,682,975	2,191,245
Building and Improvements	19,456,780	18,767,777	12,461,576	12,866,970	31,918,356	31,634,747
Infrastructure	39,747,865	40,099,734	18,676,203	18,162,946	58,424,068	58,262,680
Machinery and Equipment	2,290,783	2,520,334	2,557,156	2,269,053	4,847,939	4,789,387
Vehicles	1,699,183	1,968,043	313,914	342,012	2,013,097	2,310,055
Total Net Assets	\$71,413,449	\$71,979,446	\$34,878,644	\$33,927,819	\$106,292,093	\$105,907,265

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Major capital asset events during the current fiscal year included the following projects:

- Completed reconstruction of the J.B. Wise parking lot including a partially covered pedestrian walkway, new vehicle drives, lighting, landscaping, and the construction and separation of a storm and sanitary sewer at a cost of \$2,280,101.
- Reconstructed Clinton Street at a cost of \$1,931,154 which included reconstruction of 2,300 LF of street including curbs, sidewalks, water main and storm and sanitary sewers.
- Completed Marble Street Park (\$176,860) and Bicentennial Park improvements (\$266,037).
- Replaced multi-media filters at the Water treatment Plant at a cost of \$435,269.
- Replaced the cooling tower at the Flower Memorial Library at a cost of \$360,822.
- Continued environmental investigations and interim remedial measures on Sewall's Island. Construction in progress at year-end totaled \$900,545.
- Continued design of the Factory Street reconstruction project which is estimated to cost over \$9,000,000 and include the reconstruction of 2,600 linear feet of street as well as the replacement of the sidewalks, curbs, water main and sanitary sewer. Construction in progress at year-end was \$682,490.
- Continued design of a disinfection system for both treatment outfalls at the wastewater treatment plant. The system is mandated in the renewed State Pollutant Discharge Elimination System (SPDES) permit provided by the New York State Department of Environmental Conservation. The estimated cost of the project is \$5,900,000. Construction in progress at fiscal year-end was \$445,046.

Additional information on the City's capital assets can be found in the Notes to the Financial Statements.

CITY OF WATERTOWN, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$22,775,000. This entire amount is backed by the full faith and credit of the City of Watertown. Following is a comparative statement of outstanding debt:

City of Watertown's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
General obligation bonds	\$15,722,706	\$17,091,962	\$7,052,294	\$7,108,038	\$22,775,000	\$24,200,000
	\$15,722,706	\$17,091,962	\$7,052,294	\$7,108,038	\$22,775,000	\$24,200,000

The New York State Constitution restricts the City's level of indebtedness to an amount no greater than 7% of the average full valuation of taxable real property for the most recent five years. Water debt, sewer debt, self-sustaining debt and refunded debt are excluded from the debt limit calculation. Accordingly, as of June 30, 2013, the City's debt limit was \$74,833,991 with total net indebtedness of \$9,627,680 thus exhausting 12.87% of the City's debt limit.

The City issued \$1,645,000 in serial bonds dated June 12, 2013 maturing October 15, 2027 at interest rates ranging from 3.00% through 3.50% (priced to yield 3.13%) to provide financing for various capital projects.

Additional information on the City's capital debt can be found in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when adopting the fiscal year 2013-14 budget, most importantly the state and local economy.

The City of Watertown is the county seat of Jefferson County. The unemployment rates in June 2013 were 8.8% for the City of Watertown, 8.8% for Jefferson County, 7.6% for New York State and 7.4% for the United States. The unemployment rates in June 2012 were 9.4% for the City of Watertown, 9.4% for Jefferson County, 8.7% for New York State and 8.2% for the United States.

Budget factors considered during the preparation of the FY 2013-14 budget included the national and state economies, low interest rates, high unemployment and escalating NYS Retirement System contribution rates. With the continued uncertainties overseas, as has been the case for the past ten years, it was difficult to predict how many of the 18,416 soldiers of the 10th Mountain Division at Fort Drum would be deployed and for how long they would be gone fighting the War on Terrorism. The proximity of the City to Canada and the favorable exchange rate for Canadian shoppers has helped keep sales tax revenue the largest revenue source in the General Fund Budget and is projected to increase \$440,000 from the FY 2012-13 budgeted level.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Economic Factors and Next Year's Budgets and Rates - Continued

Like most local governments, the City's 2013-14 budget was impacted by the escalating high costs for retirement benefits. The contribution to the Employees' Retirement System will range from 11.5% to 28.8% of salaries, up from a range of 15.1% to 25.4% in the previous year. The contribution rate for the Police and Fire Retirement System will range from 16.0% to 28.4% of salaries, up from 20.1% to 25.1% of salaries in the previous year. Due to the dramatic drop in the stock market from April 2008 to April 2009 the State Pension Fund lost approximately 40% of its value. Due to the NYS Retirement System's smoothing techniques the retirement rates have been steadily climbing since the downturn. The rates are expected to peak with the payment due in FY 2014-15. Due to the better than expected claims history over the last few years the self-insurance fund appropriated \$200,000 of fund balance to minimize the premium rate increase to 4.15%.

The City saw an increase of \$8,285,666 or 0.81% in taxable assessed value. The residential tax burden has decreased slightly to 60.64% from 60.71% last year. The average assessment for a single-family home in Watertown increased slightly to \$106,786 from \$106,292 in FY 2012-13.

The City's FY 2013-14 General Fund operating costs decreased by \$1,091,237 or 2.59% to \$41,021,635. The reason for the decrease was due to the FY 2012-13 Capital Reserve Fund appropriation of \$3,100,000 that was funded by a change in the payment cycle of the New York State Aid payments to the City which provided a one-time infusion of additional State Aid that will be used for upcoming capital projects identified in the City's five-year capital plan. Excluding the Capital Reserve Transfer expenditures are up \$2,008,763 or 5.15%. The City appropriated \$1,564,310 of fund balance, a decrease of \$16,717 over FY 2012-13. The sales tax revenue budget was increased to \$18,300,000 which represented an increase of \$440,000 or 2.5% over the sales tax budget for FY 2012-13. The State Aid revenue budget remained at the City's base amount of \$4,703,208. The increase in the real property tax levy of \$147,454 or 2.00% and the increase in taxable assessed values resulted in a 1.23% increase to the property tax rate. The City adopted a budget within the limits of the New York State Property tax cap that essentially limits the growth in the real property tax levy to two percent or the rate of inflation, whichever is less, with some exceptions.

Appropriations for the Water Fund increased by \$281,724 or 6.04%. The Water Fund appropriated \$55,000 of fund balance. The Sewer Fund appropriations increased \$162,342 or 3.05%. The Sewer Fund appropriated \$179,151 of fund balance of which \$11,853 was from the debt reserve fund to pay for the Algonquin Street sanitary sewer reconstruction debt service. The water and sewer rates were not modified.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Requests for Information

The financial report is designed to provide a general overview of the City of Watertown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the City Comptroller, City of Watertown, Municipal Building, 245 Washington Street, Watertown, New York 13601.

AUDITED FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	The Trustees of the Roswell P. Flower Memorial Library
ASSETS				
Unrestricted Cash and Cash Equivalents	\$ 13,610,864	\$ 3,381,285	\$ 16,992,149	\$ 186,750
Restricted Cash and Cash Equivalents	4,623,642	1,191,614	5,815,256	192,075
Receivables (Net of Allowance for Uncollectibles)				
Accounts	2,261,684	1,368,174	3,629,858	-
Taxes	171,111	-	171,111	-
Due from Other Governments	1,803,120	236,858	2,039,978	-
State and Federal Aid Receivables	731,335	51,682	783,017	-
Inventory	2,362	-	2,362	-
Prepaid Expenses	45,991	-	45,991	1,654
Internal Balances	117,104	(113,191)	3,913	-
	<u>23,367,213</u>	<u>6,116,422</u>	<u>29,483,635</u>	<u>380,479</u>
Capital Assets				
Non-Depreciable	4,537,628	868,030	5,405,658	14,516
Depreciable, Net	66,875,821	34,010,614	100,886,435	48,764
Total Capital Assets	<u>71,413,449</u>	<u>34,878,644</u>	<u>106,292,093</u>	<u>63,280</u>
TOTAL ASSETS	<u>\$ 94,780,662</u>	<u>\$ 40,995,066</u>	<u>\$ 135,775,728</u>	<u>\$ 443,759</u>
LIABILITIES				
Accounts Payable	\$ 1,619,082	\$ 268,794	\$ 1,887,876	\$ 6,034
Accrued Interest Payable	119,732	58,384	178,116	-
Accrued Liabilities	1,141,474	103,203	1,244,677	-
Retainage Payable	100,428	31,391	131,819	-
Current Debt Obligations Due Within One Year	2,178,788	914,212	3,093,000	-
Compensated Absences	693,349	103,990	797,339	-
Workers Compensation Liability	561,998	393,573	955,571	-
Accrued Post Employment Benefits	8,452,543	1,602,507	10,055,050	-
Other Liabilities	7,835	12,965	20,800	-
Due to Other Governments	52,175	335	52,510	-
Due to Retirement System	850,534	116,955	967,489	-
Deferred Revenue	1,589,835	-	1,589,835	-
Other Long-Term Debt	355,867	-	355,867	-
Serial Bonds	13,591,918	6,138,082	19,730,000	-
Less: Deferred Amount on Advance Refunding	(133,616)	-	(133,616)	-
Total Liabilities	<u>31,181,942</u>	<u>9,744,391</u>	<u>40,926,333</u>	<u>6,034</u>
NET POSITION				
Investment in Capital Assets, Net of Related Debt	55,824,359	28,540,583	84,364,942	-
Restricted for				
Capital Reserves	3,120,107	-	3,120,107	-
Workers Compensation Reserve	317,175	-	317,175	-
Insurance Reserve - General	330,644	-	330,644	-
Tourism Reserve	51,963	-	51,963	-
Economic Development and Assistance	235,763	-	235,763	-
Community Development	139,303	-	139,303	-
Capital Projects	-	137,117	137,117	-
Debt Service	319,925	25,761	345,686	-
Library	-	-	-	192,075
Unrestricted	3,259,481	2,547,214	5,806,695	245,650
Total Net Position	<u>63,598,720</u>	<u>31,250,675</u>	<u>94,849,395</u>	<u>437,725</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 94,780,662</u>	<u>\$ 40,995,066</u>	<u>\$ 135,775,728</u>	<u>\$ 443,759</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

FUNCTIONS/PROGRAMS Governmental Activities	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business- Type Activities
General Government Support	\$ 14,032,867	\$ 2,490,026	\$ 110,192	\$ 30,664	\$ (11,401,985)	\$	\$ (11,401,985)
Hydroelectric Production	631,684	3,076,104	-	-	2,444,420	-	2,444,420
Public Safety							
Fire	8,274,802	-	-	-	(8,274,802)	-	(8,274,802)
Police	7,282,227	105,106	117,516	-	(7,059,605)	-	(7,059,605)
Other Public Safety	565,548	56,712	-	-	(508,836)	-	(508,836)
Public Works	6,780,642	104,219	6,174	466,316	(6,203,933)	-	(6,203,933)
Transportation							
Bus	885,209	169,987	396,229	1,640	(317,353)	-	(317,353)
Economic Opportunity and Development							
Other Economic Assistance	116,232	-	-	-	(116,232)	-	(116,232)
Empire Zone	5,681	-	-	-	(5,681)	-	(5,681)
Culture and Recreation							
Library	1,110,602	19,306	48,794	402	(1,042,100)	-	(1,042,100)
Other Culture and Recreation	1,977,977	324,652	-	44,019	(1,609,306)	-	(1,609,306)
Home and Community Services							
Refuse and Recycle	936,054	783,380	-	-	(152,674)	-	(152,674)
Other Home and Community Services	342,932	73,841	184,748	86,878	2,535	-	2,535
Interest on Debt	635,822	-	-	-	(635,822)	-	(635,822)
Total Governmental Activities	43,578,279	7,203,333	863,653	629,919	(34,881,374)	-	(34,881,374)
Business-Type Activities							
Water	4,730,740	4,853,525	-	81,341	-	204,126	204,126
Sewer	5,031,682	5,253,542	-	82,849	-	304,709	304,709
Total Business-Type Activities	9,762,422	10,107,067	-	164,190	-	508,835	508,835
Total Primary Government	\$ 53,340,701	\$ 17,310,400	\$ 863,653	\$ 794,109	\$ (34,881,374)	\$ 508,835	\$ (34,372,539)
Component Unit							
The Trustees of the R.P. Flower Memorial Library	\$ 66,679	-	\$ 101,540	\$ -	-	-	34,861
Total Component Unit	\$ 66,679	-	\$ 101,540	\$ -	-	508,835	34,861
Net (Expense) Revenue and Changes in Net Position Brought Forward					(34,881,374)		(34,372,539)
GENERAL REVENUES							
Property Taxes					7,733,866		7,733,866
Sales Taxes					17,247,801		17,247,801
Utilities Gross Receipts Tax					329,528		329,528
Franchise Tax					412,138		412,138
Hotel Occupancy Tax					250,684		250,684
Mortgage Tax					480,981		480,981
Grants and Entitlements Not Restricted to Specific Programs					7,803,208		7,803,208
Investment Earnings					18,568		18,568
Total General Revenues					34,276,774		34,276,774
Transfers					30,000		30,000
Change in Net Position					(574,600)		(574,600)
Total Net Position - Beginning of Year					30,769,338		30,769,338
Total Net Position - End of Year					\$ 31,250,675		\$ 31,250,675

See notes to financial statements.

CITY OF WATERTOWN, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Unrestricted Cash and Cash Equivalents	\$ 13,316,508	\$ -	\$ 294,356	\$ 13,610,864
Restricted Cash and Cash Equivalents	3,152,475	1,332,629	138,538	4,623,642
Receivables (Net of Allowance for Uncollectibles)				
Accounts	979,457	21,567	1,260,660	2,261,684
Taxes	169,537	1,574	-	171,111
Due from Other Governments	1,782,368	-	20,752	1,803,120
State and Federal Aid Receivables	301,191	357,360	72,784	731,335
Inventory	2,362	-	-	2,362
Prepaid Expenses	45,991	-	-	45,991
Due from Other Funds	439,866	3,505	180,650	624,021
TOTAL ASSETS	\$ 20,189,755	\$ 1,716,635	\$ 1,967,740	\$ 23,874,130
LIABILITIES				
Accounts Payable	\$ 883,882	\$ 633,173	\$ 102,027	\$ 1,619,082
Accrued Liabilities	1,107,079	10,415	23,980	1,141,474
Retainage Payable	-	100,428	-	100,428
Compensated Absences	674,278	-	19,071	693,349
Other Liabilities	7,835	-	-	7,835
Due to Other Funds	190,670	310,568	5,679	506,917
Due to Other Governments	50,581	1,574	20	52,175
Due to Retirement System	823,947	-	26,587	850,534
Deferred Revenue	265,348	56,997	1,267,490	1,589,835
Total Liabilities	4,003,620	1,113,155	1,444,854	6,561,629
Nonspendable				
Inventory	2,362	-	-	2,362
Prepaid Expenses	45,991	-	-	45,991
Restricted for				
Capital Reserve - General	3,100,022	-	-	3,100,022
Capital Reserve - Fairgrounds	20,085	-	-	20,085
Workers Compensation Reserve	317,175	-	-	317,175
Insurance Reserve - General	330,644	-	-	330,644
Tourism Reserve	51,963	-	-	51,963
Debt Service Reserve	285,236	-	34,689	319,925
Community Development Reserve	-	-	139,303	139,303
Economic Development Reserve	-	-	235,763	235,763
Assigned to				
Self-Funded Health Insurance Plan	2,070,609	-	-	2,070,609
General Government Support	57,542	-	-	57,542
Fire	37,512	-	-	37,512
Police	370	-	-	370
Other Public Safety	85,666	-	-	85,666
Public Works	62,306	-	-	62,306
Bus	1,085	-	-	1,085
Other Culture and Recreation	7,608	-	-	7,608
Refuse and Recycle	1,035	-	-	1,035
Library	-	-	20,431	20,431
Capital Projects	-	603,480	-	603,480
Subsequent Year's Expenditures	1,564,310	-	92,700	1,657,010
Unassigned	8,144,614	-	-	8,144,614
Total Fund Balances	16,186,135	603,480	522,886	17,312,501
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,189,755	\$ 1,716,635	\$ 1,967,740	\$ 23,874,130

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION**

Year Ended June 30, 2013

TOTAL GOVERNMENTAL FUND BALANCES	\$ 17,312,501
<p>Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:</p>	
The Cost of Capital Assets is	136,206,992
Accumulated Depreciation is	(64,793,543)
	71,413,449
Deferred Assets for Refunded Bonds	133,616
<p>Long-term liabilities, including serial bonds and other Long-term debt, are not due and payable in the current period and therefore not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p>	
Bonds Payable	(15,722,706)
Accrued Interest on Bonds Payable	(119,732)
Compensated Absences	(205,867)
Workers Compensation Liability	(561,998)
Landfill Post-Closure Liability	(198,000)
Accrued Post-Employment Benefits	(8,452,543)
	(25,260,846)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 63,598,720

CITY OF WATERTOWN, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

Year Ended June 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real Property Taxes	\$ 7,425,473	\$ -	\$ -	\$ 7,425,473
Real Property Tax Items	316,811	-	-	316,811
Nonproperty Taxes	18,240,151	-	-	18,240,151
Departmental Income	4,624,830	-	-	4,624,830
Intergovernmental Charges	125,391	-	-	125,391
Use of Money and Property	67,049	293	2,558	69,900
Licenses and Permits	66,534	-	-	66,534
Fines and Forfeitures	143,708	-	19,296	163,004
Sale of Property and Compensation for Loss	300,975	-	-	300,975
Miscellaneous Local Sources	763,317	54,975	119,395	937,687
Interfund Revenue	1,045,413	-	-	1,045,413
State Sources	8,667,448	351,107	-	9,018,555
Federal Sources	467,463	213,780	165,305	846,548
	<u>42,254,563</u>	<u>620,155</u>	<u>306,554</u>	<u>43,181,272</u>
EXPENDITURES				
General Government Support	5,171,962	270,166	-	5,442,128
Public Safety	15,110,431	-	-	15,110,431
Transportation	4,259,335	1,708,333	-	5,967,668
Economic Assistance and Opportunity	116,232	-	5,681	121,913
Culture and Recreation	1,772,114	1,038,376	720,123	3,530,613
Home and Community Services	1,195,126	164,154	176,676	1,535,956
Employee Benefits	7,435,778	-	366,072	7,801,850
Debt Service	2,762,927	-	82,185	2,845,112
	<u>37,823,905</u>	<u>3,181,029</u>	<u>1,350,737</u>	<u>42,355,671</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,430,658</u>	<u>(2,560,874)</u>	<u>(1,044,183)</u>	<u>825,601</u>
OTHER FINANCING SOURCES AND (USES)				
Serial Bond Proceeds	-	849,000	-	849,000
Interfund Transfers In	116,035	706,953	1,400,784	2,223,772
Interfund Transfers Out	<u>(1,708,455)</u>	<u>(92,845)</u>	<u>(392,472)</u>	<u>(2,193,772)</u>
Total Other Financing Sources (Uses)	<u>(1,592,420)</u>	<u>1,463,108</u>	<u>1,008,312</u>	<u>879,000</u>
Net Change in Fund Balances	2,838,238	(1,097,766)	(35,871)	1,704,601
Fund Balances, Beginning of Year	<u>13,308,140</u>	<u>1,741,003</u>	<u>558,757</u>	<u>15,607,900</u>
Fund Equity Transfer	<u>39,757</u>	<u>(39,757)</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 16,186,135</u>	<u>\$ 603,480</u>	<u>\$ 522,886</u>	<u>\$ 17,312,501</u>

See notes to financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds		\$ 1,704,601
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded the capital outlays in the period.</p>		
	Capital Outlays	\$ 3,340,867
	Depreciation Expense	3,906,104
		(565,237)
<p>Governmental funds report bond principal as an expenditure. However, in the Statement of Net Position, the principal payments reduce the liability and do not result in an expense in the Statement of Activities.</p>		
		2,218,256
<p>Governmental funds report bond proceeds as a source of funding. However bond proceeds are not revenues in the Statement of Activities, but long-term liabilities in the Statement of Net Position.</p>		
		(849,000)
<p>Loss on Disposal of Assets</p>		
		(760)
<p>Bond premiums/discounts and issuance costs associated with long-term bonds are recognized as expenditures and other financing sources/uses in the governmental funds at the time the debt issued. However, those items are capitalized on the Statement of Net Position and amortized over the life of the bonds on the Statement of Activities since they do not require the use of current financial resources.</p>		
<p>Amortization of Advanced Refunding Issuance Costs</p>		
		(25,144)
<p>Interest expenditures are reported when paid in the governmental funds, however, the total amount of interest incurred for the period is accrued and recognized in the government-wide financial statements. The net change in accrued interest is recognized as interest expense in the Statement of Activities.</p>		
		16,178
<p>In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick pay), special early termination benefits (early retirement) and OPEB costs - are measured by the amounts earned during the current period. In the governmental funds, however, expenditures for these items are measured by the amount of current financial resources used.</p>		
		(3,066,903)
<p>Long-term portions of accrued claims and judgments, and landfill monitoring liability are included in the outstanding liability in the Statement of Net Position. Accordingly, the net change in the long-term portion is reported as a reduction to that liability rather than an expense in the Statement of Activities.</p>		
		(6,591)
Change in Net Position of Governmental Activities		\$ (574,600)

See notes to financial statements.

CITY OF WATERTOWN, NEW YORK

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

Year Ended June 30, 2013

	Business - Type Activities Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Unrestricted Cash and Cash Equivalents	\$ 1,812,476	\$ 1,568,809	\$ 3,381,285
Accounts Receivable, Net of Allowance for Uncollectible Accounts	799,277	568,897	1,368,174
Due from Governmental Funds	14,879	76,653	91,532
Due from Other Governments	-	236,858	236,858
State and Federal Aid Receivables	25,841	25,841	51,682
Total Current Assets	<u>2,652,473</u>	<u>2,477,058</u>	<u>5,129,531</u>
NON-CURRENT ASSETS			
Restricted Cash and Cash Equivalents	186,225	1,005,389	1,191,614
Capital Assets, Net of Accumulated Depreciation	18,349,968	16,528,676	34,878,644
Total Non-Current Assets	<u>18,536,193</u>	<u>17,534,065</u>	<u>36,070,258</u>
TOTAL ASSETS	<u>\$ 21,188,666</u>	<u>\$ 20,011,123</u>	<u>\$ 41,199,789</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 119,009	\$ 149,785	\$ 268,794
Accrued Interest Payable	27,580	30,804	58,384
Retainage Payable	18,443	12,948	31,391
Accrued Liabilities	54,357	48,846	103,203
Compensated Absences	55,033	48,957	103,990
Due to Retirement System	63,073	53,882	116,955
Due to Governmental Funds	114,759	89,964	204,723
Due to Other Governments	335	-	335
Other Liabilities	12,965	-	12,965
Current Portion of Long-term Liabilities	465,558	448,654	914,212
Total Current Liabilities	<u>931,112</u>	<u>883,840</u>	<u>1,814,952</u>
LONG-TERM LIABILITIES			
Workers Compensation Liability	152,888	240,685	393,573
Other Post Employment Benefits Liability	978,864	623,643	1,602,507
Serial Bonds Payable	3,404,512	2,733,570	6,138,082
Total Long-Term Liabilities	<u>4,536,264</u>	<u>3,597,898</u>	<u>8,134,162</u>
Total Liabilities	<u>5,467,376</u>	<u>4,481,738</u>	<u>9,949,114</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	14,449,469	14,091,114	28,540,583
Restricted for Maintenance	137,117	-	137,117
Restricted for Debt	-	25,761	25,761
Unrestricted	1,134,704	1,412,510	2,547,214
Total Net Position	<u>15,721,290</u>	<u>15,529,385</u>	<u>31,250,675</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 21,188,666</u>	<u>\$ 20,011,123</u>	<u>\$ 41,199,789</u>

See notes to financial statements.

CITY OF WATERTOWN, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS**

Year Ended June 30, 2013

	Business - Type Activities Enterprise funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 3,511,336	\$ 3,597,564	\$ 7,108,900
Intergovernmental Charges	1,331,556	1,622,978	2,954,534
Other Operating Revenue	10,633	33,000	43,633
Total Operating Revenues	<u>4,853,525</u>	<u>5,253,542</u>	<u>10,107,067</u>
OPERATING EXPENSES			
Salaries, Wages and Employee Benefits	2,354,976	2,219,750	4,574,726
Contractual Services	1,556,703	2,092,364	3,649,067
Depreciation	689,165	585,034	1,274,199
Loss on Disposal of Fixed Asset	4,325	3,053	7,378
Total Operating Expenses	<u>4,605,169</u>	<u>4,900,201</u>	<u>9,505,370</u>
Income from Operations	<u>248,356</u>	<u>353,341</u>	<u>601,697</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Revenue	381	2,121	2,502
Interest Expense	(125,571)	(131,481)	(257,052)
Total Non-Operating Revenue (Expenses)	<u>(125,190)</u>	<u>(129,360)</u>	<u>(254,550)</u>
Income Before Contributions and Transfers	123,166	223,981	347,147
Capital Contributions	81,341	82,849	164,190
Transfers Out	(15,000)	(15,000)	(30,000)
Change in Net Position	189,507	291,830	481,337
Net Position, Beginning of Year	<u>15,531,783</u>	<u>15,237,555</u>	<u>30,769,338</u>
Net Position, End of Year	<u>\$ 15,721,290</u>	<u>\$ 15,529,385</u>	<u>\$ 31,250,675</u>

See notes to financial statements.

CITY OF WATERTOWN, NEW YORK

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2013

	Business - Type Activities Enterprise Funds		
	Water	Sewer	Total
Cash Flows from Operating Activities			
Cash Received from Providing Services	\$ 4,727,912	\$ 5,359,387	\$ 10,087,299
Cash Payments for Contractual Expense	(1,488,281)	(2,051,320)	(3,539,601)
Cash Payments for Personal Services and Benefits	(1,979,168)	(1,830,801)	(3,809,969)
Other Operating Revenue	10,633	33,000	43,633
Net Cash Provided by Operating Activities	<u>1,271,096</u>	<u>1,510,266</u>	<u>2,781,362</u>
Cash Flows from Non-Capital Financing Activities			
Transfers to Other Funds	(15,000)	(15,000)	(30,000)
Cash Flows from Capital and Related Financing Activities			
Proceeds of Capital Debt	796,000	-	796,000
Principal Paid on Capital Debt	(400,450)	(451,294)	(851,744)
Interest Paid on Capital Debt	(120,481)	(134,808)	(255,289)
Capital Grants	123,630	82,851	206,481
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>398,699</u>	<u>(503,251)</u>	<u>(104,552)</u>
Cash Flows from Investing Activities			
Purchase of Capital Assets	(1,095,623)	(1,066,532)	(2,162,155)
Interest Income	381	2,121	2,502
Net Cash Used In Investing Activities	<u>(1,095,242)</u>	<u>(1,064,411)</u>	<u>(2,159,653)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>559,553</u>	<u>(72,396)</u>	<u>487,157</u>
Cash and Cash Equivalents, Beginning of Year	\$ 1,439,148	\$ 2,646,594	\$ 4,085,742
Cash and Cash Equivalents, End of Year	<u>\$ 1,998,701</u>	<u>\$ 2,574,198</u>	<u>\$ 4,572,899</u>
Reconciliation of Income from Operations to Net			
Cash Provided By Operating Activities	\$ 248,356	\$ 353,341	\$ 601,697
Depreciation	689,165	585,034	1,274,199
Loss on Disposal of Fixed Asset	4,325	3,053	7,378
Change in Operating Assets			
Accounts Receivable	(27,279)	206,326	179,047
Due from Other Governments	(85,174)	(21,786)	(106,960)
Due from Other Funds	(3,492)	(45,696)	(49,188)
Change in Operating Liabilities			
Accounts Payable	22,826	25,816	48,642
Accrued Liabilities	3,175	(10,268)	(7,093)
Compensated Absences	1,890	(128)	1,762
Due to Retirement System	1,797	5,547	7,344
Due to Other Governments	146	-	146
Other Liabilities	30,703	205,951	236,654
OPEB Liability	338,243	187,847	526,090
Customer Deposits and Overpayments	965	-	965
Due to Other Funds	45,450	15,229	60,679
Net Cash Provided By Operating Activities	<u>\$ 1,271,096</u>	<u>\$ 1,510,266</u>	<u>\$ 2,781,362</u>
Reconciliation of Total Cash and Cash Equivalents			
Current Assets - Unrestricted Cash and Cash Equivalents	\$ 1,812,476	\$ 1,568,809	\$ 3,381,285
Non-Current Assets - Restricted Cash and Cash Equivalents	186,225	1,005,389	1,191,614
Total Cash and Cash Equivalents	<u>\$ 1,998,701</u>	<u>\$ 2,574,198</u>	<u>\$ 4,572,899</u>

See notes to financial statements.

CITY OF WATERTOWN, NEW YORK

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

Year Ended June 30, 2013

	<u>Private Purpose Trusts</u>	<u>Agency Funds</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 45,843	\$ 169,253	\$ 215,096
TOTAL ASSETS	<u>\$ 45,843</u>	<u>\$ 169,253</u>	<u>\$ 215,096</u>
LIABILITIES			
Due to Governmental Funds	\$ -	\$ 3,914	\$ 3,914
Deposits Held and Due to Others	-	134,072	134,072
Cafeteria Plan	-	27,362	27,362
Other Accrued Liabilities	-	3,905	3,905
Total Liabilities	<u>-</u>	<u>169,253</u>	<u>169,253</u>
NET POSITION			
Held in Trust for Other Purposes	15,942	-	15,942
Held in Trust for Scholarships	29,901	-	29,901
Total Net Position	<u>45,843</u>	<u>-</u>	<u>45,843</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 45,843</u>	<u>\$ 169,253</u>	<u>\$ 215,096</u>

See notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
 Year Ended June 30, 2013

	Private Purpose Trusts
	<u> </u>
ADDITIONS	
Interest Revenue	\$ 125
	<u> </u>
Total Additions	125
	<u> </u>
DEDUCTIONS	
Scholarships Awarded	50
	<u> </u>
Total Deductions	50
	<u> </u>
Change in Net Position	75
Net Position, Beginning of Year	45,768
	<u> </u>
Net Position , End of Year	<u><u>\$ 45,843</u></u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Watertown, New York (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has not chosen to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

Financial Reporting Entity

The City was incorporated in 1869. The Charter of the City of Watertown, City law and other general laws of the State of New York, govern the City. The City Council, which is the governing body of the City, consists of the Mayor and four Councilpersons. The City Manager serves as Chief Executive Officer of the City and is appointed by the Council. The City Comptroller serves as the Chief Fiscal Officer of the City and is appointed by the City Manager.

The City provides the following basic services: public safety (police and fire), water and sewer, library, recreation, refuse collection, economic assistance, street maintenance and snow removal and general administrative services.

The financial reporting entity consists of:

1. The primary government which is the City of Watertown.
2. Organizations for which the primary government is financially accountable.
3. Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 14, *The Financial Reporting Entity*, as amended by both GASB Statement 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement 61, *The Financial Reporting Entity: Omnibus*.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Financial Reporting Entity - Continued

Based on the forgoing criteria and the significant factors presented below, the following organizations are included in the reporting entity:

Watertown Empire Zone

Portions of the City of Watertown were designated as an Economic Development Zone on July 27, 1994. The program is designed to attract new businesses to the area and to enable existing businesses to expand and create jobs by offering a variety of financial incentives and economic benefits. The City Council appoints a voting majority of the Program's governing body and significantly influences the activities of the Watertown Empire Zone Program. The City includes the Watertown Empire Zone as a blended component unit.

The Trustees of Roswell P. Flower Memorial Library

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, provides additional guidance to determine whether certain organizations for which the City is not financially accountable should be reported as component units based on the nature and significance of their relationship with the City. The decision to include a potential component unit in the City's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Trustees of the Roswell P. Flower Memorial Library is included as a discretely presented component unit. Copies of their financial statements may be obtained at 229 Washington Street, Watertown, New York 13601.

Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide statements and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, parks, library and recreation, public works, sports arena, and general administrative services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Government-Wide and Fund Financial Statements - Continued

Government-Wide Statements

The government-wide statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government (governmental and business-type). The focus of the government-wide statements addresses the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - investment in capital assets, net of related debt; restricted net position; and unrestricted net position.

The Statement of Activities reports both the gross and net cost for each of the City's functions or programs. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, public works, community and youth services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Government-Wide and Fund Financial Statements - Continued

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City records its transactions in the fund types described below:

1. Governmental Funds

The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. In addition, risk based activities and central garage activities have been recorded in the General Fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of special revenue sources that are legally restricted for specified purposes. The City maintains the following special revenue funds:

Special Grant Fund - to account for the use of Federal monies received under Community Development Act and any other economic development project.

Public Library Fund - to account for the operation of the Roswell P. Flower Memorial Library.

Debt Service Fund - to account for the accumulation of resources for and the payment of general long-term debt principal and interest for the mandatory reserve fund. The debt service fund also accumulates interest earned on borrowed money.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital expenditures.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Government-Wide and Fund Financial Statements - Continued

Fund Financial Statements - Continued

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise Funds - used to account for water and sewer operations.

Water Enterprise Fund - established by law to account for revenues derived from charges for water consumption and the application of such revenues toward related operating expenses and revenues derived from benefitted assessments used for debt retirement.

Sewer Enterprise Fund - established by law to account for revenues derived from charges for sewer usage and benefitted assessments, and the application of such revenues toward related operating expenses and debt retirement.

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose or agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Basis of Accounting / Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e., expenditures or expenses.

Accrual Basis - The government-wide financial statements and the proprietary fund financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual Basis - The governmental fund financial statements are prepared using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. Expenditures are recorded when incurred except for prepaid expenditures and inventory items, which are recognized at the time of purchase; principal and interest on indebtedness, which are not recognized as expenditures until due; and compensated absences, such as vacation, which vests or accumulates and is charged as expenditures when paid.

Property Taxes

Real property tax levies are fully accrued at the beginning of the fiscal year and are received and accounted for in the general fund. Accruals for "due other funds" are recorded in the general fund for the portion of the tax revenue allocated to other funds. The current year's property taxes are levied and the prior year's unpaid water and sewer bills are re-levied on a warrant to collect taxes due as of July 5 based on the assessed value of real property within the City. The City also levies and collects property taxes on behalf of Jefferson County, which become due as of January 15, and enforces collection of unpaid City school taxes transmitted by the school district to the City in December of each year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES --

Continued

Property Taxes - Continued

Uncollected property taxes assumed by the City as a result of the settlement proceedings are reported as receivables in the general fund to maintain central control and provide for tax settlement and enforcement proceedings. The amount owed to the School District for uncollected school taxes is \$3,902 and is included in "Due to other Governments". A portion of the receivable \$166,580 is considered available and is included in liabilities as deferred revenues.

An allowance for uncollectible taxes of \$608,879 has been included in the General Fund accounts receivable balance at June 30, 2013.

Budget Policies

The budget policies are as follows:

1. Prior to April 30 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the sources of financing.
2. Public hearings are conducted to obtain taxpayers' comments.
3. At the last regular or special meeting in May the budget is adopted by the City Council through the adoption of various resolutions.
4. City taxes included in the budget are levied on July 5. The collection period is July 5 through August 5.
5. The Comptroller is authorized to approve certain budget transfer requests within departments or within a fund; however, any revisions that alter total expenditures of any department or fund must be approved by the City Council.
6. For year-end financial reporting, adjustments are made to actual results to conform to modified budget classifications and reflect year-end encumbrances.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Budget Policies - Continued

The City prepares a legally adopted annual operating budget for the General Fund. The City's budget is adopted using a basis of accounting consistent with generally accepted accounting principles (GAAP). The City's actual amounts in the financial statements are presented on a GAAP basis; therefore, no reconciliation is necessary.

Cash and Cash Equivalents

Cash equivalents are defined as short-term investments with original maturities of three months or less.

Receivables

Receivables are stated net of the estimated allowance for uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the City to reimburse it for expenditures incurred pursuant to state and federal programs. Other receivables represent amounts owed to the City, which include sewer rents, water rents, rehabilitation loans, and assessments.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is calculated on the straight-line basis over the following estimated useful lives:

Buildings	50 years
Water and Sewer System	60 - 65 years
Machinery and Equipment	5 - 30 years
Building Improvements	5 - 25 years
Land Improvements	20 - 50 years
Other Infrastructure	10 - 50 years

Compensated Absences

Employees are granted the following compensated absences each year:

Sick Leave	12 days
Vacation	10 - 30 days

Sick leave may be accumulated from year-to-year, up to 180 days. Upon retirement or other termination, no payment is made for accumulated sick time except for police, firemen and electrical workers who may receive a portion of their sick leave at retirement. The liability for sick leave is recorded in the Statement of Net Position since it is anticipated that none of the liability will be liquidated with expendable available financial resources. Vacation time vests and may be accumulated from year-to year up to 10 days for management, civil service employees association members, police and electrical workers and 5 days for all other employees. The liability will be liquidated with expendable available financial resources; therefore, it is accounted for in the respective governmental fund type. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Insurance and Risk Management

In accordance with New York State guidelines and GASB 10, *"Accounting and Financial Reports for Risk Financing and Related Insurance Issues"*, the City self-insures for the following:

1. General Liability - The City has a self-insurance program for general liability insurance. The reserved fund balance is recorded within the General Fund.
2. Workers' Compensation - On May 10, 1920 the City became self-insured for the purposes of providing benefits under the Workers Compensation Law of the State of New York. The City recognizes workers compensation expenditures when paid. Annual estimates are appropriated from the General and Enterprise funds, as determined by the City Council. An estimated liability of \$955,571 as of June 30, 2013 has been recorded on the Statement of Net Position representing the long-term liability of open workers compensation cases.
3. Unemployment Insurance - The City has a self-insurance program for unemployment, but has not established a reserve for claims. Expenditures are recorded as claims are submitted. Total unemployment insurance expenditures for the year ended June 30, 2013 were \$6,451.
4. Health Care Benefits - On July 1, 1992, the City became self-insured for health care benefits for all eligible City employees and retirees. A third-party administrator selected by the City manages this self-insurance plan. A stop loss policy was also purchased to protect and insure this plan against major claims in excess of \$150,000. The City has calculated a monthly premium equivalent based upon historical experience and projected costs that are billed to the respective funds on a monthly basis. An estimated liability of \$422,078 has been recorded in the self-insurance fund for claims incurred as of June 30, 2013 but not reported based upon historical experience.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Fund Balance

During the prior year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB issued Statement No. 54 in February 2009 and is intended to enhance the usefulness of the financial statements prepared by governmental entities specifically with regard to their reporting of fund balances. The standard establishes a hierarchy of fund balance classifications based primarily on the extent to which a government must observe spending constraints imposed upon how resources reported in governmental funds can be used. The City Council adopted a fund balance policy on June 20, 2011.

Fund balance is the excess of assets over liabilities in a governmental fund. There are five separate components of fund balance, each of which identifies to what extent the City is bound to honor constraints on the specific purpose for which amounts can be spent. The five components are:

1. **Nonspendable Fund Balance** - The portion of a fund balance that cannot be spent because they are either: (a) not in a spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment.
2. **Restricted Fund Balance** - The portion of a fund balance that has constraints placed on the use of resources that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
3. **Committed Fund Balance** - The portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council and remain binding unless removed in the same manner.
4. **Assigned Fund Balance** - The portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established either by the City Council or by an official designated for that purpose.
5. **Unassigned Fund Balance** - The portion of a fund balance that includes amounts that do not fall into one of the above four categories.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Fund Balance - Continued

The City considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be used first, followed by assigned amounts and then unassigned amounts.

The City does not currently have a formal minimum fund balance policy. The City Council shall approve all commitments by formal action. The action to commit funds must occur prior to fiscal year-end to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action.

When it is appropriate for fund balance to be assigned for items such as encumbrance amounts, the City Council delegates the responsibility to assign funds to the City Comptroller. Assignments may occur subsequent to fiscal year-end.

NOTE 2 – CASH AND INVESTMENTS

State statutes govern the City investment policies. In addition, the City has its own written investment policy. City monies must be deposited in FDIC insured commercial banks or trust companies located within the state. The City Comptroller is authorized to use demand accounts, certificates of deposits and permissible investments. Permissible investments include obligations of the U.S. Government and its agencies, repurchase agreements, and obligations of the State of New York, obligations issued by any municipality, school district or corporation other than the City of Watertown and obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the State authorizes such investments. During the fiscal year ended June 30, 2013, the City limited its investments to demand and savings accounts and certificates of deposit.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. While the City does not have a specific policy for custodial credit risk, New York State statutes govern the City's investment policies, as discussed above.

The City does not typically purchase investments and is not exposed to material interest rate risk.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 2 – CASH AND INVESTMENTS - Continued

The City does not typically purchase investments denominated in foreign currency and is not exposed to foreign currency risk.

Collateral is required for demand and savings deposits and certificates of deposit for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State, its municipalities and school districts, treasury strips and other obligations as outlined in the City's investment policy.

Separate bank accounts are not maintained for all City funds. Instead, the majority of the cash is deposited in pooled checking and savings accounts with accounting records maintained to show the portion of the balance attributable to each fund.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Deposits - Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as to custodial risk if they are not covered by depository insurance, and the deposits are either:

- a) Insured by Federal Deposit Insurance Corporation (FDIC) or by collateral held by the City or by the City's agent in the City's name; or
- b) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name; or
- c) Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, its trust department, or agent but not in the entity's name.)

Total financial institution (bank) balances at June 30, 2013 per the banks were \$23,216,128. These deposits are categorized as follows:

	(a)	(b)	(c)
\$	1,037,300	\$ 22,178,828	\$ -

CITY OF WATERTOWN, NEW YORK

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 2 – CASH AND INVESTMENTS - Continued

As of June 30, 2013, the City had the following investments:

Certificates of Deposit-Trust & Agency Funds	\$ 25,939
State and Local Government Series Securities	<u>34,585</u>
Total	\$ <u>60,524</u>

NOTE 3 – CAPITAL ASSETS

A summary of the changes in capital assets for the fiscal year ended June 30, 2013 follows:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Governmental Activities				
Non-Depreciable Capital Assets				
Land	\$ 2,601,285	\$ -	\$ -	\$ 2,601,285
Construction in Progress	<u>3,835,880</u>	<u>3,015,912</u>	<u>(4,915,449)</u>	<u>1,936,343</u>
Total	<u>6,437,165</u>	<u>3,015,912</u>	<u>(4,915,449)</u>	<u>4,537,628</u>
Depreciable Capital Assets				
Land Improvements	8,078,113	1,721,289	(235,000)	9,564,402
Buildings and Improvements	30,746,702	1,405,684	-	32,152,386
Infrastructure	66,645,569	1,638,982	(3,286)	68,281,265
Machinery and Equipment	11,434,571	221,348	(31,927)	11,623,992
Vehicles	<u>9,858,320</u>	<u>253,100</u>	<u>(64,102)</u>	<u>10,047,318</u>
Total	<u>126,763,275</u>	<u>5,240,403</u>	<u>(334,315)</u>	<u>131,669,363</u>
Less: Accumulated Depreciation				
Land Improvements	5,891,720	226,472	(235,000)	5,883,192
Buildings and Improvements	11,978,925	716,680	-	12,695,605
Infrastructure	26,545,835	1,990,091	(2,526)	28,533,400
Machinery and Equipment	8,914,237	450,900	(31,928)	9,333,209
Vehicles	<u>7,890,277</u>	<u>521,961</u>	<u>(64,102)</u>	<u>8,348,136</u>
Total	<u>61,220,994</u>	<u>3,906,104</u>	<u>(333,556)</u>	<u>64,793,542</u>
Depreciable Capital Assets, Net	<u>65,542,281</u>	<u>1,334,299</u>	<u>(759)</u>	<u>66,875,821</u>
Total	\$ <u>71,979,446</u>	\$ <u>4,350,211</u>	\$ <u>(4,916,208)</u>	\$ <u>71,413,449</u>

CITY OF WATERTOWN, NEW YORK

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 3 – CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

General Government Support	\$ 113,753
Hydroelectric Production	257,357
Police	98,250
Fire	315,812
Public Works	2,488,586
Bus	89,718
Library	125,809
Other Culture and Recreation	345,337
Refuse and recycling	71,482
	<hr/>
Total	\$ 3,906,104

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Business-Type Activities				
Non-Depreciable Capital Assets				
Construction in Progress	\$ 281,986	\$ 2,002,851	\$ (1,416,807)	\$ 868,030
Total	<hr/> 281,986	<hr/> 2,002,851	<hr/> (1,416,807)	<hr/> 868,030
Depreciable Capital Assets				
Land Improvements	250,568	-	-	250,568
Buildings and Improvements	27,358,675	137,859	-	27,496,534
Infrastructure	24,008,019	876,765	-	24,884,784
Machinery and Equipment	15,695,913	593,589	(57,942)	16,231,560
Vehicles	1,054,743	38,145	(14,790)	1,078,098
Total	<hr/> 68,367,918	<hr/> 1,646,358	<hr/> (72,732)	<hr/> 69,941,544
Less: Accumulated Depreciation				
Land Improvements	245,716	3,087	-	248,803
Buildings and Improvements	14,491,705	543,253	-	15,034,958
Infrastructure	5,845,073	363,508	-	6,208,581
Machinery and Equipment	13,426,860	298,107	(50,564)	13,674,403
Vehicles	712,731	66,244	(14,790)	764,185
Total	<hr/> 34,722,085	<hr/> 1,274,199	<hr/> (65,354)	<hr/> 35,930,930
Depreciable Capital Assets, Net	<hr/> 33,645,833	<hr/> 372,159	<hr/> (7,378)	<hr/> 34,010,614
Total	<hr/> \$ 33,927,819	<hr/> \$ 2,375,010	<hr/> \$ (1,424,185)	<hr/> \$ 34,878,644

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 3 – CAPITAL ASSETS - Continued

Depreciation expense was charged to business-type activities as follows:

Water	\$	689,165
Sewer		585,034
		585,034
Total	\$	1,274,199

NOTE 4 – RESTRICTIONS ON ASSETS

Restricted Cash, Cash Equivalents and Investments

Restricted assets consist of cash, cash equivalents and investments for the following funds:

Fund	Restricted Balance	Restriction
General - Cash	\$ 20,085	Reserve for Duffy Fairgrounds Stadium repairs
General - Cash	\$ 3,100,022	Reserve for capital projects
General - Cash	\$ 32,368	Reserve for special assessment sidewalk program debt
Special Revenue - Cash	\$ 138,538	Federal and State community development grants
Capital - Cash	\$ 1,332,629	Reserve for capital project acquisitions and construction
Water - Cash	\$ 137,117	Reserve for coagulation basin maintenance
Water - Cash	\$ 49,108	Reserve for capital project acquisitions and construction
Sewer - Cash	\$ 979,628	Reserve for capital project acquisitions and construction
Sewer - Cash	\$ 25,761	Excess debt proceeds reserved for debt service

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 5 – NOTES RECEIVABLE

To assist in the rehabilitation of homes of low and moderate-income persons, the City was awarded various grants for its "Housing Improvement Program". The purpose of this program is to improve living conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation and other necessary repairs will also be encouraged whenever assistance is provided under this program. Under the grant terms, eligible homeowners receive a grant and/or loan not to exceed \$20,000 using Community Redevelopment Block Grant funds. Grants are subject to repayment if the owner moves or sells the property within the number of years established by the grant, prorated equally per year. Loans are repaid in monthly installments ranging from five to thirty years and are subject to immediate repayment if the owner moves or sells the property. The loans are collateralized by a mortgage on the home. The grants are not collateralized. The balance of the grants subject to repayment at June 30, 2013 was \$557,698.

The City was awarded \$400,000 through a Fiscal Year 2005 Small Cities Community Development Block Grant to support a City-wide home ownership program that combines CDBG and North Country HOME Consortium funds to allow Neighbors of Watertown to purchase existing homes and rehabilitate those properties before selling them to qualified low or moderate income buyers who have completed a home ownership counseling program and secured appropriate bank mortgage financing. Under the grant terms, eighteen eligible homebuyers received a loan not exceeding \$20,000 to be repaid to the City at zero percent interest in monthly installments over twenty to thirty years. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. The balance of these loans outstanding at June 30, 2013 was \$272,225.

The City was awarded \$200,000 through a Fiscal Year 2006 Small Cities Community Development Block Grant to support a City-wide owner-occupied housing rehabilitation program. Under the grant terms, eligible homeowners received a loan not exceeding \$20,000 to be repaid over five years at a rate of \$18 per \$1,000 loan to the City. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. The balance of these loans outstanding at June 30, 2013 was \$3,719.

The City issued a loan to a limited partnership using Community Development Block Grant Funds for rehabilitation to an apartment building. This loan is subordinate to existing mortgages, maturing 2024 and bearing interest at 6.25%. All accrued interest and principal are payable at maturity. The balance of this loan at June 30, 2013 was \$71,500. Deferred revenue has also been recorded equivalent to the amount of the loan outstanding.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 5 – NOTES RECEIVABLE - Continued

The City was awarded \$400,000 through a Fiscal Year 2008 Small Cities Community Development Block Grant to support a City-wide rental rehabilitation program to expand and preserve the supply of affordable housing in Watertown by promoting rehabilitation of existing substandard apartments throughout the City. Under the grant terms, eligible property owners would receive CDBG financing of eligible improvements up to a maximum of \$20,000. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program. The balance of the financing will be repaid over five to ten years in monthly installments at a rate of \$18 per \$1,000. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. The balance of the total loans outstanding at June 30, 2013 was \$120,057.

The City was awarded \$400,000 through a Fiscal Year 2009 Small Cities Community Development Block Grant to support a rental rehabilitation program to expand and preserve the supply of affordable housing in Watertown by promoting rehabilitation of existing substandard apartments or the creation of new apartments on the upper floors of commercial buildings in downtown Watertown. Under the grant terms, eligible property owners would receive CDBG funds in the form of direct grants to cover up to 75% of the cost of eligible improvements up to a maximum of \$15,000 per unit and the property owners will contribute cash to cover the balance of the cost. These funds will be available throughout the City but preference will be given to projects located in the downtown area. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program. The balance of the financing will be repaid in monthly installments over a term of up to twenty years at zero percent interest for downtown apartments and loans up to ten years at zero percent for City-wide rental rehabilitations. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. The balance of the total loans outstanding at June 30, 2013 was \$159,000.

The City was awarded a North-Country HOME Consortium Fiscal Year 2011 grant in the amount of \$121,824 to assist approximately five income eligible homeowners to repair their homes. The purpose of this program is to improve neighborhood conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation, and other necessary repairs will be encouraged to eliminate those problems where they adversely affect the property or the surrounding neighborhood whenever assistance is provided under this program. Grants of \$27,917 were awarded during the current year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 5 – NOTES RECEIVABLE - Continued

The City was awarded \$400,000 through a Fiscal Year 2011 Small Cities Community Development Block Grant to support a program to rehabilitate existing substandard apartments throughout the City and create new apartments on the upper floors of commercial buildings in the downtown area. Under the grant terms, eligible property owners would receive CDBG funds in the form of direct grants to cover up to 50% of the cost of eligible improvements up to a maximum of \$20,000 per unit for rehabilitation of rental properties and up to \$30,000 per unit of newly developed rental apartments and the property owners will contribute cash to cover the balance of the cost. These funds will be available throughout the City but preference will be given to projects located in the downtown area. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program. The balance of the financing will be repaid in monthly installments over a term of up to twenty years at zero percent interest for newly developed rental apartments and loans up to ten years at zero percent for City-wide rental rehabilitations. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. Grant expenditures for the fiscal year ending June 30, 2013 were \$94,654. There were no loans issued as of June 30, 2013 for this grant.

The City was awarded a North Country HOME Consortium Fiscal Year 2012 grant in the amount of \$75,000 to assist approximately three income eligible home-owners repair their homes. The purpose of this program is to improve neighborhood conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation and other necessary repairs will be encouraged to eliminate those problems where they adversely affect the property or the surrounding neighborhood whenever assistance is provided under this program. Grant expenditures for the fiscal year ending June 30, 2013 were \$30,511.

The City was awarded \$400,000 through a Fiscal Year 2012 Small Cities Community Development Block Grant to support a program to rehabilitate existing substandard apartments throughout the City and create new apartments on the upper floors of commercial buildings in the downtown area. Under the grant terms, eligible property owners would receive CDBG funds in the form of direct grants to cover up to 50% of the cost of eligible improvements up to a maximum of \$20,000 per unit for rehabilitation of rental properties and up to \$30,000 per unit of newly developed rental apartments and the property owners will contribute cash to cover the balance of the cost. These funds will be available throughout the City but preference will be given to projects located in the downtown area. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program.

CITY OF WATERTOWN, NEW YORK

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 5 – NOTES RECEIVABLE - Continued

The balance of the financing will be repaid in monthly installments over a term of up to twenty years at zero percent interest for newly developed rental apartments and loans up to ten years at zero percent for City-wide rental rehabilitations. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. Grant expenditures for the fiscal year ending June 30, 2013 were \$15,085. There were no loans issued as of June 30, 2013 for this grant.

NOTE 6 – SHORT-TERM DEBT

The City did not issue or retire any short-term debt during the fiscal year and had none outstanding at June 30, 2013.

NOTE 7 – LONG-TERM DEBT

During the year ended June 30, 2013, the following changes occurred in long-term obligations:

Governmental Activities

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
General Obligation Bonds	\$ 17,091,962	\$ 849,000	\$ (2,218,256)	\$ 15,722,706	\$ 2,130,788
Compensated Absences	229,537	-	(23,670)	205,867	30,000
Landfill Monitoring	216,000	-	(18,000)	198,000	18,000
Total	\$ 17,537,499	\$ 849,000	\$ (2,259,926)	\$ 16,126,573	\$ 2,178,788

The Statement of Net Position at June 30, 2013 includes a deferred amount of \$133,616 on the advance refunding of bonds.

Business-Type Activities

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
General Obligation Bonds:					
Water	\$ 3,474,520	\$ 796,000	\$ (400,450)	\$ 3,870,070	\$ 465,558
Sewer	3,633,518	-	(451,294)	3,182,224	448,654
Total	\$ 7,108,038	\$ 796,000	\$ (851,744)	\$ 7,052,294	\$ 914,212

The Statement of Activities for the fiscal year ending June 30, 2013 includes the final deferred amortization amount of \$8,514 on the advance refunding of bonds.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 7 – LONG-TERM DEBT - Continued

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20 to 30 year serial bonds with equal amounts of principal maturing each year. General obligation bonds at June 30, 2013 are as follows:

	Interest Rate	Original Amount	Paid June 30, 2013	Outstanding June 30, 2013	Maturity Date
Sanitary and Storm Sewers	9.60%	\$ 2,330,000	\$ 75,000	\$ 250,000	12/2017
Public Improvements	5.125-5.50%	6,105,000	20,000	-	6/2020
Public Improvements	4.00-5.00%	2,310,000	10,000	50,000	5/2021
Public Improvements	2.75-4.25%	8,145,000	550,000	2,925,000	1/2024
Public Improvements	4.00-4.375%	5,700,000	400,000	2,900,000	11/2020
Public Improvements	4.625-7.5%	250,000	25,000	75,000	11/2015
Public Improvements	3.25-4.00%	7,345,000	525,000	4,000,000	2/2023
Public Improvements	2.50-3.25%	3,220,000	325,000	1,950,000	9/2018
Public Improvements	3.125-4.00%	2,225,000	225,000	1,575,000	12/2024
Public Imp. Refunding, Ser.A	2.00-4.00%	2,175,000	125,000	1,935,000	11/2025
Public Imp. Refunding, Ser.B	2.00-3.75%	1,635,000	310,000	715,000	5/2020
Public Imp. Refunding, Ser.C	2.00-6.00%	3,695,000	255,000	3,205,000	11/2022
Public Improvements	2.00-3.00%	2,035,000	225,000	1,550,000	6/2021
Public Improvements	3.00-3.50%	1,645,000	-	1,645,000	10/2027
Total Serial Bonds			\$ 3,070,000	\$ 22,775,000	

CITY OF WATERTOWN, NEW YORK

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 7 – LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

Annual debt service requirements to maturity for general obligation bonds for fiscal year ending June 30 are as follows:

Governmental Activities

	Principal	Interest	Total
2014	\$ 2,130,788	\$ 575,430	\$ 2,706,218
2015	2,037,502	509,852	2,547,354
2016	1,881,502	439,523	2,321,025
2017	1,714,731	373,680	2,088,411
2018	1,655,800	310,509	1,966,309
2019 - 2023	5,403,383	737,024	6,140,407
2024 - 2028	899,000	57,102	956,102
	<hr/>	<hr/>	<hr/>
Totals	\$ 15,722,706	\$ 3,003,120	\$ 18,725,826

Business-type Activities

	Principal	Interest	Total
2014	\$ 914,212	\$ 244,048	\$ 1,158,260
2015	887,498	216,836	1,104,334
2016	883,498	184,872	1,068,370
2017	865,269	152,566	1,017,835
2018	839,200	121,174	960,374
2019 - 2023	2,456,617	241,781	2,698,398
2024 - 2028	206,000	14,959	220,959
	<hr/>	<hr/>	<hr/>
Totals	\$ 7,052,294	\$ 1,176,236	\$ 8,228,530

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 7 – LONG-TERM DEBT - Continued

Airport Debt

The City transferred ownership of the Watertown International Airport to Jefferson County on March 1, 2006. In accordance with the transfer agreement, Jefferson County provided the City with the necessary funds to retire all outstanding general obligation bonds as they mature. The City invested \$301,168 in State and Local Government Series securities with the proceeds received from Jefferson County in various amounts and at various interest rates, which will produce the funds necessary to meet the principal and interest obligations of the outstanding airport debt. The outstanding principal balance of airport debt at June 30, 2013 was \$ 33,750.

Advance Refunding

On August 27, 2002, the City issued \$2,155,000 in general obligation bonds with an average interest rate of 3.42% to advance refund \$1,975,000 of outstanding 1992 Serial bonds with an average interest rate of 6.009%. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992 series bonds. A difference in cash flow requirements of \$125,248 and a net present value savings of \$109,404 were a result of this advance refunding by the City.

On April 15, 2011, the City issued \$2,175,000 in general obligation bonds (Series A) with an average interest rate of 3.64% to advance refund \$2,140,000 of outstanding November 15, 1997 serial bonds with an average interest rate of 5.03%. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent and used to redeem all of the outstanding 1997 series bonds on May 15, 2011. A difference in cash flow requirements of \$225,831 and a net present value savings of \$175,826 were a result of this advance refunding by the City.

On April 15, 2011, the City issued \$1,635,000 in general obligation bonds (Series B) with an average interest rate of 2.37% to advance refund \$1,575,000 of outstanding April 15, 2000 serial bonds (\$1,015,000) with an average interest rate of 5.19% and May 15, 2002 serial bonds (\$560,000) with an average interest rate of 4.30%. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent and used to redeem the 2000 and 2002 series bonds on May 15, 2011. All but \$40,000 of the April 15, 2000 serial bonds and \$23,750 of the May 15, 2002 serial bonds were redeemed on May 15, 2011. A difference in cash flow requirements of \$91,825 and a net present value savings of \$84,907 were a result of this advance refunding by the City.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 7 – LONG-TERM DEBT - Continued

Advance Refunding - Continued

On April 15, 2011, the City issued \$3,695,000 in general obligation bonds (Series C) with an average interest rate of 5.19% to advance refund \$3,625,000 of outstanding November 15, 1997 taxable serial bonds with an average interest rate of 7.09%. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent and used to redeem the 1997 series bonds on May 15, 2011. Additionally, the City used \$1,000,000 of General Fund Balance to increase the amount of outstanding November 15, 1997 taxable serial bonds redeemed to \$4,625,000. Accordingly all of the outstanding 1997 taxable serial bonds were redeemed on May 15, 2011. A combined difference in cash flow requirements of \$2,552,088 and a net present value savings of \$543,580 were the result of the advance refunding and use of fund balance by the City.

NOTE 8 – DEFERRED REVENUE

General Fund

Deferred Property Tax Revenue, Refuse Tote Revenue and Prepaid Interest Installments on Special Assessments	<u>\$ 265,348</u>
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Capital Projects Fund

Deferred State Aid and Other Miscellaneous Sources	<u>\$ 56,997</u>
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Special Revenue Fund

Notes receivable Funded from Grant Proceeds	<u>\$ 1,267,490</u>
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NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 9 – RETIREMENT BENEFITS

Plan Description

The City of Watertown participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. The New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute and benefits to employers. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

Funding Policy

The ERS system is contributory except for employees who joined the New York State and Local Employees' Retirement System before July 26, 1976. Employees hired between July 27, 1976 and December 31, 2009 contribute 3% of their salary and after ten years of service become noncontributory as well. Employees hired between January 1, 2010 and March 31, 2012 contribute 3% of their salary for all years of public service and there is a limitation on the amount of overtime that can be included as wages. Employees hired after April 1, 2012 contributed 3% of their salary through March 31, 2013 and thereafter the percentage of salary contributed ranges from 3.0% to 6.0% depending on annual wages.

The PFRS system is contributory except for employees who joined the New York State and Local Employees' Retirement System before June 30, 2009. Employees hired between July 1, 2009 and January 8, 2010 contribute 3% of their salary for 25 years or until retirement. Employees hired between January 9, 2010 and March 31, 2012 contribute 3% of their salary for all years of public service and there is a limitation on the amount of overtime that can be included as wages. Employees hired after April 1, 2012 contributed 3% of their salary through March 31, 2013 and thereafter the percentage of salary contributed ranges from 3.0% to 6.0% depending on annual wages.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 9 – RETIREMENT BENEFITS- Continued

Funding Policy - Continued

Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund

The City of Watertown is required to contribute at an actuarially determined rate. The required contributions for New York State's current year ended March 31, 2013 and two preceding years were:

	FYE 6/30/13	FYE 6/30/12	FYE 6/30/11
Employer Contributions			
ERS	\$ 1,535,739	\$ 1,232,403	\$ 921,798
PFRS	\$ 2,423,515	\$ 1,936,189	\$ 1,367,396
Employee Contributions			
ERS	\$ 104,819	\$ 90,324	\$ 86,370
PFRS	\$ 8,954	\$ 1,136	\$ -

The City's contributions made to the Systems were equal to 100 percent of the contributions required for each year. Each retirement system issues a publicly available financial report that includes financial statements and supplementary information. The reports may be obtained by writing to: New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244

Bonus Retirement Plan

Under the terms of the police and fire union contracts, the City also made available a bonus retirement plan to all eligible employees. To be eligible, the employee must have accumulated 20 years of service within the retirement system and must retire within 3 years from that date. The following is a schedule of the benefits paid based upon the retirement date:

1 st Year	\$ 5,000
2 nd Year	\$ 4,000
3 rd Year	\$ 3,000

The City has reported \$11,000 relating to this bonus retirement plan as part of the accrued compensated absences balance in the General Fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 10 – POST EMPLOYMENT BENEFITS

During the year ended June 30, 2009, the City adopted Governmental Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, on a prospective basis. This statement establishes standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expenses/expenditures and related OPEB assets and liabilities, note disclosures, and required supplementary information. The objective of this statement is to improve the faithfulness of representations and usefulness of information included in the financial reports of state and local governments regarding OPEB.

Plan Description

The City administers its Health Plan (the plan) as a single-employer, self-insured benefit plan. The City provides postemployment healthcare benefits to certain employees that are eligible to retire under the New York State Retirement Systems. The plan provides medical and prescription drug coverage to certain retirees and their dependents based upon the City's collective bargaining agreements with its various unions. The financial information for the City's plan is contained solely within these basic financial statements.

Funding Policy

The contribution requirements of the members and the City are established by the City's collective bargaining agreements with its various unions. The required contribution rate of the City and the members varies depending on the applicable agreement covering the retiree and retiree's date of hire. Contribution rates for retirees range from 0% to 25% of the monthly premium cost. The City currently pays for postemployment healthcare benefits on a pay-as-you-go basis. For the year ended June 30, 2013, the City contributed approximately \$6,725,263 to the plan for its share of the health insurance premiums while plan members receiving benefits contributed \$579,751.

Annual OPEB Cost and Net Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and the amortized amount of any unfunded actuarially accrued liabilities (UAAL) over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation.

CITY OF WATERTOWN, NEW YORK

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 10- POST EMPLOYMENT BENEFITS- Continued

Annual OPEB Cost and Net Obligation - Continued

	Governmental Activities	Business-type Activities - Water Fund	Business-type Activities - Sewer Fund	Total
Annual Required Contribution (ARC)	\$ 6,614,209	\$ 442,758	\$ 323,778	\$ 7,380,745
Interest on Net OPEB Obligation	214,478	25,625	17,432	257,535
Adjustment to ARC	<u>(204,893)</u>	<u>(24,480)</u>	<u>(16,653)</u>	<u>(246,026)</u>
Annual OPEB Cost	6,623,794	443,903	324,557	7,392,254
Contributions Made	<u>(3,533,220)</u>	<u>(105,659)</u>	<u>(136,710)</u>	<u>(3,775,589)</u>
Change in Net OPEB Obligation	3,090,574	338,244	187,847	3,616,665
Net OPEB Obligation - Beginning of Year	<u>5,361,969</u>	<u>640,620</u>	<u>435,796</u>	<u>6,438,385</u>
Net OPEB Obligation - End of Year	<u>\$ 8,452,543</u>	<u>\$ 978,864</u>	<u>\$ 623,643</u>	<u>\$ 10,055,050</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
FYE 6/30/13			
Governmental Activities	\$ 6,623,794	53.34%	\$ 8,452,543
Business-type Activities - Water Fund	\$ 443,903	23.80%	\$ 978,864
Business-type Activities - Sewer Fund	\$ 324,557	42.12%	\$ 623,643
FYE 6/30/12			
Governmental Activities	\$ 4,209,426	83.92%	\$ 5,361,969
Business-type Activities - Water Fund	\$ 294,660	41.84%	\$ 640,620
Business-type Activities - Sewer Fund	\$ 239,634	61.53%	\$ 435,796
FYE 6/30/11			
Governmental Activities	\$ 4,874,268	74.60%	4,685,133
Business-type Activities - Water Fund	\$ 338,629	35.04%	469,258
Business-type Activities - Sewer Fund	\$ 275,915	55.60%	343,614

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 10 – POST EMPLOYMENT BENEFITS - Continued

Funded Status and Funding Progress

As of September 1, 2012, the most recent actuarial interim valuation date, the City's actuarial accrued liability for benefits was \$130,841,681 and there were no plan assets. Actuarial valuations of an ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents multi-year trend information about the value of plan assets relative to the actuarial accrued liability.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 1, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The plan's unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payrolls on an open basis. The actuarial assumptions include 4.0% investment rate of return and an inflation rate of 3.0%. The annual healthcare cost trend rate was estimated at 7.5% for the next fiscal year and decreasing each fiscal year thereafter until reaching 6.10% for the fiscal year ending June 30, 2018. The rate was then adjusted every five years through 2083 at 4.40%.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 11 – FUND BALANCES

Non-spendable Fund Balances

Non-spendable fund balances consist of prepaid expenses and inventory at the Municipal Arena concession stand. It also consists of the prepaid stop loss insurance on the City's health insurance plan.

Restricted Fund Balances

Restricted fund balances consist of the following:

General Fund

Capital Reserve - Pursuant to Section 6-c of the General Municipal Law of the State of New York the City established a capital reserve fund to finance future capital improvement projects.

Workers Compensation - An amount reserved to pay workers' compensation claims.

Insurance - An amount reserved to pay claims and judgments for the City's general liability and the cost of providing health care benefits to eligible employees and retirees.

Tourism - Balance of City's share of the hotel occupancy tax enacted by Jefferson County which must be used to promote and develop tourism in the City.

Debt Service - Balance of debt issued on behalf of property owners who elected to participate in the City's ten-year special assessment program for sidewalk replacements.

Other Governmental Funds

Mandatory Reserve for Indebtedness - Pursuant to Section 165.00 of the Local Finance Law of the State of New York, the proceeds, which will not be used for the specific purpose of the borrowing, plus any interest earned or capital gain realized on these proceeds must be used only for payment of principal and/or interest from which these proceeds were derived. The total amount reserved for principal and interest at June 30, 2013 was \$319,925.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 11 – FUND BALANCES - Continued

Restricted Fund Balances - Continued

Proprietary Funds

Mandatory Reserve for Indebtedness - Pursuant to Section 165.00 of the Local Finance Law of the State of New York, the proceeds, which will not be used for the specific purpose of the borrowing, plus any interest earned or capital gain realized on these proceeds must be used only for payment of principal and/or interest from which these proceeds were derived. The total amount reserved for principal and interest in the sewer fund at June 30, 2013 was \$25,761.

Other Fund Balance Disclosures

Deficit Fund Balance

There were no funds with a deficit fund balance at June 30, 2013.

Excess of Expenditures over Appropriations

There were no excess of expenditures over appropriations for the fiscal year ended June 30, 2013.

NOTE 12 – INTERFUND TRANSACTIONS

Operating Transfers

During the course of normal operations, the City records numerous transactions between funds including expenditures for services as well as transfers to finance various projects and debt payments.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 12 – INTERFUND TRANSACTIONS - Continued

Operating Transfers - Continued

Inter-fund receivable and payable balances arising from these transactions as of June 30, 2013 were as follows:

	Inter-fund Receivable	Inter-fund Payable
General Fund	\$ 439,866	\$ 190,670
Water Fund	14,879	114,759
Sewer Fund	76,653	89,964
Library Fund	180,650	5,679
Capital Project Funds	3,505	310,567
Trust & Agency Fund	-	3,914
	<hr/>	<hr/>
Total	\$ 715,553	\$ 715,553

Inter-fund Eliminations

For financial statement purposes, the following inter-fund balances have been eliminated:

	General Fund	Self-funded Health Insurance Fund
Revenues	\$ -	\$ 5,799,693
Expenditures	5,799,693	-
	<hr/>	<hr/>
Total	\$ 5,799,693	\$ 5,799,693

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 13 – OPERATING LEASES

State Street Parking Lot

The City leases a parking lot located at 250-270 State Street from Wilson Rusbo and Terry MacAdam. The term of the original lease is for a five-year period from October 22, 2011 through October 21, 2016. The annual rent for the current fiscal year is \$2,500. The lease payment is payable in advance by September 15th of the previous year. On October 17, 2011, the City Council approved a new lease for the period from October 22, 2011 through October 21, 2016.

Minimum future rentals to be paid over the term of the lease for fiscal year ended June 30, are as follows:

2014	\$	2,700
2015		2,800
2016		2,900
Total	\$	8,400

Fairgrounds Property Lease

The City is the lessor of a portion of the Fairgrounds property to the Watertown Family YMCA. The lease dated July 9, 2009 is for a term of twenty-five years with an option to renew by Watertown Family YMCA for an additional fifteen years if such renewal is approved by the New York State Legislature.

Minimum future rentals on the lease as of June 30, are as follows:

2014	\$	24,900
2015		25,800
2016		25,800
2017		25,800
2018		25,800
Thereafter		460,907
Total	\$	589,007

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 13 – OPERATING LEASES - Continued

Public Safety Building Lease

The City has entered into an amended Inter-municipal Agreement with the County of Jefferson, New York, for the joint operation and maintenance of a County/City Public Safety Building. Minimum annual lease payments are calculated on a pro rata basis of square footage utilized by the City and consist of the costs incurred for debt service, operation and maintenance expenses. These lease payments are offset by a percentage of the costs incurred by the City for the construction of the facility. Furthermore, the City is liable for a portion of the debt regardless of the City continuing the lease or not. Total rental expenditures for the year ended June 30, 2013 were \$355,118.

Estimated minimum future rental payments under the non-cancelable operating lease as of June 30, are as follows:

2014	\$ 167,518
2015	<u>157,555</u>
Total	<u>\$ 325,073</u>

Equipment Lease

The City is the lessor of certain office equipment. The lease dated September 30, 2008 is for a term of five years. Minimum future rentals on the lease as of June 30, are as follows:

2014	\$ 649
Total	<u>\$ 649</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 13 – OPERATING LEASES - Continued

Equipment Lease - Continued

The City is the lessor of certain office equipment. The lease dated August 10, 2010 is for a term of four years. Minimum future rentals on the lease as of June 30, are as follows:

2014	\$	4,059
2015		<u>338</u>
Total	\$	<u>4,397</u>

Vehicle Leases

The City is the lessor of certain police vehicles. The lease dated June 1, 2013 is for a term of one year. Minimum future rentals on the lease as of June 30, are as follows:

2014	\$	<u>10,310</u>
Total	\$	<u>10,310</u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation

The City has been named in several claims arising out of the conduct of its business, including claims for property damage, personnel practices, personal injury, false arrest, and disputes over contracts and suits contesting assessments. These claims, in the opinion of City officials, will not result in material judgments against the City, and, therefore, are not expected to have a material effect on the general-purpose financial statements. Additionally, as of June 30, 2013, the financial impact of these claims, if any, cannot be determined. Accordingly, the general-purpose financial statements have not been adjusted to reflect the potential result of these claims. However, the City has accumulated a reserve of \$330,644 as of June 30, 2013 for un-funded general liability claims.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 14 – COMMITMENTS AND CONTINGENCIES -

Continued

Grant Programs

The City participates in a number of Federal and State grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The City believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the City's financial position or results of operations.

Environmental Concerns

On April 27, 2007, the City acquired several parcels of property from Black Clawson known as Sewall's Island. On December 26, 2006, the City received a grant under the Environmental Restoration Program (ERP) from the New York State Department of Conservation for the investigation of the Sewall's Island project site. The ERP grant will provide \$705,540 towards the investigation phase of the project. The City's local share to the ERP grant will be funded from a U.S. Environmental Protection Agency Brownfields Pilot Program grant. The City Council has spent \$900,545 for a professional services contract with Lu Engineers to prepare the investigation phase of the Environmental Restoration Program. As of June 30, 2013, the City is not expected to have any liability for this potential environmental clean-up due to the "safe harbor" provisions of the ERP grant.

The City is engaged in many activities (i.e. water and sewer service, refuse collection, and gasoline storage) in the normal course of operations that are potentially hazardous to the environment. As of June 30, 2013, the City is not aware of any significant environmental problems that should be disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 14 – COMMITMENTS AND CONTINGENCIES -

Continued

Landfill Closure

State and federal laws and regulations required the City to close its landfill site in 1993. Although the closure has been completed, the City must continue to perform certain maintenance and monitoring functions at the site for thirty years after closure. The costs incurred during the closure were expensed as incurred. The post-closure monitoring occurs three times a year at an estimated annual expenditure of \$18,000. At June 30, 2013, an estimated \$198,000 in post-closure care cost will be incurred over the remaining 12-year period. This liability is recorded as long-term debt in the Statement of Net Position and is amortized in the General Fund at approximately \$18,000 each year.

The current landfill-monitoring contract expired in 2000. The estimated total liability was computed assuming future contracts monitoring costs would be comparable.

Black River Fund

The City of Watertown owns a hydroelectric facility on the Black River. On November 21, 1994, the City Council approved an agreement between the City and New York Rivers United, an environmental group, for the establishment of a Black River Fund. On June 16, 1995, the Federal Energy Regulatory Agency (FERC) issued the City a hydroelectric generation license.

This Fund is established in consideration of the immitigable impacts of the Watertown Project and for the purpose of financing projects and facilities that enhance the natural resources and human values of the Black River within the City's boundaries. This Fund will be used to finance projects and facilities which conserve and enhance the fish, plant and wildlife resources of the Black River, improve water quality, educate the public about the river and its uses, and provide for recreation.

This Fund is being administered by a Black River Fund Committee, which shall determine the distribution of funding each year. If able to demonstrate that their proposal provides a clear public benefit, governmental agencies, non-profit organizations, education institutions, and individuals shall be eligible to receive funding from the Black River Fund. On December 16, 2006, the Committee allocated \$20,000 to New York Rivers United to document the river's ecology in terms of quality, water quantity, general biodiversity and ecological status since the passage of the 1977 Federal Clean Water Act. The Committee contributed \$80,000 to the City for its Hold Brothers Access Improvement Project between 2008 and 2009.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 14 – COMMITMENTS AND CONTINGENCIES -

Continued

Black River Fund - Continued

Under the terms of the agreement, within sixty (60) days of the City's acceptance of a new FERC license, the City agreed to contribute \$30,000 to cover the first three (3) years of the license's forty (40) year term. The City started to contribute \$10,000 annually beginning in the fiscal year ending June 30, 2003, for a total agreed contribution of \$400,000. The balance in the fund as of June 30, 2013 was \$47,902.

Additionally, the City agreed to establish a replacement reserve to accumulate funds towards the anticipated cost of repairing, replacing, or retiring of energy generation equipment at the facility.

Electrical Distribution System Agreement

The City approved a sale of its Electrical Distribution System in March 1991. In connection with the sale, the parties agreed to the following:

1. National Grid was to operate the existing municipal hydro plant at no cost to the City beginning January 1, 1991 and extending until removal of the plant from service for reconstruction.
2. The City would proceed in the process of undertaking re-licensing of the hydro plant in accordance with the Federal Energy Regulatory Commission (FERC) rules and regulations, and would undertake the refurbishing of the plant
3. The City will lease all of its surplus power to National Grid for a term not exceeding forty years.

The City commenced reconstruction of the hydroelectric plant on June 2, 1997. The project, which cost \$9,075,000, was completed in January 2000.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 14 – COMMITMENTS AND CONTINGENCIES -

Continued

Metropolitan Planning Organization

After the 2010 Census was completed, the U.S. Census Bureau delineated an Urbanized Area that includes the City of Watertown. The Urbanized Area designation set in motion changes to the City's relationship with several federal programs.

A Metropolitan Planning Area has to be delineated around the Urbanized Area and a Metropolitan Planning Organization formed to plan for the expenditure of federal highway and transit funds. A Memorandum of Understanding between the City, Jefferson County and the Regional Office of the NYS Department of Transportation must be approved by the Governor. As of the date of this report the agreement has not been approved by the Governor.

The federal Office of Management and Budget used the Urbanized Area to create the Watertown-Fort Drum, NY Metropolitan Statistical Area (MSA) on February 28, 2013. As a Principal City in the MSA, Watertown became an Entitlement Community under U.S. Housing and Urban Development's Community Development Block Grant program. This means the City will be receive an annual allocation of community development funds.

The City will also become responsible for enforcing U. S. Environmental Protection Agency storm water regulations under the Municipal Separate Storm Sewer System (MS4) program.

CITY OF WATERTOWN, NEW YORK

SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Resources (Inflows)				
Real Property Taxes	\$ 7,320,740	\$ 7,320,740	\$ 7,425,473	\$ 104,733
Real Property Tax Items	269,300	269,300	316,811	47,511
Non-Property Taxes	18,819,500	18,819,500	18,240,151	(579,349)
Departmental Income	4,866,600	4,911,600	4,624,830	(286,770)
Intergovernmental Charges	134,175	134,175	125,391	(8,784)
Use of Money and Property	97,075	97,075	67,049	(30,026)
Licenses and Permits	77,600	77,600	66,534	(11,066)
Fines and Forfeitures	120,000	120,000	143,708	23,708
Sale of Property and Compensation for Loss	309,100	309,100	300,975	(8,125)
Miscellaneous Local Sources	700,874	700,874	763,317	62,443
Interfund Revenue	1,052,888	1,044,488	1,045,413	925
State Source	8,468,280	8,468,280	8,667,448	199,168
Federal Sources	304,590	304,590	467,463	162,873
Transfers from Other Funds	55,100	55,100	116,035	60,935
Amounts Available for Appropriation	42,595,822	42,632,422	42,370,598	(261,824)
Charges to Appropriations (Outflows)				
General Government Support	5,808,498	5,569,528	5,171,962	397,566
Public Safety	15,256,841	15,333,166	15,110,431	222,735
Transportation	4,581,037	4,511,407	4,259,335	252,072
Economic Assistance and Development	113,575	127,300	116,232	11,068
Culture and Recreation	1,658,079	1,967,654	1,772,114	195,540
Home and Community Services	1,294,174	1,294,499	1,195,126	99,373
Employee Benefits	8,049,882	8,056,932	7,435,778	621,154
Debt Service	2,762,930	2,762,930	2,762,927	3
Transfers to Other Funds	5,347,902	5,460,252	1,708,455	3,751,797
Total Charges to Appropriations	44,872,918	45,083,668	39,532,360	5,551,308
Excess (Deficiency) of Resources Over Charges to Appropriations	(2,277,096)	(2,451,246)	2,838,238	5,289,484
Appropriation of Prior Year Fund Balance	2,277,096	2,451,246	-	(2,451,246)
Excess / (Deficiency) of Resources Over Charge to Appropriations	\$ -	\$ -	2,838,238	\$ 2,838,238
Fund Balance, Beginning of Year			13,308,140	
Fund Equity Transfer			39,757	
Fund Balance, End of Year			\$ 16,186,135	

See paragraph on supplemental schedules included in auditor's report.

CITY OF WATERTOWN, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2013

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor #	Federal Expenditures
US Department of Housing & Urban Development			
Passed Through New York State Homes & Community Renewal:			
Community Development Block Grant / State's Loan	14.228	1207HR57-12	\$ 15,085
Community Development Block Grant / State's Loan	14.228	1207HR57-11	94,654
Community Development Block Grant / State's Loan (Program Income)	14.228		8,509
Total Community Development Block Grant / State's Loan			<u>118,248</u>
Passed Through Development Authority of the North Country:			
HOME Investment Partnerships Program	14.239	M12-DC360512	\$ 30,511
HOME Investment Partnerships Program	14.239	M11-DC360512	27,917
Total Department of Housing & Urban Development			<u>176,676</u>
US Department of Transportation			
Passed Through New York State:			
State and Community Highway Safety	20.600	PD-00220-(023)	7,001
Highway Planning and Construction	20.205	7753.15.221	340,931
Formula Grants for Other Than Urbanized Areas	20.509	PIN 7790.40.403	137,300
Formula Grants for Other Than Urbanized Areas	20.509	PIN 7798.06.303	600
Formula Grants for Other Than Urbanized Areas	20.509	PIN 7797.10.303	13,120
Total Department of Transportation			<u>498,952</u>
US Department of Homeland Security			
Assistance to Firefighters Grant	97.044	EMW-2012-FO-02364	18,657
Homeland Security Grant Program	97.067	C835902	25,297
Homeland Security Grant Program	97.067	C190319	37,622
			<u>81,576</u>
US Department of Environmental Protection Agency			
Passed Through New York State:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-97211311	<u>8,621</u>
US Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-1135	6,555
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BJ11-1199-D00	26,500
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government	16.804	2009-SB-B9-3147	2,105
Total Department of Justice			<u>35,160</u>
TOTAL FEDERAL ASSISTANCE			<u><u>\$ 800,985</u></u>

See paragraph on supplemental schedules included in auditor's report.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2013

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the City, which is described in Note 1 to the City's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Matching costs (the City's share of certain program costs) are not included in the reported expenditures.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable programs and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the City's financial reporting system.

NOTE 2 - COMMUNITY DEVELOPMENT BLOCK GRANT LOANS

Loan activity for the Community Development Block grant loans is as follows:

CFDA #	Balance at July 1, 2012	Issuance	Forgiveness	Balance at June 30, 2013
14.228	<u>\$ 1,017,504</u>	<u>\$ 83,292</u>	<u>\$ 459,806</u>	<u>\$ 640,990</u>

NOTE 3 - SUBRECIPIENTS

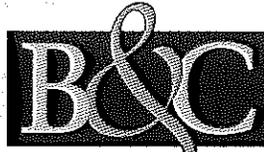
No amounts were provided to subrecipients.

**SUPPLEMENTARY SCHEDULE OF THE FUNDING PROGRESS OF THE POST
EMPLOYMENT HEALTHCARE BENEFIT PLAN**

Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/1/2010	\$ -	\$112,726,495	\$112,726,495	0%	\$ 17,329,092	650.50%
9/1/2011	-	98,650,932	98,650,932	0%	18,022,256	547.38%
9/1/2012	-	130,841,681	130,841,681	0%	N/A	N/A

See paragraph on supplemental schedules included in auditor's report.



BOWERS & COMPANY
CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

SENIOR MANAGEMENT, MAYOR AND MEMBERS OF THE CITY COUNCIL OF THE CITY OF WATERTOWN, NEW YORK

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WATERTOWN, NEW YORK**, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Watertown, New York's basic financial statements, and have issued our report thereon dated December 17, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Watertown, New York's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Watertown's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Watertown, New York's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

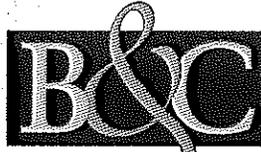
As part of obtaining reasonable assurance about whether the City of Watertown, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bowers & Company

Watertown, New York
December 17, 2013



**BOWERS & COMPANY
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

**SENIOR MANAGEMENT, MAYOR AND
MEMBERS OF THE CITY COUNCIL OF
THE CITY OF WATERTOWN, NEW YORK**

Report on Compliance for Each Major Federal Program

We have audited the City of Watertown, New York's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Watertown, New York's major federal programs for the year ended June 30, 2013. The City of Watertown, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Watertown, New York's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Watertown, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide legal determination of City of Watertown, New York's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Watertown, New York, complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of City of Watertown, New York is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Watertown, New York's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Watertown, New York's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Bowers & Company

Watertown, New York
December 17, 2013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2013

NOTE A - SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of City of Watertown, New York
2. No significant deficiencies related to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Watertown, New York were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the Highway Planning and Construction program expresses an unmodified opinion.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major federal program was – Highway Planning and Construction - CFDA #20.205.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City of Watertown, New York was determined to be a low-risk auditee.

NOTE B - FINANCIAL STATEMENT AUDIT FINDINGS

There were no findings to report.

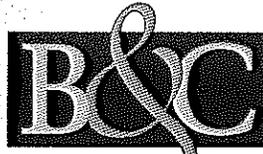
**NOTE C - MAJOR FEDERAL AWARD PROGRAMS
FINDINGS AND QUESTIONED COSTS**

There were no findings to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2013

There were no prior year audit findings.



BOWERS & COMPANY
CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL
CONTROLS OVER STATE TRANSPORTATION ASSISTANCE EXPENDED BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**SENIOR MANAGEMENT, MAYOR AND
MEMBERS OF THE CITY COUNCIL OF
THE CITY OF WATERTOWN, NEW YORK**

Report on Compliance For Each State Transportation Assistance Program Tested

We have audited the compliance of City of Watertown, New York with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended June 30, 2013. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs for state transportation assistance expended.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state assistance programs.

Auditor's Responsibility

Our responsibility is to express an opinion on City of Watertown, New York's compliance for each state transportation assistance program tested based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Draft Part 43 of NYCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has occurred. An audit includes examining, on a test basis, evidence about City of Watertown, New York's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each state transportation assistance program tested. However, our audit does not provide a legal determination of City of Watertown, New York's compliance with those requirements.

Opinion on Each State Transportation Assistance Program Tested

In our opinion, City of Watertown, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its state transportation assistance programs tested for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of City of Watertown, New York is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state transportation assistance programs tested. In planning and performing our audit of compliance, we considered City of Watertown, New York's internal control over compliance with requirements that could have a direct and material effect on state transportation assistance programs tested in order to determine our auditing procedures that are appropriate for the purpose of expressing an opinion on compliance for each state transportation assistance program tested and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Watertown, New York's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a state transportation assistance program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a state transportation assistance program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state transportation assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of State Transportation Assistance Expended

We have audited the financial statements of City of Watertown, New York as of and for the year ended June 30, 2013, and have issued our report thereon dated December 17, 2013, which contained an unmodified opinion on those financial statements. . Our audit was conducted for the purpose of forming an opinion on City of Watertown, New York's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state transportation assistance expended is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Draft Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

Banner & Company

Watertown, New York
December 17, 2013

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

June 30, 2013

Program Title	Ref. Number	Expenditures
Consolidated Local Street and Highway Improvement Program Capital - Reimbursement / CHIPS	732059	\$ 182,222
Formula Grants for Other Than Urbanized Area - DPW Maintenance Facility (Bus Shelters)	C003695	1,640
DPW Maintenance Facility	C003695	<u>75</u>
Total		<u>\$ 183,937</u>

See accompanying notes to schedule of state transportation assistance expended.

NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

June 30, 2013

NOTE A - GENERAL

The above Schedule of State Transportation Assistance Expended of the City of Watertown, New York, presents the activity of all major financial assistance programs provided by the New York State Department of Transportation.

NOTE B - BASIS OF ACCOUNTING

The above Schedule of State Transportation Assistance Expended is presented using the accrual basis of accounting.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE
TRANSPORTATION ASSISTANCE EXPENDED**

June 30, 2013

Summary of Audit Results

Internal control over state transportation assistance expended:

Material weaknesses identified None reported

Significant deficiencies identified that are not
considered to be material weaknesses None reported

Type of auditor's report issued on compliance for
Program tested: Unmodified

Summary of Audit Findings: N/A

Identification of State Transportation Assistance
Programs tested: Consolidated Local
Street & Highway
Improvement Program
Capital Reimbursement-
CHIPS Contract# 732059

Compliance Findings and Questioned Costs

No matters were reported.

January 15, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Sales Tax Revenue – December 2013

The City has received the monthly sales tax revenue amount from Jefferson County. In comparison to December 2012, the December 2013 sales tax revenue on an actual to actual basis is down \$171,247 or 9.99%. In comparison to the original budget projection for the month of December, sales tax is down \$255,967 or 14.23%.

The year-to-date actual receipts are down \$120,071 or 1.32% while the year-to-date receipts on a budget basis are down \$568,764 or 5.97%. Year-to-date sales tax revenue is at \$8,961,093.

The attached spreadsheet shows the detail collections for this year and last year along with the budgeted amounts. Collections for the Fiscal Years' 2009-10, 2010-11, 2011-12 and 2012-13 have been included for historical perspective.

	<u>Actual 2009-10</u>	<u>Actual 2010-11</u>	<u>Actual 2011-12</u>	<u>Actual 2012-13</u>	<u>Actual 2013-14</u>	<u>Variance</u>	<u>% Inc/(Dec)to Prior Year</u>	<u>Quarterly Variance</u>	<u>% Inc/(Dec) to Prior Quarter</u>
July	\$ 1,054,235	\$ 1,294,030	\$ 1,359,433	\$ 1,361,364	\$ 1,492,579	\$ 131,215	9.64%		
August	\$ 1,111,868	\$ 1,250,127	\$ 1,319,714	\$ 1,357,130	\$ 1,463,877	\$ 106,747	7.87%		
September	\$ 1,805,736	\$ 1,777,374	\$ 1,886,899	\$ 2,071,785	\$ 1,760,254	\$ (311,531)	-15.04%	(73,569)	-1.54%
October	\$ 1,081,394	\$ 1,147,531	\$ 1,215,879	\$ 1,301,624	\$ 1,584,174	\$ 282,550	21.71%		
November	\$ 1,056,203	\$ 1,203,035	\$ 1,207,881	\$ 1,274,589	\$ 1,116,784	\$ (157,805)	-12.38%		
December	\$ 1,606,018	\$ 1,681,408	\$ 1,897,409	\$ 1,714,672	\$ 1,543,425	\$ (171,247)	-9.99%	(46,502)	-1.08%
January	\$ 1,103,884	\$ 1,213,795	\$ 1,195,675	\$ 1,276,483	\$ -				
February	\$ 921,272	\$ 984,089	\$ 1,036,230	\$ 1,160,663	\$ -				
March	\$ 1,572,098	\$ 1,445,902	\$ 1,624,451	\$ 1,453,454	\$ -			-	0.00%
April	\$ 1,121,188	\$ 1,190,708	\$ 1,217,913	\$ 1,293,493	\$ -				
May	\$ 1,079,512	\$ 1,164,270	\$ 1,224,057	\$ 1,373,513	\$ -				
June	\$ 1,709,687	\$ 1,654,800	\$ 2,029,525	\$ 1,609,032	\$ -			-	0.00%
YTD	<u>\$ 15,223,095</u>	<u>16,007,070</u>	<u>\$ 17,215,066</u>	<u>\$ 17,247,801</u>	<u>\$ 8,961,093</u>	<u>\$ (120,071)</u>	<u>-1.32%</u>		

	<u>Original Budget</u>		<u>Actual 2013-14</u>	<u>Variance</u>	<u>%</u>		
	<u>2013-14</u>						
July	\$ 1,428,628		\$ 1,492,579	\$ 63,952	4.48%		
August	\$ 1,424,184		\$ 1,463,877	\$ 39,692	2.79%		
September	\$ 2,174,150		\$ 1,760,254	\$ (413,896)	-19.04%	(310,253)	-6.17%
October	\$ 1,365,936		\$ 1,584,174	\$ 218,238	15.98%		
November	\$ 1,337,565		\$ 1,116,784	\$ (220,782)	-16.51%		
December	\$ 1,799,393		\$ 1,543,425	\$ (255,967)	-14.23%	(258,511)	-5.74%
January	\$ 1,339,552		\$ -				
February	\$ 1,218,010		\$ -				
March	\$ 1,525,268		\$ -			-	0.00%
April	\$ 1,357,403		\$ -				
May	\$ 1,441,377		\$ -				
June	\$ 1,688,534		\$ -			-	0.00%
YTD	<u>\$ 18,100,000</u>		<u>\$ 8,961,093</u>	<u>\$ (568,764)</u>	<u>-5.97%</u>		

Total Budget \$ 18,100,000

January 8, 2013

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: The 25th Annual Local Government Conference Workshop
on March 27, 2014

Attached is a flyer for the 25th Annual Local Government Conference to be held on Thursday, March 27, 2014, from 7:30 a.m. til 5:00 p.m. at Jefferson Community College. If City Council Members are interested in attending, please advise Elaine Giso no later than February 28 of your session selections so that we will be able to register you.

NYS TUG HILL COMMISSION 25TH ANNUAL LOCAL GOVERNMENT CONFERENCE

Thursday, March 27, 2014, Jefferson Community College

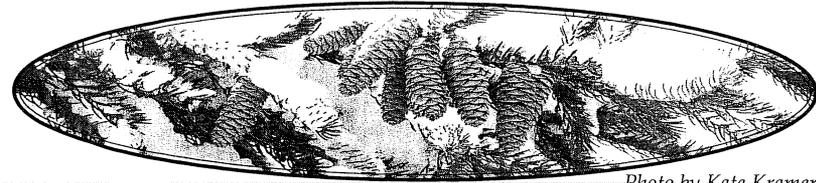


Photo by Kate Kramer

About the Conference

The March 27, 2014 Local Government Conference is an annual event organized by the staff at the Tug Hill Commission attracting as many as 650 local officials from across the North Country.

Workshops on a variety of topics are geared toward village and town board members, clerks, planning boards, zoning boards, highway departments, and assessors.

Registration Information

Please mail the registration form inside with your check or voucher. **Refunds will not be granted after Wednesday, March 12th.**

Directions to Jefferson Community College

Take Interstate 81 to Exit 46 (Coffeen Street). Travel east on Coffeen Street 0.25 mile. The college entrance is on your left. Parking at the college is in the back in Lots C & D. Registration is in the Gymnasium.

Overview of the Day

7:30 a.m. - 8:30 a.m.

Registration & Breakfast w/ Exhibitors

8:30 a.m. - 9:00 a.m.

Welcoming Remarks & Keynote

9:15 a.m. - 10:30 a.m.

1st Concurrent Session

10:45 a.m. - Noon

2nd Concurrent Session

Noon - 1:00 p.m. ~ Lunch

1:15 p.m. - 2:30 p.m.

3rd Concurrent Session

2:45 p.m. - 4:00 p.m.

4th Concurrent Session

4:00 p.m. ~ Reception



2014 Conference Sessions

Town Boards ~ Village Boards ~ Clerks ~ Planning Boards ~ Zoning Boards ~ Highway Departments ~ Assessors

Assessor Training - 8:30 a.m. - 4:00 p.m.

The six hours of certified training for assessors will cover: what is income and preparing for the Board of Assessment Review.

Keynote: 8:30 - 9:00 a.m.

**Peter Baynes, Executive Director
NY Conference of Mayors**

Session 1: 9:15 a.m. - 10:30 a.m.

1A. Fiscal Oversight Responsibilities of the Governing Board

This session will help board members understand and administer key fiscal oversight responsibilities, identify essential internal control policies and effectively monitor compliance with these policies.

1B. How Will Federal Health Care Affect Your Municipalities

Experts will present information and strategies local governments can use to implement specific requirements of the new Patient Protection and Affordable Care Act (also known as the Health Care Reform Act).

1C. RX For Your Zoning Law?

A review of the symptoms and diagnosis of a sick zoning law, as well as some remedies to cure the sickness and things to think about during check-ups in the future will be discussed in this session.

1D. SEQR Refresher

This introduction to the State Environmental Quality Review Act (SEQR) will review what the Act covers and how it is used in land use decisions of the PB and ZBA.

1E. Lessons Learned from a Highway Department's Emergency Response

The Town of Huntington was hit by Hurricane Sandy in 2012. Huntington's Highway Superintendent will recount how they responded to this disaster with the aid of GIS. Lessons learned and tools used can be applied to natural disasters in the North Country.

1F. Municipal Websites

Meeting the needs of the community it will serve should be the over-riding concern when designing a municipal website and deciding what content and services it will offer. Designing, redesigning and implementing a website will be the topic of this session.

1G. Emergency Medical Services

The Fort Drum Regional Health Planning Organization will lead a session on the challenges local municipalities and providers face providing emergency medical services in a changing environment and potential solutions for the future.

Session 2: 10:45 a.m. - Noon

2A. Open Discussion with NYCOM

Discussion will include legislative priorities, legal issues, and upcoming topics of concern for municipalities across the state with plenty of time to ask questions of the executive director and legal staff from NYCOM.

2B. Strategic Municipal Initiatives and Local Government Efficiencies

Come to this session to find out how to identify, communicate and implement efficiencies in your municipality. Shared services,

these terms before, but what are the differences and how do you know what is best for your community and how do you measure results?

2C. Natural Resources and Land Use Decisions for PBs & ZBAs

This session will show planning and zoning board members how natural resources factor into development in their municipality and decisions made by the planning board and ZBA.

2D. New SEQR Forms

The revised Environmental Assessment forms will be reviewed as well as a discussion of how the new workbook will help local officials complete the forms.

2E. NYS Environmental Audit Process for Highway Departments

This session will discuss NYS DEC's Environmental Audit Policy; the audit process as it relates to municipal operations of highway departments and other municipal facilities; compliance inspection tasks; effective approaches to prevent violations with environmental laws; and incentives to go beyond compliance.

2F. Records Management & Dealing with E-mails

Some of the topics to be discussed include: email management, legal issues surrounding management of electronic records in all their forms, imaging and document management systems, cloud computing, viewing social media as records, and so much more.

2G. Dealing with the Amish

This session will discuss issues related to Amish relocating to the North Country. A "Community Resource Packet" that includes various brochures, pamphlets and fact sheets relating to this topic will be reviewed.

Lunch: Noon - 1:00 p.m.

Session 3: 1:15 p.m. - 2:30 p.m.

3A. Policies and Procedures for Using & Accepting Credit Card Payments

This session is designed to give the towns and villages an overview of electronic cash management technologies, as well as the internal controls needed to help detect fraud and ensure that all transactions are captured.

3B. Introduction to National Flood Insurance Program Part I

This session will provide information on how to read and interpret FEMA's Flood Insurance Rate Maps, and provide a basic understanding of floodplain management requirements for participation in the National Flood Insurance Program and NYS Building Code flood protection requirements.

3C. Subdivision Review Procedures

An overview of the statutory authority for municipalities to review subdivisions will be the focus of this session.

3D. Mechanics of the PB & ZBA

Topics to be covered in this session include: bylaws, oaths of office, alternate members, filing decisions of the board, indemnification, resignations, filling vacancies, removing members, setting regular meetings, setting public hearing, and special meetings of the board.

3E. Highway Department & Town Board's

Topics to be discussed include: fiscal roles and responsibilities of the highway superintendent and town board; issues relating to town finances; the budget process; and employee issues.

3F. Ethics: What is it, What is it Not, & Why Focus On It? Part I

This session will discuss issues related to ethics in local government; core principles of public service; whether your municipality is ethically fit; a framework for making ethical decisions; and tips on how to make sure ethics is being incorporated into day to day local government business.

3G. Stormwater Management

Stormwater management is important to prevent physical damage to persons and property from flooding and to maintain the quality and quantity of our water resources. An overview of the topic and how it can be addressed by local municipalities will be provided.

Session 4: 2:45 p.m. - 4:00 p.m.

4A. Shared & Consolidated Services

Merging governments and sharing services provide benefits, but can also create problems. This session will focus on identifying the advantages and disadvantages of consolidation and shared services and will discuss what approaches might make the most sense for your community.

4B. Introduction to National Flood Insurance Program Part II

This session will be a continuation of Session 3B Part I.

4C. Q & A for PB's and ZBA's

This is your chance to ask the expert your burning legal question. Open floor for questions on planning and zoning issues with Scott Chatfield.

4D. ZBA Basics

ZBA's have two main functions - to interpret the zoning regulations when questions arise, and to decide if an applicant should be allowed to vary from the established zoning regulations. This session will discuss some of the basic legal guidelines for making these decisions.

4E. Choosing the Proper Pavement Repair

Pavement maintenance involves doing the right treatment, in the right place, at the right time. This session will discuss how to achieve this through good management and decision making.

4F. Ethics: What is it, What is it Not, & Why Focus On It? Part II

This session will be a continuation of Session 3F Part I.

4G. Abandoned House Demolition

Abandoned properties can quickly become much more serious problems than just being an eyesore. This session will discuss steps a municipality needs to consider in addressing abandon buildings in their community.

Reception: 4:00 p.m.

**** Sessions subject to change due to**

~ ~ Registration Information ~ ~

Please complete and return this registration form with your check or voucher (please do not send cash) payable to:

NYS Tug Hill Commission
Dulles State Office Building
317 Washington Street
Watertown, New York 13601
1-888-785-2380 / tughill@tughill.org

Only one attendee per registration form. You may copy this form for multiple registrations or download a copy from our website at www.tughill.org

The Tug Hill Commission will not accept registrations by phone, fax, e-mail or credit card payment.

Amount Paid: \$50 (postmarked by 3/5/14) \$75 (postmarked by 3/12/14) \$100 (received after 3/12/14)

We can not issue refunds after March 12, 2014.

**** Please Print ****

Name: _____ Town/Village: _____

County: (please check one) Jefferson Lewis Oneida Oswego St. Lawrence Other: _____

Address: _____

City: _____ State: _____ Zip: _____ Daytime Phone: w/h () _____

Municipal Position Held: (please check one)

- Assessor Attorney Clerk Councilman DPW Highway Justice Mayor
 Planning Board Supervisor Trustee Zoning Board of Appeals Other: _____

In order for us to provide adequate seating, please check any workshop session(s) you might be interested in attending. This is not set in stone. You may choose any session you would like to attend on the day of the conference.

	Session 1	Session 2	Session 3	Session 4
Workshop A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workshop B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workshop C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workshop D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workshop E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workshop F	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workshop G	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assessors Session	<input type="checkbox"/> a.m.	<input type="checkbox"/> p.m.		

Certificates of Attendance will be available in classrooms at the end of the day



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NYS Tug Hill Commission
25th Annual Local Government Conference
March 27, 2014

Pamela Underhill Karaz ©



Tree Watertown

1145 Boyd Street, Watertown, New York 13601

Phone – (315) 785-6850

January 9, 2013

The Honorable Mayor and City Council
City of Watertown, New York

Dear Council Members:

Attached for your review is *Tree Watertown's 2013 Annual Report* which outlines the activities of Tree Watertown from December 2012 through November 2013. As the City's Street Tree Advisory Board, Tree Watertown conducted or was involved with numerous tree planting and educational efforts throughout the year including our annual Arbor Day celebration as well as spring and fall tree planting projects.

Thank you for your continued support of Tree Watertown and the City's urban forest. If you have any questions about the Annual Report, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "William W. Christopherson".

William Christopherson
Landscape Architect
Chairman, Tree Watertown

cc: Sharon Addison, City Manager
Michael A. Lumbis, Planner



Tree Watertown 2013 Annual Report



December 2012 - November 2013



Tree Watertown 2013 Annual Report

Chairman's Letter

December 12, 2013

Dear Tree Watertown Members:

Herein, you will find our annual report for 2013. The year has zoomed by as usual, but we once again were able to get quite a lot accomplished to help our urban forest. We are pleased that once again Watertown has been designated a Tree City USA by the National Arbor Day Foundation. This year will mark the 14th consecutive year that we have attained this prestigious recognition, which we could not have accomplished without the help and support of you, our volunteer members of Tree Watertown, and our many partners as well.

Some of our important partners who have worked with Tree Watertown this year to accomplish new shade tree plantings in the city include the Master Gardeners from Cornell Cooperative Extension, the Watertown Noon Rotary Club, city residents, and faculty and families of Ohio Street Elementary School. We are thankful for the continued support of the City of Watertown, and their commitment for working with Tree Watertown to assure the continued growth and viability of our urban forest for future generations. The Department of Public Works once again provided much needed assistance in planting new trees and in preparing tree pits at our planting locations throughout the year.

Our annual report, prepared by Michael A. Lumbis, City Planner, and contained herein, describes the many programs, events, and meetings that were conducted by Tree Watertown in 2013. These events demonstrate how volunteers have worked with Tree Watertown to make our City of Watertown a more beautiful place.

On April 26, Arbor Day 2013, was celebrated with a tree planting ceremony at Watertown's Dept. of Public Works on Newell St. A ceremonial London Planetree was planted in appreciation for the continuous assistance the Department of Publics Works has given Tree Watertown over the years.



Tree Watertown 2012 Annual Report

This summer we were fortunate to be a stop for a very unique event – The Stihl Tour des Trees – on its way biking around Lake Ontario. As part of the stop here, the Stihl Tour Des Trees group planted a shade tree in a ceremony at the Jefferson County Historical Society’s Victorian garden.

On November 2, Tree Watertown was assisted by many city residents and members of the Ohio Street School community to plant 10 new trees on school grounds. This was in addition to 15 additional trees made available for planting throughout the city by this year’s \$2,500 grant from the Whitney Tree Planting Fund.

The following pages detail all of our different projects for 2013. Again, I thank the volunteer board members of our Tree Watertown committee for taking time out of their busy schedules to help plan and organize each of our events throughout the year. I look forward to working with you on new and exciting projects in the coming year.

Sincerely,

William W. Christopherson,
2013 Chairman, Tree Watertown

cc: City Council Members
Sharon Addison, City Manager



Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2012 through November 2013

- December 13, 2012: The 2012 Tree Watertown Annual Meeting was held. The meeting agenda included election of officers for 2013 and a review of activities and the annual financial report for 2012.
- December 19, 2012: The 2012 Tree City USA Application was submitted to the National Arbor Day Foundation. Tree Watertown assisted with the completion of the City's application.
- January 10, 2013: Tree Watertown met with City Manager, Sharon Addison, to discuss a number of upcoming initiatives and proposed projects including the Emerald Ash Borer (EAB) Management Plan and the 2013 City Sidewalk Program. The group provided an overview of the EAB Management Plan and discussed plans to present it to the City Council within the next year. Regarding the City's sidewalk program, members outlined concerns and discussed the impacts that the program has had on the City's street tree since its inception. Ideas regarding tree protection and the need for employee training were discussed.
- January 10, 2013: Plans for the 2013 Spring Tree Planting Projects were discussed. Mike Lumbis noted that the funds for the Rotary tree planting were reduced this year. In previous years there was a \$2,000 grant made available from Rotary for this project. This year there will be \$1,400 available. The reduced amount of funding will mean that approximately 10 fewer trees will be planted. The site for planting has been selected and the Rotary project will take place at Bicentennial Park within the Watertown Fairgrounds on Saturday, April 27th. Planting location ideas for the Department of Public Works tree planting were then discussed. Suggested sites for the project included Thompson Park and Ball Avenue. Mike L. stated that he will be finalizing the locations for the DPW tree planting project and asked Tree Watertown members to think of suggestions for additional tree planting locations.
- January 11, 2013: Chairman Bill Christopherson, Mike Lumbis and Tom Walker met with the City Engineer, Kurt Hauk, to discuss the Factory Street Reconstruction Project. The group expressed Tree Watertown's desire to see street trees included along the entire length of the project. The current proposed design calls for a limited number of trees and only a 3 1/2 ' wide margin area, which would be too narrow for a tree pit. The group suggested that the engineers narrow each travel lane or look for alternative ways to include more street trees in the project.





Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2013 through November 2013

Continued

- February 5, 2013: Tree Watertown member and NYS Department of Environmental Conservation employee Glen Roberts and his colleague, Mike Giocondo, provided tree pruning training to the City's DPW crew. The City's tree crew will be pruning and training smaller trees on the City's west side this winter and early spring.
- 
- February 14, 2013: The 2013 Sidewalk Program was again discussed as a follow up to Tree Watertown's meeting last month with the City Manager, Sharon Addison. Bill noted that the City Manager seemed receptive to the group's request to have construction fencing installed around trees while sidewalk work is being completed to limit root damage due to compaction and ground disturbance. Bill said that he would follow up with the City Manager on this issue before the start of the program.
 - February 14, 2013: The 2013 Arbor Day ceremony was then discussed. Several location and program ideas were discussed including an educational event at Immaculate Heart Central Primary School and an idea to plant a new evergreen on Public Square to replace the existing Colorado Spruce that serves as the community Christmas tree. Kelly Reinhardt suggested planting a tree in recognition of the hard work that DPW does assisting with the tree program year-round. The group selected the DPW recognition planting as the Arbor Day theme. A proposed tree planting location at Whitewater Park near the DPW facility on Newell Street was suggested.
 - February 14, 2013: Tree Watertown continued discussion on the various spring tree planting projects. Mike L. noted that a resident of Davidson Street approached the City about planting in the 500 Block of the street. This location will involve coordination with the various property owners since there is no room to plant in the margin on Davidson Street. The resident who called will be working on the property owner contacts in the coming months. Mike DeMarco, a Burchard Street resident, will be doing the same in his neighborhood.
 - February 21, 2013: The City of Watertown received a letter from the NYS Department of Environmental Conservation indicating that Watertown has been named a Tree City USA for 2012. The year 2012 marks the thirteenth consecutive year Watertown has received the designation. A Tree City Awards Ceremony will be held on March 28, 2013 in Albany.





Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2012 through November 2013

Continued

- March 14, 2013: Bill reported that the City Manager has discussed the tree protection issue with Kurt Hauk, City Engineer, who would like to make a few changes to the tree protection section of the Arboricultural Specifications Manual. Mike L. will follow up with the City Manager and City Engineer.
- March 14, 2013: Members discussed the design and pricing of Tree Watertown shirts and sweatshirts. An order will be placed in early April to ensure delivery before Arbor Day.
- March 14, 2013: Members continued to discuss the details of the annual Arbor Day ceremony. The ceremony and tree planting are scheduled for Friday, April 26 at Whitewater Park on Newell St. It was suggested that a small picnic and refreshments could be provided for the City DPW crew, thanking them for their service with the tree program over the years.
- March 14, 2013: Tree Watertown discussed having the Girl Scouts return to follow up on their planting from last fall. It was proposed that the Girl Scouts be invited back to their 2012 tree planting locations to help maintain, water, and prune the new plantings.
- March 19, 2013: Tree Watertown members completed small tree pruning and training on trees located on Mill Street at the site of the former roller rink. Tree Watertown planted approximately 20 Black Locust seedling several years ago in an effort to improve the look of the streetscape and this vacant lot. Additional follow-up care will be needed in the coming years.
- April 11, 2013: Final plans for Arbor Day and the spring tree planting projects were discussed. Arbor Day is April 26, 2013, and the tree planting is scheduled for 11:30 am at Whitewater Park on Newell Street. We will be sponsoring a luncheon for the DPW crews in recognition of their ongoing support of the tree program.
- April 11, 2013: Members discussed project ideas for the Carolyn Whitney Tree Planting Fund grant application. It was suggested to resubmit last year's application that was not funded. The project would include a partnership with the Watertown City School District and would include the planting of a few fruit trees.





Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2012 through November 2013

Continued

- April 11, 2013: The 2013 STIHL Tour des Trees cycling event was discussed. Each year, STIHL chainsaws sponsors a 500 mile, week long road bike ride to raise money for the TREE (Tree Research and Education Endowment) fund. The ride starts near Niagara Falls and will have over 100 riders. This year, the ride will have an overnight stop in Watertown on July 30; participants will be staying at the Best Western, with a picnic in Thompson Park that evening. Event organizers would like to work with the City to coordinate a tree planting to honor Tree Watertown.
- April 26, 2013: An application to the NNY Community Foundation through the Carolyn Whitney Tree Planting Fund was submitted. If awarded, the funding would provide for the planting of 25 bare root trees. The planting locations would be 15 sites throughout the City and 10 at Ohio Elementary.
- April 26, 2013: Tree Watertown held its 16th annual Arbor Day observance at Whitewater Park on Newell Street. The celebration featured the planting of a Bloodgood London Planetree in recognition of the Department of Public Works. Mayor Jeffrey E. Graham read the Arbor Day Proclamation and declared April 26, 2013 as Arbor Day in the City.
- April 27, 2013: Tree Watertown assisted the Watertown Noon Rotary Club with its annual tree planting project. The Rotary planted 38 trees, including 23 within the Fairgrounds near Bicentennial Park and the Fairgrounds Trail, 14 within the City's Sewage Treatment Plant and one in North Watertown Cemetery.
- April 29 – May 2, 2013: The City of Watertown Department of Public Works completed the City's Annual Tree Planting Project by planting a total of 91 trees throughout the City. Tree Watertown members assisted with the sorting and numbering of the trees prior to planting. Notable planting locations included seven trees on Davidson Street, seven on Ball Avenue and six on Burchard Street.
- May 6, 2013: All Seasons Landscaping and Garden Center planted 36 trees on Clinton Street as part of the street reconstruction project. Approximately 12 trees were also pruned as part of the project to provide pedestrian and vehicular clearance. This pruning was completed by a certified arborist.





Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2012 through November 2013

Continued

- May 8, 2013: The NYS DEC held a training session on Emerald Ash Borer (EAB) awareness and preparedness at Cornell Cooperative Extension of Jefferson County. The workshop focused on increasing awareness among “first detectors” or those working in and around trees as well as creating preparedness plans to limit impacts from EAB. The event was attended by several Tree Watertown members as well as City Planning and Public Works Staff.
- May 14, 2013: Tree Watertown members discussed the various spring tree planting projects and programs that were held in April, noting another successful year.
- May 14, 2013: Tom gave the committee an update on the American Chestnut sapling orchard at Belleville Henderson Central School District. He said out of the 34 planted, 16 are still alive. He is in discussion with the State University of New York College of Environmental Science and Forestry (SUNY ESF) to continue working on and improving the orchard.
- May 14, 2013: Glen Roberts noted that planning was well underway for the 2013 NY ReLeaf Conference that was being held on July 18-20 at SUNY Institute of Technology in Utica. Our DEC region will be hosting the workshop this year and Glen is a member of the local conference planning committee. Mike L. will be giving a presentation on volunteer program success stories in Watertown. The workshop will bring urban forestry professionals together from all over the state to share ideas and learn about the latest advances in the field of urban forestry.
- May 14, 2013: Mike L. reported that the Tour des Trees, a 500 mile cycling event sponsored by the TREE Fund (Tree Research and Education Endowment Fund) is coming to Watertown on July 30 and 31. Since 1992 the Tour des Trees has raised more than \$6 million for scientific research and education programs related to arboriculture and urban forestry. The money raised supports the discovery of better methods for propagation, planting and care of urban trees. The Tour also funds education programs aimed at connecting young people with the environment and with career opportunities in the green industries. Mike L. has been speaking with the tour organizers who hope to work with Tree Watertown to plan a tree planting event to commemorate their stop in Watertown.
- May 21, 2013: The summer tree watering and maintenance program began with the hiring of local college student Ethan Sullivan. Ethan will be following a watering and mulching schedule throughout the summer season. Ethan recently completed his freshman year at SUNY ESF.





Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2012 through November 2013

Continued

- June 13, 2013: The Tour des Trees cycling event was discussed again. The 2013 race starts in Niagara Falls on July 28 and loops around Lake Ontario with several stops along the way including Watertown. Along the tour route, riders participate in various educational events and tree planting projects and ceremonies. Mike L. reported that he has been working with Mary DiCarlo, one of the event organizers, to set up a tree planting event in Watertown. On Wednesday, July 31 at approximately 8:30 am, there will be a tree planting ceremony with all of the riders on the grounds of the Jefferson County Historical Society. The riders will be staying at the Best Western and they liked the idea of planting a tree in the Washington St. arboretum. Members decided to welcome the tour riders and present them with a gift bag upon their arrival in Watertown.
- June 13, 2013: Ethan Sullivan provided a report to members on the summer watering and mulching program. He reported that he waters approximately 160 spring planted trees each week and has recently started the mulching component of the program.
- June 17, 2013: Tree Watertown member Mike L. gave a presentation to the fourth grade classes at Knickerbocker Elementary. The presentation, entitled "How to Select a Tree" focused on the need for proper site and species selection prior to planting a tree. The presentation was followed by the planting of a Northern Catalpa on the school grounds. The tree was purchased by the Knickerbocker PTO as a gift to the school from the 4th grade classes.
- July 19 and 20, 2013: Mike L. and Kelly R. attended the 21st Annual NY ReLeaf Conference at the SUNY Institute of Technology in Utica. Mike L. also gave a presentation about the City's urban forestry program entitled "Volunteer Program Success Stories". The presentation provided an overview of the City's urban forestry program and the work of Tree Watertown and detailed the various grant funding, volunteer resources and partnerships that we have utilized over the years to make our tree program successful.





Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2012 through November 2013

Continued

- July 30, 2013: Tree Watertown members welcomed approximately 90 bicyclists who had arrived at the Best Western on Washington Street as part of the 2013 Tour des Trees. Tree Watertown members distributed a gift bag to each cyclist containing the Washington Street Arboretum brochure, literature, granola bars, fruit, water, maple candy and a Tree Watertown pencil. The gift bags were generously donated by the Car Freshener Corporation and also included a Little Trees Air Freshener and a can cooler.



- July 31, 2013: A ceremonial tree planting was held on the grounds of the Jefferson County Historical Society with cyclists from the Tour des Trees. A tree lilac was planted to commemorate the tour's stop in Watertown. The cyclists then headed to Kingston, Ontario, Canada with their final destination being Toronto, Ontario, Canada for the International Society of Arboriculture annual conference.
- August 8, 2013: Ethan Sullivan provided a report to members on the summer watering and mulching program. He reported that in addition to watering approximately 160 newly planted trees each week and watering 300 two and three year old trees on a rotational basis, he has also mulched hundreds of trees throughout the City. To date, 713 trees have been mulched on various streets located on the north side and in most City parks. It should be noted that Ethan continued to mulch trees through the end of August and during that time was responsible for mulching an additional 297 trees. In total, he mulched 1,010 trees during his tenure.
- August 8, 2013: Mike L. reported that a grant application in the amount of \$2,500 for 25 trees was awarded to the City by the Northern New York Community Foundation through the Carolyn Whitney Tree Planting Fund. A contractor will plant 15 trees at various locations throughout the City, and 10 trees will be planted at Ohio Street Elementary School by Tree Watertown on Saturday, November 2.
- August 8, 2013: Mike L. reported that the City is applying for grant funding for the construction of the Huntington Street Trail. The project involves the construction of a hike/bike trail that would connect the existing trail at Water Works Park to the sidewalk on Eastern Boulevard. He proposed that Tree Watertown be involved in the tree planting portion of the project. Members agreed to participate in the project by conducting a tree planting in the fall of 2015.

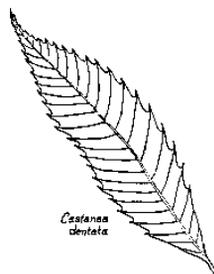


Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2012 through November 2013

Continued

- August 8, 2013: Samuel Thomas expressed concern about margin parking at various locations throughout the city. Margin parking can damage the City's infrastructure and can also pose a threat to street trees through soil compaction and other physical damage. There is a concern that in certain areas this is continuing to occur despite reporting the incidents to the Watertown Police Department.
- August 8, 2013: Members discussed the next round of Urban Forestry Grant Applications being made available soon by the NYS DEC. It was suggested that an updated inventory of city owned trees be considered, since it has not been done since 1999. The grant for an inventory would be funded at 100 percent with no match required by the City.
- September 19, 2013: Members discussed the details of the annual fall tree planting project that will be held on November 2, 2013 at Ohio Elementary. Mike L. has been in contact with John Forsythe, Building and Grounds Supervisor for the Watertown City School District and Ohio Elementary Principal Mark Taylor about the project. The project will feature the planting of ten trees and will be funded by the Whitney Tree Planting Fund.
- September 19, 2013: Members also discussed the second part to the fall tree planting project that involved the planting of 15 trees by a contractor hired by the City. Implementation details were discussed for the project and there was general agreement to continue planting new trees near existing ash trees to get them started in advance of the arrival of the EAB. The group also approved the concept of removing distressed (but not dead) ash trees in order to get replacements started, also in advance of the arrival of the EAB.
- September 19, 2013: There was a discussion about bringing the draft Emerald Ash Borer Management Plan before the City Council. The EAB management plan will be re-circulated so that everyone has the opportunity to help revise and finalize the plan.
- September 19, 2013: Looking forward to next year's Whitney Tree Planting Fund grant application, members discussed the possibility of partnering with other community groups on an "orchard planting" project.
- September 19, 2013: Tom W. reported there was a NYS Chestnut Foundation meeting being held in Syracuse on October 11th-12th. There will be a lecture titled "Return of the King" held Thursday evening at the SUNY-ESF Gateway Center.





Tree Watertown 2013 Annual Report

Tree Watertown Activities - December 2012 through November 2013

Continued

- November 1, 2013: All Seasons Landscaping and Garden Center planted 14 trees at various sites throughout the City. The planting was completed using the Whitney Tree Planting Grant from the Northern New York Community Foundation.



- November 2, 2013: Tree Watertown members, student and parent volunteers from Ohio Elementary, Master Gardeners and others completed the annual fall tree planting project. The project featured that planting of 10 trees at Ohio Elementary. There were several species of trees that were planted including 3 varieties of apple trees.
- November 6, 2013: The City and Tree Watertown partnered with the Disabled Persons Action Organization (DPAO) and the Kiwanis Club to plant a tree at the Emma Flower Taylor Fire Station on South Massey Street. Kiwanis members, DPAO Action Program participants, members of the Fire Department and Tree Watertown members planted a Northern Catalpa tree and celebrated with a reception afterward.
- November 14, 2013: The Emerald Ash Borer Plan was reviewed and final comments from members were discussed in advance of a winter presentation of the plan to the City Council.
- November 14, 2013: Tree Watertown formally endorsed the City's application for funding through the NYS DEC Urban and Community Forestry Grant Program. The grant would fund a tree and planting space inventory in the City.
- December 3, 2013: City Staff submitted a grant application through the NYS DEC's Urban and Community Forestry Grant Program for the City of Watertown Street Tree Inventory Project. The \$25,000 grant will fund a City wide street tree, park tree and planting site inventory. The inventory will provide the City with accurate data on the health of the City's trees and will provide the City with key information on the environmental, aesthetic and economic benefits that the urban forest provides.
- Throughout the year, Tree Watertown members provided to area residents educational information concerning tree identification, site selection requirements and other urban forestry information.





Tree Watertown 2013 Annual Report

Tree Watertown Members

- Bill Christopherson, Chairman
- Jennifer Voss, Vice-Chairman
- Joshua Carlsson, Secretary
- Michael Lumbis, Treasurer
- Mike DeMarco
- Sue Gwise
- Jack Parsell
- Kelly Reinhardt
- Glen Roberts
- Samuel Thomas
- T. Urling Walker
- Dr. Jason White

2013 Meeting Dates

- January 10, 2013
- February 14, 2013
- March 14, 2013
- April 11, 2013
- April 26, 2013 (Arbor Day Ceremony)
- April 27, 2013 (Tree Planting)
- May 14, 2013
- June 13, 2013
- August 8, 2013
- September 19, 2013
- October 10, 2013
- November 2, 2013 (Tree Planting)
- November 14, 2013
- December 12, 2013 (Annual Meeting)