

**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 Monday, January 5, 2015, 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**

**PROCLAMATION**

Sir John A. Macdonald Day

**PRIVILEGE OF THE FLOOR**

**RESOLUTIONS**

- Resolution No. 1 - Designating Depositories of City Funds for 2015
- Resolution No. 2 - Approving the 2014-2017 Collective Bargaining Agreement Between the City of Watertown and the Watertown Police Benevolent Association, Inc.
- Resolution No. 3 - Reappointment to the Board of Assessment Review, Shawn E. Griffin
- Resolution No. 4 - Appointment to the Board of Assessment Review, Lisa L'Huillier
- Resolution No. 5 - Approving Salary Structure, and Annual Pay Increase for Watertown Housing Authority Employees
- Resolution No. 6 - Approving Change Order No. 4 and No. 5 to the Flower Memorial Library Masonry Restoration and Fountain Construction Project Agreement, Raymond E. Kelley, Inc.

Resolution No. 7 - Designating the Certifying Officer and Environmental Officer for HUD-funded Projects

## **ORDINANCES**

Ordinance No. 1 - Amending City Municipal Code § A320-4(A.)(10), Schedule of Fees – Broomball

## **LOCAL LAW**

## **PUBLIC HEARING**

## **OLD BUSINESS**

Tabled Resolution Approving Intergovernmental Agreement Relative to Dog Control Services With County of Jefferson

Tabled Resolution Approving Whitewater Park Public Access Limited Use Agreement with Hole Brothers Holdings, LLC

## **STAFF REPORTS**

1. NYS Retirement System – Elected and Appointed Officials
2. Fiscal Year 2014-15 GASB 45 Other Post-employment Benefits Actuarial Valuation
3. Sales Tax Revenue – November 2014
4. Stop-Loss Actuarial Study
5. Letter from Susan Beaman

## **NEW BUSINESS**

## **EXECUTIVE SESSION**

1. The proposed acquisition, sale or lease of real property when publicity would affect the value thereof.
2. To discuss the employment history of a particular individual.

## **WORK SESSION**

Next Work Session is scheduled for Monday, January 12, 2015, at 7:00 p.m.

## **ADJOURNMENT**

**NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS TUESDAY, JANUARY 20, 2015.**

Res No. 1

December 23, 2014

To: The Honorable Mayor and City Council  
From: James E. Mills, City Comptroller  
Subject: Annual Designation of Bank Depositories

In accordance with City Charter section 30, City Council shall designate at its first meeting in each year the banks located in the City for the deposit of all City funds. Accordingly, a resolution has been prepared for City Council consideration which establishes the depositories for City funds for the period January 1, 2015 through December 31, 2015.

**RESOLUTION**

Page 1 of 1

Designating Depositories of  
City Funds for 2015

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***

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WHEREAS Section 30 of the City Charter requires the City Council to designate each year at its first meeting some incorporated bank or banks or trust company located in the City of Watertown for the deposit of all moneys belonging to the City,

NOW THEREFORE BE IT RESOLVED that the following banks be and they are hereby designated as depositories of the City of Watertown, New York, for the year beginning January 1, 2015 and ending December 31, 2015:

Community Bank, N.A.  
 Key Bank  
 WSB Municipal Bank

And,

BE IT FURTHER RESOLVED that Community Bank, N.A., Key Bank and WSB Municipal Bank each be required to either execute a bond, deliver to the City of Watertown, New York, approved collateral or to deposit at a mutually agreed upon depository approved collateral of a value up to TWENTY MILLION DOLLARS (\$20,000,000).

**Seconded by**

Res No. 2

December 30, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Approving the 2014-2017 Collective Bargaining Agreement  
Between the City of Watertown and the Watertown  
Police Benevolent Association, Inc.

Negotiations have concluded between the City of Watertown and the Watertown Police Benevolent Association, for a successor contract to that which expired on June 30, 2014. PBA President Stephen Backus has notified me that the membership supports the Contract. The principal changes to the expiring Contract are listed below:

1. 12 Hour Shifts: To be started effective July 6, 2015. The contract also reserves the right to revert back to 8 Hour Shifts effective July 1, 2016.
2. Wages Increases:
  - a. 1.5% effective July 1, 2014
  - b. 2.5% effective July 1, 2015
  - c. 2.5% effective July 1, 2016
3. Changes in Health Benefits:
  - a. Increase in prescription co-pay effective January 1, 2015: From \$5/\$20/\$35 to \$10/\$30/\$50
  - b. Increase in health insurance deductible effective January 1, 2016: From \$120/\$360 to \$200/\$600
  - c. Increase in medical co-pays effective January 1, 2017: From \$7/\$15 to \$15/\$30.

A resolution approving the terms of the Agreement has been prepared for City Council consideration.

RESOLUTION

Page 1 of 1

Approving the 2014-2017 Collective Bargaining Agreement Between the City of Watertown and the Watertown Police Benevolent Association, 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***

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WHEREAS the 2012-2014 Employment Contract between the City of Watertown and the Watertown Police Benevolent Association, expired on June 30, 2014, and

WHEREAS negotiations have been concluded on a successor Contract,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown that it hereby approves the Collective Bargaining Agreement Between the City of Watertown and the Watertown Police Benevolent Association, Inc., a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that Mayor Jeffrey E. Graham and City Manager Sharon Addison are hereby authorized and directed to execute the Agreement on behalf of the City.

**Seconded by**



2014-2017

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

THE CITY OF WATERTOWN

AND

THE WATERTOWN POLICE BENEVOLENT  
ASSOCIATION, INC.

WATERTOWN, NEW YORK

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**2014-2017 CONTRACT  
BETWEEN  
THE CITY OF WATERTOWN  
AND  
THE WATERTOWN POLICE BENEVOLENT ASSOCIATION, INC.  
WATERTOWN, NEW YORK**

**WHEREAS**, the Public Employees Fair Employment Act, Chapter 392 of the Laws of New York 1967, declares that it is the public policy of the State of New York and the purposes of the law to promote harmonious and cooperative relationships between government and its employees and to protect the public by assuring the orderly and uninterrupted operations and functions of government; which policy and purposes are best effectuated by granting to public employees the right of organization and representation, by requiring local governments to negotiate with and enter into written agreements with employee organizations that represent public employees and which have been certified and recognized, by creating a Public Employment Relations Board to resolve disputes, and by continuing the prohibition against strikes by public employees; and

**WHEREAS**, the City Council of Watertown, New York in accord with the provisions of the Public Employees Fair Employment Act, Chapter 392 of the Laws of New York 1967, after determining the Watertown Police Benevolent Association, Inc. met the basic requirements for recognition under the Act, which include among other factors a community of interest among its membership, dues deduction procedures, and a no strike pledge, recognized the Watertown Police Benevolent Association, Inc. by adopting a resolution to this effect on January 8, 1968; and

**WHEREAS**, collective bargaining has taken place in accord with the Public Employees Fair Employment Act's procedures and a contract has been evolved:

**RESOLVED**, that the City Council of Watertown, New York on behalf of the City of Watertown, New York hereinafter referred to as the "City", and the Watertown Police Benevolent Association, Inc., hereinafter referred to as the "Association", enter into this agreement the \_\_\_\_ day of December, 2014, as follows:

## **ARTICLE 1 - RECOGNITION**

Effective upon the date of execution of this Agreement, the City recognizes the Association as the sole and exclusive representative of all employees of the Police Department as described herein: Police Officers; Sergeants; and Lieutenants.

## **ARTICLE 2 - GENERAL QUALIFYING CONDITIONS**

**SECTION 1.** The City recognizes that the Association represents a common community of interest among its membership.

**SECTION 2.** The City agrees to deduct and remit to the Association regular membership dues for the members of the Association who have signed authorization cards permitting such payroll deductions; however, after a one-month period of open change just prior to the new contract year, there will be no dues change permitted during the contract year. If there is a change, the Association will bear the expense of the program change.

**SECTION 3.** Effective upon the date of execution of this Agreement, the City shall extend to the Association the right to membership dues deduction, pursuant to Section 208 of Article 14 of the New York State Civil Service Law, so long as said Association shall remain the certified bargaining agent for all employees of the Police Department as described herein: Police Officers; Sergeants; Detectives and Lieutenants.

**SECTION 4.** The Association shall be entitled to have deducted from the wages or salaries of employees described in Section 3 of this Article, who are not members of the Association, the amount equivalent to the dues levied by the Association; and the City shall make such deductions and transmit the sum as deducted to the Association. In no event shall the fee exceed ninety percent (90%) of the regular membership dues, which represents the employee's pro-rata share of expenditures by the Association, less expenses in aid of activities or causes of a political or ideological nature only incidentally related to terms and conditions of employment.

**SECTION 5.** Notwithstanding any other provision, Sections 3 and 4 of Article 2 shall only apply to new employees of the Department and members of the Association who withdraw from the Association as of July 1, 1983. Employees of the Department who, as of July 1, 1983, are not members of the Association shall be exempt from membership dues deduction.

**SECTION 6.** The City agrees that the Association shall be the sole and exclusive representative of its membership for the purposes of the Public Employees Fair Employment Act.

**SECTION 7.** The Association agrees that it will not strike against the City, nor assist or participate in any such strike, nor will it impose an obligation upon its members to conduct, assist or participate in such a strike.

**SECTION 8.** The City agrees that no member of the Association shall be discriminated against, coerced, restrained or influenced in any manner because of its membership in the Association or by reason of holding office in the Association.

**SECTION 9.** No clause or provision of this agreement shall be construed to cause the impairment or waiver of any State law now applicable to employees who are members of the Association.

**SECTION 10.** Effective upon the date of execution of this Agreement, notwithstanding any other provision, this contract shall not apply to the Police Chief and the Police Captain who are management's representatives in the Police Department.

### **ARTICLE 3 - TERM AND SCOPE OF AGREEMENT**

**SECTION 1.** The term of this agreement shall be for the period July 1, 2014 through June 30, 2017.

**SECTION 2.** This agreement shall cover all terms and conditions of employment as defined in the New York State Public Employees Fair Employment Act.

### **ARTICLE 4 - COMPENSATION**

#### **SECTION 1.**

- A.** The City shall continue to provide a separate Police Pay Plan as established by resolution of the City Council adopted June 18, 1973. The rate of compensation for the positions of Police Officer, Police Detective, Police Sergeant, and Police Lieutenant, shall be as provided in the attached Schedules A,B and C,

Schedule A reflects a one and one half percent (1.5%) pay increase in the grades and steps for Police Officers, Detectives, Sergeants, and Lieutenants in the Police Pay Plan applicable as of July 1, 2013.

Schedule B reflects a two and one half percent (2.5%) pay increase in the grades and steps for Police Officers, Detectives, Sergeants, and Lieutenants in the Police Pay Plan applicable as of July 1, 2014.

Schedule C reflects a two and one half percent (2.5%) pay increase in the grades and steps for Police Officers, Detectives, Sergeants, and Lieutenants in the Police Pay Plan applicable as of July 1, 2015.

- B.** In addition to the Pay Plan described in "A" above, the City agrees to continue a longevity payment plan in the following amounts:

1. Beginning at the end of six years of service in the Police Department, a payment of \$350.
2. Beginning at the end of twelve years of service in the Police Department, a payment of \$700.
3. Beginning at the end of eighteen years of service in the Police Department, a payment of \$1,050.

Payments for longevity became effective July 1, 1985. Amounts paid under the longevity payment plan shall be used in determining the employee's regular rate of pay as stipulated in the Fair Labor Standards Act. Longevity payments shall be paid in pro-rata amounts on the regular City payroll.

**C.** For employees hired after July 1, 1994:

1. Salaries for Academy pay rate and Academy Completion Pay Rate are as established in Schedules A, B, and C. After the first year of employment, officers shall enter the existing wage step scale.
2. Effective July 1, 2001, the negotiated percentage increase as set forth in paragraph A above shall be applied to said schedule, and thereafter.

**SECTION 2.** As provided in the 1968-69 Contract, the City has amended the Rules of Administration of the Pay Plan to provide for a regular procedure for the review of pay grades assigned to class titles of positions. The City agrees to provide the President of the Association with a copy of the final decision by the City Council at the time the individual employee is notified.

**SECTION 3.**

- A.** A Police Officer, Sergeant, or Lieutenant assigned to perform duties out of title in rank higher than his permanent rank shall be compensated for such performance on a per diem basis, which increased pay shall reflect the differential between the employee's regular pay and the pay which would be received in the higher position in accord with the provisions of 3 a. of the Rules for Administration of the Police Pay Plan.
- B.** Assignment under this provision shall, insofar as practical, be made on a monthly shift basis.
- C.** In those cases of vacation, illness, or emergency conditions, assignment may be for shorter periods.
- D.** Assignment under this section shall be made by the Police Chief.

**SECTION 4.** All uniformed members of the Police Department shall be paid their accumulated time, overtime and holiday pay when earned. All members of the bargaining unit shall be paid their overtime in the first paycheck after the first full pay period following submission of their overtime slips.

**SECTION 5.** Overtime shall be paid at time and one-half for work performed beyond the employee's defined work shift/period. Members of the bargaining unit assigned to eight-hour days shall have a defined work period of 40 hours per week. Those members of the bargaining unit assigned to 12-hour shifts shall have a defined work period of 84 hours every two weeks. These agreed-upon work periods are designed to comply with the permissive establishment of a work period for police personnel under section 7(k) of the Fair Labor Standards Act. Overtime for

personnel assigned to 12-hour shifts will be limited to two hours before the beginning of, or after the conclusion of, a scheduled 12-hour shift. Exceptions may be made during an emergency situation at the discretion of the Chief or his designee.

**SECTION 6.** At retirement, a member shall be paid for unused sick leave at the rate of twenty-five percent (25%) of his unused sick leave balance, up to a maximum of 45 days. If a member receives a benefit from the State Retirement System outlined under Article 10, Section 4(2) of the Contract, he or she shall not be eligible to receive cash for unused sick leave as described in this Section.

**SECTION 7.** Effective June 30, 1992, any officer who is ordered to return to duty after having completed his/her regular tour of service shall be guaranteed compensation at the rate of time and one-half of his/her regular hourly rate for a minimum period of two (2) hours. When an officer is ordered to report to duty prior to his/her scheduled shift, he/she will be paid overtime only for that time worked prior to the start time of the scheduled shift.

**SECTION 8.** Effective July 1, 2014, all members of the bargaining unit, assigned to the evening (3:00 p.m. – 11:00 p.m.) or night shift (11:00 p.m. – 7:00 a.m.), shall be guaranteed, and shall receive, line-up pay in the amount of \$1,700 per year; all other members of the bargaining unit shall be guaranteed, and shall receive, line-up pay in the amount of \$1,300 per year. Effective on July 1, 2015, for those members of the bargaining unit assigned to 12-hour shifts, the lineup pay for days (6:00 a.m. – 6:00 p.m.) shall be \$300 per year and the lineup pay for nights (6:00 p.m. – 6:00 a.m.) shall be \$700 per year. Lineup pay is payable on or before December 1st in the year for which it was earned. The parties further agree that pro-ration of the payment of line-up pay may be made if an employee fails to report to line-up for thirty (30) consecutive days.

**SECTION 9.** Effective July 1, 2001, officers required to carry a pager or other electronic device, and who do not have the option of refusing to a page, shall receive one thousand (\$1,000) dollars per year, to be paid with line-up pay. Effective July 1, 2012, I.D. Technicians shall receive an additional one thousand (\$1,000) dollar per year, to be paid with line-up pay. Said payment will be prorated based on date employee assumes I.D. Technician duties.

**SECTION 10.** Effective July 1, 2012, Field Training Officers shall receive compensation of one (\$1.00) dollar per hour for each hour that a Field Training Officer works with a recruit.

**SECTION 11.** A minimum compensation of two hours for court appearances required by City, County, State or Federal Agencies by subpoena shall be paid at the rate of time and one-half.

**SECTION 12.**

- A. The assignment of a Sergeant or Lieutenant to the Criminal Investigation Division (CID) shall be at the discretion of the Chief of Police.
- B. Upon the assignment to CID, the Sergeant's or Lieutenant's pay rate shall be increased to the next higher step. The assignment date to CID shall not affect the Sergeant's or Lieutenant's promotion anniversary date.
- C. The Sergeant or Lieutenant assigned to CID shall retain his/her current step if assigned to

a non-CID position. If the Sergeant or Lieutenant assigned to CID is re-assigned to the Patrol Division at his/her request or due to disciplinary action, he/she shall forfeit the step increase.

- D.** If the Sergeant assigned to CID is promoted to Lieutenant, he/she shall advance to the next higher step on the Lieutenant's pay scale. In the event the CID Sergeant is promoted to Lieutenant and is immediately re-assigned to CID, he/she shall advance to the next higher step on the Lieutenant's pay scale for the promotion and an additional step on the Lieutenant's pay scale for the assignment to CID.

## **ARTICLE 5 - WORK DAY AND WORK WEEK**

**SECTION 1.** For members of the bargaining unit assigned to eight-hour shifts, the work day shall consist of eight consecutive hours and a work week shall consist of five consecutive work days. The work week shall be scheduled such that the Officer shall receive two (2) consecutive rest days, including during periods of required training. However, this rule of scheduling is modified as follows:

There is no guarantee of two (2) consecutive rest days:

1. At the time of mid-year shift changes due to promotions, retirements, hirings, and/or separations;
2. When a Police Officer attends in-service training; and,
3. When a Police Officer voluntarily attends training.

**SECTION 2.** For members of the bargaining unit assigned to eight-hour shifts, all other conditions relating to work day and work week shall be as presently exists, except that the time of shift change shall be:

- A-Shift - 11:00 P.M. to 7:00 A.M.
- B-Shift - 7:00 A.M. to 3:00 P.M.
- C-Shift - 3:00 P.M. to 11:00 P.M.

**SECTION 3.** For members of the bargaining unit assigned to 12-hour shifts, a shift shall consist of twelve consecutive hours, with seven shifts being assigned during each two week pay period. As set forth at Article 4, Section 5, the defined work period for those personnel shall be 84 hours every two weeks.

There is no guarantee of two (2) consecutive rest days:

1. At the time of annual shift changes;
2. At the time of mid-year shift changes due to promotions, retirements, hirings, and/or separations;
3. When a Police Officer attends in-service training; and,
4. When a Police Officer voluntarily attends training.

**SECTION 4.** Effective July 6, 2015, for members of the bargaining unit assigned to 12-hour shifts:

- Days - 6:00 A.M. to 6:00 P.M.

Nights - 6:00 P.M. to 6:00 A.M.

**SECTION 5.** The bargaining unit shall be responsible for maintaining two lists for overtime for the purpose of covering manpower shortages on patrol 12-hour shifts. A mandatory list shall provide for an available officer for each twelve-hour shift and shall be published on a monthly basis. The available officer shall be on call during the first hour of the shift, after which time their obligation shall end. A separate voluntary list shall be published on a monthly basis containing the names of officers wishing to be called into work for full or partial shifts.

**ARTICLE 6 - LEAVE**

**SECTION 1.**

**A.** Annual leave shall continue as presently stated in the existing leave rules of the City as follows:

<b>LEAVE CREDIT</b>	<b>LENGTH OF SERVICE</b>
12 hours for each month of service	3 years inclusive
14 hours for each month of service	4 - 6 years inclusive
16 hours for each month of service	7 - 11 years inclusive
18 hours for each month of service	12 - 17 years inclusive
20 hours for each month of service _____	18 years or more

**B.** For those employees hired after July 1, 1994, the annual leave schedule shall be as follows:

<b>LEAVE CREDIT</b>	<b>LENGTH OF SERVICE</b>
80 hours	Year 1
80 hours	Year 2
96 hours	Year 3
96 hours	Year 4
120 hours	Year 5
144 hours	Year 6

Thereafter, the regular contract leave schedule shall apply. Annual leave is available for use by the employee in hourly increments.

**C.** The City agrees to amend the Leave Rules to provide up to 80 hours carryover of annual leave from calendar year to calendar year.

**D.** Sick leave shall accrue at 8 hours each month and shall be used as presently stated in the existing Leave Rules of the City. The use of sick leave is available for use by the employee in hourly increments.

**E.** Each full-time employee of the Watertown Police Department shall be entitled to take one (1) day of personal leave with pay per year to attend to pressing personal matters. In addition, each full-time employee may convert two vacation days into personal days, each year. Such personal days may be used in either half day or full day increments, as long as the request

does not impede the department's ability to fulfill its mission. Personal days will be granted on a first come, first serve basis. Personal days may not be used on July 4<sup>th</sup>, Thanksgiving or Christmas.

- F. Effective July 6, 2015, employees assigned to eight-hour shifts shall be entitled to 16 hours of personal leave with pay per year to attend to pressing personal matters which may be used in four-hour increments. Employees assigned to 12-hour shifts shall be entitled to 12 hours of personal leave with pay per year which may be used in six-hour increments. Personal days will be granted on a first come, first serve basis. Personal days may not be used on July 4<sup>th</sup>, Thanksgiving or Christmas.
- G. Effective July 6, 2015, the swap of shift assignments shall only occur between patrol officers or between supervisors such that the swap is with a member of the Platoon that works the same shift hours. Exceptions may be granted with BOTH Platoon Lieutenant's authorization.

## **SECTION 2. HOLIDAYS**

- A. Holidays shall be granted as presently stated in the Leave Rules of the City. If a holiday falls within an assigned vacation period of a member, he is to be paid for eight additional hours for the holiday.
- B. Except as provided under Paragraph "c" of this Section, members shall be paid in cash at double time rate for holiday time and shall not be credited with compensatory time off.
- C. Effective January 1, 1986, members shall have the option of taking up to 88 hours in compensatory time off in lieu of cash payments at double time rate for holidays. Such compensatory time must be taken in the calendar year earned and may not be carried over from calendar year to calendar year. Such compensatory time can be used in either daily or hourly increments, provided manpower strength is sufficient and supervisory approval is obtained. At least two weeks prior to January 1st, all members must use the number of holidays from one to eleven for which they elect to receive compensatory time off in lieu of double time rate. Any unused balances of compensatory time existing at the end of the calendar year shall be lost.

**SECTION 3.** Members of the Association who are designated by the Association to represent it at the yearly State-wide convention and monthly meetings of the Association shall be permitted to do so without charge to leave time provided that no more than three members shall be off duty at any one time and provided that the maximum time off for the year in any combination shall be no more than thirty-two days.

## **SECTION 4.**

- A. The City agrees to continue its rules for sick leave to provide that employees who become ill or injured while on vacation or about to go on vacation may, upon request, be placed on sick leave instead of vacation time. Employees who request this action must be under the care of a physician. A physician's statement indicating that they are incapacitated for at least three days must be presented for this provision to be effective.

- B.** The City agrees to amend its Leave Rules to provide 24 hours of bereavement leave per death in the immediate family. "Death in the immediate family" is defined as follows: husband, wife, mother, father, son, daughter, brother, sister, grandfather, grandmother, grandson, granddaughter, grandfather or grandmother of spouse, son-in-law, daughter-in-law, mother or father-in-law, and brother or sister-in-law.

**SECTION 5.** Vacations will be assigned on a seniority basis. For members of the bargaining unit assigned to an eight-hour shift, the member must sign up for not less than five days of continuous vacation to hold his/her place in the vacation or leave roster. For those assigned to a twelve-hour shift, the member must sign up for all scheduled work days within a vacation week to hold his/her place in the vacation or leave roster.

**SECTION 6.** When time off is given to employees of the Municipal Building and the offices of such building are closed on special occasions, members of the Police Department will be given a credit of equivalent time. This time is to be compiled at the employee's regular hourly rate of pay. Under the provisions of this Section, the special occasion shall not include or apply to the closing of the offices in the Municipal Building for holidays, the day before a holiday or the day after a holiday, or closings due to an emergency situation. The closing of the Municipal Building for emergency situations shall be the sole discretion of the City Manager or his/her representatives.

## **ARTICLE 7 - SENIORITY**

**SECTION 1.** Vacation time off shall be governed by seniority. Compensatory time off shall be granted on a first come first serve basis.

**SECTION 2.** Permanent appointments shall be made in conformity with New York State Civil Service, Regulations of the Watertown Municipal Civil Service Commission and New York State Law.

## **ARTICLE 8 - GRIEVANCE PROCEDURES**

**SECTION 1.** The City recognizes the Association as the representative of its members to appear in their behalf for any of the purposes outlined in the Public Employees Fair Employment Act.

**SECTION 2.** The City grants the right of representatives of the Association to visit City facilities and to visit and confer with members of the Association for purposes of conferring on conditions, policies and procedures under the Public Employees Fair Employment Act during regular working hours.

**SECTION 3.** The City grants the Association the privilege of posting notices and communications on the existing bulletin board, or on an appropriate bulletin board to be provided by the City for that purpose in the Squad Room of the Police Department.

**SECTION 4.** Members of the Association who have been designated individually or as a committee to represent other members on grievances or adjustments of conditions under the terms of this contract or any conditions or terms under the Public Employees Fair Employment Act shall be permitted a reasonable amount of time free from regular duties to fulfill these obligations.

**SECTION 5.**

- A.** Grievance Procedures as adopted by resolution of the City Council on September 30, 1963, shall be applicable to the handling of grievances under its conditions and terms as set forth in that resolution as modified by this Agreement in Paragraph "B" of this Section. A copy of this resolution and procedures is attached and made a part of this agreement.
- B.** The Grievance Procedure as adopted by the resolution of the City Council on September 30, 1963 is modified by the deletion of Section 4 and the substitution of the following: In the event of a disagreement between a unit employee and the City, or between the Association and the City, as to the interpretation or performance of the express terms of this Agreement, or as to the benefits provided thereunder, said disagreement, unless specifically excluded by this Agreement, shall be resolved in accordance with the dispute resolution procedure hereinafter set forth.

**STEP 1.** In the event of a disagreement between a unit employee and the City or between the Association and the City, such a grievance shall be reduced to writing by the aggrieved employee or the Association, and presented by the Association to the Chief of Police within ten (10) calendar days of when the grievance occurred or when the person or party reducing the grievance to writing reasonably should have known of its occurrence. The Chief of Police shall, within ten (10) calendar days of his receipt of any such grievance, present his response in writing to the Association.

**STEP 2.** If the Chief's response is not satisfactory to the Association, the Association shall, within ten (10) calendar days of the receipt of the Chief's response, present the grievance, the Chief's response and any reply thereto, to the City Manager. The City Manager shall, within ten (10) calendar days of his receipt of any such grievance, present his response in writing to the Association.

**STEP 3.** If the City Manager's response is not satisfactory to the Association, the Association shall, within ten (10) calendar days of the receipt of the City Manager's response, submit a Demand for Arbitration to the New York State Public Employment Relations Board in accordance with PERB's Voluntary Dispute Resolution Procedure. The Arbitrator's decision shall be final and binding upon the City, the Association and all unit employees.

- C.** The Arbitrator will have no power to amend, modify, or delete any provision of this Agreement.
- D.** Expenses for the Arbitrator's services shall be shared equally by the City and the Association.

**E.** Each party, however, shall be responsible for the expenses of its own witnesses. Either party may have a transcript made at its own expense.

**F.** Time limits within which a particular grievance has to be processed and/or responded to may be extended by the Association and the City, by mutual agreement, in writing.

**SECTION 6.** No grievance shall be initiated after the close of the contract year in which the alleged grievance occurred, except that alleged grievances occurring in June may be instituted within thirty days after the close of the contract year in which the grievance is alleged to have occurred.

**SECTION 7.** Any disputes arising in the administration and/or interpretation of this Agreement will be first addressed through the procedures as set forth herein. Both parties agree that this provision shall be binding on their respective members. Further, both parties agree to mutually pay any or all costs resulting from violation of this section.

**SECTION 8.** Disagreements, disputes, and grievances which may arise over applicability of provisions of the Public Employees Fair Employment Act may also be resolved through appointment of a board and through the procedures as provided under the Act.

**SECTION 9.** All practices, policy, customs and/or terms and conditions of employment beneficial to employees which are not specifically provided for elsewhere in this Agreement and which are the subject of mandatory negotiations shall remain in effect for the duration of this Agreement, unless mutually agreed to otherwise between the City and the Association. It is expressly understood by both parties that such past practices shall be only those in effect from the date of February 10, 1986. It is expressly understood by both parties that this clause shall not in any way apply to management's rights to administer the department.

## **ARTICLE 9 - DISCIPLINARY PROCEDURES**

In lieu of Section 75 of the Civil Service Law, a disciplinary proceeding shall be brought in front of a neutral third party mutually selected by the parties from a list supplied by the New York State Public Employment Relations Board.

## **ARTICLE 10 - RETIREMENT**

**SECTION 1.** The City agrees to provide the State non-contributory retirement plan for Police Officers generally termed the 1/60th non-contributory plan.

**SECTION 2.** The City agrees to provide for Police Officers a 25-year Retirement Plan at one-half pay.

**SECTION 3.** The City agrees in addition to the retirement benefits provided under Sections 1 and 2 above to provide for Police Officers the benefits provided under the provisions of subdivision F of Section 384 of the Retirement and Social Security Law as added by Chapter 1000 in the Laws of 1966.

**SECTION 4.** The City agrees in addition to the retirement benefits provided under Sections 1, 2 and 3 above to provide for Police Officers the following benefits under the New York State Policemen's and Firemen's Retirement System:

1. World War II veterans' service credit under Section 341, subdivision K.
2. Allowance for unused sick leave credit, Section 341, subdivision J.
3. Guaranteed ordinary death benefit under Section 360-B.
4. The twelve month final average salary provision for computation of retirement benefits under Section 302, subdivision 9 D.

**SECTION 5.** The City agrees, in addition to the retirement benefits provided under Sections 1, 2, 3, and 4 above, to provide for Police Officers the benefits under the New York State Policemen's and Firemen's Retirement System:

1. Twenty-year Retirement under Section 384-D.
2. Non-contributory improved career plan under Section 375-I.

**SECTION 6.** All employees who join the NYS Retirement System on or after January 1, 2010 will be covered by Tier V benefits and those who join on or after April 1, 2012 will be covered by Tier VI benefits. At anytime that the NYS Retirement System establishes a new Tier, any employee hired on or after that date shall be covered under the new Tier.

#### **ARTICLE 11 - SELF-INSURANCE PROGRAM**

- A.** Effective July 1, 1992, and until otherwise mutually agreed through collective negotiations and/or Interest Arbitration, the City of Watertown shall provide Group Hospitalization, Surgical Insurance, and Major Medical Insurance under a Self-Funded Insurance Plan administered by a Third Party Administrator, which will be POMCO.
- B.** All benefits, terms, conditions and coverages under the self-funded insurance plan shall, unless otherwise negotiated, duplicate each and every benefit, term, condition and coverage currently provided to the PBA through Blue Cross, Blue Select I, Option 4, with Enhancements, including all side letters thereto.
- C.** A separate Account shall be established by the City specifically for the funding and administration of this self-insurance program.

This Account will consist of all deposits, interest, and withdrawals related to said Program, it being understood that interest earned will be credited to this Account.

The City has agreed to absorb, in the General Fund, all service charges and all wire transfer charges related to this Account.

The City agrees that all moneys in this Account will remain intact and be used for the sole purpose of the self-insurance Program.

Unless otherwise negotiated, any surplus funds that may accumulate in this Account due to good claims experience will not be used to increase benefits or reduce premiums until a two (2) year evaluation period had passed.

- D.** The City agrees to charge a monthly premium equivalent to various appropriations and transfer funds on a monthly basis to the self-insurance Account. This monthly premium equivalent will be calculated per the following formula:
1. Multiply the number of family contracts x 2.24 (this factor is user to convert individual premium to family premium).
  2. Add this to the number of individual contracts.
  3. That equals the amount of covered lives.
  4. Multiply # of covered lives x 12 = # of covered lives per year.
  5. Divide the annual projected cost (which is projected claims for the year plus administrative fees plus stop loss coverages) by the # of covered lives per year.
  6. That equals the monthly individual premium.
  7. Multiply individual premium x 2.24 = monthly family premium.
  8. If there is a reduction in the monthly premium equivalent, then the co-pay will be adjusted accordingly.

The PBA agrees that all references to 2.24 in Article 11 Section 4 will be changed to 2.88 if agreed upon by all of the remaining bargaining units.

- E.**
1. Effective and retroactive to July 1, 2012, the Health Insurance Premium Payments shall be thirteen (13%) percent of the premium costs.
  2. Effective December 22, 2003, the duty to contribute to health insurance premiums, now and in the future, is in accordance with the following schedule:
    - a. All employees hired on or before June 30, 1983, will not be required to make contributions toward premium costs of their individual or family coverage in their retirement.
    - b. All employees hired on or after July 1, 1983 shall be obligated to contribute while an active employee and throughout retirement toward the premium costs of their individual and family coverage, which shall be in the same amount that active employees are obligated to pay which has been the City's past practice.
  3. That in consideration of the PBA's acquiescence to this Program, the City agrees that the Association shall have the unfettered right to seek the elimination of co-pay through Interest Arbitration.

- F.** An Insurance Review Advisory Committee will be established no later than July 1, 1992, which shall consist of eight (8) people:

two (2) from each of the three (3) unions  
two (2) from the City of Watertown.

The purpose of this Advisory Committee shall be to review all activity of this self-insurance fund on no less than a quarterly basis, and to make recommendations to the respective unions and the City of Watertown, of any proposed conditions and changes of common interest. All such items of common interest will be addressed in the following manner:

1. Discussion by Advisory Committee
2. Upon majority vote by the Advisory Committee, said items will go to the unions' respective memberships for approval/disapproval.
3. Advisory Committees will meet again to discuss the various recommendations from the unions' memberships.
4. If there is unanimous consent of all three unions, such items go to the City Council, for approval.
5. If recommendations are rejected by the City Council, items of common interest will remain the same.

Nothing herein however shall preclude the PBA from addressing with the City, during negotiations for successor Contracts, issues of direct importance to the Association, and nothing herein shall preclude the PBA from pursuing said issues to and through PERB's Impasse Procedures, including Interest Arbitration; nothing herein shall supersede the PBA's sole and exclusive right to bargain for its members, in successor Contract negotiations, regardless of whether the other unions and/or the Advisory Committee agrees or disagrees with the PBA's demands, and nothing herein shall be deemed to be a waiver, by the PBA, of said right.

- G.** A Claims Appeal Committee shall also be established and shall consist of one (1) member from each union and two (2) members from the City, selected from within the Insurance Review Advisory Committee.

The purpose of the Appeals Committee shall be to review unresolved claims and determine whether or not it is a covered or a non-covered benefit.

An appeals procedure will be established by this Committee, and provided to all employees, in due course.

A majority vote of the Appeals Committee shall be final and binding on all matters within their jurisdiction.

This Committee will meet as often as necessary, but no less than once a month, if appeals are pending.

- H.** The City of Watertown will not have access to or be entitled to review either an employee or any of his dependents' medical file / history / diagnosis / prognosis and/or records, without express written consent.
- I.** Effective July 9, 1998, the health insurance program applicable to this bargaining unit shall be modified to reflect the inclusion of usual, customary and reasonable charges (UCR). In the event a unit member obtains covered medical services from a non-participating provider, reimbursement will be allowed for charges denied by the Claims Administrator in excess of

\$1,500 per year only when balance billed by the provider. The enrollee must provide evidence of balance bill payments for the base \$1,500 and the amount over \$1,500 (which is eligible for reimbursement).

- J.** Effective January 1, 2015, the co-pay for a retail 30-day prescription, a 30-day specialty prescription, and a mail-order prescription shall be \$10 for a generic, \$30 for a preferred brand, and \$50 for a non-preferred brand.
- K.** The City offers a Section 125 payment plan for health insurance expenses for all unit members who contribute towards health insurance coverage. Effective December 22, 2003, Child Care expenses will also be included in this plan.
- L.** For all employees hired on or after June 9, 1998, the City's obligation to pay the employees' share of health insurance premium shall cease when the employee attains the age of 65 or dies, whichever comes first.
- M.** For employees hired after June 9, 1998, retirement medical insurance paid for by the City from the point in time an employee retires until he/she attains the age of 65, shall not be available if the retired employee or his/her spouse has equal or better paid medical insurance available from any other source (excepting Medicaid). The retired employee shall have the burden of proof that equal or better coverage is not available (including but not limited to copy of insurance policy, employee benefit plan or other documents as may be pertinent). In the event the insurance is not equal or better, the retired employee may, at his/her option accept a cash payment of \$1,000 annually in lieu of the City providing the retired employee with medical insurance. This section shall not be grievable nor arbitrated by the retired employee.
- N.** Major Medical Deductible: There shall be a deductible of \$100 per person covered by the employee's plan; calculated and deducted based on 80/20 percent; total annual deductible shall be up to \$300 per family plan.
- O.** Health Insurance Buy-Out: There shall be offered an annual buy-out of \$1,250 for employees opting out of an individual health plan; and an annual buy-out of \$2,500 for employees completely opting out of family coverage. In order to be eligible for this buyout, the employee must provide proof of having coverage under another plan and may not be covered by another individual on the City's plan. A safe harbor right to re-enter the plan of their choice will be provided if the employee's status changes. Payment of this annual buy-out will be made on a bi-weekly basis. Amounts paid for the Health Insurance Buy-out shall not be used in determining the employee's regular rate of pay.
- P.** Medical Visit Co-pays: Effective January 1, 2017, co-payments for medical visits to participating providers shall be (\$15) dollars per visit. Co-payments for medical visits to non-participating providers shall be (\$30) dollars per visit.
- Q.** Effective December 22, 2003, the health insurance program applicable to this bargaining unit shall be modified to reflect the inclusion of a 30-day limit on inpatient psychiatric and mandatory pre-certification of inpatient admissions.

- R.** Deductibles: Effective January 1, 2016, the annual per person deductible shall be \$200. However, the maximum number of annual deductibles per calendar year for members of the same family is limited to three, for an annual family deductible of \$600.

## **ARTICLE 12 - NOTICE OF CHANGE IN CONDITIONS**

The City shall notify the Association at least seven days in advance of any change in working methods or conditions except when such change is unavoidable or required because of an emergency or major disaster.

## **ARTICLE 13 - SAFETY PROGRAM**

An Advisory Safety Committee shall be established within the Police Department consisting of three persons appointed as follows:

1. One member appointed by the Watertown Police Benevolent Association, Inc.
2. One member appointed by the Police Chief
3. One member appointed jointly by the Police Benevolent Association and the Police Chief

The Committee shall review, study and make recommendations to the Police Chief and the City Manager on activities within the Department relating to safety, such as but not limited to vehicular safety, building safety and building security.

Periodic meetings shall be held by the Committee within regular work hours. The frequency of meetings shall be determined by the Committee. The suggestions of the Committee shall be stated in writing to the Police Chief for his review and for the consideration of the City Manager.

## **ARTICLE 14 - MISCELLANEOUS PROVISIONS**

**SECTION 1.** Police Officers shall not be required to pick up dead, sick, lost or stray animals in patrol cars.

### **SECTION 2.**

- A.** Effective July 1, 1990, the city implemented a Quarter Master System for the purchase and replacement of uniform items. Effective July 1, 1990 the City shall be responsible for purchasing initial uniform acquisition for new employees employed by the City Police Department.
- B.** Effective July 1, 1992 the City shall provide to each full-time employee of the Plainclothes Division a Five Hundred Dollar (\$500 per year clothing allowance for the purchase and maintenance of his/her uniform, which shall be paid no later than the last pay check dated in July of each year.

- C. Effective July 1, 2015 the City shall provide to each full-time employee \$150 per year allowance for the purchase of shoes, which shall be paid no later than the last pay check dated in July of each year.
- D. Effective July 1, 2001, the uniform cleaning allowance of Five Hundred Dollars (\$500) has been incorporated into the Police Pay Schedules. Each employee shall be responsible to maintain his or her uniform in a suitable fashion. Non-compliance with this section shall be the determination of the Police Chief and shall be subject to appropriate disciplinary action.
- E. Uniform articles shall be replaced by the City if damaged in any way while in the course of duty, or for normal wear and tear.
- F. The City shall replace eyeglasses and dentures of Police Officers, lost or broken in the line of duty, upon approval of the Chief of Police.

**SECTION 3.**

- A. Except as provided under Paragraph B of this Section, all vacancies in the Department shall be filled from appropriate eligible lists as provided by the Watertown Civil Service Commission.
- B. The City, at its option, shall have the right to fill vacancies for the entry level position of Police Officer through transfers of Bureau of Municipal Police Certified, Civil Service Police Officers in accordance with Section 58 of the New York State Civil Service Law. Such transfers shall be for entry level positions of Police Officer only and shall not apply to supervisory positions covered under this Agreement. Vacancies for supervisory positions shall be filled from appropriate eligible lists as provided by the Watertown Civil Service Commission.

**SECTION 4.** It is agreed by and between the parties hereto that this Agreement may be reopened for the purpose of considering any new matters and issues which may arise during the life of the Contract.

**SECTION 5.** Within annual budget appropriations of the Police Department; the City agrees to pay tuition at the rate of one course per semester at an accredited college for any Police Officers taking police related training subjects in the event that Federal L.E.E.P. Funds are exhausted. In no event shall payment be made by the City for tuition for a course without approval prior to enrollment obtained from the City Manager.

**SECTION 6.** Correspondence from the Watertown Police Benevolent Association, Inc. to the City Manager shall be answered by the City Manager within ten days of its receipt.

**SECTION 7.** Both parties agree that this Contract constitutes the present entire Agreement between the City of Watertown and the Watertown Police Benevolent Association, Inc. Amendment to this Agreement in written form shall be valid when agreed to by both parties and annexed to this Agreement.

**SECTION 8.** Should new or future revisions to the Disciplinary Rules of the Watertown Police Department become necessary, it is agreed that such revisions shall be accomplished through work of a committee made up of members from the Association and members appointed by the City Manager.

**SECTION 9.** Both parties agree that this Contract constitutes the full and entire agreement between the City of Watertown and the Watertown Police Benevolent Association, Inc. No verbal statement or other agreement in whatever form except as an amendment to this Agreement specifically designated as an amendment thereto shall supersede or vary as the case may be, any provisions of this Contract. Any prior written or verbal commitments between the City and the Watertown Police Benevolent Association, Inc. or any individual employees in the bargaining unit is hereby superseded.

**SECTION 10.**

- A. Effective July 1, 1987 the City shall make available a five thousand dollar (\$5,000) bonus retirement plan for employees with the Department who have twenty (20) years of time in the New York State Police Retirement System. Every officer who reaches his or her twentieth year in the Retirement System shall also be entitled to take advantage of this five thousand dollar (\$5,000) bonus plan. For the purpose of the 1987-88 Fiscal Year, all employees who have twenty (20) or more years of time in the Police Retirement System shall be considered to have twenty (20) years of time. The City shall provide a bonus schedule as follows:

First Year -	\$5,000
Second Year -	\$4,000
Third Year -	\$3,000

Employees hired on or after July 1, 2012 will not be eligible to receive this Retirement bonus.

- B. Police Officers who wish to participate in the bonus retirement plan must notify the City and the New York State Retirement System by January 1st of the calendar year. Police Officers who elect to participate in the bonus retirement plan and who notify the City by the first of the calendar year may not retire from active employment until after July 1st of the following fiscal year (July 1 through June 30).

**SECTION 12.** GML Section 207-c: The parties incorporate by reference the attached City of Watertown Section 207-c Procedures as negotiated between the parties hereto, during the course of negotiations for this agreement. Reference APPENDIX I.

**SECTION 13.** The parties agree to establish a joint advisory committee to review and streamline departmental rules and regulations.

**SECTION 14.** Deferred Compensation – Upon the completion of five years of service, individuals covered by this contract shall, annually, be entitled to sell up to twenty-four (24) vacation hours and sixteen (16) holiday hours and convert them into the City’s 457 Plan.

**ARTICLE 15 - COMPENSATORY LEAVE TIME**

- A. Unit members may opt to earn compensatory leave time in lieu of overtime, as detailed below. Such compensatory leave time shall be earned and calculated at the overtime rate of 1.5 times regular pay. Members of the bargaining unit assigned to transfer to 12-hour shifts will not be eligible to earn compensatory time.
- B. Officers entitled to compensatory time shall be permitted to continuously accumulate up to forty (40) working hours of compensatory leave time per year, to a maximum of 60 hours (40 x 1.5), per year. As time is taken, said totals may be replenished throughout the year on a rolling basis, but must be cashed out if not used by June 30 of each year. Such compensatory time shall be cashed out or paid at the salary rate in effect at the time it was actually earned. The granting of this time off shall be at the discretion of the Chief; and shall not generate additional overtime or ‘pyramiding.’ Subject to such constraints, approval of use of compensatory leave time shall not be unreasonably withheld by the Chief or his designee.

**ARTICLE 16 - RIGHT TO REVERT TO 8-HOUR SHIFTS**

Both the City and the PBA acknowledge that the departmental change to 12-hour shifts may become unworkable for either the Department’s Administration or the officers assigned to patrol. In recognition of this fact, the parties agree that either party may cause a reversion to 8-hour shifts by providing unilateral written notice to the other, at the addresses shown below, on or before May 1, 2016 of that party’s desire to return to 8-hour shifts commencing on July 1, 2016. In that event, neither party shall have any claim as against the other for a violation of the Collective Bargaining Agreement.

In the event of a reversion, the parties shall work to restore 8-hour shifts as they existed in the 2012-2014 Collective Bargaining Agreement, with adjustments to leave records, accrued sick time, etc. to be equitably made as of July 1, 2016. No changes to the salary schedules or other benefits under the Collective Bargaining Agreement shall be made as the result of a reversion.

Notice shall be as follows:

To the City:

City Manager  
245 Washington Street  
Watertown, New York 13601

With copy to:

Robert J. Slye, Esq., City Attorney  
104 Washington Street  
Watertown, New York 13601

To the Union:

PBA  
\_\_\_\_\_  
\_\_\_\_\_

With copy to:

Rocco A. DePerno, Esq., Attorney for PBA  
DePerno & Khanzadian  
704 Main Street, Box 83  
Sylvan Beach, New York 13157

**ARTICLE 17 - REQUIREMENTS OF STATE LAW**

**SECTION 1.** "IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISION OF THIS AGREEMENT REQUIRING LEGISLATIVE ACTION TO PERMIT ITS IMPLEMENTATION BY AMENDMENT OF LAW OR BY PROVIDING THE ADDITIONAL FUNDS THEREFOR, SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAS GIVEN APPROVAL."

DATED: \_\_\_\_\_

CITY OF WATERTOWN, NEW YORK

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
City Manager

DATED: \_\_\_\_\_

WATERTOWN POLICE BENEVOLENT  
ASSOCIATION, Inc.

BY: \_\_\_\_\_  
President

## SCHEDULE A

### CITY OF WATERTOWN WAGE CHART FOR POLICE DEPARTMENT (July 1, 2014)

Title	Grade	A	B	C	D	E	F	G*
Police Officer	P6	48,700	50,946	53,298	55,776	58,375	61,100	
Police Detective	P8		55,776	58,375	61,100	63,725	66,468	
Police Sergeant	P10		61,100	63,725	66,468	69,369	72,405	75,593
Police Lieutenant	P14	68,074	70,992	74,056	77,276	80,655	84,204	87,931
Academy Pay Rate		42,235						
Academy Completion Rate		44,119						

**\*Effective 7/1/2014:** “G” step added to wage chart to replace the previously known “F+1” step used only for the Police Sergeant and Police Lieutenant assigned to the Criminal Investigation Division. When a Police Sergeant or Police Lieutenant is assigned to CID, he/she will move to the next step in their respective pay grade. The anniversary date for step increases will remain the date of promotion to the title of Police Sergeant or Police Lieutenant.

## SCHEDULE-B (8-hour shifts)

### CITY OF WATERTOWN WAGE CHART FOR POLICE DEPARTMENT (July 1, 2015)

Title	Grade	A	B	C	D	E	F	G*
Police Officer	P6	49,917	52,220	54,630	57,171	59,834	62,627	
Police Detective	P8		57,171	59,834	62,627	65,318	68,130	
Police Sergeant	P10		62,627	65,318	68,130	71,103	74,215	77,483
Police Lieutenant	P14	69,776	72,767	75,908	79,208	82,671	86,310	90,130
Academy Pay Rate		43,291						

**\*Effective 7/1/2014:** “G” step added to wage chart to replace the previously known “F+1” step used only for the Police Sergeant and Police Lieutenant assigned to the Criminal Investigation Division. When a Police Sergeant or Police Lieutenant is assigned to CID, he/she will move to the next step in their respective pay grade. The anniversary date for step increases will remain the date of promotion to the title of Police Sergeant or Police Lieutenant.

## SCHEDULE-B (12-hour shifts\*)

### CITY OF WATERTOWN WAGE CHART FOR POLICE DEPARTMENT (July 1, 2015)

Title	Grade	A	B	C	D	E	F
Police Officer*	P6	52,413	54,831	57,361	60,030	62,826	65,758
Police Sergeant*	P10		65,758	68,584	71,536	74,658	77,926
Police Lieutenant*	P14	73,265	76,405	79,703	83,168	86,805	90,625
Academy Completion Rate		47,483					

## SCHEDULE C (8-hour shifts)

### CITY OF WATERTOWN WAGE CHART FOR POLICE DEPARTMENT (July 1, 2016)

Title	Grade	A	B	C	D	E	F	G*
Police Officer	P6	51,165	53,525	55,996	58,600	61,330	64,193	
Police Detective	P8		58,600	61,330	64,193	66,951	69,833	
Police Sergeant	P10		64,193	66,951	69,833	72,881	76,071	79,420
Police Lieutenant	P14	71,520	74,586	77,806	81,188	84,738	88,467	92,383
Academy Pay Rate		44,373						

**\*Effective 7/1/2014:** “G” step added to wage chart to replace the previously known “F+1” step used only for the Police Sergeant and Police Lieutenant assigned to the Criminal Investigation Division. When a Police Sergeant or Police Lieutenant is assigned to CID, he/she will move to the next step in their respective pay grade. The anniversary date for step increases will remain the date of promotion to the title of Police Sergeant or Police Lieutenant.

## SCHEDULE C (12-hour shifts\*)

### CITY OF WATERTOWN WAGE CHART FOR POLICE DEPARTMENT (July 1, 2016)

Title	Grade	A	B	C	D	E	F
Police Officer*	P6	53,723	56,201	58,796	61,530	64,396	67,403
Police Sergeant*	P10		67,403	70,299	73,325	76,525	79,875
Police Lieutenant*	P14	75,096	78,315	81,696	85,247	88,975	92,890
Academy Completion Rate		48,671					

# **APPENDIX I - 207-c Procedures**

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## CITY OF WATERTOWN § 207-c PROCEDURES

### Article I – Definitions:

(a) Benefits. The full amount of regular salary or wages, and the cost of medical treatment and hospital care necessitated by a disability arising from an injury sustained in the performance of an officer's duties or a sickness resulting from the performance of those duties payable to or on behalf of an eligible claimant pursuant to N.Y. General Municipal Law Section 207-c ("Section 207-c")

(b) Claimant. Any City of Watertown police officer applying for benefits under Section 207-c.

(c) Disability. The inability of a claimant to perform his/her duties as a police officer in the City of Watertown Police Department due to injuries sustained in the performance of those duties or due to sickness resulting from the performance of those duties.

(d) Police Chief. The Police Chief of the City of Watertown.

(e) Administrator. The individual or company designated by the City of Watertown as holding this title.

(f) Business Days. Monday through Friday, excluding holidays.

### Article II – Construction, Separability, and Compliance:

(a) If any provision of these procedures shall be held wholly or partially invalid or inapplicable to any person or situation, all other provisions of these procedures shall nonetheless remain fully effective. Furthermore, any provisions held to be invalid with respect to any particular person or situation shall not serve to invalidate that provision with respect to other persons or situations.

(b) These procedures shall in no way be construed to limit or otherwise affect any requirements for receiving benefits that are not covered herein, whether those requirements are imposed by statute, regulation, or court decision.

(c) The failure of any claimant to comply with the provisions of Section 207-c and these procedures may result in the delay of approval or denial of benefits.

### Article III – Application Procedures for Section 207-c Benefits.

(a) Filing of Report of Accident and Medical Authorization.

1. Within five (5) business days of an on-the-job incident causing injuries or within the same period of having been taken sick as a result of the performance of duties, an injured or sick police officer seeking Section 207-c benefits, or anyone acting on his or her behalf, shall file with the Police Chief: (a) a completed current form denominated as an "Employer's Report of Work-Related Accident or Occupational Disease" of the New York State Workers' Compensation Board; and (b) a signed, fully completed, HIPAA-Compliant Authorization for Release of Health Information as approved by the New York State Department of Health. The Police Chief shall, within an additional two (2) business days, forward the same to the City Manager's Office. The failure of the Police Chief to comply with this provision shall not be used to prejudice or curtail any of the claimant's rights under this Article.

2. The Employee's Report of Work Related Injury<sup>(1)</sup> serves as an incident report, and shall contain, as additional information, names and addresses of witnesses to any injury-causing incident.

3. Any Medical records provided to the City will be duplicated and provided to the police officer, at the City's expense, upon request.

4. The police officer or his or her representative shall be entitled to a receipt signed by the Police Chief upon the filing of the "Employer's Report of Work-Related Accident or Occupational Disease" form and authorization for release of health information described above.

(b) Payment of Benefits Prior to Determination of Eligibility.

1. If a police officer is disabled due to an alleged on-the-job incident and is thereby caused to miss work, and a form "Employer's Report of Work-Related Accident or Occupational Disease" and authorization for health information have been filed with the Police Chief within five (5) business days of the incident, the police officer will receive his or her benefits pursuant to Section 207-c, including regular salary and wages, from the first missed day of work. If a police officer or his or her representative have not filed the required Employee's Report of Work Related Injury and medical authorization within five (5) business days of the incident, the police officer will be considered to be on sick leave until such time as the Employee's Report of Work Related Injury and medical authorization are filed with the Police Chief.

2. If a police officer is ultimately determined to not be entitled to Section 207-c benefits, the City shall be entitled to recoupment of all Section 207-c benefits paid as set forth in Article VIII of these procedures.

3. Payment of a claimant's medical treatment and hospital care expenses shall not constitute an admission by the City of the claimant's eligibility for Section 207-c benefits.

(c) Preliminary Determination by Administrator.

1. Within fourteen (14) calendar days of submission of the Employee's Report of Work Related Injury and medical authorization to the Police Chief, the administrator shall issue a preliminary determination of eligibility in accordance with Article IV of these procedures. If the police officer's 207-c claim is preliminarily denied, then, within ten (10) days of receipt of the Administrator's preliminary determination, the police officer or any interested party on his or her behalf, may complete the claim for benefits (see Appendix A-4) form provided to the police officer by the Administrator with the preliminary denial letter (see Appendix A-3) and then may submit it and a Request for Reconsideration and Hearing (see Appendix A-5) to the Administrator.

2. If the claim for Section 207-c benefits is preliminarily accepted by the Administrator as a Section 207-c claim, then the police officer or his or her representative shall, within ten (10) days of receipt of the City's acceptance letter, complete and submit the application for 207-c benefits form (see Appendix A-4) provided with the preliminary acceptance letter.

3. The forms to be completed and submitted by the claimant, whether a claim is preliminarily denied, or accepted, shall be accompanied by the signed letter or certification of the police officer's treating physician that the claimed injury or sickness is causally related to the police officer's performance of duties. A completed current form known as "Doctor's Initial Report" of the NYS Workers' Compensation Board shall be sufficient for this requirement.

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<sup>1</sup>The filing of an Employee's Report of Work Related Injury form in support of a claim for benefits under Section 207-c as a report of accident shall not serve as an admission that an injury or illness is governed by Workers' Compensation in lieu of Section 207-c.

(d) Hearing Procedures.

1. Within thirty (30) calendar days of the police officer's submission of the Request for Reconsideration and Hearing and submission of a physician's certificate or letter or C-4 to the Administrator as provided for in the previous paragraph, a hearing date will be agreed upon between the parties. A police officer has the right to be represented by an attorney at the hearing. Unless impractical, the hearing will be held within sixty (60) days of the police officer's submission of the Request for Reconsideration and Hearing and submission of physician's certificate or letter or C-4.

2. The parties will select an independent hearing officer mutually agreed upon by the parties or their attorneys. If the parties cannot agree, then the parties shall jointly apply to PERB for a list of hearing officers from which a selection shall be made according to PERB rules.

3. Within thirty (30) calendar days of the closing of the hearing record, the hearing officer shall issue a written recommendation to the City Manager, based upon his or her findings of fact, limited to the police officer's eligibility to receive benefits under Section 207-c. Costs of the hearing shall be the sole responsibility of the City.

4. Within thirty (30) calendar days of receiving the hearing record, findings of fact and recommendation of the hearing officer, the City Manager shall make a final determination of the police officer's eligibility to receive benefits under Section 207-c. This final determination shall be in writing, and is reviewable pursuant to Article 78 of the CPLR.

5. If the police officer prevails in an Article 78 Proceeding challenging the City Manager's determination, he or she is entitled to reimbursement of attorneys' fees actually paid in prosecuting the proceeding, not to exceed the amount of the attorneys' fees paid to the City's attorneys for defending the proceeding. Each party is entitled to disclosure sufficient to insure the reasonableness of the attorneys' fees charged.

**Article IV – Authorities and Duties of the Administrator.**

(a) The Administrator shall have the sole and exclusive authority to make a preliminary determination as to whether a claimant is entitled to Section 207-c benefits. In making this decision, the Administrator shall examine the facts and circumstances of the case, evaluate the incident report and medical records provided pursuant to the claimant's authorization, and shall have the right to conduct an investigation to preliminarily determine whether the claim should be paid under Section 207-c.

(b) In making the preliminary determination, the Administrator shall have the authority to: (1) require the production of any book, document, or other record that pertains to the incident; (2) require the claimant to submit to one or more medical examinations at the City's expense; (3) require the attendance of the claimant to give a statement upon reasonable notice (claimant's counsel may be present); (4) require the claimant to sign HIPAA-compliant forms for the release medical information; and (5) employ any expert or specialist that may be helpful in reaching a determination upon a Section 207-c application.

**Article V – Clothing Allowance/Vacation Days/Sick Leave/Line-up Pay.**

(a) A Section 207-c eligible police officer shall have his or her clothing allowance prorated in that year for the time worked if the police officer is off duty for a total period greater than six (6) months.

(b) A Section 207-c eligible police officer's accumulated vacation days will be preserved, but no new days will be accumulated after six (6) months of disability. During the first six (6) months of disability, vacation days will accumulate only based upon time in service. A police officer on Section 207-c benefits shall be permitted to carry over all accumulated vacation days from one year to the next.

(c) Sick leave days will be preserved unless it is determined that the police officer is not entitled to Section 207-c benefits, at which time they will be applied to the City's recoupment of benefits paid as provided in Article VIII. There will be no sick leave day accumulation while a police officer is receiving Section 207-c benefits.

(d) A Section 207-c eligible police officer shall have his or her line-up pay prorated in that year for the time worked if that officer is off duty for a total period greater than six (6) months.

**Article VI – Medical Treatment, Reports and Payments.**

(a) Medical Treatment. The City may require any recipient of Section 207-c benefits to be treated for his or her injury or illness by a physician or physicians appointed by the City for this purpose in accordance with Section 207-c(1).

(b) Medical Inspections. The City may, from time to time, require any claimant to submit to one or more examinations by a physician or physicians chosen by the City for this task, at City's expense.

**Article VII – Light Duty Assignments.**

Police officers may be assigned to light duty as provided in Section 207-c (3). Police officers will be given written notice of their assignment to light duty by the Police Chief. The Police Chief shall notify the City Manager when any employee of the Police Department is assigned to light duty.

**Article VIII – Recoupment of Benefits Paid.**

(a) The City shall be permitted to recoup Section 207-c benefits paid when no timely request for a hearing is made after the Administrator's preliminary determination denies Section 207-c eligibility. The City shall also be entitled to recoup Section 207-c benefits paid after a final determination by the City Manager that the police officer was not eligible for Section 207-c benefits and the police officer does not seek Article 78 review. Finally, recoupment will be permitted against a police officer after an Article 78 Proceeding which is adverse to the police officer once all rights of appeal are exhausted or waived.

(b) The recoupment of lost wages will be first pursued through the police officer's sick leave unless the City agrees to an alternative at the City's sole discretion.

(c) If the police officer's sick leave is insufficient, then recoupment of lost wage benefits shall be sought through the police officer's vacation leave.

(d) If the police officer's sick leave and vacation leave are insufficient for recoupment of lost wage benefits paid, the City has a right to recoupment through the following garnishing techniques after demand for payment and no tender of payment is forthcoming from the police officer: (i) If the police officer is still employed by the City, up to 10% of their gross income may be garnished; (ii) For police officers who are about to retire, their "close out" pay will be used toward satisfaction of Section 207-c recoup obligations.

If the police officer is covered by the City's health insurance plan, recoupment of medical expenses shall first be sought from that plan. While the City is self-insured for health insurance, the City will accept a police officer's Section 207-c claim or Workers' Compensation Claim as notice for health insurance benefits purposes. If the City commences health insurance with a separate carrier, the parties agree that separate notice by the police officer to that carrier may be required.

#### **Article IX – Changes in the Condition of a Section 207-c Recipient.**

It is acknowledged that any Section 207-c recipient should notify the Administrator of any change affecting eligibility for benefits. To that end, the City may require certification by the 207-c recipient and his or her physician as frequently as every six (6) months that the recipient has been and continues to be disabled. If the City determines that any change of condition has occurred which enables the recipient to return to normal duties, and, if challenged, that determination is upheld, the recipient shall be liable to the City for all 207-c benefits received on or after the date of said change arose, which date shall be either the date of certification by the City's physician or the date it was proved to have arisen.

#### **Article X – Right to Perpetual Review and Examination.**

(a) Police officers receiving Section 207-c benefits shall submit to medical examinations and inspections as required by the City. The number, time, place and manner of the medical examinations or inspections shall be reasonable. The City shall pay all costs associated with attending any medical exam required by the Administrator. For purposes of calculating such costs, the police officer's residence shall be considered the City of Watertown.

(b) Based upon the medical examinations and inspections, or other factual information coming to the knowledge of the City, the City may require a hearing to determine the police officer's continued eligibility to receive Section 207-c benefits. The City shall notify the Section 207-c recipient by certified letter of its desire to hold such a hearing to contest continued eligibility or to otherwise change eligibility for Section 207-c benefits. The hearing shall be conducted by one of the Hearing Officers selected by the parties to hear claims for 207-c benefits, who shall make recommendations to the City Manager as outlined in Article III of this Agreement.

#### **Article XI – Exclusivity of Procedures.**

These procedures are the sole exclusive procedures for determining a police officer's eligibility for benefits under Section 207-c. As such, a police officer shall have no right to

challenge decisions of the Administrator or City Manager regarding eligibility or continued eligibility for Section 207-c benefits under the grievance machinery included in any collective bargaining agreement to which the police officer or his or her collective bargaining representatives are a party.

Either party may file a grievance for a violation of these procedures. The scope of the arbitrator's authority will be solely to determine whether the procedures were complied with or violated.

## APPENDIX

- A-1 Claimant's Authorization to Disclose Health Information
- A-2 Employee's Report of Work Related Injury
- A-3 Preliminary Determination of Entitlement to Section 207-c  
Report of Injury
- A-4 Claim for Benefits Under Section 207-c of the General Municipal  
Law, City of Watertown Police Department
- A-5 Request for Reconsideration and Hearing
- A-6 Doctor's Initial Report, C-4

Res No. 3

December 29, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Reappointment to the Board of Assessment Review,  
Shawn E. Griffin

At the request of the City Council, Shawn E. Griffin was contacted and has agreed to serve another five-year term, such term expiring on September 30, 2019.

Attached for City Council consideration is a resolution reappointing him to the Board of Assessment Review.

**RESOLUTION**

Page 1 of 1

Reappointment to the Board of Assessment Review,  
Shawn E. Griffin

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 reappointed to the Board of Assessment Review for a five-year term, such term expiring on September 30, 2019:

Shawn E. Griffin  
 351 Arlington Street  
 Watertown, New York 13601

**Seconded by**

Res No. 4

December 29, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Appointment to the Board of Assessment Review,  
Lisa L'Huillier

At the request of the Council Member Burns, the attached resolution has been prepared appointing Lisa L'Huillier to the Board of Assessment Review. She has agreed to serve the unexpired term of Linda J. Fields, such term expiring on September 30, 2016.

# RESOLUTION

Page 1 of 1

Appointment to the Board of Assessment Review,  
Lisa L'Huillier

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***

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RESOLVED that the following individual is appointed to the Board of Assessment Review to fill the unexpired term of Linda J. Fields, such term expiring on September 30, 2016:

Lisa L'Huillier  
216 Keyes Avenue  
Watertown, NY 13601

**Seconded by**

Res No. 5

December 22, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Approving Salary Structure and Annual Increase for  
Watertown Housing Authority Employees

In conformity with the requirements of the New York State Housing Law and the United States Housing Act, the City Council of the City of Watertown is being asked to approve salary increases for the employees of the Watertown Housing Authority (WHA). By correspondence dated December 19, 2014, the City was notified that the Watertown Housing Authority Board adopted a resolution establishing the cost of living increase for all employees at one and one-half percent (1.5%) for calendar year 2015.

A resolution approving the recommended one and one-half percent (1.5%) cost of living increase for all employees of the Watertown Housing Authority is attached for City Council consideration. A copy of the 2015 salary schedules for the WHA is attached for your review. Mr. Robare will be present at Monday's City Council meeting should the Council have any further questions regarding the WHA's recommendations.

# RESOLUTION

Page 1 of 1

Approving Salary Structure, and Annual  
Pay Increase for Watertown Housing  
Authority Employees

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 in conformity with the requirements of the New York State Public Housing Law § Section 32, Sub Division 1, compensation for Watertown Housing Authority employees can be fixed only upon the approval of the local legislative body, which is the City Council of the City of Watertown, and

WHEREAS the Watertown Housing Authority has reported that based on a comparability review of salaries for their employees with prevailing local government salaries, it is the desire of the Watertown Housing Authority Board to authorize a one and one-half percent (1.5%) cost of living increase for all employees effective January 1, 2015, and

WHEREAS by resolution adopted on December 18, 2014, the Watertown Housing Authority Board approved a one and one-half percent (1.5%) cost of living increase for all employees, effective January 1, 2015, by modification to its existing Administrative and Maintenance salary structure,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the 2015 salary structure for all employees of the Watertown Housing Authority which contains a one and one-half percent (1.5%) cost of living increase, effective January 1, 2015, salary structures are attached and made part of this resolution, and

BE IT FURTHER RESOLVED that the City Manager, Sharon Addison, is hereby authorized and directed to forward certified copies of the resolution to the Watertown Housing Authority.

**Seconded by**

**Step System (Administration) that will become effective January 1, 2015**

**Watertown Housing Authority**

Each year the steps will be adjusted accordingly with the cost of living adjustment (COLA) approved by the WHA Board, then by the City Council.

**2015 COLA = 1.50%**

<b>POSITION</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
<b>MANAGEMENT EMPLOYEES</b>								
<b>Executive Assistant</b>								
Executive Assistant (Salary)	\$41,002	\$42,438	\$43,923	\$45,460	\$47,051	\$48,698	\$50,402	\$52,167
Executive Assistant (Hourly)	\$22.53	\$23.32	\$24.13	\$24.98	\$25.85	\$26.76	\$27.69	\$28.66
<b>Modernization Manager</b>								
Mod Manager (Salary)	\$49,833	\$51,577	\$53,383	\$55,251	\$57,185	\$59,186	\$61,258	\$63,402
Mod. Manager (Hourly)	\$27.38	\$28.34	\$29.33	\$30.36	\$31.42	\$32.52	\$33.66	\$34.84
<b>Maintenance Supervisor</b>								
Maint. Supervisor (Salary)	\$47,239	\$48,892	\$50,604	\$52,375	\$54,208	\$56,105	\$58,069	\$60,101
Maint. Supervisor (Hourly)	\$25.96	\$26.86	\$27.80	\$28.78	\$29.78	\$30.83	\$31.91	\$33.02
<b>Occupancy Supervisor</b>								
Occ. Supervisor (Salary)	\$44,746	\$46,312	\$47,933	\$49,611	\$51,347	\$53,145	\$55,007	\$56,932
Occ. Supervisor (Hourly)	\$24.59	\$25.45	\$26.34	\$27.26	\$28.21	\$29.20	\$30.22	\$31.28
<b>Accounting Supervisor</b>								
Accounting Supervisor (Salary)	\$52,679	\$54,523	\$56,431	\$58,406	\$60,450	\$62,566	\$64,755	\$67,021
Accounting Supervisor (Hourly)	\$28.94	\$29.96	\$31.01	\$32.09	\$33.21	\$34.38	\$35.58	\$36.82
<b>NON - MANAGEMENT EMPLOYEES</b>								
<b>Public Housing Specialist</b>								
Public Housing Specialist (Salary)	\$25,016	\$25,891	\$26,798	\$27,735	\$28,706	\$29,711	\$30,751	\$31,827
Public Housing Specialist (Hourly)	\$13.74	\$14.23	\$14.72	\$15.24	\$15.77	\$16.32	\$16.90	\$17.49
<b>Senior Public Housing Specialist</b>								
Sr. Public Housing Specialist (Salary)	\$27,672	\$28,641	\$29,643	\$30,681	\$31,755	\$32,866	\$34,016	\$35,207
Sr Public Housing Specialist (Hourly)	\$15.20	\$15.74	\$16.29	\$16.86	\$17.45	\$18.06	\$18.69	\$19.34
<b>Account Clerk</b>								
Acct. Clerk (Salary)	\$28,440	\$29,435	\$30,465	\$31,531	\$32,635	\$33,777	\$34,959	\$36,183
Acct. Clerk (Hourly)	\$15.63	\$16.17	\$16.74	\$17.32	\$17.93	\$18.56	\$19.21	\$19.88
<b>Senior Account Clerk</b>								
Senior Account Clerk (Salary)	\$32,958	\$34,111	\$35,305	\$36,541	\$37,820	\$39,144	\$40,514	\$41,932
Senior Account Clerk (Hourly)	\$18.11	\$18.74	\$19.40	\$20.08	\$20.78	\$21.51	\$22.26	\$23.04
<b>Tenant Relations Coord.</b>								
Ten. Rel. Coord. (Salary)	\$30,191	\$31,248	\$32,341	\$33,473	\$34,645	\$35,858	\$37,113	\$38,411
Ten. Rel. Coord. (Hourly)	\$16.59	\$17.17	\$17.77	\$18.39	\$19.04	\$19.70	\$20.39	\$21.11
<b>Administrative Assistant</b>								
Administrative Assistant (Salary)	\$30,806	\$31,884	\$33,000	\$34,155	\$35,350	\$36,588	\$37,868	\$39,193
Administrative Assistant (Hourly)	\$16.93	\$17.52	\$18.13	\$18.77	\$19.42	\$20.10	\$20.81	\$21.53
<b>Information Tech. Specialist</b>								
Info. Tech. Specialist (Salary)	\$38,102	\$39,436	\$40,816	\$42,245	\$43,723	\$45,254	\$46,837	\$48,477
Info. Tech. Specialist (Hourly)	\$20.94	\$21.67	\$22.43	\$23.21	\$24.02	\$24.86	\$25.73	\$26.64
<b>Stock Attendant</b>								
Stock Attendant (Salary)	\$30,012	\$31,063	\$32,150	\$33,275	\$34,440	\$35,645	\$36,893	\$38,184
Stock Attendant (Hourly)	\$14.43	\$14.93	\$15.46	\$16.00	\$16.56	\$17.14	\$17.74	\$18.36
<b>Building Inspector</b>								
Building Inspector (Salary)	\$39,774	\$41,166	\$42,607	\$44,098	\$45,642	\$47,239	\$48,893	\$50,604
Building Inspector (Hourly)	\$19.12	\$19.79	\$20.48	\$21.20	\$21.94	\$22.71	\$23.51	\$24.33

Step System (Maintenance) that will become effective January 1, 2015

Watertown Housing Authority

2015 COLA = 1.50%

POSITION	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
<b>Maintenance Workers</b>										
Maintenance Workers (Salary)	\$25,645	\$26,542	\$27,471	\$28,433	\$29,428	\$30,458	\$31,524	\$32,627	\$33,769	\$34,951
Maintenance Workers (Hourly)	\$12.33	\$12.76	\$13.21	\$13.67	\$14.15	\$14.64	\$15.16	\$15.69	\$16.24	\$16.80
<b>Facility Maintenance Workers</b>										
Facility Maintenance Worker (Salary)	\$28,186	\$29,173	\$30,194	\$31,251	\$32,344	\$33,476	\$34,648	\$35,861	\$37,116	\$38,415
Facility Maintenance Worker (Hourly)	\$13.55	\$14.03	\$14.52	\$15.02	\$15.55	\$16.09	\$16.66	\$17.24	\$17.84	\$18.47
<b>Crew Chief</b>										
Crew Chief (Salary)	\$36,037	\$37,299	\$38,604	\$39,955	\$41,354	\$42,801	\$44,299	\$45,850	\$47,454	\$49,115
Crew Chief (Hourly)	\$17.33	\$17.93	\$18.56	\$19.21	\$19.88	\$20.58	\$21.30	\$22.04	\$22.81	\$23.61

# Watertown Housing AUTHORITY



December 19, 2014



East Hills

Maywood  
Terrace

Skyline  
Apartments

Hilltop  
Towers

Midtown  
Towers

LeRay St.  
Apartments

Meadowbrook  
Apartments

Ms. Sharon Addison  
City Manager  
Watertown Municipal Building  
245 Washington Street  
Watertown, New York 13601

Re: Annual Salary Comparability Approval by City Council

Dear Ms. Addison:

As required by the New York State Public Housing Law and the New York State Housing Act, the City Council of the City of Watertown needs to approve any salary changes for the Watertown Housing Authority (WHA) employees based on the comparability with prevailing local government wages. Recently at its regular meeting that was held at Midtown Towers, 142 Mechanic Street, Watertown, New York on Thursday, December 18, 2014, the WHA Board of Commissioners approved a 1.5% cost of living adjustment effective January 1, 2015. In addition, they also approved a change in the salary range for our Occupancy Supervisor and a new salary range for the Maintenance Supervisor.

The WHA Board is requesting a resolution by the City Council of Watertown approving the 1.5% cost of living adjustment along with the salary range changes effective January 1, 2015. A copy of the WHA's Board resolution and salary structure are enclosed for your review.

If you have any questions, you can contact me at the address or number below.

Sincerely,

Michael Robare  
Executive Director

Cc: Jeffrey Graham, City Mayor



*Providing Decent, Safe and Affordable Housing*

142 Mechanic St. • Watertown, NY 13601 • 315-782-1251  
FAX:315-782-9394 • www.WHANY.org

**WATERTOWN HOUSING AUTHORITY**

Administrative Office  
142 Mechanic Street  
Watertown, NY 13601

**Resolution #2014-29**

The following Resolution was moved by Rev. Jeffrey E. Smith, seconded by Joshua K. Coburn and unanimously carried:

BE IT RESOLVED that the Board of Commissioners of the Watertown Housing Authority hereby approve the following salary structure changes for the WHA that will become effective January 1, 2015:

- Change in the salary range for Occupancy Supervisor
- New salary range for the Maintenance Supervisor
- A 1.50% Cost of Living increase for all positions

I hereby certify that the foregoing is a true copy and the whole of said Resolution adopted by the Watertown Housing Authority on December 18<sup>th</sup>, 2014, and that said meeting was regularly called and duly constituted.

Witness my hand and seal of the Watertown Housing Authority this 18<sup>th</sup> day of December, 2014.

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Michael Robare, Executive Director

Res No. 6

December 22, 2014

To: The Honorable Mayor and City Council

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

Subject: Approving Change Orders No. 4 & No. 5 to Flower Memorial Library Masonry Restoration and Fountain Construction Project Agreement, Raymond. E. Kelley, Inc.

On May 20, 2013, the City Council accepted a bid submitted by Raymond E. Kelley, Inc. for masonry restoration and fountain construction at Flower Memorial Library, in the amount of \$253,400. Three change orders have been approved to date.

On March 3, 2014, the Council directed staff to proceed with a “time & materials” change order for further repair and bracing of the fascia and soffit panels above the front door. The soffit panels were found to be secure, but bricks had to be relayed and anchored behind the fascia. Change Order #4 includes the charge for this work and a credit for topsoil placement, for a total additional cost of \$16,175. The fascia and façade work is complete and as the City Council is aware, the front entrance was cleared for public use

There continues to be a problem with the fountain lighting. Four of the six lighting units are not functioning. The contractor and mechanical subcontractor could not determine the problem and apparently could not get a satisfactory response from the light supplier, Chrystal Fountain Company. City staff contacted the supplier directly and they agreed to make a site visit for \$4,800 to cover their cost, in case the malfunction was not an equipment failure covered by warranty. The trip was authorized with the understanding that R. E. Kelley would give a credit for the City’s expense. Chrystal Fountain’s preliminary finding was that the installation was incorrect. They did, however, take the four fixtures for further evaluation. CO #5 provides the credit and extends the contract to May 30, 2015 to allow the fountain lighting fixtures to be replaced in the spring.

This is a summary of the change orders:

Contract		\$ 253,400
Change Order 1 (8/5/13)	+17,600	\$ 271,100
Change Order 2 (10/7/13)	+4,636	\$ 275,736
Change Order 3 (1/21/14)	+15,363	\$ 291,099
Change Order 4 (1/05/15)	+16,175	\$307,274
Change Order 5 (1/05/15)	-4,800	\$302,474

The attached resolution approves Change Orders No. 4 and No. 5. Fiscal Year 2013-14 funding is sufficient to cover these change orders.

# RESOLUTION

Page 1 of 1

Approving Change Order No. 4 and No. 5 to the Flower Memorial Library Masonry Restoration and Fountain Construction Project Agreement, Raymond E. Kelley, 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 May 20, 2013, the City Council of the City of Watertown approved a bid submitted by Raymond E. Kelley, Inc. in the amount of \$253,400 for the Flower Memorial Library Masonry Restoration and Fountain Construction project, and

WHEREAS on August 5, 2013 the City Council approved Changer Order Number 1, increasing the contract price to \$271,100, and

WHEREAS on October 7, 2013 the City Council approved Changer Order Number 2, increasing the contract price to \$275,736, and

WHEREAS on February 18, 2014 the City Council approved Change Order Number 3, increasing the contract price to \$291,099, and

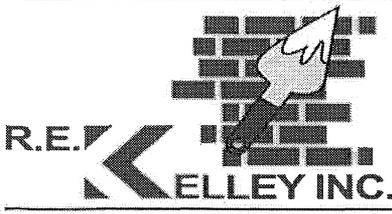
WHEREAS additional work was required prior to allowing public use of the front entrance and non-functioning lights in the fountains had to be evaluated,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown approves Change Order No. 4 and Change Order No. 5 to the contract with Raymond E. Kelley, Inc. for the Flower Memorial Library Masonry Restoration and Fountain Construction project, which are attached and made part of this resolution, effecting a net increase in the project cost of \$11,375, plus an extension of the contract end date to May 30, 2015, 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**

OFFICE OF CITY MANAGER  
DEC 22 2014  
WATERTOWN, NEW YORK



50 Johnston Street  
Building A  
Seneca Falls, NY 13148  
PH: 315-568-0982  
Fax: 315-568-0983

**CHANGE ORDER**  
No. 0004

**TITLE:** Stone Fascia exploratory and repair.

**DATE:** 8/15/2014

**PROJECT** Façade Masonry & Fountains  
Flower Memorial Library  
**TO:** City Of Watertown  
245 Washington Street  
Watertown, NY 13601

**REK JOB NO.** 213095

**ATTN:** Andrew Nichols, City planner

**DESCRIPTION OF CHANGE**

Upon execution by all parties, The contract is modified as defined below.

- 1) Complete stone fascia investigation directly above the main west entrance cornice.
- 2) Remove 13 designated stone, remove one course of brick backup, spot point 2ed course,
- 3) Relay new brick, set anchors, and reset 13 stone panels per the Architects direction.
- 4) Credit topsoil

Please sign and return one copy for our records.

	<b>TOTAL:</b>	\$16,175.00
The original contract sum was.....		\$253,400.00
Net change by previously issued change orders.....		\$37,699.00
Net change of this change order.....		\$16,175.00
The new contract sum including this change order is.....		\$307,274.00

New Contract completion date: September 30 2014

**Owner:** City of Watertown  
245 Washington Street  
Watertown, NY 13601

**Contractor:** Raymond E. Kelley, Inc.  
50 Johnston Street  
Seneca Falls, NY 13148

BY: \_\_\_\_\_

BY: Andrew Nichols

DATE: \_\_\_\_\_

DATE: 12/19/14

RAYMOND E. KELLEY, INC. - T & M BREAKDOWN SHEET

BILL TO: City of Watertown  
 REK JOB #: 213095 - Flower Memorial Library  
 WORK: Facia Stone Above Entrance

**LABOR:**

<u>Foreman</u>	<u>78 HRS.</u>	<u>@</u>	<u>\$ 33.62</u>	<u>/HR</u>	<u>\$ 2,622.36</u>	
<u>Journeyman</u>	<u>78 HRS.</u>	<u>@</u>	<u>\$ 30.56</u>	<u>/HR</u>	<u>\$ 2,383.68</u>	
	<u>0 HRS.</u>	<u>@</u>	<u>\$ -</u>	<u>/HR</u>	<u>\$ -</u>	
	<u>0 HRS.</u>	<u>@</u>	<u>\$ -</u>	<u>/HR</u>	<u>\$ -</u>	
	<u>0 HRS.</u>	<u>@</u>	<u>\$ -</u>	<u>/HR</u>	<u>\$ -</u>	
	<u>0 HRS.</u>	<u>@</u>	<u>\$ -</u>	<u>/HR</u>	<u>\$ -</u>	
	<u>0 HRS.</u>	<u>@</u>	<u>\$ -</u>	<u>/HR</u>	<u>\$ -</u>	
	<u>0 HRS.</u>	<u>@</u>	<u>\$ -</u>	<u>/HR</u>	<u>\$ -</u>	<u>\$ 5,006.04</u>

**PAYROLL TAXES AND INSURANCE** \$ 2,402.90

**FRINGES:**

<u>Foreman/Journeyman</u>	<u>156 HRS.</u>	<u>@</u>	<u>\$ 25.35</u>	<u>/HR</u>	<u>\$ 3,954.60</u>	
	<u>0 HRS.</u>	<u>@</u>		<u>/HR</u>	<u>\$ -</u>	
	<u>0 HRS.</u>	<u>@</u>	<u>\$ -</u>	<u>/HR</u>	<u>\$ -</u>	
	<u>0 HRS.</u>	<u>@</u>	<u>\$ -</u>	<u>/HR</u>	<u>\$ -</u>	
						<u>\$ 3,954.60</u>

**Equipment**

<u>60' Boom Lift</u>	<u>1 LS</u>	<u>@</u>	<u>\$ 1,909.87</u>	<u>LS</u>	<u>\$ 1,909.87</u>	
<u>Lift Fuel Charge</u>	<u>1 LS</u>	<u>@</u>	<u>\$ 95.36</u>	<u>LS</u>	<u>\$ 95.36</u>	
<u>Company Truck</u>	<u>11 DAYS</u>	<u>@</u>	<u>\$ 50.00</u>	<u>DAYS</u>	<u>\$ 550.00</u>	
	<u>0 DAYS</u>	<u>@</u>	<u>\$ -</u>	<u>DAYS</u>	<u>\$ -</u>	
	<u>0 DAYS</u>	<u>@</u>	<u>\$ -</u>	<u>DAYS</u>	<u>\$ -</u>	
	<u>0 DAYS</u>	<u>@</u>	<u>\$ -</u>	<u>DAYS</u>	<u>\$ -</u>	
	<u>0 DAYS</u>	<u>@</u>	<u>\$ -</u>	<u>DAYS</u>	<u>\$ -</u>	<u>\$ 2,555.23</u>

**MATERIAL:**

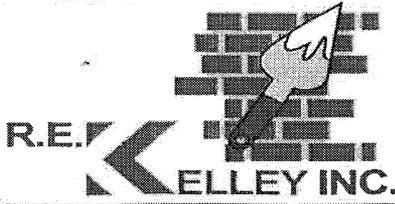
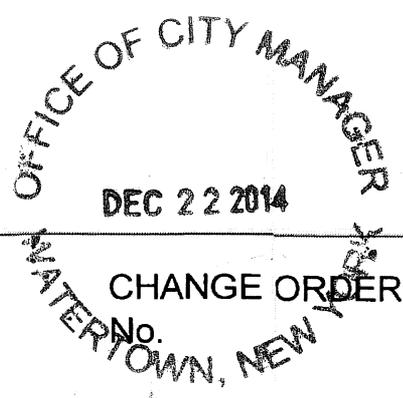
<u>Metal Man (10 pieces)</u>	<u>1 LS</u>	<u>@</u>	<u>\$ 187.14</u>	<u>LS</u>	<u>\$ 187.14</u>	
<u>Taylor Inv # 0018314-00</u>	<u>1 LS</u>	<u>@</u>	<u>\$ 81.16</u>	<u>LS</u>	<u>\$ 81.16</u>	
<u>Taylor Inv # 0018398-00</u>	<u>1 LS</u>	<u>@</u>	<u>\$ 57.00</u>	<u>LS</u>	<u>\$ 57.00</u>	
<u>McQuade Inv # 3486705</u>	<u>1 LS</u>	<u>@</u>	<u>\$ 155.10</u>	<u>LS</u>	<u>\$ 155.10</u>	
<u>McQuade Inv # 3487525</u>	<u>1 LS</u>	<u>@</u>	<u>\$ 125.89</u>	<u>LS</u>	<u>\$ 125.89</u>	
<u>McQuade Inv # 3489123</u>	<u>1 LS</u>	<u>@</u>	<u>\$ 77.55</u>	<u>LS</u>	<u>\$ 77.55</u>	
	<u>1 LS</u>	<u>@</u>		<u>LS</u>	<u>\$ -</u>	
<u>Credit for Topsoil</u>	<u>1 LS</u>	<u>@</u>	<u>\$ (598.72)</u>	<u>LS</u>	<u>\$ (598.72)</u>	
	<u>0 PAIL</u>	<u>@</u>		<u>PAIL</u>	<u>\$ -</u>	
	<u>0 PAIL</u>	<u>@</u>		<u>PAIL</u>	<u>\$ -</u>	<u>\$ 85.12</u>

SALES TAX ON LABOR   
 SALES TAX ON MATERIAL   
 EXEMPT   
 CAP IMP.

<b>SUB TOTAL:</b>	<u>\$ 14,003.89</u>
10% OVERHEAD	<u>\$ 1,400.39</u>
5% PROFIT	<u>\$ 770.21</u>
TOTAL	<u>\$ 16,174.49</u>
0% TAX	<u>\$ -</u>

APPROVED

**TOTAL INVOICE:** \$ 16,175.00



50 Johnston Street  
Building A  
Seneca Falls, NY 13148  
PH: 315-568-0982  
Fax: 315-568-0983

**TITLE:** Stone Fascia exploratory and repair.

**DATE:** 12/19/2014

**PROJECT** Façade Masonry & Fountains  
Flower Memorial Library

**REK JOB NO.** 213095

**TO:** City Of Watertown  
245 Washington Street  
Watertown, NY 13601

**ATTN:** Andrew Nichols, City planner

**DESCRIPTION OF CHANGE**

Upon execution by all parties, The contract is modified as defined below.

- 1) Credit cost Crystal Fountain site visit. \$4,800.00
- 2) supply new fixtures and parts as determined by Crystal Fountains. in contract !
- 3) Install new light fixtures when weather allows in the sprir ring 2015 In contract !

It has been authorized to deduct the site visit cost of \$4,800 from the retainage of the contract!

Please sign and return one copy for our records.

**TOTAL:**

The original contract sum was.....	\$253,400.00
Net change by previously issued change orders.....	\$53,874.00
Net change of this change order..... credit	\$4,800.00
The new contract sum including this change order is.....	\$302,474.00

New Contract completion date: S May 30th 2015

Owner: City of Watertown  
245 Washington Street  
Watertown, NY 13601

Contractor: Raymond E, Kelley, Inc.  
50 Johnston Street  
Seneca Falls, NY 13148

BY: \_\_\_\_\_

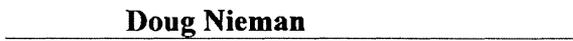
BY:

DATE: \_\_\_\_\_

DATE: 12/19/14

**PROPOSAL****RAYMOND E. KELLEY, INC.**

50 Johnston Street  
 Seneca Falls, NY 13148  
 Telephone 315-568-0982  
 Fax 315-568-0983

<b>PROPOSAL FOR</b>		<b>PHONE</b>	<b>FAX</b>	<b>Date:</b>
City of Watertown				12-19-2014
<b>ADDRESS</b> 245 Washington Street		Project: Façade Masonry & Fountains Flower Memorial Library		
<b>CITY, STATE &amp; ZIP</b> Watertown, NY 13601		<b>LOCATION</b> Watertown, New York	<b>JOB PHONE</b>	
<b>Atten: Andrew Nichols, City Planner</b>		Change order # 5 Credit Crystal Fountain Inspection and report	<b>DATE OF PLAN</b>	
<p>We hereby submit a proposal for: <b>CO# 5 Credit ( \$ 4,800.00 ) To be deducted from the project retainage.</b></p> <p>This proposal reflects the costs of the site visit conducted by Crystal Fountain Company November 5<sup>th</sup>, 2014.</p> <p>Costs of said site visit shall be deducted from the final retainage amount of the project. Sum of ( \$4,800.00 )</p> <p>This has been a long awaited site visit be the manufacturer of the fountain light system.</p> <p>We understand that the mechanical contractor Hyde Stone has been requesting site representation from Crystal Fountains for over a year.</p> <p>This site visit will also include the fountain operation training for the City Of Watertown for the fountain operation and lighting.</p> <p>The Crystal Fountain inspection report and the final report with proposal was received after the fountains have been shut down for the winter.</p> <p>Please note that we are requesting a time extension of the contract untill May 30, 2015 to complete this work.</p>				
<b>Payment to be made as follows:</b> NET 30		<b>Tax Status: exempt</b> Please call with any questions.		<b>ADDENDUMS NOTED:</b> None
<p>All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.</p>		<p><b>Authorized Signature</b>    <b>Doug Nieman</b>        Douglas L. Nieman Project Manager</p>		
Signature _____		Date of Acceptance _____		

December 30, 2014

To: The Honorable Mayor and City Council

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

Subject: Designating the Certifying Officer and Environmental Officer for HUD-funded Projects

The environmental impact of all federally funded projects must be reviewed pursuant to the National Environmental Policy Act (NEPA) and other Federal laws and regulations. This includes projects funded by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) program.

The City, as the grantee, is the “responsible entity” for ensuring compliance with NEPA and the other Federal laws and regulations, issuing the public notification, submitting the request for release of funds and certification and ensuring the Environmental Review Record is complete.

HUD guidelines say that the governing body of the responsible entity must designate a “Certifying Officer.” The Certifying Officer assumes the legal responsibility for certifying that all environmental requirements have been followed.

The Mayor has been the Certifying Officer for the State’s CDBG program, but we do not have a formal resolution on file stating that. It is proposed that the Mayor continue to be the Certifying Officer.

The HUD guidelines also state that an Environmental Officer should be designated. The Environmental Officer is responsible for conducting the environmental review including such tasks as: writing the project narrative, obtaining maps for the project area, soliciting comments from appropriate local, state and federal agencies, and facilitating responses to comments received on the environmental findings.

The Planning Office will be doing the above described work, so the Planning and Community Development is proposed to be the Environmental Officer.

The Resolution prepared for City Council consideration designates the Mayor as the Certifying Officer and the City’s Planning and Community Development Coordinator as the Environmental Officer.

# RESOLUTION

Page 1 of 1

Designating the Certifying Officer and Environmental Officer for HUD-funded Projects

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 receives Community Development Block Grant funding from the US Department of Housing and Urban Development (HUD), under the Entitlement Communities program, and

WHEREAS the City as a Responsible Entity under 24 CFR Part 58 is required to certify compliance with NEPA and other Federal laws and regulations, and

WHEREAS HUD guidelines call for the designation of a Certifying Officer and an Environmental Officer,

NOW THEREFORE BE IT RESOLVED that the Mayor of the City of Watertown is hereby designated as the City’s Certifying Officer for all environmental review procedures associated with HUD-funded projects, and

BE IT FURTHER RESOLVED that the City of Watertown’s Planning & Community Development Coordinator is designated as the City’s Environmental Officer, responsible for conducting the environmental review for HUD-funded projects.

### **Seconded by**

Ord No. 1

December 30, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Amending City Municipal Code § A320-4(A.)(10), Schedule of Fees –  
Broomball

At the December 15, 2014 meeting, City Council discussed a change to the fee schedule for Broomball and equipment rental as proposed by the Parks and Recreation Department.

The attached Ordinance for Council consideration sets the ice rental fee to \$70.00 per hour for students or \$80.00 per hour for adults and allows for a \$2.00 fee rental per broom.

# ORDINANCE

Page 1 of 1

Amending City Municipal Code § A320-4(A.)(10),  
Schedule of Fees – Broomball

***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

BE IT ORDAINED that Section A320-4 of the City Code of the City of Watertown is amended to read as follows:

§ A320-4(A.)(10) Broomball: \$4 per person, per session.

(a) Rental of the ice is \$70.00 per hour for students or \$80.00 per hour for adults; equipment rental is \$2.00 per broom

and,

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

***Seconded by***

December 9, 2014

To: Ms. Sharon Addison, City Manager  
From: Erin E. Gardner, Superintendent of Parks and Recreation  
Subject: Broomball Equipment Fee

---

The Parks and Recreation Department has recently had requests for private rental groups to rent the ice and split their time between broomball and ice skating. Our current fee to rent the ice is \$70.00 per hour for students or \$80.00 per hour for adults. We currently do not have a fee for the rental of broomball equipment. Superintendent Gardner is suggesting a fee of \$2.00 per broom. Superintendent Gardner will be available for questions.

Tabled

December 30, 2014

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Approving Intergovernmental Agreement Relative to Dog Control  
Services With County of Jefferson

The attached Resolution was introduced and Tabled on December 15, 2014, as there were additional questions raised by City Council.

It is recommended that this Resolution remain Tabled until all information requested is available to be presented to Council.

# RESOLUTION

Page 1 of 1

Approving Intergovernmental Agreement  
Relative to Dog Control Services With  
County of Jefferson

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***

Council Member Stephen A. Jennings

WHEREAS New York State Law requires the City of Watertown to provide the services of a Dog Control Officer and maintain a shelter for dogs, and

WHEREAS the City has the ability to contract with another municipal corporation to provide the services required by law, and

WHEREAS the County of Jefferson has provided Dog Control Service to the towns within the County for a number of years, and

WHEREAS the City of Watertown and the County of Jefferson have successfully consolidated their functions and facilities used for Dog Control since 1999,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Intergovernmental Agreement Relative to Dog Control Services, a copy of which is attached and made part of this resolution, and

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

**Seconded by Council Member Joseph M. Butler Jr.**

## INTERGOVERNMENTAL AGREEMENT RELATIVE TO DOG CONTROL SERVICES

This sets forth an Agreement made the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the County of Jefferson (the "County"), with municipal offices located at 195 Arsenal Street, Watertown, New York 13601, and the City of Watertown (the "City"), with municipal offices located at 245 Washington Street, Watertown, New York 13601.

### Recitals

Article 7 of the New York Agriculture and Markets Law requires the City to provide the services of a dog control officer and to maintain a shelter for dogs.

Under Section 115 of the New York Agriculture and Markets Law, the City may contract with another municipal corporation to provide the services required to be provided by the City.

The County has the authority, facilities and personnel to provide the required dog control services under contract with the City; to that end, it has successfully done so for sixteen years, thus provided operational efficiencies and better overall service to all taxpayers within Jefferson County.

Both the City and County wish to extend the intermunicipal agreement for dog control services because it is in the parties best interest to do so.

### Agreement

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Term:

This Inter-Municipal Agreement shall be for a term of five (5) years, beginning on January 1, 2015 and ending on December 31, 2019.

2. Obligations of the County:

- a. The County shall provide the City with the dog control officer services required by Article 7 of the New York Agriculture and Markets Law and will enforce certain provisions of Chapter 81 of the Watertown City Code, Article I (Sections 81-1, 81-5.1, 81-6, 81-9 and 81-13), Article IA and Article IV, as may be amended, and hereby attached for reference.
- b. The County shall provide and maintain a shelter for seized dogs; will properly care for all dogs in such shelter; will make available for adoption seized dogs not redeemed as provided for in the City Code and when required will make necessary arrangements to humanely euthanize. The shelter shall at all times during the term of this Agreement be under the care and charge of the County and shall be open to the public at reasonable hours.

- c. The County shall adhere to all provisions of Article 7 regarding the seizure, holding, care, redemption and disposition of seized dogs, and will keep all records required by New York Agriculture and Markets Law.
- d. The County shall collect and retain all impoundment fees.
- e. Enumeration services will be provided annually, with approximately one half of the city being done each year. The Dog Control Office shall notify the City Clerk in advance of the provision of these services.
- f. The County shall maintain complete financial records concerning the operation of the dog shelter and its dog control services. The County shall submit an annual program report to the City on or about January 31<sup>st</sup> of the following year.
- g. The City hereby authorizes the County Dog Control Officer to prosecute actions arising under Section 118 (1) of the Agriculture and Markets Law as violations under the Penal Law. The County will prepare all paperwork necessary for the prosecution of violations of the City Code, and the County's dog control officers will cooperate with the City Attorney for those prosecutions.
- h. The County shall report to the City every 30 days, in a clear and legible manner, the name, address and contact number of City residents responsible for adopting a dog from the County shelter.
- i. The County shall be responsible for removing all dog carcasses from public property within the City.
- j. The County shall investigate the status of an unlicensed dog, as documented in the City's monthly report, and will provide to the City a monthly report which includes the status of the dog, the attempt(s) to contact the owner, and the issue of an appearance ticket, if required.

3. Obligations of the City:

- a. Prior to the adoption of any amendments to Chapter 81 of the Watertown Municipal Code, the City will notify the County. A copy of Chapter 81 of the Watertown Municipal Code is attached for reference.
- b. The City shall remit to the County for 2014, \$91,500 for services provided during the City's Fiscal Year 2014-15; The City shall remit to the County for services provided during Fiscal Year 2015-16, \$93,788. In subsequent years, the amount the City pays will be adjusted by the lesser of the C.P.I. or the overall percentage increase in deficit funding.

- c. In addition to the money described in sub-paragraph b, the City shall remit to the County, on a monthly basis, a portion of all license fees collected by it in the preceding month equal to \$2.50 per dog.
- d. The City shall be responsible for the removal and disposition of animal carcasses on City-owned property.
- e. The City shall remit to the County on a monthly basis, a report of owners whose dog's license has expired.

4. Severability:

If any portion of this Agreement is determined to be invalid by a Court of Law, such invalidity shall not render invalid any remaining portions of this Agreement.

5. Obligation Limited to Funds Available:

The County shall provide the services herein agreed upon within the confines of the funds available therefor and no funds shall be raised by taxation by the County to finance said dog control program.

6. Amendment and/or Modification:

The parties hereto agree that this agreement may be revised, amended and/or modified only in writing, signed by all parties and attached hereto.

7. Termination:

This agreement may be terminated by either party at the end of any calendar year by the giving of notice in writing at least six months prior to the end of said calendar year, said six month period to commence on the day of mailing of said notice.

8. No Waiver:

In the event that the terms and conditions of this agreement are not strictly enforced by the County, such non-enforcement shall not act or be deemed to act as a waiver or modification of this agreement, nor shall such non-enforcement prevent the County from enforcing each and every term of this agreement thereafter.

9. Compliance With All Laws:

The County agrees that during the performance of the work required pursuant to this agreement, the County and all employees working under its direction and within the scope of employment shall comply with all applicable federal, state, and local laws, ordinances, rules, and/or regulations controlling or limiting in any way the performance of the work required by this

agreement. Any and all provisions required by law to be incorporated into this agreement shall be deemed to be inserted herein, and this agreement shall be read and enforced in conformance with such provision(s).

10. Right of County to Subcontract Services:

The County retains the right to subcontract for veterinarian, euthanising and cremation services or any other services not enumerated and/or otherwise required under this Agreement.

11. Choice of Law:

This agreement shall be governed by and under the laws of the State of New York. In the event of a dispute between the parties under this agreement, venue for resolution of such dispute shall be the County of Jefferson, New York.

12. Notices:

Any and all notices and payments required hereunder shall be addressed as follows, or to such other address as may be designated hereafter in writing by either party:

Notice to the County:

County Administrator's Office  
195 Arsenal Street  
Watertown, NY 13601

Notice to the City:

City Manager's Office  
245 Washington Street  
Watertown, NY 13601

13. Extent of Agreement:

This agreement constitutes the entire integrated agreement between and among the parties hereto.

All of the above was established by the following signatures authorized by the respective parties.

Dated: \_\_\_\_\_

The City of Watertown

By: \_\_\_\_\_

Dated: \_\_\_\_\_

The County of Jefferson

By: \_\_\_\_\_

Tabled

December 30, 2014

To: The Honorable Mayor and City Council

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

Subject: Approving Whitewater Park Public Access Limited Use Agreement  
With Hole Brothers Holdings, LLC

The attached Resolution was introduced and Tabled on October 20, 2014.  
A copy of the Agreement can be found in the Agenda for the October 20 meeting.

It is recommended that this Resolution remain Tabled until a response is  
received from the New York State Department of State.

# RESOLUTION

Page 1 of 1

Approving Whitewater Park Public Access Limited Use Agreement with Hole Brothers Holdings, LLC

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
	4

### *Introduced by*

Council Member Teresa R. Macaluso

WHEREAS an Agreement with Hole Brothers Holdings LLC for the limited use for a portion of Whitewater Park has been drafted, and is attached and made part of this resolution, and

WHEREAS the City Council wishes to enter into said Agreement for the reasons recited in the Agreement,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown, New York, hereby approves the Whitewater Park Public Access Limited Use Agreement between the City of Watertown, New York, and Hole Brothers Holdings LLC, and

BE IT FURTHER RESOLVED that the Mayor, Jeffrey E. Graham, is hereby authorized and directed to sign the Limited Use Agreement on behalf of the City Council.

**Seconded by** Council Member Roxanne M. Burns

December 30, 2014

To: The Honorable Mayor and City Council  
From: James E. Mills, City Comptroller and Ann Saunders, City Clerk  
Subject: NYS Retirement System – Elected and Appointed Officials

The City has been notified by the NYS Retirement System that it needs to adopt a “Standard Workday and Reporting Resolution for Elected and Appointed Officials” (Form RS 2417) to include positions the State considers to be appointed. The adoption of this resolution does not alter the standard workdays already established for the City Council or appointed officials.

“Appointed officials” are defined as individuals who are appointed by an elected official, an appointed official or governing board. They hold an office in government and participate in the exercise of authority (either their own or that of their superior). This also includes appointees of elected and appointed officials, such as deputies, assistants or confidential secretaries. If the official does not have a designated term, the current term for the official who appointed them to the position should be used. The defined term dates are only for the purpose of this resolution. Competitive appointments through Civil Service do not need to be included in the resolution.

The resolution will include the following titles:

- City Manager
- Confidential Assistant to the City Manager
- Confidential Secretary to the City Manager
- City Clerk
- Deputy City Clerk
- City Comptroller
- Deputy City Comptroller
- Superintendent of Public Works
- City Engineer
- Superintendent of Parks and Recreation
- Superintendent of Water
- Planning and Community Development Coordinator
- Executive Secretary to the Civil Service Commission

A resolution will be presented to City Council for action once the State has reviewed our draft resolution.



Office of the New York State Comptroller  
 New York State and Local Retirement System  
 Employees' Retirement System  
 Police and Fire Retirement System  
 110 State Street, Albany, New York 12244-0001

# Standard Work Day and Reporting Resolution for Elected and Appointed Officials

RS 2417-A

(Rev. 3/14)

BE IT RESOLVED, that the \_\_\_\_\_ / \_\_\_\_\_ hereby establishes the following standard work days for these titles and  
(Name of Employer) (Location Code)

will report the officials to the New York State and Local Retirement System based on time keeping system records or their record of activities:

Title	Standard Work Day (Hrs/day) Min. 6 hrs Max. 8 hrs	Name (First and Last)	Social Security Number (Last 4 digits)	Registration Number	Tier 1 (Check only if member is in Tier 1)	Current Term Begin & End Dates (mm/dd/yy-mm/dd/yy)	Participates in Employer's Time Keeping System (Yes/No-If Yes, do not complete the last two columns)	Record of Activities Result*	Not Submitted (Check only if official did not submit their Record of Activities)
<b>Elected Officials</b>									
					<input type="checkbox"/>				<input type="checkbox"/>
					<input type="checkbox"/>				<input type="checkbox"/>
					<input type="checkbox"/>				<input type="checkbox"/>
<b>Appointed Officials</b>									
					<input type="checkbox"/>				<input type="checkbox"/>
					<input type="checkbox"/>				<input type="checkbox"/>
					<input type="checkbox"/>				<input type="checkbox"/>

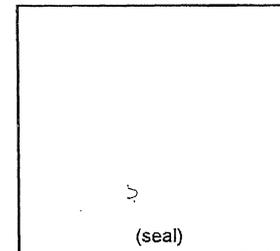
SEE INSTRUCTIONS FOR COMPLETING FORM ON REVERSE SIDE

I, \_\_\_\_\_, secretary/clerk of the governing board of the \_\_\_\_\_, of the State of New York,  
(Name of secretary or clerk) (Circle one) (Name of Employer)  
 do hereby certify that I have compared the foregoing with the original resolution passed by such board at a legally convened meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ on file as part of the minutes of such meeting, and that same is a true copy thereof and the whole of such original.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the \_\_\_\_\_ on this \_\_\_\_\_ day  
 of \_\_\_\_\_, 20\_\_, \_\_\_\_\_  
(Signature of the secretary or clerk) (Name of Employer)

Affidavit of Posting: I, \_\_\_\_\_, being duly sworn, deposes and says that the posting of the  
(Name of secretary or clerk)  
 Resolution began on \_\_\_\_\_ and continued for at least 30 days. That the Resolution was available to the public on the  
(Date)

- Employer's website at \_\_\_\_\_
- Official sign board at \_\_\_\_\_
- Main entrance secretary or clerk's office at \_\_\_\_\_



### Instructions for completing the Standard Work Day and Reporting Resolution

A.	B.	C.	D.	E.	F.	G.	H.	I.	J.
Title	Standard Work Day <i>(Hrs/day) Min. 6 hrs Max. 8 hrs</i>	Name <i>(First and Last)</i>	Social Security Number <i>(Last 4 digits)</i>	Registration Number	Tier 1 <i>(Check only if member is in Tier 1)</i>	Current Term Begin & End Dates <i>(mm/dd/yy-mm/dd/yy)</i>	Participates in Employer's Time Keeping System <i>(Yes/No-If Yes, do not complete the last two columns)</i>	Record of Activities Result*	Not Submitted <i>(Check only if official did not submit their Record of Activities)</i>
<b>Elected Officials</b>									
Highway Superintendent	8.00	John Smith	0000	0101010-1		1/1/2010-12/31/2013	N	32.79	
Receiver of Taxes	6.00	Michelle Jones	1111	0202020-2	X	1/1/2010-12/31/2014	N	NA	
Town Justice	6.25	Michael Hall	2222	0303030-3		1/1/2010-12/31/2011	N		X
<b>Appointed Officials</b>									
Planning Board Member	7.00	Joseph Gray	3333	0404040-4		1/1/2010-12/31/2010	N	17.54	
Assessor	7.50	Ann Hughes	4444	0505050-5		1/1/2010-12/31/2010	Y		

- A. **Title:** All paid elected and appointed officials (who are active members of the Retirement System) must be listed. For the purpose of the regulation, an "appointed official" is someone who is appointed by an elected official, an appointed official or governing board. They hold an office in an organization or government and participate in the exercise of authority. This also includes appointees of elected and appointed officials such as deputies, assistants or confidential secretaries.
- B. **Standard Work Day:** The minimum number of hours that can be established for a standard work day (SWD) is **six**, while the maximum is **eight**. A SWD is the denominator to be used for the days worked calculation; it is not necessarily always the number of hours a person works. For example, if a board member only attends one three-hour board meeting per month, you must still establish a SWD between six and eight hours as the denominator for their record of activities (ROA) calculation.
- C. **Name:** The official's complete first and last name must be included for identification purposes.
- D. **Social Security Number:** The last four digits of the official's Social Security Number must be included for identification purposes. For security purposes, the last four digits of the Social Security Number can be omitted from the publicly posted version.
- E. **Registration Number:** The official's Registration Number must be included for identification purposes. For security purposes, the Registration Number can be omitted from the publicly posted version.
- F. **Tier 1:** If the official is a Tier 1 member, this box should be checked. Tier 1 members are not required to keep a ROA.
- G. **Current Term Begin & End Dates:** All officials listed on the Resolution must have a specified Term End date. Leaving this column blank or listing 'Tenure/At Pleasure' is not acceptable. If the official does not have a designated term, the current term for the official who appointed them to the position should be used. If they are appointed by the governing board, the chairman of the board's term should be used.
- H. **Participates in the Employer's Time Keeping System:** If the official is paid hourly or participates in the employer's time keeping system, Yes must be listed in this column. These officials are not required to keep a sample ROA and the Record of Activities Result column must be left blank. If the official is not paid hourly or does not participate in the employer's time keeping system, No must be listed in this column. Elected officials who are paid a salary and are not subject to an accrual system typically fall into this category. These officials are required to keep a sample three-month ROA, regardless of whether they are being reported by another employer for the same period, and the Record of Activities Result column must list the average number of days worked per month as calculated using the sample three-month ROA.
- I. **Record of Activities Result\*:** This column should only be completed for officials who are not paid hourly or do not participate in the employer's time keeping system and are required to keep a sample three-month ROA. This column must be left blank if an official does not submit their required sample three-month ROA. To determine the average number of days worked per month, you must divide the total number of hours documented on the three-month ROA by three months to get a one-month average number of hours worked. Then, the one-month average number of hours worked must be divided by the SWD to get the average number of days worked per month.
- J. **Not Submitted:** This column must be checked if an official does not participate in the time keeping system and has not submitted the required sample three-month ROA within the 150 day requirement, regardless of whether they are being reported by another employer for the same period. If the Retirement System receives such a Resolution, it will contact the official to notify them of the consequences of not submitting the ROA.

Once passed, the Resolution must be posted on your public website for a minimum of 30 days or, if a website isn't available to the public, on the official sign-board or at the main entrance to the clerk's office. A certified copy of the Resolution and Affidavit of Posting must be filed with the Office of the State Comptroller within 45 days of the adoption. The Resolution and Affidavit can be submitted online via the Elected and Appointed Officials Reporting (EAOR) program.

\*To determine the number of days worked to include on the monthly report for the various payroll frequencies, please refer to the Calculating Days Worked instructions available in the 'Reporting Elected & Appointed Officials' section of our website: [http://www.osc.state.ny.us/retire/employers/elected\\_appointed\\_officials/index.php](http://www.osc.state.ny.us/retire/employers/elected_appointed_officials/index.php)



December 23, 2014

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Fiscal Year 2014-15 GASB 45 Other Post-employment Benefits Actuarial Valuation

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 45 "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*" the City has had Armory Associates, LLC value the City's retirement health plan obligations. The City is required to obtain a full valuation on a biennial basis and prepare an interim valuation for the years in between the full valuation.

The following report calculates the City's total actuarial accrued liability at \$127,195,942. The City continues to meet its retirement healthcare obligations on a pay-as-you-go basis and is not required to fund the outstanding actuarially calculated liability. Currently New York State does not have a statute that authorizes governments to create trusts to set aside assets for OPEB purposes.

	<u>FY 2008-09</u> (Full Valuation)	<u>FY 2010-11</u> (Full Valuation)	<u>FY 2012-13</u> (Full Valuation)	<u>FY 2014-15</u> (Full Valuation)
Actuarial Accrued Liability	\$106,599,921	\$112,726,495	\$130,841,681	\$127,195,942
Plan Participant Counts:				
Active	306	283	321	312
Retired employees and beneficiaries	280	294	295	305
Spouses covered	195	200	200	201
Total Participants	781	777	816	818

# City of Watertown

GASB 45 Other Post-employment Benefits  
Actuarial Valuation for the Fiscal Year  
Ending June 30, 2015

Prepared by:



Ph: 315-752-0060  
Fax: 315-752-0057  
120 Walton Street, Suite 601  
Syracuse, NY 13202

November 21, 2014

Mr. James Mills  
City Comptroller  
City of Watertown  
245 Washington Street  
Suite 203  
Watertown, NY 13601

Dear Mr. Mills:

Armory Associates, LLC have been retained by the City of Watertown for the purpose of determining the obligation and cost in accordance with the Governmental Accounting Standard No. 45 (GASB), **Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.**

We have examined the assumptions and methods used in determining the liabilities and cost associated with the actuarial valuation of the postretirement benefit plan in accordance with the GASB #45 standard, including but not limited to the following:

- Present Value of Future Benefits (PVFB)
- Actuarial Accrued Liability (AAL)
- Annual Required Contribution (ARC)
- Annual OPEB Cost (AOC)
- Projected Net OPEB Obligation (NOO)
- 20-Year Cash Flow Projections

We relied upon underlying records and/or summaries prepared by the responsible officer or employees of the organization. In other respects, our examination included such review of the assumptions and methods used and such tests of the calculations as we considered necessary.

In our opinion, the amounts carried in the balance sheet on account of the items identified above:

- Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles.
- Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the Statement was prepared.

I, the undersigned, am a Consulting Actuary for Armory Associates, LLC, am a member of the American Academy of Actuaries and meet the Qualification Standards of the Academy to render the actuarial opinion contained herein. To the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principals which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Respectfully submitted,



Damon R. Hacker, ASA, MAAA  
Executive Vice President  
Armory Associates, LLC

Ph: 315-752-0060  
Fax: 315-752-0057

120 Walton Street, Suite 601  
Syracuse, NY 13202

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**SECTION 1: EXECUTIVE SUMMARY**

City of Watertown provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for employee services rendered. An employee's total compensation package includes not only the salaries and benefits received during active service, but all compensation and benefits received for their services during postemployment. Nevertheless, both types of benefits constitute compensation for employee services.

The summary below identifies the value of postemployment health care benefits for the fiscal year ending June 30, 2015. Results on this page are separated by Government units. View the Addendum at the end of this report for the results of this valuation divided into the City's five labor unions.

**City of Watertown**  
**Postretirement Health Care Benefits Program**  
*For Fiscal Year Ending June 30, 2015*  
**Actuarial Accrued Liability and Annual OPEB Cost by Employee Fund**

<b>Actuarial Accrued Liability (AAL)</b>	<b>Government</b>	<b>Sewer</b>	<b>Water</b>	<b>Total</b>
Retirees & Dependents	\$79,211,337	\$2,808,744	\$3,144,365	\$85,164,446
Actives	33,153,727	4,408,959	4,468,810	42,031,496
<b>Total Actuarial Accrued Liability</b>	<b>\$112,365,064</b>	<b>\$7,217,703</b>	<b>\$7,613,175</b>	<b>\$127,195,942</b>
Additional Obligation attributable to future service	21,498,772	1,189,508	1,215,271	23,903,551
<b>Present Value of Total Future Liability</b>	<b>\$133,863,836</b>	<b>\$8,407,211</b>	<b>\$8,828,446</b>	<b>\$151,099,493</b>

<b>Annual Required Contribution (ARC)</b>				
Normal Cost for Fiscal Year	\$1,676,206	\$126,281	\$129,435	\$1,931,922
Amortization of Unfunded Actuarial Accrued Liability	4,435,367	284,903	300,513	5,020,783
<b>Annual Required Contribution (ARC)</b>	<b>\$6,111,573</b>	<b>\$411,184</b>	<b>\$429,948</b>	<b>\$6,952,705</b>

<b>Annual OPEB Cost</b>				
Annual Required Contribution (ARC)	\$6,111,573	\$411,184	\$429,948	\$6,952,705
Interest on Net OPEB Obligation	461,284	32,414	52,764	546,462
Adjustment to Annual Required Contribution	(440,671)	(30,965)	(50,406)	(522,042)
<b>Annual OPEB Cost</b>	<b>\$6,132,186</b>	<b>\$412,633</b>	<b>\$432,306</b>	<b>\$6,977,125</b>

<b>Net OPEB Obligation</b>				
Net OPEB Obligation - beginning of year	\$11,532,130	\$810,342	\$1,319,088	\$13,661,560
Annual OPEB Cost	6,132,186	412,633	432,306	6,977,125
Expected Employer Contributions	(3,662,353)	(144,536)	(175,729)	(3,982,618)
<b>Expected Net OPEB Obligation - end of year</b>	<b>\$14,001,963</b>	<b>\$1,078,439</b>	<b>\$1,575,665</b>	<b>\$16,656,067</b>

\* These projections are based on the results of the September 01, 2014 valuation using a discount rate of 4%.

## SECTION 2: INTRODUCTION

Armory Associates, LLC is very pleased to be working with City of Watertown. City of Watertown contracted with Armory Associates, LLC to assist in the determination of the present liability for postemployment medical insurance costs for the entire medical plan membership of City of Watertown. This analysis has been completed in accordance with GASB Statement No. 45; Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions.

One of the most important foundational concepts to keep in mind throughout this analysis is that postemployment liabilities are being impacted by the fact that people are retiring earlier in life and living longer lives. With the average retirement age being approximately fifty-five (55) years old in the public sector and with people routinely living into their nineties (90's), employers are having to utilize a greater portion of their operating budget each year to account for the extending periods of time in which benefit expenses are incurred.

The motives behind such identification and funding of this liability is threefold:

- It is prudent that your business' annual budget recognizes the future financial obligations and/or liabilities associated with all benefits promised to both employees and retirees;
- Awareness of the expected liabilities prevents future budgets from being overburdened with the financial obligations associated with the cost of retiree benefits; and
- A sufficient system for funding postemployment benefits safeguards retirees in the unlikely event that the employer becomes no longer a viable entity.

The goal of this process is not necessarily to fund the liability today, but rather to accurately identify the liability and establish a plan to effectively and efficiently manage the liability over time. This process will prepare City of Watertown for the financial impact associated with the pressures of providing sufficient postemployment benefits to the employees and retirees.

Armory Associates, LLC will be available to answer all questions regarding this report or any other issues concerning City of Watertown. Should you have any additional questions regarding the information contained herein, please feel free to contact us at our offices by phone at (315) 752-0060.

We would like to thank City of Watertown for this opportunity to serve as your consultant and we look forward to continuing a mutually beneficial relationship for many years to come.

### SECTION 3: COMPARISON TO PREVIOUS FULL VALUATION

Actuarial gains and losses result from differences between the expectations of the prior valuation and the re-measurement of the current valuation. Please keep in mind that future actuarial valuation results may differ significantly from the current measurements presented due to changes in factors such as: demographic gains/losses, assumption changes, trend rate adjustments, accrued plan experience, health care legislation, and benefit plan changes. The following is a summary of the differences and their associated factors between the July 1, 2012 valuation and the current July 1, 2014 valuation:

#### Demographic Changes

- Demographic (gain)/loss comes from many sources, such as rates of termination, retirement, and election of health care benefits. Some demographic shifts occurred between 2012 and 2014. The City has 9 fewer active employees and 10 more retirees.
- There are 41 new hires since 2012 included in this year's valuation.
- The previous valuation assumed that from 2012-2014, 35 actives would retire, two more than actual experience. One retiree was also added to the valuation that was not included in the previous valuation.

#### Assumption Changes

- Updated the New York State Withdrawal & Mortality Tables for ERS members. The result of these changes was a slight decrease in the liability.

#### Plan Provision Changes

- IBEW members hired on/after July 1, 2013 will contribute 25% of the premium for individual or family coverage. No current active employee is affected by this change.

#### Health Cost Trend Changes

- Health cost (gain)/loss estimates the effect of actual 2012-2014 health cost trend compared with projections in the July 1, 2012 valuation. Health plan premiums & claims in 2014 were about 10% lower than assumed 2012-2014 trends. The lower than expected increases in health care costs resulted in a decrease in the liability.

### Comparison Summary

This exhibit compares the results from the previous July 1, 2010 valuation with the results of the current July 1, 2012 valuation. The July 1, 2011 AAL and Normal Cost are rolled-forward in time with interest and reduced by benefits expected to have been received in order to reconcile the expected July 1, 2012 AAL with the actual July 1, 2012 AAL:

<b>Expected September 1, 2014 Actuarial Accrued Liability (AAL)</b>	
September 1, 2013 Actuarial Accrued Liability (roll-forward of Sep. 1, 2012 AAL)	134,515,815
September 1, 2013 Normal Cost	2,216,056
Interest Cost on above (4%)	5,469,275
2013 Expected Employer Contributions	(4,025,882)
<b>Expected September 1, 2014 Actuarial Accrued Liability</b>	<b>138,175,264</b>

<b>Reconciled (Gain)/Loss of Plan Changes</b>	
Impact of Changes to Trend, Premiums, and Claims	(12,481,832)
Impact of Changes to Withdrawal & Retirement Tables	(557,836)
Impact of Changes to Plan Provisions	0
Demographics (Gain)/Loss	2,060,346
<b>Plan Changes (Gain)/Loss</b>	<b>(10,979,322)</b>

<b>Actual September 1, 2014 Actuarial Accrued Liability</b>	
Expected September 1, 2014 Actuarial Accrued Liability	138,175,264
Plan Changes (Gain)/Loss	(10,979,322)
<b>Actual September 1, 2014 Actuarial Accrued Liability</b>	<b>127,195,942</b>

**SECTION 4: 20-YEAR PAYOUT PROJECTION**

The table below is a 20-year pay-as-you-go cash flow projection for the OPEB plan and does not include the cost of benefits for currently employed members. The projections are broken down into current retiree cost projections and future retiree cost projections.

**20-Year Pay-As-You-Go Projection**

<b>Fiscal Year Ending</b>	<b>Total</b>
2015	\$3,982,618
2016	\$4,181,004
2017	\$4,413,163
2018	\$4,654,569
2019	\$4,927,837
2020	\$5,165,192
2021	\$5,473,685
2022	\$5,682,898
2023	\$5,952,599
2024	\$6,232,746
2025	\$6,520,381
2026	\$6,858,918
2027	\$7,148,702
2028	\$7,513,559
2029	\$7,734,788
2030	\$7,910,761
2031	\$8,320,576
2032	\$8,725,181
2033	\$9,069,794
2034	\$9,480,031

**SECTION 5: DEMOGRAPHIC INFORMATION**

The following tables summarize active and retiree demographic information.

Age Group	Active Service Report									Total	
	Years of Service										
	0-4	5-9	10-14	15-19	20-25	26-30	31-35	36-40	40+		
0-19	0	0	0	0	0	0	0	0	0	0	0
20-24	3	1	0	0	0	0	0	0	0	0	4
25-29	21	6	0	0	0	0	0	0	0	0	27
30-34	14	18	4	0	0	0	0	0	0	0	36
35-39	14	25	11	1	0	0	0	0	0	0	51
40-44	9	12	12	13	3	0	0	0	0	0	49
45-49	8	5	3	11	6	5	0	0	0	0	38
50-54	7	11	4	4	8	13	4	0	0	0	51
55-59	2	8	4	4	2	8	4	1	0	0	33
60-64	1	3	5	1	4	6	2	0	0	0	22
65-69	0	0	1	0	0	0	0	0	0	0	1
70-74	0	0	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>79</b>	<b>89</b>	<b>44</b>	<b>34</b>	<b>23</b>	<b>32</b>	<b>10</b>	<b>1</b>	<b>0</b>		<b>312</b>

Actives Not Fully Eligible:	241
Actives Fully Eligible:	71

Actives Average Age:	43.7
----------------------	------

Age Group	Retiree Count
0-19	0
20-24	0
25-29	0
30-34	0
35-39	0
40-44	2
45-49	6
50-54	17
55-59	29
60-64	61
65-69	76
70-74	44
75-79	32
80-84	15
85+	23
<b>Total</b>	<b>305</b>

	Male	Female	Total
Active	260	52	312
Retirees & Beneficiaries	260	45	305
Covered Spouses	16	185	201

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**SECTION 6: METHODS AND ASSUMPTIONS**

<b>Actuarial Cost Method</b>	Entry Age Normal Cost Method - Level Percent of Pay
<b>Discount Rate</b>	4%
<b>Salary/Payroll Growth Rate</b>	3%
<b>Plan Type</b>	Single Employer Defined Benefit Plan
<b>Mortality - Actives</b>	The RP-2000 Mortality Table for employees, sex distinct, with generational mortality using scale AA.
<b>Mortality – Retirees</b>	The RP-2000 Mortality Table for Health Annuitants, sex distinct, with generational mortality using scale AA.
<b>Turnover</b>	Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant in the report titled, <u>Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation</u> . Please refer to Exhibits 6-1 and 6-2 for the complete turnover tables.
<b>Retirement Incidence</b>	Rates of decrement due to retirement based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant in the report titled, <u>Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation</u> . Please refer to Exhibits 6-3 through 6-5 for the complete retirement incidence tables.

**Medical Trend**

To Fiscal Year Ending	Medical/Rx Blended Trend Rates
2015	7.50%
2016	7.25%
2017	7.00%
2018	6.50%
2019	6.10%
2024	5.90%
2029	6.10%
2034	5.90%
2044	5.30%
2054	5.00%
2064	4.90%
2074	4.70%
2084	4.40%

The above trend rates were developed using the baseline projection of the SOA Long-Run Medical Cost Trend Model. The short term (first 4 years) trend rates were based on the recent premium rate history for City of Watertown. The long-term (after 4 years) trend rates were based on the following assumptions:

Rate of Inflation: 2.9%

Rate of Growth in Real Income / GDP per capita: 1.7%

Income Multiplier for Health Spending: 1.40

Extra Trend due to Technology and other factors: 1.2%

Health Share of GDP Resistance Point: 25%

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group. The above schedule represents a reasonable medical trend projection for the current plan provisions and demographics of the Retiree Welfare Benefits Plan, and no changes to these baseline assumptions are necessary.

**Election Percentage**

Upon retirement it is assumed that eligible employees will elect for post-retirement health care benefits at the following rates:

Participant Group	% Electing Coverage
Retiree	100%
Retiree's Spouse	100%
Surviving Spouse	25%

**Marriage Rate**

It is assumed that 70% of retirees will be married at the time of their retirement, with the male spouse assumed to be approximately 3 years older than the female.

**Length of Coverage**

It has been assumed for this valuation that all current and future retirees who will be required to contribute more than 80% of premiums upon turning 65 years of age will terminate their coverage upon turning 65 years of age. All other members are assumed to remain enrolled in coverage for life.

**Morbidity**

To reflect the differences in covered health care expenses due to aging, the expected health care claims are assumed to increase relative to the participant's age as follows:

Age	Annual Increase
45-49	3.00%
50-54	3.30%
55-59	3.60%
60-64	4.20%
65-69	3.00%
70-74	2.50%
75-79	2.00%
80-84	1.00%
85-89	0.50%
90+	0.00%

The aforementioned age related morbidity rates are based on results from Table 4 of "Aging Curves for Health Care Costs in Retirement," by Jeffrey Petertil, published in the **North American Actuarial Journal**, July 2005.

**Per Capita Costs**

The City of Watertown medical plan is a self-funded plan that is available to all actives and retirees. The following table presents per capita costs of the plan, including administrative fees, which were used to calculate the actuarial accrued liability:

Age	Self-Funded Plan
45-49	\$7,186
50-54	\$8,303
55-59	\$9,740
60-64	\$11,667
65-69	\$5,000
70-74	\$5,670
75-79	\$6,295
80-84	\$6,308
85-89	\$7,030
90+	\$7,129

**Amortization Period**

The period used to determine amortization costs for the Unfunded Actuarial Accrued Liability is a level period of thirty (30) years.

**Amortization Method**

Level percent of pay open.

**Patient Protection and Affordable Health Care Act (PPACA) Assumptions****Threshold Increase**

It was assumed that there would be no initial increase to the 2018 threshold amounts. The following are the 2018 thresholds:

Coverage	2018 Threshold	Amount Added to Thresholds for Ages 55-64
Individual	\$10,200	\$1,650
Family & All Other Tiers	\$27,500	\$3,450

**Threshold Trend**

After 2018 the cost thresholds are indexed by CPI (CPI +1% in 2019 only). A CPI of 3% was used for this valuation.

**Cost Attribution**

It was assumed that the plan administrator would pass additional excess costs to the plan sponsors via increased premium rates.

**Assumed Gross-Up Tax Rate**

No gross-up tax rate was used in this valuation.

**Retiree Contributions**

It was assumed for this valuation that the City would pass on costs related to the excise tax onto retirees at the average contribution rate for retirees.

**Additional Requirements**

For purposes of this valuation, the following aspects of the PPACA have been incorporated into the underlying premium costs:

- Extended coverage for children
- 100% coverage of preventive care.

The following aspects of the PPACA result in no additional employer liability:

- Elimination of lifetime maximum benefits.
- Removal of the limits on essential healthcare.

**Exhibit 6-1: NYSERS Turnover Table**

Age	Years of Service					
	<2	2-2.99	3-3.99	4-4.99	5-9.99	>=10
15	18.375%	10.298%	6.792%	5.938%	4.333%	2.727%
16	18.375%	10.298%	6.792%	5.938%	4.333%	2.727%
17	18.375%	10.298%	6.792%	5.938%	4.333%	2.727%
18	18.375%	10.298%	6.792%	5.938%	4.333%	2.727%
19	18.375%	10.298%	6.792%	5.938%	4.333%	2.727%
20	18.259%	10.298%	6.792%	5.938%	4.333%	2.727%
21	18.011%	10.298%	6.792%	5.938%	4.333%	2.727%
22	17.680%	10.298%	6.792%	5.938%	4.333%	2.727%
23	17.286%	10.853%	8.065%	6.339%	4.505%	2.727%
24	16.840%	11.240%	8.865%	6.671%	4.628%	2.727%
25	16.362%	11.473%	9.293%	6.919%	4.701%	2.727%
26	15.892%	11.592%	9.493%	7.107%	4.727%	2.727%
27	15.479%	11.621%	9.587%	7.282%	4.719%	2.727%
28	15.157%	11.569%	9.645%	7.485%	4.690%	2.688%
29	14.917%	11.436%	9.683%	7.721%	4.655%	2.643%
30	14.716%	11.226%	9.682%	7.945%	4.620%	2.588%
31	14.502%	10.953%	9.602%	8.084%	4.589%	2.522%
32	14.240%	10.645%	9.411%	8.065%	4.563%	2.447%
33	13.929%	10.326%	9.100%	7.855%	4.539%	2.369%
34	13.592%	10.015%	8.695%	7.483%	4.510%	2.290%
35	13.264%	9.712%	8.247%	7.028%	4.472%	2.215%
36	12.972%	9.407%	7.814%	6.587%	4.418%	2.140%
37	12.731%	9.086%	7.440%	6.238%	4.345%	2.063%
38	12.538%	8.747%	7.146%	6.016%	4.254%	1.982%
39	12.387%	8.405%	6.926%	5.903%	4.146%	1.904%
40	12.262%	8.081%	6.755%	5.845%	4.033%	1.830%
41	12.148%	7.793%	6.610%	5.783%	3.919%	1.768%
42	12.033%	7.553%	6.473%	5.676%	3.812%	1.719%
43	11.910%	7.360%	6.336%	5.512%	3.716%	1.683%
44	11.782%	7.208%	6.202%	5.306%	3.629%	1.653%
45	11.659%	7.089%	6.079%	5.094%	3.550%	1.620%
46	11.560%	6.995%	5.968%	4.906%	3.472%	1.572%
47	11.499%	6.926%	5.870%	4.766%	3.389%	1.504%
48	11.485%	6.880%	5.777%	4.680%	3.301%	1.419%
49	11.516%	6.856%	5.688%	4.639%	3.210%	1.329%
50	11.577%	6.849%	5.608%	4.625%	3.122%	1.250%
51	11.642%	6.854%	5.549%	4.620%	3.048%	1.189%
52	11.688%	6.865%	5.524%	4.608%	2.990%	1.148%
53	11.697%	6.877%	5.547%	4.583%	2.951%	1.125%
54	11.670%	6.891%	5.620%	4.546%	2.926%	1.112%
55	11.623%	6.914%	5.736%	4.508%	2.912%	1.105%
56	11.594%	6.955%	5.875%	4.484%	2.906%	1.103%
57	11.633%	7.031%	6.023%	4.493%	2.908%	1.105%
58	11.790%	7.155%	6.170%	4.547%	2.916%	1.110%
59	12.106%	7.338%	6.311%	4.653%	2.927%	1.116%
60	12.585%	7.589%	6.453%	4.808%	2.940%	1.124%
61	13.185%	7.894%	6.594%	5.001%	2.954%	1.132%
62	13.796%	8.223%	6.726%	5.212%	2.966%	1.138%
63	13.796%	8.223%	6.726%	5.212%	2.966%	1.138%
64	13.796%	8.223%	6.726%	5.212%	2.966%	1.138%
65	13.796%	8.223%	6.726%	5.212%	2.966%	1.138%
66	13.796%	8.223%	6.726%	5.212%	2.966%	1.138%
67	13.796%	8.223%	6.726%	5.212%	2.966%	1.138%
68	13.796%	8.223%	6.726%	5.212%	2.966%	1.138%
69	13.796%	8.223%	6.726%	5.212%	2.966%	1.138%
70	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Exhibit 6-2: PFRS Turnover Table

Years of Service	Turnover Rates
0	7.427%
1	4.223%
2	2.325%
3	1.510%
4	1.277%
5	1.211%
6	1.105%
7	0.958%
8	0.806%
9	0.662%
10	0.546%
11	0.447%
12	0.392%
13	0.395%
14	0.417%
15	0.427%
16	0.405%
17	0.337%
18	0.264%
19	0.215%
20	0.215%
21	0.260%
22	0.344%
23	0.344%
24	0.344%
25	0.344%
26	0.344%
27	0.344%
28	0.344%
29	0.344%
30	0.344%
31	0.344%
32	0.344%
33	0.344%
34	0.344%
35	0.344%
36	0.344%
37	0.344%
38	0.344%
39	0.344%

**Exhibit 6-3: NYSERS Tiers 2,3,4 Retirement Incidence Table**

Age	Years of Service		
	< 20	20-29.99	>= 30
55	5.923%	8.206%	41.847%
56	3.858%	4.789%	19.822%
57	3.839%	4.887%	18.561%
58	3.993%	5.426%	18.220%
59	4.336%	6.459%	18.802%
60	4.888%	7.811%	19.944%
61	8.169%	16.183%	24.296%
62	14.912%	32.164%	35.967%
63	10.952%	21.710%	24.163%
64	12.035%	21.020%	23.513%
65	15.763%	25.788%	27.753%
66	15.360%	25.820%	28.852%
67	12.425%	20.575%	22.782%
68	12.378%	19.431%	24.346%
69	13.189%	20.578%	23.787%
70	100.000%	100.000%	100.000%

**Exhibit 6-4: NYSERS Tier 5 Retirement Incidence Table**

Age	Years of Service		
	< 20	20-29.99	>= 30
55	4.767%	6.619%	41.847%
56	3.098%	3.849%	19.822%
57	3.083%	3.928%	18.561%
58	3.207%	4.364%	18.220%
59	3.484%	5.201%	18.802%
60	3.929%	6.298%	19.944%
61	6.589%	13.160%	24.296%
62	30.590%	38.923%	76.487%
63	10.952%	21.710%	24.163%
64	12.035%	21.020%	23.513%
65	15.763%	25.788%	27.753%
66	15.360%	25.820%	28.852%
67	12.425%	20.575%	22.782%
68	12.378%	19.431%	24.346%
69	13.189%	20.578%	23.787%
70	100.000%	100.000%	100.000%

**Exhibit 6-5: NYSPFRS Retirement Incidence Table**

Years of Service	Retirement Rates
20	7.322%
21	7.073%
22	8.349%
23	5.671%
24	5.058%
25	8.781%
26	8.084%
27	10.850%
28	13.515%
29	15.451%
30+	18.469%

**SECTION 7: PLAN PROVISIONS****Health Plans:**

City of Watertown provides healthcare coverage to its retiree's through its own self-funded plan, administered by POMCO. A summary of health benefits under this plan is as follows:

City of Watertown Health Plan Benefit Summary		
	In-Network	Out-of-Network
Deductible	\$120 Individual \$360 Family	
Coinsurance	100% after copay/deductible	80% UCR for first \$500, 100% UCR thereafter (\$100/\$300 limit)
Inpatient Hospitalization	Covered in full	
Office Visits	Non-Management: \$7 Management: \$4	Non-Management: \$15 Management: \$8
Emergency Room	Covered in full	
Maximum Benefit	Unlimited (Organ Transplant Exception)	
Prescription Drugs		
30 Day Supply	Police & Fire: \$5/\$20/\$35 CSEA/Management: \$5/\$10/\$30	
90 Day Supply	Police & Fire: \$5/\$15 CSEA/Management: \$2.50/\$7.50	

**Premium Rates:**

The following are the monthly premium equivalent rates for both medical and prescription drug effective July 1, 2014. The premium equivalent rates are calculated based on the experience and demographic of the City and include administration and stop loss fees.

2014-2015 Monthly Medical Plan Premium Equivalent Rates	
Individual	\$583.26
Family	\$1,306.50
IBEW	\$1,155.00

Monthly Administration & Stop Loss fees for 2014 are as follows:

Administration Fees

Pomco: \$25.58 per member per month

ProAct: \$.29 per claim (ends 1/1/2015)

Stop Loss Fees

Single: \$21.13

Family: \$60.01

Aggregate: \$4.40 per member per month

**Retiree Eligibility & Contribution Requirements**

All active employees and retirees are subject to the following eligibility and contribution requirements:

**Watertown Police Benevolent Association**

**Total Active Members: 63**

**Total Retired Members: 77**

**Eligibility:** Members must be eligible to retire under the New York State Police & Fire Retirement System (PFRS) to be eligible for postemployment benefits from the City. A minimum of twenty (20) years of service is required for eligibility in PFRS.

**Contributions:** Retiree contributions to medical coverage are based on the retiree's hire date as follows:

- Hired before June 30, 1983: Retirees receive 100% paid coverage from the City for individual or family coverage.
- Hired between July 1, 1983 & June 9, 1998: 13% of the premium for individual or family coverage.
- Hired after June 9, 1998: 13% of the premium for pre-65 individual or family coverage, 100% of the premium for post-65 individual or family coverage.

Surviving spouses may continue coverage at 100% of the individual premium cost.

**Medicare Part B:** The City of Watertown reimburses the full Medicare Part B premium rates to retirees, spouses, and surviving spouses.

**Length of Coverage:** Lifetime. It has been assumed for this valuation that members would terminate coverage at 65 years of age if required to contribute greater than 80% of premiums for post-65 coverage.

**Management Employees****Total Active Members: 35****Total Retired Members: 32**

**Eligibility:** Members must be eligible to retire under the New York State Employees Retirement System (ERS) to be eligible for postemployment benefits from the City. A minimum age of fifty-five (55) with a minimum of five (5) years of service for Tier 1-4 members or ten (10) years of service for Tier 5 members is required for eligibility in ERS.

**Contributions:** Retiree contributions to medical coverage are based on the retiree's hire date and Management level as follows:

- Hired before July 1, 1983: Retirees receive 100% paid coverage from the City for individual or family coverage.
- Hired between July 1, 1983 & January 1, 1996: For single coverage, retiree pays \$25 less than the contribution for family coverage on a bi-weekly basis. For family coverage, retiree pays 25% of the difference in premiums between individual and family coverage on a bi-weekly basis.
- Hired on/after January 1, 1996: For pre-65 single coverage, retiree pays \$25 less than the contribution for family coverage on a bi-weekly basis. Post-65 single coverage requires retirees to pay 100% of the premium. For pre-65 family coverage, retiree pays 25% of the difference in premiums between individual and family coverage on a bi-weekly basis. Post-65 family coverage requires retirees to pay 100% of the premium.
- Management promoted to Upper-Level on/after August 12, 2000: For pre-65 single coverage, retiree pays \$25 less than the contribution for family coverage on a bi-weekly basis. Post-65 single coverage requires retirees to pay 20% of the premium. For pre-65 family coverage, retiree pays 25% of the difference in premiums between individual and family coverage on a bi-weekly basis. Post-65 family coverage requires retirees to pay 20% of the premium.
- Hired on/after January 1, 2012: 25% of the premium for individual coverage, 19% of the premium for family coverage, with coverage ending at 65 years of age.

Surviving spouses may continue coverage at 100% of the individual premium cost.

**Medicare Part B:** The City of Watertown reimburses the full Medicare Part B premium rates to retirees, spouses, and surviving spouses.

(cont.)

**Management Employees (cont.)**

**Length of Coverage:** Lifetime for members hired prior to January 1, 2012. Members hired on/after January 1, 2012 covered until age 65. It has been assumed for this valuation that members would terminate coverage at 65 years of age if required to contribute greater than 80% of premiums for post-65 coverage.

**Watertown Professional Fire Fighters' Association (Local 191)**

**Total Active Members: 74**

**Total Retired Members: 89**

**Eligibility:** Members must be eligible to retire under the New York State Police & Fire Retirement System (PFRS) to be eligible for postemployment benefits from the City. A minimum of twenty (20) years of service is required for eligibility in PFRS.

**Contributions:** Retiree contributions to medical coverage are based on the retiree's hire date as follows:

- Hired before June 30, 1983: Retirees receive 100% paid coverage from the City for individual or family coverage.
- Hired between July 1, 1983 & October 9, 1997: 12% of the premium for individual or family coverage.
- Hired after October 9, 1997: 12% of the premium for pre-65 individual or family coverage, 100% of the premium for post-65 individual or family coverage.

Surviving spouses may continue coverage at 100% of the individual premium cost.

**Medicare Part B:** The City of Watertown reimburses the full Medicare Part B premium rates to retirees, spouses, and surviving spouses.

**Length of Coverage:** Lifetime. It has been assumed for this valuation that members would terminate coverage at 65 years of age if required to contribute greater than 80% of premiums for post-65 coverage.

**Civil Service Employees Association (Local 1000)****Total Active Members: 137****Total Retired Members: 107**

**Eligibility:** Members must be eligible to retire under the New York State Employees Retirement System (ERS) to be eligible for postemployment benefits from the City. A minimum age of fifty-five (55) with a minimum of five (5) years of service for Tier 1-4 members or ten (10) years of service for Tier 5 members is required for eligibility in ERS.

**Contributions:** Retiree contributions to medical coverage are based on the retiree's hire date as follows:

- Hired before July 1, 1983: Retirees receive 100% paid coverage from the City for individual or family coverage.
- Hired between July 1, 1983 & December 23, 1993: Retirees receive 100% paid coverage from the City for individual coverage. Retirees who wish to receive family coverage must contribute 12% of the difference in premiums between individual and family coverage.
- Hired between December 23, 1993 & March 1, 1999: Retirees contribute 12% of the premium for individual or family coverage.
- Hired on/after March 1, 1999: For pre-65 coverage, retirees contribute 12% of the premium for individual or family coverage. Upon turning 65 years of age, retirees must contribute 100% of the premium for individual or family coverage.

Surviving spouses may continue coverage at 100% of the individual premium cost.

**Medicare Part B:** The City of Watertown reimburses the full Medicare Part B premium rates to retirees, spouses, and surviving spouses.

**Length of Coverage:** Lifetime. It has been assumed for this valuation that members would terminate coverage at 65 years of age if required to contribute greater than 80% of premiums for post-65 coverage.

**IBEW (Local 1249)****Total Active Members: 3****Total Retired Members: 0**

**Eligibility:** Members must be eligible to retire under the New York State Employees Retirement System (ERS) to be eligible for postemployment benefits from the City. A minimum age of fifty-five (55) with a minimum of five (5) years of service for Tier 1-4 members or ten (10) years of service for Tier 5 members is required for eligibility in ERS.

**Contributions:** Retiree contributions to medical coverage are based on the retiree's hire date as follows:

- Hired before July 1, 2003: Retirees contribute 15% of the premium for individual or family coverage.
- Hired between July 1, 2003 & June 30, 2007: For pre-65 coverage, retirees contribute 15% of the premium for individual or family coverage. No coverage is granted past age 65.
- Hired on/after July 1, 2013: Retirees contribute 25% of the premium for individual or family coverage. No coverage is granted past age 65.

Surviving spouses may continue coverage at 100% of the individual premium cost.

**Medicare Part B:** The City of Watertown reimburses the full Medicare Part B premium rates to retirees, spouses, and surviving spouses.

**Length of Coverage:** Lifetime for members hired before July 1, 2003. Members hired after July 1, 2003 are covered until age 65.

## SECTION 8: HEALTH CARE REFORM INFORMATION

### Excise “Cadillac” Tax

Beginning in 2018, the Patient Protection and Affordable Care Act (PPACA) imposes a non-deductible excise tax of 40% on plans exceeding specified dollar thresholds. The excise tax only applies to the portion of the premium that exceeds the thresholds. The 2018 thresholds are as follows:

Coverage	2018 Threshold	Amount Added to Thresholds for Ages 55-64
Individual	\$10,200	\$1,650
Family & All Other Tiers	\$27,500	\$3,450

Thresholds change over time and can be different for each employer

- Thresholds are indexed at general inflation (CPI-U) with an additional 1% trend from 2018 to 2019. CPI-U of 3% was used for this valuation.
- Multi-employer plans can use ‘All Other Tier Coverage’ thresholds for all members.
- The 2018 thresholds are adjusted upwards if Federal Employees Health Benefit Plan (FEHBP) Blue Cross/Blue Shield Standard Benefit rates in 2018 are more than 55% higher than 2010 rates. Since 2012 rates were available at the time of this valuation, we trended these rates to 2018 using our healthcare trend table and compared this trended rate to the FEHBP 2010 rate. We found the trended 2018 rate to be approximately 54.9% higher than the 2010 FEHBP rate and therefor applied no increase to the 2018 thresholds.
- Thresholds can be adjusted upwards if the age/gender characteristics of all employees of that employer would result in a higher cost relative to the national workforce. For example, this may apply to employers with higher than usual populations of police/fire employees; however regulations do not specify whether a different demographic adjustment can be determined for each employer subgroup.
- Regulations do not address retiree-only plans.

**Excise Tax Attribution**

- The excise tax is paid by the plan administrator and is not tax deductible.
- A gross-up factor is also applied to any additional taxable income generated by the administrator by passing costs to plan sponsors.
- No gross-up costs are assumed for this valuation as the plan is self-funded.
- It is assumed that the administrator will pass additional costs to the plan sponsor in the form of higher premium rates.
- It is unclear whether these additional costs will be passed on to retirees through contribution requirements. However, for purposes of this valuation, it was assumed that retirees would contribute a portion of the excess costs at the same rate as the average retiree premium contribution rate.
- It was calculated that the excise “Cadillac” tax after retiree contributions would increase the City’s Accrued Liability by approximately **4.75%**.
- Should excise tax liabilities not be passed on to retirees through contributions, the calculated impact of the excise tax on the Accrued Liability would increase to approximately **5.03%**.

## SECTION 9: GASB OPEB SUMMARY

The Governmental Accounting Standards Board (GASB) issued Statement No. 45 for the recognition and disclosure of municipal employers' (Counties, Cities, Towns, Villages, School Districts, etc.) postemployment benefit plans other than pensions. Postemployment benefits include health care benefits, life insurance benefits, dental insurance benefits, and in some cases unused sick day credits. These benefits arise from an exchange of salaries and benefits for employee services rendered and constitute part of the compensation for those services.

Every Municipal employer will be required to conduct an actuarial analysis and provide a financial disclosure relative to the accrued liabilities of the postemployment benefit plans and the funded status of those liabilities. It is important to note that Statement No. 45 *does not* require the funding of this liability.

### Implementation Dates

#### *Phase 1:*

- Employers with annual revenues which exceed \$100,000,000
- Fiscal years beginning after December 15, 2006

#### *Phase 2:*

- Employers with annual revenues which exceed \$10,000,000, but whose revenues are less than \$100,000,000.00
- Fiscal years beginning after December 15, 2007

#### *Phase 3:*

- Employers with annual revenues which are less than \$10,000,000
- Fiscal years beginning after December 15, 2008

### Valuation Frequency

For financial reporting purposes, a full actuarial valuation should be performed at the following minimum frequency:

- a) Biennially for plans with a total membership of 200 or more
- b) Triennially for plans with a total membership of fewer than 200

## **GASB 45 Terminology**

**Actuarial Present Value of Total Projected Benefits:** Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested in addition to investment earnings will provide sufficient assets to pay total projected benefits when due.

**Actuarial Accrued Liability (AAL):** The AAL is the portion, as determined by a particular Actuarial Cost Method, of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date.

**Annual Required Contributions (ARC):** The employer's periodic required contributions to a defined benefit OPEB Plan, calculated in accordance with the parameters.

**Annual OPEB Cost:** An accrual-base measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

**Net OPEB Obligation:** The cumulative difference since the effective date of this Statement annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (assets) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

**Unfunded Actuarial Accrued Liability (UAAL):** The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. For an unfunded plan the UAAL is equal to the AAL.

**SECTION 10: YEAR-END DISCLOSURE ACCOUNTING INFORMATION**

**City of Watertown - Total**  
**Year-End Disclosures under GASB #45**  
**For the Post-retirement Health Care Benefits Program**

<b>Required Information</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>
Annual required contribution	\$6,952,705	\$7,614,417	\$7,380,746
Interest on net OPEB obligation	546,462	402,202	257,535
Adjustment to annual required contribution	<u>(522,042)</u>	<u>(384,228)</u>	<u>(246,026)</u>
Annual OPEB cost (expense)	6,977,125	7,632,391	7,392,255
Contributions made (expected)	<u>(3,982,618)</u>	<u>(4,025,882)</u>	<u>(3,775,589)</u>
Increase in net OPEB obligation	2,994,507	3,606,509	3,616,666
Net OPEB obligation - beginning of year	<u>13,661,560</u>	<u>10,055,051</u>	<u>6,438,385</u>
Net OPEB obligation - end of year	<u><u>\$16,656,067</u></u>	<u><u>\$13,661,560</u></u>	<u><u>\$10,055,051</u></u>
Annual OPEB Cost	6,977,125	7,632,391	7,392,255
Percentage of Annual OPEB Cost Contributed	57.1%	52.7%	51.1%
Net OPEB Obligation at end of year	16,656,067	13,661,560	10,055,051
<b>Required Supplementary Information</b>			
Actuarial Value of Assets	0	0	0
Actuarial Accrued Liability (AAL)	127,195,942	134,515,815	130,841,681
Unfunded AAL	127,195,942	134,515,815	130,841,681
Funded Ratio	0%	0%	0%
Covered Payroll*	N/A	N/A	N/A
UAAL as a Percentage of Covered Payroll*	N/A	N/A	N/A
Discount rate at end of year	4.00%	4.00%	4.00%
Expected Return on plan assets	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A

\* Required disclosure at adoption of standard.

**City of Watertown - Government**  
**Year-End Disclosures under GASB #45**  
**For the Post-retirement Health Care Benefits Program**

<b>Required Information</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>
Annual required contribution	\$6,111,573	\$6,817,233	\$6,614,209
Interest on net OPEB obligation	461,284	338,101	214,478
Adjustment to annual required contribution	<u>(440,671)</u>	<u>(322,992)</u>	<u>(204,893)</u>
Annual OPEB cost (expense)	6,132,186	6,832,342	6,623,794
Contributions made (expected)	<u>(3,662,353)</u>	<u>(3,752,755)</u>	<u>(3,533,220)</u>
Increase in net OPEB obligation	2,469,833	3,079,587	3,090,574
Net OPEB obligation - beginning of year	<u>11,532,130</u>	<u>8,452,543</u>	<u>5,361,969</u>
Net OPEB obligation - end of year	<u><u>\$14,001,963</u></u>	<u><u>\$11,532,130</u></u>	<u><u>\$8,452,543</u></u>
Annual OPEB Cost	6,132,186	6,832,342	6,623,794
Percentage of Annual OPEB Cost Contributed	59.7%	54.9%	53.3%
Net OPEB Obligation at end of year	14,001,963	11,532,130	8,452,543
<b>Required Supplementary Information</b>			
Actuarial Value of Assets	0	0	0
Actuarial Accrued Liability (AAL)	112,365,064	120,695,891	117,552,932
Unfunded AAL	112,365,064	120,695,891	117,552,932
Funded Ratio	0%	0%	0%
Covered Payroll	N/A	N/A	N/A
UAAL as a Percentage of Covered Payroll	N/A	N/A	N/A
Discount rate at end of year	4.00%	4.00%	4.00%
Expected Return on plan assets	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A

**City of Watertown - Sewer Fund**  
**Year-End Disclosures under GASB #45**  
**For the Post-retirement Health Care Benefits Program**

<b>Required Information</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>
Annual required contribution	\$411,184	\$335,035	\$323,778
Interest on net OPEB obligation	32,414	24,946	17,432
Adjustment to annual required contribution	<u>(30,965)</u>	<u>(23,831)</u>	<u>(16,653)</u>
Annual OPEB cost (expense)	412,633	336,150	324,557
Contributions made (expected)	<u>(144,536)</u>	<u>(149,451)</u>	<u>(136,710)</u>
Increase in net OPEB obligation	268,097	186,699	187,847
Net OPEB obligation - beginning of year	<u>810,342</u>	<u>623,643</u>	<u>435,796</u>
Net OPEB obligation - end of year	<u><u>\$1,078,439</u></u>	<u><u>\$810,342</u></u>	<u><u>\$623,643</u></u>
Annual OPEB Cost	412,633	336,150	324,557
Percentage of Annual OPEB Cost Contributed	35.0%	44.5%	42.1%
Net OPEB Obligation at end of year	1,078,439	810,342	623,643
<b>Required Supplementary Information</b>			
Actuarial Value of Assets	0	0	0
Actuarial Accrued Liability (AAL)	7,217,703	6,017,152	5,827,012
Unfunded AAL	7,217,703	6,017,152	5,827,012
Funded Ratio	0%	0%	0%
Covered Payroll	N/A	N/A	N/A
UAAL as a Percentage of Covered Payroll	N/A	N/A	N/A
Discount rate at end of year	4.00%	4.00%	4.00%
Expected Return on plan assets	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A

**City of Watertown - Water Fund**  
**Year-End Disclosures under GASB #45**  
**For the Post-retirement Health Care Benefits Program**

<b>Required Information</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>
Annual required contribution	\$429,948	\$462,149	\$442,759
Interest on net OPEB obligation	52,764	39,155	25,625
Adjustment to annual required contribution	<u>(50,406)</u>	<u>(37,405)</u>	<u>(24,480)</u>
Annual OPEB cost (expense)	432,306	463,899	443,904
Contributions made (expected)	<u>(175,729)</u>	<u>(123,676)</u>	<u>(105,659)</u>
Increase in net OPEB obligation	256,577	340,223	338,245
Net OPEB obligation - beginning of year	<u>1,319,088</u>	<u>978,865</u>	<u>640,620</u>
Net OPEB obligation - end of year	<u><u>\$1,575,665</u></u>	<u><u>\$1,319,088</u></u>	<u><u>\$978,865</u></u>
Annual OPEB Cost	432,306	463,899	443,904
Percentage of Annual OPEB Cost Contributed	40.6%	26.7%	23.8%
Net OPEB Obligation at end of year	1,575,665	1,319,088	978,865
<b>Required Supplementary Information</b>			
Actuarial Value of Assets	0	0	0
Actuarial Accrued Liability (AAL)	7,613,175	7,802,772	7,461,737
Unfunded AAL	7,613,175	7,802,772	7,461,737
Funded Ratio	0%	0%	0%
Covered Payroll*	N/A	N/A	N/A
UAAL as a Percentage of Covered Payroll*	N/A	N/A	N/A
Discount rate at end of year	4.00%	4.00%	4.00%
Expected Return on plan assets	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A

\* Required disclosure at adoption of standard.

**SECTION 11: DETAILS OF CALCULATIONS**

<b>Calculation of Normal Cost</b>	
Normal Cost	1,870,235
Interest on Normal cost	61,687
<b>Normal cost component</b>	<b>1,931,922</b>

<b>Calculation of Amortization Component</b>	
Actuarial Accrued Liability (AAL)	127,195,942
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	127,195,942
Amortization Method	Level Percent of Payroll
Amortization Period (years)	30.00
Discount Rate	4.00%
Payroll Growth Rate	3.00%
Payroll Growth Adjusted Discount Rate	0.97%
Amortization Factor	26.16949
Annual Amortization	4,860,468
Interest on Amortization Payment	160,315
<b>Amortization Component</b>	<b>5,020,783</b>

<b>Calculation of Annual Required Contribution (ARC)</b>	
Normal Cost Component	1,931,922
Amortization Component	5,020,783
<b>Annual Required Contribution (ARC)</b>	<b>6,952,705</b>

<b>Calculation of Interest on Net OPEB Obligation</b>	
Net OPEB Obligation at end of Prior Year	13,661,560
Discount rate	4.00%
<b>Interest on Net OPEB Obligation</b>	<b>546,462</b>

<b>Calculation of Annual OPEB Cost</b>	
Annual Required Contribution (ARC)	6,952,705
Interest on Net OPEB Obligation	546,462
Adjustment to annual required contribution	(522,042)
<b>Annual OPEB cost (expense)</b>	<b>6,977,125</b>

<b>Calculation of Net OPEB Obligation</b>	
Net OPEB obligation at 07/01/2014	13,661,560
Annual OPEB cost (expense)	6,977,125
Expected Employer Contributions made during year	(3,982,618)
<b>Net OPEB obligation at 06/30/2015</b>	<b>16,656,067</b>

Fiscal Year Ended	06/30/2013	06/30/2014	06/30/2015
Prior Year's Net OPEB Obligation	6,438,385	10,055,051	13,661,560
Annual OPEB cost (expense)	7,392,255	7,632,391	6,977,125
Employer Contributions made during year	(3,775,589)	(4,025,882)	(3,982,618)
<b>Net OPEB Obligation</b>	<b>10,055,051</b>	<b>13,661,560</b>	<b>16,656,067</b>

**SECTION 12: SUPPLEMENTAL SCHEDULE SS-2 - OPEB****Annual OPEB Cost and Net OPEB Obligation**

■ Type of Other Post Employment Benefit Plan (OPEB):	Single Employer Defined Benefit Plan
■ Annual Required Contribution:	\$6,952,705
■ Interest on Net OPEB Obligation:	\$546,462
■ Adjustment to Annual Required Contribution:	\$(522,042)
■ Annual OPEB Expense:	\$6,977,125
■ Less: Actual (Expected) Contribution Made:	\$(3,982,618)
■ Increase in Net OPEB Obligation:	\$2,994,507
■ Net OPEB Obligation – beginning of year:	\$13,661,560
■ Net OPEB Obligation – end of year:	\$16,656,067
■ Percentage of Annual OPEB Cost Contributed:	57.1%

**Funded Status and Funding Process**

■ Actuarial Accrued Liability (AAL):	\$127,195,942
■ Less: Actuarial Value of Plan Assets:	\$0
■ Unfunded Actuarial Accrued Liability:	\$127,195,942
■ Funded Ratio (Actuarial Value of Plan Assets/AAL):	0%
■ Annual Covered Payroll:	18,106,241
■ UAAL as Percentage of Annual Covered Payroll:	702%

**Other OPEB Information**

■ Date of Most Recent Actuarial Valuation (mm/dd/yyyy):	09/01/2014
■ Actuarial Method Used:	Entry Age Normal
■ Assumed Rate of Return on Investments Discount Rate:	4.00%
■ Assumed Salary/Payroll Growth Rate:	3.00%
■ Amortization Period of UAAL (in years):	30.00

**ADDENDUM: GASB 45 RESULTS BY LABOR DIVISION**

The following tables display the results of the September 1, 2014 valuation by the City's five labor divisions- CSEA, Fire, IBEW, Management, and Police- and the results broken down by the City's two subdivisions- Sewer and Water. The employees in the Sewer and Water subdivisions are members of the CSEA bargaining unit. Sewer and Water Management are included in the Management bargaining unit and thus are not included in the bottom table.

**City of Watertown**  
**Postretirement Health Care Benefits Program**  
*For Fiscal Year Ending June 30, 2015*  
**Actuarial Accrued Liability and Annual Required Contribution by Division**

Division	Actives	Retirees	Actuarial Accrued Liability	Normal Cost	Amortization Payment	Annual Required Contribution
CSEA	137	107	\$ 40,182,981	\$ 617,902	\$ 1,586,136	\$ 2,204,038
Fire	74	89	\$ 34,937,037	\$ 606,009	\$ 1,379,064	\$ 1,985,073
IBEW	3	0	\$ 1,056,345	\$ 27,763	\$ 41,697	\$ 69,460
Management	35	32	\$ 13,565,590	\$ 134,857	\$ 535,472	\$ 670,329
Police	63	77	\$ 37,453,989	\$ 545,391	\$ 1,478,414	\$ 2,023,805
<b>Total</b>	<b>312</b>	<b>305</b>	<b>\$ 127,195,942</b>	<b>\$ 1,931,922</b>	<b>\$ 5,020,783</b>	<b>\$ 6,952,705</b>

Subdivisions	Actives	Retirees	Actuarial Accrued Liability	Normal Cost	Amortization Payment	Annual Required Contribution
Sewer	25	10	\$ 7,217,703	\$ 126,281	\$ 284,903	\$ 411,184
Water	28	13	\$ 7,613,175	\$ 129,435	\$ 300,513	\$ 429,948

\* These projections are based on the results of the September 01, 2014 valuation using a discount rate of 4%.

December 17, 2014

To: The Honorable Mayor and City Council  
From: James E. Mills, City Comptroller  
Subject: Sales Tax Revenue – November 2014

The City has received the monthly sales tax revenue amount from Jefferson County. In comparison to November 2013, the sales tax revenue on an actual to actual basis is up \$281,618 or 25.22%. In comparison to the original budget projection for the month of November, sales tax is up \$250,576 or 21.83%.

The year-to-date actual receipts are up \$253,946 or 3.42% while the year-to-date receipts on a budget basis are up \$47,767 or 0.63%. Year-to-date sales tax revenue is at \$7,671,614.

The attached spreadsheet shows the detail collections for this year and last year along with the budgeted amounts. Collections for the Fiscal Years' 2010-11, 2011-12, 2012-13 and 2013-14 have been included for historical perspective.

Please note that this payment represents an estimated payment made by the State to the County and will be trued up by the State with the January payment.

	<u>Actual 2010-11</u>	<u>Actual 2011-12</u>	<u>Actual 2012-13</u>	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Variance</u>	<u>% Inc/(Dec)to Prior Year</u>	<u>Quarterly Variance</u>	<u>% Inc/(Dec) to Prior Quarter</u>
July	\$ 1,294,030	\$ 1,359,433	\$ 1,361,364	\$ 1,492,579	\$ 1,412,829	\$ (79,750)	-5.34%		
August	\$ 1,250,127	\$ 1,319,714	\$ 1,357,130	\$ 1,463,877	\$ 1,247,954	\$ (215,923)	-14.75%		
September	\$ 1,777,374	\$ 1,886,899	\$ 2,071,785	\$ 1,760,254	\$ 2,206,655	\$ 446,402	25.36%	150,728	3.20%
October	\$ 1,147,531	\$ 1,215,879	\$ 1,301,624	\$ 1,584,174	\$ 1,405,774	\$ (178,400)	-11.26%		
November	\$ 1,203,035	\$ 1,207,881	\$ 1,274,589	\$ 1,116,784	\$ 1,398,402	\$ 281,618	25.22%		
December	\$ 1,681,408	\$ 1,897,409	\$ 1,714,672	\$ 1,543,425	\$ -	\$ -	0.00%	103,218	2.43%
January	\$ 1,213,795	\$ 1,195,675	\$ 1,276,483	\$ 1,238,468	\$ -	\$ -	0.00%		
February	\$ 984,089	\$ 1,036,230	\$ 1,160,663	\$ 1,076,005	\$ -	\$ -	0.00%		
March	\$ 1,445,902	\$ 1,624,451	\$ 1,453,454	\$ 1,471,964	\$ -	\$ -	0.00%	-	0.00%
April	\$ 1,190,708	\$ 1,217,913	\$ 1,293,493	\$ 1,271,765	\$ -	\$ -	0.00%		
May	\$ 1,164,270	\$ 1,224,057	\$ 1,373,513	\$ 1,298,653	\$ -	\$ -	0.00%		
June	\$ 1,654,800	\$ 2,029,525	\$ 1,609,032	\$ 1,699,052	\$ -	\$ -	0.00%	-	0.00%
YTD	<u>16,007,070</u>	<u>17,215,066</u>	<u>17,247,801</u>	<u>17,017,001</u>	<u>7,671,614</u>	<u>253,946</u>	<u>3.42%</u>		

	<u>Original Budget</u>		<u>Variance</u>	<u>%</u>	<u>Quarterly Variance</u>	<u>% Inc/(Dec) to Prior Quarter</u>
	<u>2014-15</u>	<u>Actual 2014-15</u>				
July	\$ 1,534,067	\$ 1,412,829	\$ (121,238)	-7.90%		
August	\$ 1,504,566	\$ 1,247,954	\$ (256,612)	-17.06%		
September	\$ 1,809,181	\$ 2,206,655	\$ 397,474	21.97%	19,624	0.40%
October	\$ 1,628,207	\$ 1,405,774	\$ (222,433)	-13.66%		
November	\$ 1,147,826	\$ 1,398,402	\$ 250,576	21.83%		
December	\$ 1,586,326	\$ -	\$ -	0.00%	28,143	0.65%
January	\$ 1,272,892	\$ -	\$ -	0.00%		
February	\$ 1,105,913	\$ -	\$ -	0.00%		
March	\$ 1,512,879	\$ -	\$ -	0.00%	-	0.00%
April	\$ 1,307,115	\$ -	\$ -	0.00%		
May	\$ 1,334,750	\$ -	\$ -	0.00%		
June	\$ 1,746,279	\$ -	\$ -	0.00%	-	0.00%
YTD	<u>17,490,000</u>	<u>7,671,614</u>	<u>47,767</u>	<u>0.63%</u>		

# CITY OF WATERTOWN, NEW YORK



FRINGE BENEFITS OFFICE  
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245 WASHINGTON STREET  
WATERTOWN, NEW YORK 13601  
Tel: (315) 785-7755  
FAX: (315) 755-6418  
E-Mail: [mroy@watertown-ny.gov](mailto:mroy@watertown-ny.gov)

To: Sharon Addison  
City Manager

From: Matthew Roy  
Administrative Specialist

Re: Stop-Loss Actuarial Study

Date: December 29, 2014

At the November 3, 2014 Council meeting, Council expressed an interest in having an actuarial study completed on the City's current stop-loss policy. Since that time I have been working with firms on the costs of having such a study completed. When evaluating our stop-loss policy we will have the actuarial firm consider all of the following options:

1. Keeping stop-loss protection in place, but look at adjusting the current thresholds
2. Removal of aggregate stop loss coverage
3. Completely removing stop loss coverage from our plan and self-funding all claims

I have been in contact with 2 firms that have completed these valuations before and would be willing to do so for the City. Armory Associates is our current Medicare Part D and GASB 45 actuary. They would be willing to complete this project for an hourly rate of \$250 not to exceed \$9,000. I have also been working with a representative from the Milliman Group and their cost to complete the study is \$3,000. I was provided their contact information by Lewis County who periodically has a stop-loss analysis completed. Given the cost difference and Milliman's reputation as a national actuary, I would suggest using them for completion of the study. I have included a sample copy of their typical work for review. This study would be considered a professional service and as such does not require the issuance of an RFP.

I am of the opinion that this is a worthwhile undertaking. The \$3,000 is a small expense when compared to the annual cost of our stop-loss insurance. I welcome another set of eyes looking at our current stop-loss coverage to see if our plan is adequately protected from catastrophic claims. The study results should be available within a few weeks and I will distribute a copy of the results at an upcoming Council meeting.

Should you have any questions, please let me know.



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milliman.com

September 13, 2014

Mr. Broker  
Vice President  
Broker  
Address  
City, State ZipCode

## Re: Sample Company Stop-Loss Analysis

Dear Mr. Broker:

At your request, Milliman, Inc. (Milliman) has completed an analysis of Sample Company's (Sample Company) stop-loss funding and coverage levels. This letter includes the executive summary, detailed analysis, methodology, reliance, and limitations of our findings.

### Executive Summary

Sample Company currently has both individual and aggregate stop-loss coverage. Effective January 1, 2015, Sample Company is considering dropping aggregate coverage and increasing the individual deductible level. You engaged Milliman to determine the feasibility of changing the stop-loss coverage and potential risks and savings associated with alternate limits.

- **We estimate that increasing the individual deductible level could reduce premiums by \$126,000 - \$228,000 annually.**
- **Adding a \$75,000 aggregating specific deductible would save an additional \$75,000 in premiums and would increase liability by \$60,000 - \$70,000. After considering the additional claims liability, we estimate the net savings will be \$49,000 - \$90,000.**
- **We estimate that Sample Company could save \$47,000 annually in aggregate stop-loss premium by dropping their aggregate coverage.**

See Attachments #1-4 for more details. These figures depend on current demographics and plan designs, claims experience that was available to us, and proposed expenses. If enrollment levels or plan designs should change dramatically, this number should be updated with the new information.

## Detailed Analysis

### 1. Individual Stop-Loss Coverage

Attachments #1-3 show our analysis of the risks of large claims and stop-loss coverage. Details of the risk associated with various levels of individual stop-loss can be found in Attachment #1 and are summarized in the table below:

Individual Stop-Loss Deductible	Probability of a Claim over the Deductible	Number of Members
\$200,000	0.09%	2.1
\$175,000	0.12%	2.8
\$150,000	0.15%	3.4
\$125,000	0.22%	4.9

Additionally, Attachment #2 shows expected stop-loss reimbursements at various levels of individual stop-loss coverage. Note that as the individual deductible increases, the expected reimbursements decrease. Since the current insurance carrier has provided preliminary quotes for various levels of stop-loss, we have compared the additional premium to the calculated additional liability using our proprietary pricing models. Generally, the guideline is that the appropriate deductible would be one where the additional claims liability is minimized compared to the corresponding premium savings. In this case, at all of the higher individual deductibles, we have calculated that the expected additional claims liability will be less than the corresponding premium savings. Attachment #2 also shows the potential variance in reimbursements and corresponding net savings.

Attachment #3 compares recent years' paid stop-loss premiums to reimbursements received and calculates a loss ratio over the time period. The combined loss ratio since 2011 has been 85.6%. Stop-loss carriers typically target paid loss ratios between 65% and 75% for groups of this size. The stop-loss carrier may wish to base the proposed premium more heavily on their risk pool and less on Sample Company's actual experience. Sample Company should take this into account when considering increasing the deductible level with this carrier or another one.

We recommend that Sample Company increase the individual stop-loss deductible from the current level of \$150,000 to \$175,000 or \$200,000, depending on the group's tolerance for risk. Considering the little amount of net savings projected, we do not recommend adding an aggregating specific deductible at this time.

***Increasing the individual deductible level to a level between \$175,000 and \$200,000 is expected to reduce premiums by \$126,000 - \$228,000 annually. After considering the additional claims liability, we estimate the net savings will be \$49,000- \$90,000.***

## 2. Aggregate Stop-Loss Coverage

Self-insured employers may also purchase aggregate stop-loss coverage to protect against aggregate claim fluctuation. Groups with fewer employees will generally have a lower tolerance for risk than groups of a larger size. The table in Attachment #4 shows the probability of an aggregate stop-loss reimbursement. It also shows the expected amount of the reimbursement when one occurs. Due to the nature of aggregate stop-loss, potential reimbursements will often be high relative to annual premium. However, with the appropriate individual stop-loss coverage, the probability of an aggregate reimbursement occurring is insignificant. The following table highlights the inherent variability of aggregate medical claims. The “No Deductible” and current ISL deductible scenarios are displayed in Attachments #5-6. Adding an aggregating specific deductible decreases the probability of an aggregate claim by 0.1% at most.

Individual Stop-Loss Deductible	Probability of Aggregate Claims Exceeding		
	105% of Expected	115% of Expected	125% of Expected
No Deductible	25.7%	4.8%	0.7%
\$200,000	23.2%	1.8%	0.1%
\$175,000	22.4%	1.4%	0.1%
\$150,000	21.5%	1.2%	~ 0.0%
\$125,000	20.5%	0.8%	~ 0.0%

To assess the aggregate stop-loss risk, we performed a Monte Carlo simulation on the current enrollment. The spread of expected claims without and with individual stop-loss is shown in these attachments. The vertical axis shows the probability of exceeding a certain level of expected claims. The horizontal axis shows a range as a percent of expected average claims. Assuming that Sample Company’s 796 enrollees in the census data correspond to 2,268 covered lives, we simulated 10,000 scenarios, or 10,000 years of claims experience. The results of our Monte Carlo analysis indicate that, with no individual stop-loss as displayed in Attachment #5, there is approximately a 4.8% probability that Sample Company will realize an aggregate claim total greater than 115% of expected claims resulting from pure randomness. This probability drops to 0.7% at a level of 125%. With individual stop-loss set at \$150,000, as displayed in Attachment #6, the probability of aggregate claims greater than 115% of expected claims drops to 1.2%, and the chance of having aggregate claims greater than 125% is approximately 0.0%. Note that this assumes that the attachment point is set correctly. Considering these results, we do not recommend aggregate stop-loss coverage at this time.

***Based on the current individual stop-loss deductible and enrollment levels, dropping aggregate coverage could result in savings of \$47,000 annually with little additional risk.***

## Assumptions and Methodology

The steps we used to arrive at the results are outlined below:

1. Our calculations encompass the current demographics and plan designs. Should overall demographics or plan designs change, our calculation should be updated accordingly.
2. For the self-insured plans, we calculated a manual rate on the group based on demographics and plan designs using our proprietary actuarial pricing model, *Health Cost Guidelines, v.2013*.
3. We assumed national average trend factors.
4. We performed an analysis of aggregate claim variability to determine an appropriate level of individual stop-loss.

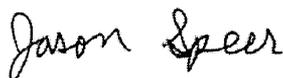
## Reliance and Limitations

In performing our calculations for Sample Company, we relied on the data provided to us by Broker. We have not audited this data, but we performed a limited review for reasonableness and found no material defects in the data used in this report. If the underlying data is inaccurate or incomplete, then the results of our review may be inaccurate or incomplete.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is likely that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from assumptions described above.

This letter and its attachments have been prepared for the internal use of Broker in their relationship with Sample Company and are only to be relied upon by these organizations. No portion may be provided to any other party without Milliman's prior written consent. Milliman does not intend to benefit any other recipient of this report, even if Milliman consents to the release of this report to that recipient. Please contact us if you have any questions.

Sincerely,



Jason E. Speer, F.S.A., M.A.A.A.  
Consulting Actuary



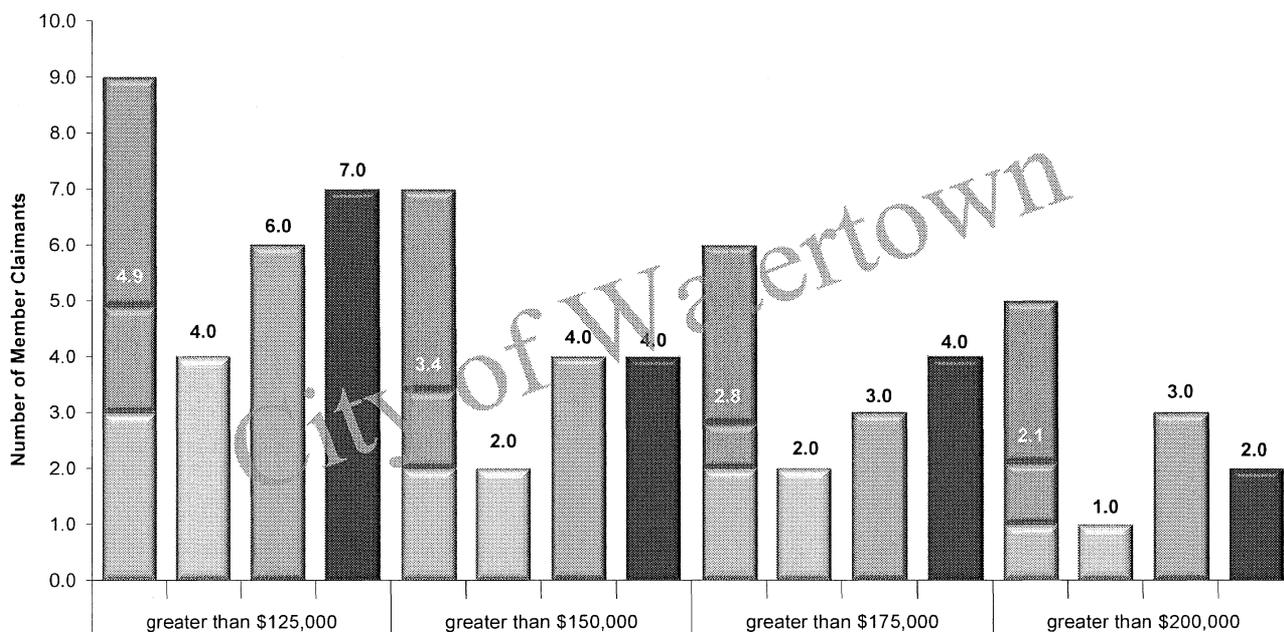
Sarah E. Coates, CEBS  
Senior Benefits Consultant



Jay Martin  
Financial Analyst



## Analysis of Individual Claim Variability ~ Sample Company ~



■ Milliman 25th Percentile	■ Milliman PY 2015 Expected
■ Milliman 95th Percentile	■ Sample Company 2011 Actual
■ Sample Company 2012 Actual	■ Sample Company 2013 Actual

\*Does not account for lasers

This sample has been prepared exclusively for GKG in their relationship with City of Watertown and is only to be relied upon by those organizations. No portion may be provided to any other party without Milliman's prior written consent. All copyrights and trademarks property of Milliman and all rights reserved.

Prepared on:  
1/21/2014

Milliman, Inc.

2014 Sample StopLoss\_2013CPDs\_RegGuide.xlsm

jhm



## Stop-Loss Comparison Premium vs. Expected Reimbursements

~ Sample Company ~

Individual Stop Loss <sup>1</sup>										
ISL Deductible	Aggregating Specific	Stop-Loss Carrier Proposed			Milliman Model			Net Savings/(Cost) of Alternate Contract	Net Savings/(Cost) Variance	
		Stop-Loss Premium (PEPM) <sup>2</sup>	Annual Premium (796 Employees)	Premium/(Cost) Savings to Move to Alternate Contract	Claimants Expected to Exceed ISL Deductible	Estimated Stop-Loss Reimbursements	Estimated Additional Claims Liability		25th Percentile	95th Percentile
\$125,000	\$0	\$145.52	\$1,390,007	(\$159,423)	4.9	\$513,803	(\$100,842)	\$59,581	(\$105,497)	(\$908)
\$125,000	\$75,000	\$137.72	\$1,315,501	(\$84,917)	4.9	\$441,508	(\$28,547)	(\$5,370)	(\$95,172)	(\$1,303)
\$150,000	\$0	\$128.83	\$1,230,584	\$0	3.4	\$412,961	\$0	\$0	\$0	\$0
\$150,000	\$75,000	\$120.93	\$1,155,123	\$75,461	3.4	\$343,848	\$69,113	\$6,348	\$24,008	\$461
\$175,000	\$0	\$115.69	\$1,105,071	\$125,513	2.8	\$336,209	\$76,752	\$48,761	\$91,142	(\$2,420)
\$175,000	\$75,000	\$107.86	\$1,030,279	\$200,305	2.8	\$271,445	\$141,516	\$58,789	\$131,880	(\$2,628)
\$200,000	\$0	\$105.01	\$1,003,056	\$223,529	2.1	\$275,428	\$137,533	\$89,996	\$171,363	(\$7,113)
\$200,000	\$75,000	\$97.21	\$928,550	\$302,034	2.1	\$216,165	\$196,796	\$105,238	\$231,855	(\$7,607)

1. Note that while expected claimants and stop-loss reimbursements are based on Milliman's proprietary actuarial reinsurance model, each case will be evaluated on its own merit. As such, actual results may vary from what we have displayed here.

2. Based on premium quotes provided by Stop-Loss Carrier for 2015.  
The current stop loss level is highlighted above.

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## Individual Stop-Loss Comparison Premium vs. Actual Reimbursements

~ Sample Company ~

	ISL Deductible	# of Claimants	ISL Paid Premiums	Reimbursements	Dollar Difference	Paid Loss Ratio
2011	\$125,000	4	\$1,092,000	\$845,437	\$246,863	77.4%
2012	\$125,000	6	\$1,174,500	\$1,252,562	(\$78,062)	106.6%
2013	\$150,000	4	\$1,094,400	\$898,751	\$195,649	82.1%
2014 through June	\$150,000	2	\$592,500	\$387,019	\$205,481	65.3%
<b>Total</b>			<b>\$3,953,400</b>	<b>\$3,383,469</b>	<b>\$569,931</b>	<b>85.6%</b>

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## Stop-Loss Comparison

### Premium vs. Expected Reimbursements

~ Sample Company ~

Aggregate Stop Loss <sup>1</sup>						
ISL Deductible	Aggregating Specific	ASL Level	Stop-Loss Carrier Proposal		Milliman Model	
			Stop-Loss Premium (PEPM) <sup>2</sup>	Annual Premium (796 Employees)	Probability of Exceeding Aggregate Stop-Loss	Conditional Average Reimbursement <sup>3</sup>
\$125,000	\$0	125%	\$4.71	\$44,990	0.0%	\$56,864
\$125,000	\$75,000	125%	\$4.71	\$44,990	0.0%	\$44,517
\$150,000	\$0	125%	\$4.92	\$46,996	0.0%	\$102,687
\$150,000	\$75,000	125%	\$4.92	\$46,996	0.0%	\$96,002
\$175,000	\$0	125%	\$5.05	\$48,238	0.1%	\$131,651
\$175,000	\$75,000	125%	\$5.05	\$48,238	0.1%	\$132,654
\$200,000	\$0	125%	\$5.24	\$50,052	0.1%	\$179,541
\$200,000	\$75,000	125%	\$5.24	\$50,052	0.1%	\$188,644

1. Note that while expected claimants and stop-loss reimbursements are based on Milliman's proprietary actuarial reinsurance model, each case will be evaluated on its own merit. As such, actual results may vary from what we have displayed here.

2. Based on premium quotes provided by Stop-Loss Carrier for 2015.

3. Conditional Average Reimbursement = If ASL Level is exceeded, the average reimbursement amount received.

The current stop loss level is highlighted above.

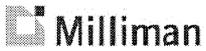
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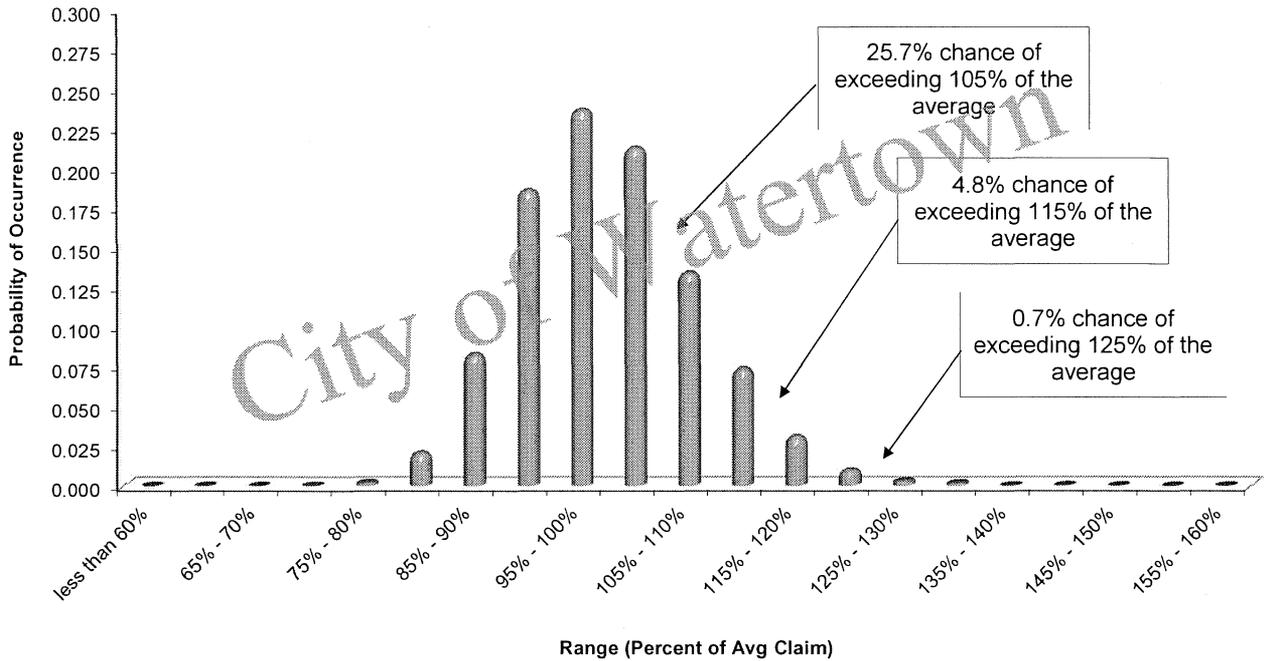
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# Analysis of Aggregate Claim Variability No Individual Stop-Loss ~ Sample Company ~



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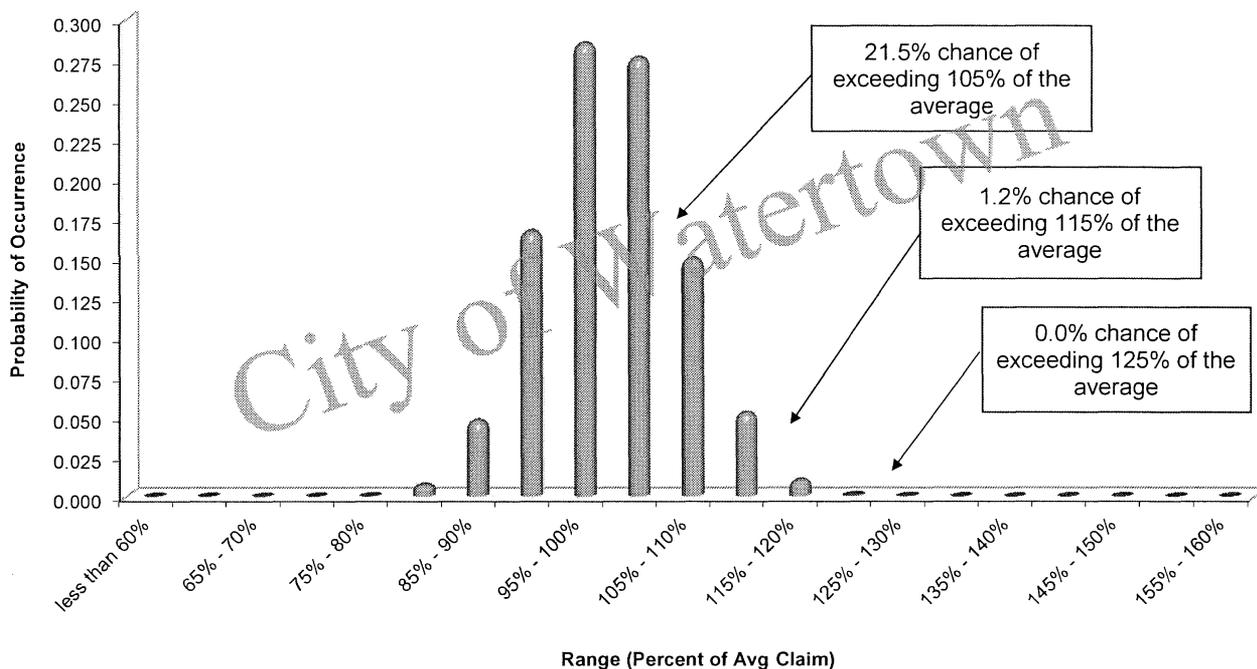
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## Analysis of Aggregate Claim Variability \$150,000 Individual Stop-Loss ~ Sample Company ~



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December 30, 2014

To: The Honorable Mayor and City Council  
From: Sharon Addison, City Manager  
Subject: Letter from Susan Beaman

We received the attached letter from Mrs. Beaman requesting consideration for appointment to the Transportation Commission. As you remember, it was Mrs. Beaman's suggestion to run the CitiBus on three Sundays in December.

Susan Beaman  
102 Creek Wood Drive, Apt. 1  
Watertown, NY 13601

December 29, 2014

Ms. Sharon Addison  
City Manager  
245 Washington Street, Room 302  
Watertown, NY 13601



Dear Ms. Addison and City Council Members:

I am writing regarding my interest in serving on the City Transportation Commission. As a lifetime resident of the City of Watertown and Jefferson County, I believe I can be of benefit to the Commission. I have seen Watertown in the past, present and what could be the future. History is always of help in any present and future planning. I think we can look at the things that once worked in the City of Watertown and bring them forward into 2015 and beyond.

As I have said before, I believe the city buses will play an important role in the future of Watertown. and especially in the downtown area. We need to market downtown, and we need to market the buses. Why not market them together?

We need a master plan, and if there isn't already one, we need to develop one. The plan should start now and stretch out over the next few years. We need to listen and talk and share ideas. One small idea or thought can mushroom into something bigger and better.

I would love to share my ideas and thoughts with the Commission; and if you think I could be of help, I would love to serve.

Sincerely,

A handwritten signature in black ink that reads "Susan E. Beaman". The signature is written in a cursive style with a large, stylized initial "S".

Susan Beaman