

CITY OF WATERTOWN, NEW YORK
AGENDA
Tuesday, January 17, 2017

This shall serve as notice that the next regularly scheduled meeting of the City Council will be held on **Tuesday**, January 17, 2017, 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

Watertown School Choice Week

PRESENTATION

Independent Auditors' Report for the Fiscal Year Ending June 30, 2016
Liz Bush, CPA, Bowers & Company CPAs PLLC

PRIVILEGE OF THE FLOOR

RESOLUTIONS

- Resolution No. 1 - Readopting Fiscal Year 2016-17 Sewer Fund Budget
- Resolution No. 2 - Accepting Bid for Boiler #2 Replacement/Repair (Digester Building), Waste Water Treatment Facility
- Resolution No. 3 - Authorizing the City Manager to Enter Into and Execute a New York Main Street Program Grant Agreement with the Housing Trust Fund Corporation for the Lincoln Building Revitalization Phase II Project
- Resolution No. 4 - Approving the Special Use Permit Request Submitted by Rickey E. Martin, III, of KDM Kustoms, LLC to Allow An Auto Repair Shop at 925 Main Street West, Parcel Number 1-17-403.000

- Resolution No. 5 - Adopting a Complete Streets Policy for the City of Watertown
- Resolution No. 6 - Authorizing Sale of Real Property, Known as 166 Academy Street to Aaron W. Assad, 415 Gaffney Drive, Watertown, New York 13601
- Resolution No. 7 - Authorizing Sale of Real Property, Known as 103 Alexandria Avenue to Jason Anthony Simonette, 147 Winthrop Street, Watertown, New York 13601
- Resolution No. 8 - Authorizing Sale of Real Property, Known as 524 Clay Street to Aaron W. Assad, 415 Gaffney Drive, Watertown, New York 13601
- Resolution No. 9 - Authorizing Sale of Real Property, Known as 340 Rear Colorado Avenue to Nancy A. Coughlin, 25725 County Route 69, Rodman, New York 13682
- Resolution No. 10 - Authorizing Sale of Real Property, Known as 1205 Columbia Street to Angela Gault, 202 N. Indiana Avenue, Watertown, New York 13601
- Resolution No. 11 - Authorizing Sale of Real Property, Known as 1230 Gill Street to Cathy M. Anderson, 1310 Gill Street, Watertown, New York 13601
- Resolution No. 12 - Authorizing Sale of Real Property, Known as 316 High Street, 318 Rear High Street and 320 High Street to A. Brown Properties LLC, 248 High Street, Watertown, New York 13601
- Resolution No. 13 - Authorizing Sale of Real Property, Known as 602 Lansing Street to Robert G. Lamoreaux III, 1775 Evans Road, Dexter, New York 13634
- Resolution No. 14 - Authorizing Sale of Real Property, Known as 367 Main Street West to Aaron W. Assad, 415 Gaffney Drive, Watertown, New York 13601
- Resolution No. 15 - Authorizing Sale of Real Property, Known as 140 Palmer Street and VL-140 Palmer Street to Daryl R. Clemons, 17520 County Route 59, Dexter, New York 13634

- Resolution No. 16 - Authorizing Sale of Real Property, Known as VL-3 Richards Drive to Aaron W. Assad, 415 Gaffney Drive, Watertown, New York 13601
- Resolution No. 17 - Authorizing Sale of Real Property, Known as 321 Sill Street to Choice Properties of NNY, LLC, 853 Emmett Street, Watertown, New York 13601
- Resolution No. 18 - Authorizing Sale of Real Property, Known as 209 Sterling Street to Watertown Holdings, LLC, 215 Washington Street, Watertown, New York 13601
- Resolution No. 19 - Authorizing Sale of Real Property, Known as 36 Stuart Street to Aaron W. Assad, 415 Gaffney Drive, Watertown, New York 13601
- Resolution No. 20 - Authorizing Sale of Real Property, Known as 59 Woodley Street to Nicholas Surdo, 18876 County Route 66, Watertown, New York 13601
- Resolution No. 21 - Authorizing Sale of Real Property, Known as 60 Woodley Street to Nicholas Surdo, 18876 County Route 66, Watertown, New York 13601

ORDINANCES

LOCAL LAW

PUBLIC HEARING

OLD BUSINESS

STAFF REPORTS

1. Tax Sale Certificate Assignment Auction
2. Authorization to Move Forward With the Watertown Biosolids Project as Amended
3. SAFER Grant Opportunity
4. Huntington Island
5. New York State Department of Environmental Conservation (NYS DEC) Urban and Community Forestry Grant Program
6. Request for Waiver of Fees for Figure Skating Competition
7. Sale of Surplus Hydro-electricity – December 2016

NEW BUSINESS

EXECUTIVE SESSION

The proposed acquisition, sale or lease of real property when publicity would affect the value thereof

WORK SESSION

Next Work Session is scheduled for Monday, January 23, 2017, at 7:00 p.m.

ADJOURNMENT

NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS MONDAY, FEBRUARY 6, 2017.

January 10, 2017

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Fiscal Year 2015-16 Audit Report

Attached for your review is a copy of the independent audit report for the fiscal year ended June 30, 2016 as prepared by Bowers & Company CPAs PLLC. The audit report is also available on the City Comptroller's web page.

CITY OF WATERTOWN, NEW YORK

FINANCIAL STATEMENTS

June 30, 2016

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BOWERS & COMPANY
CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WATERTOWN, NEW YORK**, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Watertown, New York as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

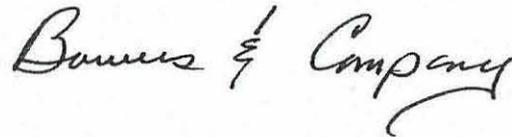
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-20, the schedule of the funding progress of the post employment healthcare benefit plan on page 78, budgetary comparison schedule – general fund on page 79, the Schedule of City's Proportionate Share of the Net Pension Liability – NYSLRS Pension Plan on page 80, and the Schedule of the City's Contributions – NYSLRS Pension Plan on page 81 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Watertown, New York's basic financial statements. The accompanying schedule of expenditures of federal awards on page 88 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards on page 88 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2017, on our consideration of the City of Watertown, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Watertown, New York's internal control over financial reporting and compliance.



Watertown, New York
January 5, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

As management of the City of Watertown (the "City") we offer this overview and analysis of the financial activities of the City of Watertown for the fiscal year ended June 30, 2016. This discussion and analysis is designed to (a) assist the reader in focusing on the significant financial issues, (b) provide an overview of the financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the approved budget, and (e) identify individual fund issues or concerns. Since management's discussion and analysis is designed to focus on the current year's activities, resulting changes, and known facts, readers are encouraged to consider the information presented here in conjunction with the financial statements that follow.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at June 30, 2016 by \$84,080,760 (net position).
- The City's total net position decreased \$1,012,360 in fiscal year 2015-16, which does not include a prior period adjustment of \$438,071 between governmental activities and business-type activities related to the correction of prior year over-charges to the water and wastewater treatment plants for their use of electricity generated by the City's hydro-electric plant.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,080,481.
- General Fund revenues of \$41,720,040 on a budgetary basis exceeded budgeted revenues by \$60,000 or 0.14% while budgetary basis expenditures finished \$1,775,649 lower than budgeted expenditures. These results reduced the need to use the full \$2,329,672 in appropriated fund balance budgeted for in the 2015-16 General Fund budget.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,294,839 or 24.39% of total General Fund expenditures.
- The City issued \$1,875,000 in bond anticipation notes dated June 28, 2016 maturing June 28, 2017 at interest rate of 2.00% (priced to yield 1.33%) to provide additional financing for the Arena rehabilitation project and water meter replacements as well as new financing for a fire pumper and boiler for City Hall.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Government-Wide Financial Statements - Continued

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

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

Fund Financial Statements

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

Governmental Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Fund Financial Statements - Continued

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2016, the City's assets exceeded liabilities by \$84,080,760 compared to \$85,093,120 at June 30, 2015 which represents a decrease of \$1,012,360. By far the largest portion of the City's net position reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$2,858,542 or 3.40% of the net position represents resources that are subject to external restrictions on how they may be used. Currently, the amount of restricted net position represents the net position of the Watertown Empire Zone, Alex T. Duffy Fairgrounds Stadium Repair Reserve Fund, Capital Reserve Fund, Tourism Fund, Community Development Fund, Capital Projects Fund, Workers Compensation Fund, Insurance Liability Fund and Debt Service Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Government-wide Financial Analysis - Continued

| City of Watertown's Net Position | | | | | | |
|-----------------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 6/30/16 | 6/30/15 | 6/30/16 | 6/30/15 | 6/30/16 | 6/30/15 |
| Current and other assets | \$23,491,423 | \$32,793,756 | \$9,337,895 | \$10,591,786 | \$32,829,318 | \$43,385,542 |
| Capital Assets | 78,091,051 | 69,471,351 | 43,394,199 | 42,040,006 | 121,485,250 | 111,511,357 |
| Total Assets | \$101,582,474 | \$102,265,107 | \$52,732,094 | \$52,631,792 | \$154,314,568 | \$154,896,899 |
| Deferred Outflows | 13,714,936 | 658,084 | 1,491,039 | 72,667 | 15,205,975 | 730,751 |
| Long-term liabilities outstanding | \$51,240,980 | \$39,176,839 | \$17,753,994 | \$17,356,061 | \$68,994,974 | \$56,532,900 |
| Other liabilities | 10,692,559 | 10,373,589 | 2,985,907 | 3,351,081 | 13,678,466 | 13,724,670 |
| Total liabilities | \$61,933,539 | \$49,550,428 | \$20,739,901 | \$20,707,142 | \$82,673,440 | \$70,257,570 |
| Deferred Inflows | 2,521,792 | 259,918 | 244,551 | 17,042 | 2,766,343 | 276,960 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | \$57,539,511 | \$46,563,475 | \$29,804,923 | \$29,688,076 | \$87,344,434 | \$76,251,551 |
| Restricted | 2,858,542 | 11,429,370 | - | 35,385 | 2,858,542 | 11,464,755 |
| Unrestricted | (9,555,974) | (4,880,000) | 3,433,758 | 2,256,814 | (6,122,216) | (2,623,186) |
| Total Net Position | \$50,842,079 | \$53,112,845 | \$33,238,681 | \$31,980,275 | \$84,080,760 | \$85,093,120 |

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Government-wide Financial Analysis - Continued

The following table provides a summary of the City's operations for the year ended June 30, 2016.

| City of Watertown's Changes in Net Position | | | | | | |
|---|-------------------------|--------------|--------------------------|--------------|--------------|--------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| Revenues: | 6/30/16 | 6/30/15 | 6/30/16 | 6/30/15 | 6/30/16 | 6/30/15 |
| Program Revenues: | | | | | | |
| Charges for services | \$8,967,746 | \$8,123,073 | \$10,706,635 | \$10,915,386 | \$19,674,381 | \$19,038,459 |
| Operating grants and contributions | 1,363,099 | 3,079,796 | - | - | 1,363,099 | 3,079,796 |
| Capital grants and contributions | 2,478,134 | 517,382 | 1,006,997 | 324,801 | 3,485,131 | 842,183 |
| General revenues: | | | | | | |
| Property taxes | 8,744,809 | 8,422,399 | - | - | 8,744,809 | 8,422,399 |
| Sales tax | 17,068,193 | 17,129,685 | - | - | 17,068,193 | 17,129,685 |
| Utilities gross receipts tax | 273,758 | 304,468 | - | - | 273,758 | 304,468 |
| Franchise tax | 370,114 | 383,828 | - | - | 370,114 | 383,828 |
| Mortgage tax | 294,932 | 254,595 | - | - | 294,932 | 254,595 |
| Hotel occupancy tax | 213,573 | 231,784 | - | - | 213,573 | 231,784 |
| Grants and Entitlements not restricted to specific programs | 4,703,208 | 4,703,208 | - | - | 4,703,208 | 4,703,208 |
| Investment earnings | 26,570 | 15,698 | 9,156 | 13,097 | 35,726 | 28,795 |
| Total revenues | \$44,504,136 | \$43,165,916 | \$11,722,788 | \$11,253,284 | \$56,226,924 | \$54,419,200 |
| Expenses: | | | | | | |
| General government support | \$15,804,752 | \$14,843,228 | - | - | \$15,804,752 | \$14,843,228 |
| Hydroelectric production | 632,464 | 850,845 | - | - | 632,464 | 850,845 |
| Fire | 9,013,662 | 8,131,314 | - | - | 9,013,662 | 8,131,314 |
| Police | 7,687,458 | 7,788,701 | - | - | 7,687,458 | 7,788,701 |
| Other Public Safety | 671,157 | 614,248 | - | - | 671,157 | 614,248 |
| Public Works | 6,610,200 | 6,511,279 | - | - | 6,610,200 | 6,511,279 |
| Bus | 895,370 | 867,278 | - | - | 895,370 | 867,278 |
| Watertown Empire Zone | 4,318 | 4,461 | - | - | 4,318 | 4,461 |
| Other Economic Assistance | 49,438 | 94,563 | - | - | 49,438 | 94,563 |
| Library | 1,189,023 | 1,203,175 | - | - | 1,189,023 | 1,203,175 |
| Other Culture and Recreation | 1,938,157 | 1,845,979 | - | - | 1,938,157 | 1,845,979 |
| Refuse and Recycling | 772,603 | 888,860 | - | - | 772,603 | 888,860 |
| Other Home and Community Serv. | 411,603 | 2,762,615 | - | - | 411,603 | 2,762,615 |
| Interest on Debt Service | 686,626 | 549,226 | - | - | 686,626 | 549,226 |
| Water | - | - | 5,301,767 | 5,230,657 | 5,301,767 | 5,230,657 |
| Sewer | - | - | 5,570,686 | 5,319,412 | 5,570,686 | 5,319,412 |
| Total Expenses | \$46,366,831 | \$46,955,772 | \$10,872,453 | \$10,550,069 | \$57,239,284 | \$57,505,841 |
| Excess of Revenues over Expenses | (1,862,695) | (3,789,856) | 850,335 | 703,215 | (1,012,360) | (3,086,641) |
| Transfers | 30,000 | 30,000 | (30,000) | (30,000) | - | - |
| Change in Net Position | (1,832,695) | (3,759,856) | 820,335 | 673,215 | (1,012,360) | (3,086,641) |
| Net Position - Beginning, Restated | 52,674,774 | 56,872,701 | 32,418,346 | 31,307,060 | 85,093,120 | 88,179,761 |
| Net Position - Ending | \$50,842,079 | \$53,112,845 | \$33,238,681 | \$31,980,275 | \$84,080,760 | \$85,093,120 |

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Government-wide Financial Analysis - Continued

Governmental activities. Governmental activities decreased the City's net position by a total \$1,832,695 compared to last year's decrease of \$3,759,856.

The major factors contributing to the overall revenue increase of \$1,338,220 were:

- Charges for services increased by \$844,673 primarily due to an increase of \$754,755 for insurance recoveries mostly related to the fire at 424 Vanduzee Street, an increase of \$64,515 in prescription rebates received for the City's health plan spending, and an increase of \$194,638 for the sale of the City's excess hydro-electricity. Offsetting these increases was a decrease of \$85,872 for Arena concessions sales and \$152,365 ice skating revenues due the Arena being renovated.
- Revenue from the City's sales tax distribution agreement with Jefferson County is the City's largest revenue source. Sales tax totaled \$17,068,193 for the year which was a decrease of \$61,492 or 0.36% over last year's total of \$17,129,685 despite the fact that effective December 1, 2015 Jefferson County increased its sales tax rate from 3.75% to 4.00% or an increase of 6.67%. Sales tax revenue represented 38.35% of the governmental activities' revenue in FY 15/16 compared to 39.68% in FY 14/15.
- Revenues from property tax related items increased \$322,410 or 3.83% due to the levy being increased \$155,079 or 1.88% and a decrease of \$157,205 to the allowance for uncollectible property taxes on certain parcels that were in bankruptcy or slated to be demolished.
- Operating grants decreased by \$1,716,697 primarily due to a decrease of \$1,947,849 over last year for grants received for Community Development projects such as the Restore NY grant for the redevelopment of the Woolworth Building downtown which was completed in FY 2014-15. The base level of New York State Aid to Municipalities (AIM) remained unchanged from the FY 2013-14 level of \$4,703,208.
- Capital grants received by the City increased by \$1,960,752. The City did receive \$2,373,786 in Federal and State Aid for various projects. Some of the major capital projects receiving aid include the Consolidated Local Street and Highway Improvement Program for various streets (\$313,017), Gaffney Drive sidewalk project (\$40,745) and the Factory Street reconstruction project (\$1,920,262).
- Revenues received from the mortgage tax increased by \$40,337 or 15.84% from last year to \$294,932.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Government-wide Financial Analysis - Continued

The major factors contributing to the overall expense decrease of \$588,941 were:

- General government support increased \$961,524 primarily due to an increase of \$732,422 for the demolition and hauling costs related to of the structure fire at 424 Vanduzee Street and an increase in legal expenses of \$56,567 related primarily to the expired collective bargaining agreement with the Watertown Professional Fire Fighters' Association.
- Fire expenses increased \$882,348 due to an increase in the department's net pension obligation of \$358,954, an increase in overtime of \$62,727 which was partially offset by grant funding in the amount of \$18,032 and an increase of \$194,227 in vehicle and equipment purchases which was offset by the \$206,350 received in total from grants for fire department vehicle and equipment purchases.
- Expenses related to the City's hydro-electric production decreased \$218,381 due to a decrease of \$70,612 in workers compensation claim costs and the fact that FY 2014-15 included a non-reoccurring loss on disposal of assets in the amount of \$154,662.
- Expenses related to the City's home and community services activities decreased \$2,351,012 due to non-reoccurring expenses of FY 2014-15 such as the Restore NY grant in the amount of \$1,490,443 for the redevelopment of the Woolworth Building downtown and the cost of environmental remediation at the former Ogilvie plant in the amount of \$378,541.

Business-type activities. Business-type activities increased the City's net position by \$820,335 compared to \$673,215 last year. Key elements for this year are as follows:

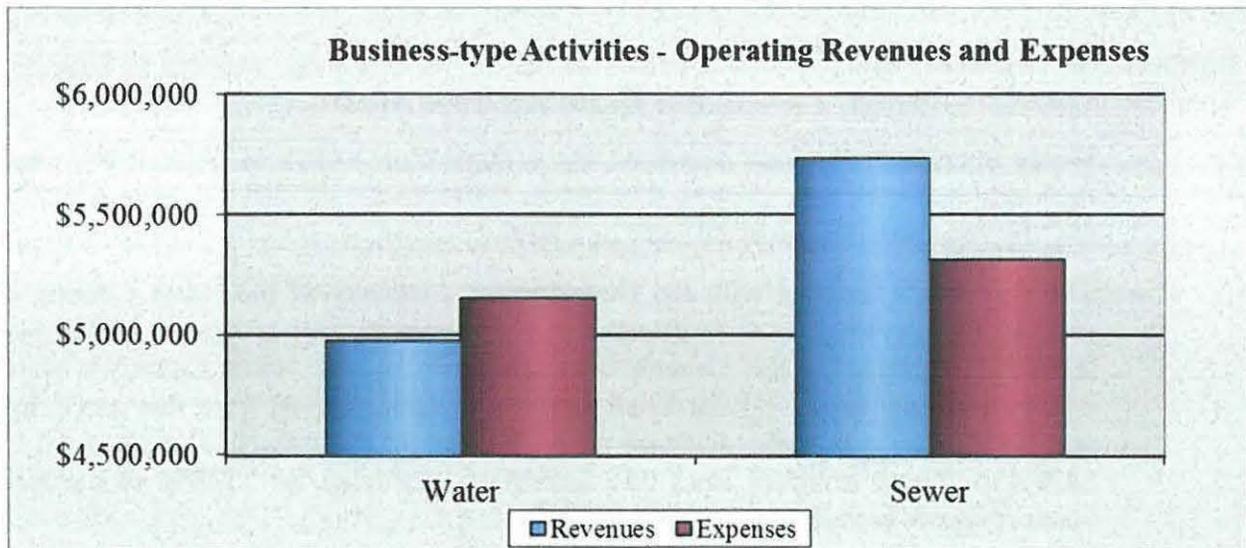
- Water operating revenues decreased by \$100,627 or 1.98% to \$4,974,681 while operating expenses decreased by \$78,301 or 1.50% to \$5,152,356. Revenues related to City customers decreased \$93,577 or 2.82%.
- The City has a contract with the Development Authority of the North Country to produce and deliver treated fresh water to Fort Drum as well as other outside water districts connected to the Development Authority of the North Country's water distribution line. In the current fiscal year the revenue derived from this agreement was \$675,923 or a slight decrease of \$3,503 or 0.52% over last year's total of \$679,426. Water revenues from this agreement accounted for 13.59% of the total water revenues compared to 13.39% last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Government-wide Financial Analysis - Continued

- Total revenues from water sales to outside of the City customers such as the Development Authority of the North Country and Town of Watertown water districts was \$1,438,303 or a decrease of \$47,386 or 3.19% over last year's total of \$1,485,689. Water revenues to outside of the City customers represented 28.91% of the water operating revenues compared to 29.27% last year.
- Sewer operating revenues decreased by \$108,124 or 1.85% to \$5,731,954 and operating expenses decreased by \$6,942 or 0.13% to \$5,312,470. Revenues related to City customers decreased \$77,681 or 3.03%.
- The City has a contract with the Development Authority of the North Country to provide wastewater treatment services to Fort Drum as well as other outside sewer districts. In the current fiscal year the revenue derived from this agreement was \$979,709 or a decrease of \$80,744 or 7.61% over last year's total of \$1,060,453. Sewer revenues from this agreement accounted for 17.09% of the total sewer revenues compared to 18.16% last year.
- Total sewer revenues from outside of the City customers such as the Development Authority of the North Country and Town of Watertown districts was \$1,882,500 or a decrease of \$156,475 or 7.67% over last year's total of \$2,038,975. Sewer revenues to outside of the City customers represented 32.84% of the sewer operating revenues compared to 34.91% last year.



MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Financial Analysis of the Government's Funds

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

At June 30, 2016 the City's governmental funds reported combined ending fund balances of \$15,080,481 representing a decrease of \$9,966,861 or 39.79% in comparison with the prior year. Approximately 63% or \$9,514,885 represents the unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is 1) *non-spendable* to indicate that it is not available for new spending because it must be maintained intact for prepaid expenditures (\$19,578), and 2) *restricted* to indicate limitations on its use imposed by grants, debt or legislation (\$2,858,542).

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,294,839, while the total General Fund balance equaled \$15,251,353 compared to \$16,202,052 in the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures and other financing uses. Unassigned fund balance represents 24.39% of total General Fund expenditures and other financing uses compared to 24.11% last year, while total fund balance represents 36.13% of that same amount compared to 39.76% last year.

During the current fiscal year, the fund balance of the City's General Fund decreased by \$487,737 compared to last year's decrease of \$280,648.

Capital projects fund. The capital projects fund accounts for the construction and acquisition of the capital assets of the City. At the end of the current fiscal year, the fund balance was (\$779,954) compared to \$8,260,988 in the previous year. Within the current year the complete balance of (\$779,954) is considered unassigned with zero considered restricted due to debt financing and zero considered assigned due to the funding being from operating fund transfers.

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

Unrestricted net position at the end of the fiscal year of the Water Fund was \$832,497 compared to \$815,140 in the prior fiscal year. The water fund had an increase in net position in the amount of \$586,625 compared to a decrease of \$160,041 in the previous year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Financial Analysis of the Government's Funds - Continued

Unrestricted net position at the end of the fiscal year of the Sewer Fund was \$2,601,261 compared to \$1,441,674 in the prior year. The Sewer Fund had an increase in net position in the amount of \$233,710 compared to an increase of \$833,256 in the prior fiscal year. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The General Fund budget was re-adopted once during the fiscal year to add \$166,812 of which \$147,362 was for Fire Department expenditures related to a grant award and \$19,450 for expenditures related to opening the Arena sooner than expected for spring ice. Additionally other routine budget amendments between departmental expenditure accounts did occur.

General Fund revenues of \$41,720,040 on a budgetary basis exceeded final budgeted revenues of \$41,660,040 by \$60,000 or 0.14% while budgetary basis expenditures of \$42,207,777 were \$1,775,649 or 4.04% lower than the final budgeted expenditures of \$43,983,426. Areas where actual revenues to budgeted revenues fell short were sales tax revenue (\$506,807), mortgage tax (\$55,068), utilities gross receipts tax (\$56,242), refuse stickers and totes (\$53,751), bus fares (\$32,145) and Federal transportation assistance (\$450,000) due to the transition of the City's bus system from a Section 5311 program to a Section 5307 program. Revenues that did exceed budgetary expectations were the sale of hydro-electric power (\$203,988), insurance recoveries (\$753,276) and prescription rebates (\$131,093). Actual expenditures were lower than the budgeted expenditures due mostly to health insurance premiums (\$215,815), retirement costs (\$212,078), vehicle expenses (\$275,799), materials and supplies (\$279,863), utilities (\$209,865), workers compensation claims (\$60,404) and transfer to the Capital Projects Fund (\$126,727). These combined results reduced the use of \$2,329,672 in appropriated fund balance that was budgeted in the 2015-16 General Fund original adopted budget to \$487,737.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Capital Assets and Debt Administration

The City's investment in capital assets, net of related debt, for its governmental and business-type activities as of June 30, 2016, amounts to \$87,344,434. This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, traffic signals and other infrastructure.

| City of Watertown's Capital Assets, Net of Accumulated Depreciation | | | | | | |
|--|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 6/30/16 | 6/30/15 | 6/30/16 | 6/30/15 | 6/30/16 | 6/30/15 |
| Land | \$2,621,285 | \$2,621,285 | \$ - | \$ - | \$2,621,285 | \$2,621,285 |
| Construction in Progress | 14,631,279 | 3,860,046 | 3,306,309 | 7,911,516 | 17,937,588 | 11,771,562 |
| Land Improvements | 2,905,152 | 3,156,129 | - | 58 | 2,905,152 | 3,156,187 |
| Building and Improvements | 18,862,276 | 19,427,114 | 17,811,745 | 11,388,947 | 36,674,021 | 30,816,061 |
| Infrastructure | 34,798,601 | 36,414,055 | 18,926,545 | 19,317,888 | 53,725,146 | 55,731,943 |
| Machinery and Equipment | 2,487,611 | 2,546,645 | 3,122,292 | 3,160,057 | 5,609,903 | 5,706,702 |
| Vehicles | 1,784,847 | 1,446,077 | 227,308 | 261,540 | 2,012,155 | 1,707,617 |
| Total Capital Assets | \$78,091,051 | \$69,471,351 | \$43,394,199 | \$42,040,006 | \$121,485,250 | \$111,511,357 |

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

- Completed the rehabilitation of the Thompson Park water tower tank at a cost of \$946,268.
- Installed a new boiler in City Hall at a cost of \$177,723.
- Completed the construction of a disinfection system for both treatment outfalls at the wastewater treatment plant at a cost of \$6,086,731. The system was mandated in the renewed State Pollutant Discharge Elimination System (SPDES) permit provided by the New York State Department of Environmental Conservation.
- Continued design of the Factory Street reconstruction project which is estimated to cost approximately over \$13,500,000 and include the reconstruction of 2,600 linear feet of street as well as the replacement of the sidewalks, curbs, water main and sanitary sewer. Construction in progress at year-end was \$6,789,272.
- Continued with the design of renovating and expanding the Watertown City Court located within City Hall which is estimated to cost \$2,000,000. Construction in progress at year-end was \$42,006.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Capital Assets and Debt Administration - Continued

- Continued the construction on the Arena rehabilitation project which is estimated to cost over \$10,700,000 and include the roof repair, floor replacement, fire suppression system upgrade, locker and restroom renovations and vestibule and office expansions. Construction in progress at year-end was \$10,570,173.

- Continued with the design of the sludge modification project for the wastewater treatment plant. The project is being segmented into Phases 1a and 1b. Phase 1a achieves a significant carbon footprint reduction through the elimination of the use of fuel oil as an auxiliary fuel as well as a reduction in electrical consumption and enables the discontinuance of sewage sludge incineration. Phase 1b enables biogas conditioning and beneficial reuse which will enable a further reduction of the plant's electrical demand. The project is estimated to cost \$9,850,000. The City was awarded a grant from the New York State Energy and Research Authority in the amount of \$585,646. The City has also been awarded a New York State Environmental Facilities Corporation grant of the lesser of 25% of the project cost or \$2,306,840. Additionally the City has qualified for a zero percent loan for the project balance through the New York State Environmental Facilities Corporation. Construction in progress at fiscal year-end was \$418,283.

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$34,530,000. This entire amount is backed by the full faith and credit of the City of Watertown. Following is a comparative statement of outstanding debt:

| City of Watertown's Outstanding Debt | | | | | | |
|---|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
| | <u>6/30/16</u> | <u>6/30/15</u> | <u>6/30/16</u> | <u>6/30/15</u> | <u>6/30/16</u> | <u>6/30/15</u> |
| General obligation bonds | <u>\$20,638,182</u> | <u>\$23,010,176</u> | <u>\$13,891,818</u> | <u>\$15,454,824</u> | <u>\$34,530,000</u> | <u>\$38,465,000</u> |
| | <u>\$20,638,182</u> | <u>\$23,010,176</u> | <u>\$13,891,818</u> | <u>\$15,454,824</u> | <u>\$34,530,000</u> | <u>\$38,465,000</u> |

The New York State Constitution restricts the City's level of indebtedness to an amount no greater than 7% of the average full valuation of taxable real property for the most recent five years. Water debt, sewer debt, self-sustaining debt and refunded debt are excluded from the debt limit calculation. Accordingly, as of June 30, 2016, the City's NYS Constitutional debt limit was \$81,530,122 with total net indebtedness of \$17,770,932 after statutory exclusions thus exhausting 21.80% of the City's debt limit.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Capital Assets and Debt Administration - Continued

The City issued a bond anticipation note in the amount of \$1,875,000 on June 28, 2016 to finance various projects. The bond anticipation note is reflected in the capital projects fund and enterprise funds. The interest rate is 2.00% with an effective net interest cost of 1.33% and the maturity date of the note is June 28, 2017. The bond anticipation notes are backed by the full faith and credit of the City of Watertown.

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

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when adopting the fiscal year 2016-17 budget, most importantly the state and local economy.

The City of Watertown is the county seat of Jefferson County. The unemployment rates in June 2016 were 4.8% for the Watertown-Fort Drum area, 4.8% for Jefferson County, 4.5% for New York State and 4.9% for the United States. The unemployment rates in June 2015 were 5.9% for the Watertown-Fort Drum area, 5.9% for Jefferson County, 5.2% for New York State and 5.3% for the United States.

Budget factors considered during the preparation of the FY 2016-17 budget included the national and state economies, low interest rates, high unemployment and high NYS Retirement System contribution rates. With the continued uncertainties overseas it was difficult to predict how many of the 15,457 soldiers of the 10th Mountain Division at Fort Drum would be deployed and for how long they would be gone fighting the War on Terrorism.

The City increased its estimate for sales tax revenue, the largest General Fund revenue source, by \$455,000 or 2.59% over the FY 2015-16 budgeted amount due primarily to the increased Jefferson County sales tax rate of 4.00% which represented a 6.67% increase from the previous 3.75% County sales tax rate. The City has a sales tax revenue sharing agreement with Jefferson County whereby it receives 24% of the total County sales tax revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

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

Like most local governments, the City's 2016-17 budget continued to be impacted by the high costs for retirement benefits although FY 2016-17 was the third year in a row that saw the retirement rates decrease. The contribution to the Employees' Retirement System will range from 9.3% to 19.8% of salaries, down from a range of 10.6% to 23.1% in the previous year. The contribution rate for the Police and Fire Retirement System will range from 14.5% to 24.1% of salaries, down from 14.3% to 24.7% of salaries in the previous year. Due to the dramatic drop in the stock market from April 2008 to April 2009 the State Pension Fund lost approximately 40% of its value. Due to the NYS Retirement System's smoothing techniques the retirement rates are now starting to decline after years of increases to keep the pension fund adequately funded.

Due to the better than expected claims history over the last few years the self-insurance fund was able to appropriate \$50,000 of fund balance to keep the premium rate increase to a modest 3.92% over the FY 2015-16 premiums.

The City voted to over-ride the NYS Property tax cap and thus increased its property tax levy by \$336,587 or 4.00%. The NYS property tax cap would have only allowed for a property tax levy increase of \$79,255 or 0.94%. The City saw an increase of \$25,401,638 or 2.45% in taxable assessed value. Accordingly, the property tax rate increased only 1.48% to \$8.2219 per \$1,000 of taxable assessed valuation.

The City's FY 2016-17 General Fund operating costs increased by \$870,909 or 2.12% to \$41,956,234 due to modest increases to the health insurance contributions, transfers to the Capital Fund for pay-as-you-go projects funded by the General Fund's capital reserve and funding the Arena operations for a full year with the rehabilitation project being substantially completed. The City appropriated \$646,218 of fund balance, a decrease of \$527,278 over FY 2015-16. The sales tax revenue budget was increased to \$18,030,000 which represented an increase of \$455,000 or 2.59% above the sales tax budget for FY 2015-16 due to its recent sluggish performance. The State Aid revenue budget remained at the City's base amount of \$4,703,208.

Appropriations for the Water Fund increased by \$85,710 or 1.63%. The Water Fund was able to keep water rates the same and not appropriate any fund balance. The Sewer Fund appropriations decreased \$418,052 or 6.83% while revenues decreased \$482,707 or 7.99%. Revenues from other governments decreased \$458,207. The Sewer Fund also was able to keep the sewer rates unchanged and to do so appropriated \$140,048 of fund balance.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Requests for Information

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

CITY OF WATERTOWN, NEW YORK

AUDITED BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2016

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|----------------------|--|
| | Governmental Activities | Business-Type Activities | Total | The Trustees of the Roswell P. Flower Memorial Library |
| ASSETS | | | | |
| Unrestricted Cash and Cash Equivalents | \$ 12,801,748 | \$ 5,809,330 | \$ 18,611,078 | \$ 105,976 |
| Restricted Cash and Cash Equivalents | 4,296,831 | 1,071,751 | 5,368,582 | 145,107 |
| Investments | - | - | - | 57,548 |
| Receivables (Net of Allowance for Uncollectibles) | | | | |
| Accounts | 3,041,353 | 1,375,248 | 4,416,601 | - |
| Taxes | 192,576 | - | 192,576 | - |
| Due from Other Governments | 1,878,382 | 306,794 | 2,185,176 | - |
| State and Federal Aid Receivables | 1,274,168 | 765,311 | 2,039,479 | - |
| Prepaid Expenses | 19,578 | - | 19,578 | 4,348 |
| Internal Balances | (13,213) | 9,461 | (3,752) | - |
| | <u>23,491,423</u> | <u>9,337,895</u> | <u>32,829,318</u> | <u>312,979</u> |
| Capital Assets | | | | |
| Non-Depreciable | 17,252,564 | 3,306,309 | 20,558,873 | 14,516 |
| Depreciable, Net | 60,838,487 | 40,087,890 | 100,926,377 | 34,718 |
| Total Capital Assets | <u>78,091,051</u> | <u>43,394,199</u> | <u>121,485,250</u> | <u>49,234</u> |
| TOTAL ASSETS | <u>101,582,474</u> | <u>52,732,094</u> | <u>154,314,568</u> | <u>362,213</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Amount from Debt Refundings | 86,642 | - | 86,642 | - |
| Deferred Outflows of Resources, Pensions | 13,628,294 | 1,491,039 | 15,119,333 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>13,714,936</u> | <u>1,491,039</u> | <u>15,205,975</u> | <u>-</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 2,071,041 | \$ 454,326 | \$ 2,525,367 | \$ 1,721 |
| Accrued Interest Payable | 70,745 | 71,922 | 142,667 | - |
| Accrued Liabilities | 1,938,887 | 158,884 | 2,097,771 | - |
| Current Debt Obligations Due Within One Year | 2,210,872 | 1,542,128 | 3,753,000 | - |
| Compensated Absences | 56,187 | - | 56,187 | - |
| Other Liabilities | 8,777 | 15,672 | 24,449 | - |
| Due to Other Governments | 176,503 | 102 | 176,605 | - |
| Due to Retirement System | 878,490 | 92,873 | 971,363 | - |
| Unearned Revenue | 2,056,057 | - | 2,056,057 | - |
| Bond Anticipation Note | 1,225,000 | 650,000 | 1,875,000 | - |
| Accrued Post Employment Benefits | 16,480,935 | 3,174,320 | 19,655,255 | - |
| Other Long-Term Liabilities | 1,211,744 | 106,576 | 1,318,320 | - |
| Net Pension Liability - Proportionate Share | 13,328,387 | 1,612,794 | 14,941,181 | - |
| Workers Compensation Liability | 1,774,604 | 510,614 | 2,285,218 | - |
| Serial Bonds Due and Payable After One Year | 18,445,310 | 12,349,690 | 30,795,000 | - |
| TOTAL LIABILITIES | <u>61,933,539</u> | <u>20,739,901</u> | <u>82,673,440</u> | <u>1,721</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Inflows of Resources, Pensions | 2,521,792 | 244,551 | 2,766,343 | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>2,521,792</u> | <u>244,551</u> | <u>2,766,343</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 57,539,511 | 29,804,923 | 87,344,434 | - |
| Restricted for | | | | |
| Capital Reserves | 1,355,090 | - | 1,355,090 | - |
| Workers Compensation Reserve | 230,310 | - | 230,310 | - |
| Insurance Reserve - General | 571,315 | - | 571,315 | - |
| Tourism Reserve | 13,458 | - | 13,458 | - |
| Economic Development and Assistance | 222,746 | - | 222,746 | - |
| Community Development | 272,980 | - | 272,980 | - |
| Debt Service | 192,643 | - | 192,643 | - |
| Library | - | - | - | 170,107 |
| Unrestricted | (9,555,974) | 3,433,758 | (6,122,216) | 190,385 |
| TOTAL NET POSITION | <u>\$ 50,842,079</u> | <u>\$ 33,238,681</u> | <u>\$ 84,080,760</u> | <u>\$ 360,492</u> |

See notes to audited basic financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2016

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit The Trustees of the Roswell P. Flower Memorial Library |
|--|----------------------|----------------------|---|----------------------------------|---|--------------------------|----------------------|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | |
| Governmental Activities | | | | | | | | |
| General Government Support | | | | | | | | |
| General Government Support | \$ 15,804,752 | \$ 3,504,913 | \$ 70,715 | \$ 16,871 | \$ (12,212,253) | \$ - | \$ (12,212,253) | \$ - |
| Hydroelectric Production | 632,464 | 3,993,988 | - | - | 3,361,524 | - | 3,361,524 | - |
| Public Safety | | | | | | | | |
| Fire | 9,013,662 | - | - | - | (9,013,662) | - | (9,013,662) | - |
| Police | 7,687,458 | 93,521 | 230,816 | - | (7,363,121) | - | (7,363,121) | - |
| Other Public Safety | 671,157 | 61,120 | - | - | (610,037) | - | (610,037) | - |
| Public Works | 6,610,200 | 90,733 | 335,050 | 2,372,508 | (3,811,909) | - | (3,811,909) | - |
| Transportation | | | | | | | | |
| Bus | 895,370 | 154,330 | 262,167 | - | (478,873) | - | (478,873) | - |
| Economic Opportunity and Development | | | | | | | | |
| Other Economic Assistance | 49,438 | - | - | - | (49,438) | - | (49,438) | - |
| Empire Zone | 4,318 | - | - | - | (4,318) | - | (4,318) | - |
| Culture and Recreation | | | | | | | | |
| Library | 1,189,023 | 18,155 | 46,105 | - | (1,124,763) | - | (1,124,763) | - |
| Other Culture and Recreation | 1,938,157 | 144,907 | - | 60,000 | (1,733,250) | - | (1,733,250) | - |
| Home and Community Services | | | | | | | | |
| Refuse and Recycle | 772,603 | 831,250 | - | 28,755 | 87,402 | - | 87,402 | - |
| Other Home and Community Services | 411,603 | 74,829 | 418,246 | - | 81,472 | - | 81,472 | - |
| Interest on Debt | 686,626 | - | - | - | (686,626) | - | (686,626) | - |
| Total Governmental Activities | <u>46,366,831</u> | <u>8,967,746</u> | <u>1,363,099</u> | <u>2,478,134</u> | <u>(33,557,852)</u> | <u>-</u> | <u>(33,557,852)</u> | <u>-</u> |
| Business-Type Activities | | | | | | | | |
| Water | 5,301,767 | 4,974,681 | - | 924,354 | - | 597,268 | 597,268 | - |
| Sewer | 5,570,686 | 5,731,954 | - | 82,643 | - | 243,911 | 243,911 | - |
| Total Business-Type Activities | <u>10,872,453</u> | <u>10,706,635</u> | <u>-</u> | <u>1,006,997</u> | <u>-</u> | <u>841,179</u> | <u>841,179</u> | <u>-</u> |
| Total Primary Government | <u>\$ 57,239,284</u> | <u>\$ 19,674,381</u> | <u>\$ 1,363,099</u> | <u>\$ 3,485,131</u> | <u>(33,557,852)</u> | <u>841,179</u> | <u>(32,716,673)</u> | <u>-</u> |
| Component Unit | | | | | | | | |
| The Trustees of the R.P. Flower Memorial Library | \$ 107,965 | \$ - | \$ 67,996 | \$ - | - | - | - | (39,969) |
| Total Component Unit | <u>\$ 107,965</u> | <u>\$ -</u> | <u>\$ 67,996</u> | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(39,969)</u> |
| Net (Expense) Revenue and Changes in Net Position Brought Forward | | | | | <u>(33,557,852)</u> | <u>841,179</u> | <u>(32,716,673)</u> | <u>(39,969)</u> |
| | | | GENERAL REVENUES | | | | | |
| | | | Property Taxes | | 8,744,809 | - | 8,744,809 | - |
| | | | Sales Taxes | | 17,068,193 | - | 17,068,193 | - |
| | | | Utilities Gross Receipts Tax | | 273,758 | - | 273,758 | - |
| | | | Franchise Tax | | 370,114 | - | 370,114 | - |
| | | | Hotel Occupancy Tax | | 213,573 | - | 213,573 | - |
| | | | Mortgage Tax | | 294,932 | - | 294,932 | - |
| | | | Grants and Entitlements Not Restricted to Specific Programs | | 4,703,208 | - | 4,703,208 | - |
| | | | Investment Earnings | | 26,570 | 9,156 | 35,726 | 843 |
| | | | Total General Revenues | | <u>31,695,157</u> | <u>9,156</u> | <u>31,704,313</u> | <u>843</u> |
| | | | Transfers | | 30,000 | (30,000) | - | - |
| | | | Change in Net Position | | (1,832,695) | 820,335 | (1,012,360) | (39,126) |
| | | | Total Net Position - Beginning of Year, Restated | | 52,674,774 | 32,418,346 | 85,093,120 | 399,618 |
| | | | Total Net Position - End of Year | | <u>\$ 50,842,079</u> | <u>\$ 33,238,681</u> | <u>\$ 84,080,760</u> | <u>\$ 360,492</u> |

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2016

| | <u>General</u> | <u>Capital Projects</u> | <u>Community Development</u> | <u>Non Major Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|-----------------------------|----------------------------------|--------------------------------|---|
| ASSETS | | | | | |
| Unrestricted Cash and Cash Equivalents | 12,538,543 | \$ - | \$ - | \$ 263,205 | \$ 12,801,748 |
| Restricted Cash and Cash Equivalents | 2,182,869 | 1,706,077 | 390,264 | 17,621 | 4,296,831 |
| Receivables (Net of Allowance for Uncollectibles) | | | | | |
| Accounts | 1,243,313 | 64,860 | 1,733,180 | - | 3,041,353 |
| Taxes | 188,512 | 4,064 | - | - | 192,576 |
| Due from Other Governments | 1,878,382 | - | - | - | 1,878,382 |
| State and Federal Aid Receivables | 105,063 | 1,155,983 | 13,122 | - | 1,274,168 |
| Prepaid Expenses | 19,578 | - | - | - | 19,578 |
| Due from Other Funds | 1,136,038 | 69,923 | - | 116,500 | 1,322,461 |
| TOTAL ASSETS | <u>\$ 19,292,298</u> | <u>\$ 3,000,907</u> | <u>\$ 2,136,566</u> | <u>\$ 397,326</u> | <u>\$ 24,827,097</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 611,869 | \$ 1,449,017 | \$ 876 | \$ 9,279 | \$ 2,071,041 |
| Accrued Liabilities | 1,896,409 | 10,520 | 380 | 31,578 | 1,938,887 |
| Compensated Absences | 56,187 | - | - | - | 56,187 |
| Bond Anticipation Notes | - | 1,225,000 | - | - | 1,225,000 |
| Other Liabilities | 8,777 | - | - | - | 8,777 |
| Due to Other Funds | 164,436 | 1,071,523 | 99,459 | 256 | 1,335,674 |
| Due to Other Governments | 175,490 | 856 | 157 | - | 176,503 |
| Due to Retirement System | 858,379 | - | - | 20,111 | 878,490 |
| Unearned Revenue | 269,398 | 23,945 | 1,762,714 | - | 2,056,057 |
| Total Liabilities | <u>4,040,945</u> | <u>3,780,861</u> | <u>1,863,586</u> | <u>61,224</u> | <u>9,746,616</u> |
| Nonspendable | | | | | |
| Prepaid Expenses | 19,578 | - | - | - | 19,578 |
| Restricted for | | | | | |
| Capital Reserve - General | 1,334,993 | - | - | - | 1,334,993 |
| Capital Reserve - Fairgrounds | 20,097 | - | - | - | 20,097 |
| Workers Compensation Reserve | 230,310 | - | - | - | 230,310 |
| Insurance Reserve - General | 571,315 | - | - | - | 571,315 |
| Tourism Reserve | 13,458 | - | - | - | 13,458 |
| Debt Service Reserve | 166,773 | - | - | 25,870 | 192,643 |
| Community Development Reserve | - | - | 272,980 | - | 272,980 |
| Economic Development Reserve | - | - | - | 222,746 | 222,746 |
| Assigned to | | | | | |
| Self-Funded Health Insurance Plan | 1,643,126 | - | - | - | 1,643,126 |
| General Government Support | 93,101 | - | - | - | 93,101 |
| Fire | 21,678 | - | - | - | 21,678 |
| Police | 19,834 | - | - | - | 19,834 |
| Other Public Safety | 667 | - | - | - | 667 |
| Public Works | 43,705 | - | - | - | 43,705 |
| Bus | 67,935 | - | - | - | 67,935 |
| Other Culture and Recreation | 39,938 | - | - | - | 39,938 |
| Refuse and Recycle | 23,788 | - | - | - | 23,788 |
| Subsequent Year's Expenditures | 646,218 | - | - | 87,486 | 733,704 |
| Unassigned | 10,294,839 | (779,954) | - | - | 9,514,885 |
| Total Fund Balances | <u>15,251,353</u> | <u>(779,954)</u> | <u>272,980</u> | <u>336,102</u> | <u>15,080,481</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 19,292,298</u> | <u>\$ 3,000,907</u> | <u>\$ 2,136,566</u> | <u>\$ 397,326</u> | <u>\$ 24,827,097</u> |

See notes to audited basic financial statements.

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

June 30, 2016

| | |
|--|----------------------|
| TOTAL GOVERNMENTAL FUND BALANCES | \$ 15,080,481 |
| <p>Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:</p> | |
| The Cost of Capital Assets is | 153,693,742 |
| Accumulated Depreciation is | (75,602,691) |
| | 78,091,051 |
| Deferred Amount on Advance Refunding of Bonds | 86,642 |
| Deferred Outflows of Resources, Pensions | 13,628,294 |
| <p>Long-term liabilities, including serial bonds and other Long-term debt, are not due and payable in the current period and therefore not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p> | |
| Bonds Payable | (20,638,182) |
| Accrued Interest on Bonds Payable | (70,745) |
| Compensated Absences | (1,085,744) |
| Workers Compensation Liability | (1,774,604) |
| Landfill Post-Closure Liability | (144,000) |
| Pension Liability | (13,328,387) |
| Accrued Post-Employment Benefits | (16,480,935) |
| | (53,522,597) |
| Deferred Inflows of Resources, Pensions | (2,521,792) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 50,842,079 |

CITY OF WATERTOWN, NEW YORK

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

Year Ended June 30, 2016

| | <u>General</u> | <u>Capital Projects</u> | <u>Community Development</u> | <u>Non Major Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|-----------------------------|----------------------------------|--------------------------------|---|
| REVENUES | | | | | |
| Real Property Taxes | \$ 8,440,657 | \$ - | \$ - | \$ - | \$ 8,440,657 |
| Real Property Tax Items | 309,967 | - | - | - | 309,967 |
| Nonproperty Taxes | 17,925,638 | - | - | - | 17,925,638 |
| Departmental Income | 5,367,002 | - | - | - | 5,367,002 |
| Intergovernmental Charges | 128,893 | - | - | - | 128,893 |
| Use of Money and Property | 92,802 | 30,791 | 29 | 985 | 124,607 |
| Licenses and Permits | 69,190 | - | - | - | 69,190 |
| Fines and Forfeitures | 104,548 | - | - | 17,855 | 122,403 |
| Sale of Property and Compensation for Loss | 901,441 | - | - | - | 901,441 |
| Miscellaneous Local Sources | 1,085,668 | 68,534 | 71,054 | 54,653 | 1,279,909 |
| Interfund Revenue | 1,166,033 | - | - | - | 1,166,033 |
| State Sources | 5,660,472 | 716,565 | - | - | 6,377,037 |
| Federal Sources | 437,728 | 1,657,221 | 415,972 | - | 2,510,921 |
| Total Revenues | 41,690,039 | 2,473,111 | 487,055 | 73,493 | 44,723,698 |
| EXPENDITURES | | | | | |
| General Government Support | 5,676,173 | 192,066 | - | - | 5,868,239 |
| Public Safety | 16,025,351 | - | - | - | 16,025,351 |
| Transportation | 4,068,951 | 3,250,158 | - | - | 7,319,109 |
| Economic Assistance and Opportunity | 49,438 | - | - | 4,318 | 53,756 |
| Culture and Recreation | 1,554,668 | 8,854,366 | - | 804,625 | 11,213,659 |
| Home and Community Services | 1,022,554 | 5,283 | 374,202 | - | 1,402,039 |
| Employee Benefits | 8,915,846 | - | - | 369,382 | 9,285,228 |
| Debt Service | 3,058,700 | - | - | 56,407 | 3,115,107 |
| Total Expenditures | 40,371,681 | 12,301,873 | 374,202 | 1,234,732 | 54,282,488 |
| Excess (Deficiency) of Revenues Over Expenditures | 1,318,358 | (9,828,762) | 112,853 | (1,161,239) | (9,558,790) |
| OTHER FINANCING SOURCES AND (USES) | | | | | |
| Interfund Transfers In | 30,001 | 787,821 | - | 1,204,698 | 2,022,520 |
| Interfund Transfers Out | (1,836,096) | (1) | (69,923) | (86,500) | (1,992,520) |
| Total Other Financing Sources (Uses) | (1,806,095) | 787,820 | (69,923) | 1,118,198 | 30,000 |
| Net Change in Fund Balances | (487,737) | (9,040,942) | 42,930 | (43,041) | (9,528,790) |
| Fund Balances, Beginning of Year, Restated | 15,739,090 | 8,260,988 | 230,050 | 379,143 | 24,609,271 |
| Fund Balances, End of Year | \$ 15,251,353 | \$ (779,954) | \$ 272,980 | \$ 336,102 | \$ 15,080,481 |

See notes to audited basic financial statements.

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

Year Ended June 30, 2016

| | | |
|--|--|------------------------------|
| Net Change in Fund Balances - Total Governmental Funds | | \$ (9,528,790) |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded the capital outlays in the period.</p> | | |
| | Capital Outlays | \$ 12,669,019 |
| | Depreciation Expense | <u>(3,972,229)</u> |
| | | 8,696,790 |
| <p>Governmental funds report bond principal as an expenditure. However, in the Statement of Net Position, the principal payments reduce the liability and do not result in an expense in the Statement of Activities.</p> | | |
| | | 2,371,994 |
| <p>Increase in proportionate share of net pension liability and related deferred outflows/inflows reported in Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p> | | |
| | Employees' Retirement System | \$ (170,532) |
| | Police and Fire Employees' Retirement System | <u>(667,579)</u> |
| | | (838,111) |
| Loss on Disposal of Assets | | (12,799) |
| Amortization of advanced refunding issuance costs | | (15,658) |
| <p>Interest expenditures are reported when paid in the governmental funds, however, the total amount of interest incurred for the period is accrued and recognized in the government-wide financial statements. The net change in accrued interest is recognized as interest expense in the Statement of Activities.</p> | | |
| | | 72,145 |
| <p>In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick pay), special early termination benefits (early retirement) and OPEB costs - are measured by the amounts earned during the current period. In the governmental funds, however, expenditures for these items are measured by the amount of current financial resources used.</p> | | |
| | | (2,475,205) |
| <p>Long-term portions of accrued claims and judgments, and landfill monitoring liability are included in the outstanding liability in the Statement of Net Position. Accordingly, the net change in the long-term portion is reported as a reduction to that liability rather than an expense in the Statement of Activities.</p> | | |
| | | <u>(103,061)</u> |
| Change in Net Position of Governmental Activities | | <u><u>\$ (1,832,695)</u></u> |

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2016

| | Business - Type Activities Enterprise Funds | | |
|---|--|----------------------|----------------------|
| | Water | Sewer | Total |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Unrestricted Cash and Cash Equivalents | \$ 2,704,062 | \$ 3,105,268 | \$ 5,809,330 |
| Accounts Receivable, | | | |
| Net of Allowance for Uncollectible Accounts | 744,795 | 630,453 | 1,375,248 |
| Due from Governmental Funds | 12,442 | 51,158 | 63,600 |
| Due from Other Governments | - | 306,794 | 306,794 |
| State and Federal Aid Receivables | 37,875 | 727,436 | 765,311 |
| Total Current Assets | <u>3,499,174</u> | <u>4,821,109</u> | <u>8,320,283</u> |
| NON-CURRENT ASSETS | | | |
| Restricted Cash and Cash Equivalents | 220,135 | 851,616 | 1,071,751 |
| Capital Assets, Net of Accumulated Depreciation | 20,618,443 | 22,775,756 | 43,394,199 |
| Total Non-Current Assets | <u>20,838,578</u> | <u>23,627,372</u> | <u>44,465,950</u> |
| TOTAL ASSETS | <u>24,337,752</u> | <u>28,448,481</u> | <u>52,786,233</u> |
| Deferred Outflow of Resources | | | |
| Deferred Outflow of Resources, Pensions | 792,653 | 698,386 | 1,491,039 |
| Total Deferred Outflows of Resources | <u>792,653</u> | <u>698,386</u> | <u>1,491,039</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | \$ 100,043 | \$ 354,283 | \$ 454,326 |
| Accrued Interest Payable | 23,352 | 48,570 | 71,922 |
| Accrued Liabilities | 83,074 | 75,810 | 158,884 |
| Due to Retirement System | 49,120 | 43,753 | 92,873 |
| Due to Governmental Funds | 47,548 | 6,591 | 54,139 |
| Due to Other Governments | 102 | - | 102 |
| Other Liabilities | 15,672 | - | 15,672 |
| Bond Anticipation Notes Payable | 325,000 | 325,000 | 650,000 |
| Current Portion of Long-term Liabilities | 672,099 | 870,029 | 1,542,128 |
| Total Current Liabilities | <u>1,316,010</u> | <u>1,724,036</u> | <u>3,040,046</u> |
| LONG-TERM LIABILITIES | | | |
| Workers Compensation Liability | 404,209 | 106,405 | 510,614 |
| Compensated Absences | 59,480 | 47,096 | 106,576 |
| Net Pension Liability | 857,379 | 755,415 | 1,612,794 |
| Other Post Employment Benefits Liability | 1,834,890 | 1,339,430 | 3,174,320 |
| Serial Bonds Payable | 4,595,228 | 7,754,462 | 12,349,690 |
| Total Long-Term Liabilities | <u>7,751,186</u> | <u>10,002,808</u> | <u>17,753,994</u> |
| Total Liabilities | <u>9,067,196</u> | <u>11,726,844</u> | <u>20,794,040</u> |
| Deferred Inflows of Resources | | | |
| Deferred Inflows of Resources, Pensions | 130,006 | 114,545 | 244,551 |
| Total Deferred Inflows of Resources | <u>130,006</u> | <u>114,545</u> | <u>244,551</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 15,100,706 | 14,704,217 | 29,804,923 |
| Unrestricted | 832,497 | 2,601,261 | 3,433,758 |
| TOTAL NET POSITION | <u>\$ 15,933,203</u> | <u>\$ 17,305,478</u> | <u>\$ 33,238,681</u> |

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

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

Year Ended June 30, 2016

| | Business - Type Activities | | |
|--|-----------------------------------|----------------------|----------------------|
| | Enterprise funds | | |
| | <u>Water</u> | <u>Sewer</u> | <u>Total</u> |
| OPERATING REVENUES | | | |
| Charges for Services | \$ 3,522,141 | \$ 3,820,600 | \$ 7,342,741 |
| Intergovernmental Charges | 1,438,303 | 1,882,500 | 3,320,803 |
| Other Operating Revenue | 14,237 | 28,854 | 43,091 |
| Total Operating Revenues | <u>4,974,681</u> | <u>5,731,954</u> | <u>10,706,635</u> |
| OPERATING EXPENSES | | | |
| Salaries, Wages and Employee Benefits | 2,584,021 | 2,171,399 | 4,755,420 |
| Contractual Services | 1,839,737 | 2,465,166 | 4,304,903 |
| Depreciation | 728,598 | 675,905 | 1,404,503 |
| Total Operating Expenses | <u>5,152,356</u> | <u>5,312,470</u> | <u>10,464,826</u> |
| Income from Operations | <u>(177,675)</u> | <u>419,484</u> | <u>241,809</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest Revenue | 4,357 | 4,799 | 9,156 |
| Interest Expense | (149,411) | (258,216) | (407,627) |
| Total Non-Operating Revenue (Expenses) | <u>(145,054)</u> | <u>(253,417)</u> | <u>(398,471)</u> |
| Income Before Contributions and Transfers | (322,729) | 166,067 | (156,662) |
| Capital Contributions | 924,354 | 82,643 | 1,006,997 |
| Transfers Out | (15,000) | (15,000) | (30,000) |
| Change in Net Position | 586,625 | 233,710 | 820,335 |
| Net Position, Beginning of Year, Restated | <u>15,346,578</u> | <u>17,071,768</u> | <u>32,418,346</u> |
| Net Position, End of Year | <u>\$ 15,933,203</u> | <u>\$ 17,305,478</u> | <u>\$ 33,238,681</u> |

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2016

| | Business - Type Activities | | |
|---|-----------------------------------|---------------------|---------------------|
| | Enterprise Funds | | |
| | Water | Sewer | Total |
| Cash Flows from Operating Activities | | | |
| Cash Received from Providing Services | \$ 5,014,585 | \$ 5,816,629 | \$ 10,831,214 |
| Cash Payments for Contractual Expense | (1,888,911) | (2,478,610) | (4,367,521) |
| Cash Payments for Personal Services and Benefits | (2,241,373) | (1,932,845) | (4,174,218) |
| Other Operating Revenue | 10,772 | 28,854 | 39,626 |
| Net Cash Provided by Operating Activities | <u>895,073</u> | <u>1,434,028</u> | <u>2,329,101</u> |
| Cash Flows from Non-Capital Financing Activities | | | |
| Transfers to Other Funds | <u>(15,000)</u> | <u>(15,000)</u> | <u>(30,000)</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Proceeds of Capital Debt | 325,000 | 325,000 | 650,000 |
| Premium Received on Bond Refunding | 2,188 | 2,188 | 4,376 |
| Principal Paid on Capital Debt | (675,610) | (887,396) | (1,563,006) |
| Interest Paid on Capital Debt | (161,854) | (261,923) | (423,777) |
| Capital Grants | 893,346 | 82,643 | 975,989 |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | <u>383,070</u> | <u>(739,488)</u> | <u>(356,418)</u> |
| Cash Flows from Investing Activities | | | |
| Purchase of Capital Assets | (2,409,081) | (1,141,269) | (3,550,350) |
| Interest Income | 2,168 | 2,611 | 4,779 |
| Net Cash Used In Investing Activities | <u>(2,406,913)</u> | <u>(1,138,658)</u> | <u>(3,545,571)</u> |
| Net Increase in Cash and Cash Equivalents | <u>(1,143,770)</u> | <u>(459,118)</u> | <u>(1,602,888)</u> |
| Cash and Cash Equivalents, Beginning of Year, Restated | \$ 4,067,967 | \$ 4,416,002 | \$ 8,483,969 |
| Cash and Cash Equivalents, End of Year | <u>\$ 2,924,197</u> | <u>\$ 3,956,884</u> | <u>\$ 6,881,081</u> |
| Reconciliation of Income from Operations to Net Cash Provided By Operating Activities | | | |
| Income from Operations | \$ (177,675) | \$ 419,484 | \$ 241,809 |
| Depreciation | 728,598 | 675,905 | 1,404,503 |
| Change in Operating Assets | | | |
| Accounts Receivable | 12,926 | (8,088) | 4,838 |
| Due from Other Governments | 35,715 | 78,637 | 114,352 |
| Due from Other Funds | 281 | 44,374 | 44,655 |
| State and Federal Aid Receivable | (3,464) | - | (3,464) |
| Deferred Outflows of Resources, Pensions | (754,490) | (663,882) | (1,418,372) |
| Change in Operating Liabilities | | | |
| Accounts Payable | (8,523) | (15,114) | (23,637) |
| Accrued Liabilities | (39,520) | (39,420) | (78,940) |
| Compensated Absences | 4,165 | (12,512) | (8,347) |
| Due to Retirement System | 14,041 | 11,827 | 25,868 |
| Due to Other Governments | (80) | - | (80) |
| Other Liabilities | 66,322 | (12,576) | 53,746 |
| Net Pension Liability | 671,849 | 587,674 | 1,259,523 |
| OPEB Liability | 259,225 | 260,991 | 520,216 |
| Customer Deposits and Overpayments | 5,219 | - | 5,219 |
| Due to Other Funds | (40,572) | 275 | (40,297) |
| Deferred Inflows of Resources, Pensions | 121,056 | 106,453 | 227,509 |
| Net Cash Provided By Operating Activities | <u>\$ 895,073</u> | <u>\$ 1,434,028</u> | <u>\$ 2,329,101</u> |
| Reconciliation of Total Cash and Cash Equivalents | | | |
| Current Assets - Unrestricted Cash and Cash Equivalents | \$ 2,704,062 | \$ 3,105,268 | \$ 5,809,330 |
| Non-Current Assets - Restricted Cash and Cash Equivalents | 220,135 | 851,616 | 1,071,751 |
| Total Cash and Cash Equivalents | <u>\$ 2,924,197</u> | <u>\$ 3,956,884</u> | <u>\$ 6,881,081</u> |

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2016

| | Private Purpose Trusts | Agency Funds | Total |
|---|---------------------------------------|-------------------------|-------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 37,769 | \$ 331,027 | \$ 368,796 |
| Due From Governmental Funds | - | 3,752 | 3,752 |
| | <u>\$ 37,769</u> | <u>\$ 334,779</u> | <u>\$ 372,548</u> |
| LIABILITIES | | | |
| Deposits Held and Due to Others | \$ - | \$ 303,124 | \$ 303,124 |
| Cafeteria Plan | - | 27,750 | 27,750 |
| Other Accrued Liabilities | - | 3,905 | 3,905 |
| | <u>-</u> | <u>334,779</u> | <u>334,779</u> |
| Total Liabilities | <u>-</u> | <u>334,779</u> | <u>334,779</u> |
| NET POSITION | | | |
| Held in Trust for Other Purposes | 7,825 | - | 7,825 |
| Held in Trust for Scholarships | 29,944 | - | 29,944 |
| | <u>37,769</u> | <u>-</u> | <u>37,769</u> |
| Total Net Position | <u>37,769</u> | <u>-</u> | <u>37,769</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 37,769</u> | <u>\$ 334,779</u> | <u>\$ 372,548</u> |

See notes to audited basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 Year Ended June 30, 2016

| | Private Purpose Trusts |
|----------------------------------|---------------------------------------|
| | <u> </u> |
| ADDITIONS | |
| Interest Revenue | \$ 27 |
| | <u> </u> |
| Total Additions | 27 |
| | <u> </u> |
| DEDUCTIONS | |
| Other | 8,117 |
| | <u> </u> |
| Total Deductions | 8,117 |
| | <u> </u> |
| Change in Net Position | (8,090) |
| Net Position, Beginning of Year | 45,859 |
| | <u> </u> |
| Net Position, End of Year | <u><u>\$ 37,769</u></u> |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

The financial reporting entity consists of:

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial Reporting Entity - Continued

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

Watertown Empire Zone

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

The Trustees of Roswell P. Flower Memorial Library

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

Only footnote disclosures relating to the primary government are included in the basic financial statements. The footnote disclosures relating to the Trustees of the Roswell P. Flower Memorial Library are not included.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

New Accounting Standards

The City has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2016, the City implemented, as applicable, the following new standards issued by GASB:

- Statement No. 72, *Fair Value Measurement and Application*, effective for the fiscal year ending June 30, 2016
- Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for the year ending June 30, 2016
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016
- Statement No. 79, *Certain External Investment Pools and Pool Participants*, effective for the year ending June 30, 2016

Future New Accounting Standards

GASB has issued the following new statements for which the City is reviewing and plans on adopting as required.

- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for the fiscal year ending June 30, 2017
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending June 30, 2018
- Statement No. 77, *Tax Abatement Disclosures*, effective for the year ending June 30, 2017
- Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for the year ending June 30, 2017
- Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*, effective for the year ending June 30, 2017

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Future New Accounting Standards - Continued

- Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for the year ending June 30, 2018
- Statement No. 82, *Pension Issues – an Amendment of GASB Statement No. 67, No. 68 and No. 73*, effective for the year ending June 30, 2018

Government-Wide and Fund Financial Statements

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-Wide and Fund Financial Statements - Continued

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

Fund Financial Statements

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

1. Governmental Funds

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Financial Statements - Continued

Community Development Fund - to account for the use of Federal monies received under Community Development Act and any other economic development project. The Community Development Fund is considered a major fund for reporting purposes.

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

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

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

2. Proprietary Funds

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

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Financial Statements - Continued

3. Fiduciary Funds

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

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

Basis of Accounting / Measurement Focus

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property Taxes

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

Uncollected property taxes assumed by the City as a result of the settlement proceedings are reported as receivables in the general fund to maintain central control and provide for tax settlement and enforcement proceedings. The amount owed to the School District for uncollected school taxes is \$127,124 and is included in "Due to other Governments". A portion of the total property taxes receivable, \$158,840, is considered unavailable and is included in liabilities as unearned revenues.

An allowance for uncollectible taxes of \$680,084 has been included in the General Fund accounts receivable balance at June 30, 2016. Amounts considered to be uncollectible are based on historical trends and specific knowledge related to particular parcels.

The City is permitted by the Constitution of New York State to levy property taxes up to 2% of the five-year average full-assessed valuation for general governmental services other than the payment of debt service and capital expenditures. For the year ended June 30, 2016, the City had exhausted 16.82% of its tax limit and had a constitutional margin of \$19,068,427.

Budget Policies

The budget policies are as follows:

1. Prior to April 30 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the sources of financing.
2. Public hearings are conducted to obtain taxpayers' comments.
3. At the last regular or special meeting in May the budget is adopted by the City Council through the adoption of various resolutions.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Budget Policies - Continued

4. City taxes included in the budget are levied on July 5. The collection period is July 5 through August 5.
5. The Comptroller is authorized to approve certain budget transfer requests within departments or within a fund; however, any revisions that alter total expenditures of any department or fund must be approved by the City Council.
6. For year-end financial reporting, adjustments are made to actual results to conform to modified budget classifications and reflect year-end encumbrances.

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Receivables

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets

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

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

Compensated Absences

Employees are granted the following compensated absences each year:

| | |
|------------|--------------|
| Sick Leave | 12 days |
| Vacation | 10 - 30 days |

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Insurance and Risk Management

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

1. General Liability - The City has a self-insurance program for general liability insurance. The reserved fund balance is recorded within the General Fund.
2. Workers' Compensation - On May 10, 1920 the City became self-insured for the purposes of providing benefits under the Workers Compensation Law of the State of New York. The City recognizes workers compensation expenditures when paid. Annual estimates are appropriated from the General and Enterprise funds, as determined by the City Council. An estimated liability of \$2,285,218 as of June 30, 2016 has been recorded on the Statement of Net Position representing the long-term liability of open workers compensation cases.
3. Unemployment Insurance - The City has a self-insurance program for unemployment, but has not established a reserve for claims. Expenditures are recorded as claims are submitted. Total unemployment insurance expenditures for the year ended June 30, 2016 were \$32,943.
4. Health Care Benefits - On July 1, 1992, the City became self-insured for health care benefits for all eligible City employees and retirees. A third-party administrator selected by the City manages this self-insurance plan. A stop loss policy was also purchased to protect and insure this plan against major claims in excess of \$175,000. The City has calculated a monthly premium equivalent based upon historical experience and projected costs that are billed to the respective funds on a monthly basis. An estimated liability of \$488,421 has been recorded in the self-insurance fund for claims incurred as of June 30, 2016 but not reported based upon historical experience.

Operating Revenue and Expenses

The City's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the City's water and sewer funds consist of charges for services and the costs of providing those services, including depreciation and excluding interest costs. All other revenues and expenses are reported as nonoperating.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt. The second item is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the City's proportion of the collective net pension asset or liability and difference during the measurement period between the City's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The City has one item that qualifies for reporting in this category. The item is related to pensions reported in the government-wide Statement of Net Position. This represents the effect or the net change in the City's proportion of the collective net pension asset or liability and difference during the measurement periods between the City's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Balance

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Balance - Continued

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

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

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

NOTE 2 – CASH AND INVESTMENTS

State statutes govern the City investment policies. In addition, the City has its own written investment policy. City monies must be deposited in FDIC insured commercial banks or trust companies located within the state. The City Comptroller is authorized to use demand accounts, certificates of deposits and permissible investments. Permissible investments include obligations of the U.S. Government and its agencies, repurchase agreements, and obligations of the State of New York, obligations issued by any municipality, school district or corporation other than the City of Watertown and obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the State authorizes such investments. During the fiscal year ended June 30, 2016, the City limited its investments to demand and savings accounts and certificates of deposit.

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 – CASH AND INVESTMENTS - Continued

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

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

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

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

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

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

Total financial institution (bank) balances at June 30, 2016 per the banks were \$24,905,172. These deposits are categorized as follows:

| (a) | (b) | (c) |
|------------|---------------|------|
| \$ 787,891 | \$ 24,117,281 | \$ - |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 – CASH AND INVESTMENTS - Continued

As of June 30, 2016, the City had the following investments:

| | | |
|--|--------|------------|
| Certificates of Deposit-Trust & Agency Funds | \$ | 25,952 |
| State and Local Government Series Securities | | 17,546 |
| Total | \$ | 43,498 |

NOTE 3 – CAPITAL ASSETS

A summary of the changes in capital assets for the fiscal year ended June 30, 2016 follows:

| | Balance June 30, 2015 | Increases | Decreases | Balance June 30, 2016 |
|---------------------------------|--------------------------|--------------|----------------|--------------------------|
| Governmental Activities | | | | |
| Non-Depreciable Capital Assets | | | | |
| Land | \$ 2,621,285 | \$ - | \$ - | \$ 2,621,285 |
| Construction in Progress | 3,860,046 | 12,134,189 | (1,362,956) | 14,631,279 |
| Total | 6,481,331 | 12,134,189 | (1,362,956) | 17,252,564 |
| Depreciable Capital Assets | | | | |
| Land Improvements | 9,564,403 | - | - | 9,564,403 |
| Buildings and Improvements | 33,476,280 | 194,092 | - | 33,670,372 |
| Infrastructure | 69,031,896 | 469,736 | - | 69,501,632 |
| Machinery and Equipment | 12,603,623 | 356,315 | (134,851) | 12,825,087 |
| Vehicles | 10,531,847 | 813,352 | (465,515) | 10,879,684 |
| Total | 135,208,049 | 1,833,495 | (600,366) | 136,441,178 |
| Less: Accumulated Depreciation | | | | |
| Land Improvements | 6,408,274 | 250,977 | - | 6,659,251 |
| Buildings and Improvements | 14,049,164 | 758,932 | - | 14,808,096 |
| Infrastructure | 32,617,842 | 2,085,189 | - | 34,703,031 |
| Machinery and Equipment | 10,056,979 | 415,348 | (134,851) | 10,337,476 |
| Vehicles | 9,085,770 | 461,783 | (452,716) | 9,094,837 |
| Total | 72,218,029 | 3,972,229 | (587,567) | 75,602,691 |
| Depreciable Capital Assets, Net | 62,990,020 | (2,138,734) | (12,799) | 60,838,487 |
| Total | \$ 69,471,351 | \$ 9,995,455 | \$ (1,375,755) | \$ 78,091,051 |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 3 – CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------------|--------------|
| General Government Support | \$ 100,980 |
| Hydroelectric Production | 264,466 |
| Police | 105,571 |
| Fire | 191,846 |
| Public Works | 2,645,323 |
| Bus | 84,679 |
| Library | 141,053 |
| Other Culture and Recreation | 362,096 |
| Refuse and Recycling | 76,215 |
| | <hr/> |
| Total | \$ 3,972,229 |

| | Balance June 30, 2015 | Increases | Decreases | Balance June 30, 2016 |
|---------------------------------|--------------------------|--------------------|----------------------|--------------------------|
| Business-Type Activities | | | | |
| Non-Depreciable Capital Assets | | | | |
| Construction in Progress | \$ 7,911,516 | \$ 3,063,528 | \$ (7,668,735) | \$ 3,306,309 |
| Total | <hr/> 7,911,516 | <hr/> 3,063,528 | <hr/> (7,668,735) | <hr/> 3,306,309 |
| Depreciable Capital Assets | | | | |
| Land Improvements | 250,568 | - | - | 250,568 |
| Buildings and Improvements | 27,516,297 | 7,043,759 | - | 34,560,056 |
| Infrastructure | 26,277,170 | - | - | 26,277,170 |
| Machinery and Equipment | 17,067,361 | 284,223 | (162,129) | 17,189,455 |
| Vehicles | 956,184 | 35,921 | (45,122) | 946,983 |
| Total | <hr/> 72,067,580 | <hr/> 7,363,903 | <hr/> (207,251) | <hr/> 79,224,232 |
| Less: Accumulated Depreciation | | | | |
| Land Improvements | 250,510 | 58 | - | 250,568 |
| Buildings and Improvements | 16,127,349 | 620,962 | - | 16,748,311 |
| Infrastructure | 6,959,283 | 391,342 | - | 7,350,625 |
| Machinery and Equipment | 13,907,304 | 321,988 | (162,129) | 14,067,163 |
| Vehicles | 694,644 | 70,153 | (45,122) | 719,675 |
| Total | <hr/> 37,939,090 | <hr/> 1,404,503 | <hr/> (207,251) | <hr/> 39,136,342 |
| Depreciable Capital Assets, Net | <hr/> 34,128,490 | <hr/> 5,959,400 | <hr/> - | <hr/> 40,087,890 |
| Total | <hr/> \$ 42,040,006 | <hr/> \$ 9,022,928 | <hr/> \$ (7,668,735) | <hr/> \$ 43,394,199 |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 3 – CAPITAL ASSETS - Continued

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

| | | |
|-----------|--------|-----------|
| Water | \$ | 728,598 |
| Sewer | | 675,905 |
| Total | \$ | 1,404,503 |

NOTE 4 – RESTRICTIONS ON ASSETS

Restricted Cash, Cash Equivalents and Investments

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

| Fund | Restricted Balance | Restriction |
|------------------------|-------------------------------|---|
| General - Cash | \$ 20,097 | Reserve for Duffy Fairgrounds Stadium repairs |
| General - Cash | \$ 1,334,993 | Reserve for capital projects |
| General - Cash | \$ 23,365 | Reserve for special assessment sidewalk program debt |
| General – Cash | \$ 230,310 | Reserve for workers compensation claims |
| General – Cash | \$ 574,104 | Reserve for workers general liability claims |
| Special Revenue - Cash | \$ 390,264 | Federal and State community development grants |
| Special Revenue - Cash | \$ 17,621 | Reserve for airport debt service |
| Capital - Cash | \$ 1,706,077 | Reserve for capital project acquisitions and construction |
| Water - Cash | \$ 220,135 | Reserve for capital project acquisitions and construction |
| Sewer - Cash | \$ 851,616 | Reserve for capital project acquisitions and construction |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 5 – NOTES RECEIVABLE

To assist in the rehabilitation of homes and apartments of low and moderate-income persons, the City has been awarded various grants for its "Housing Improvement Program" from the CDBG Small Cities Program and the North Country HOME Consortium. The purpose of this program is to improve living conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation and other necessary repairs will also be encouraged whenever assistance is provided under this program. Grants are subject to repayment if the owner moves or sells the property within the number of years established by the grant, prorated equally per year. Loans are repaid in monthly installments ranging from five to thirty years and are subject to immediate repayment if the owner moves or sells the property. The loans are collateralized by a mortgage on the home. The grants are not collateralized. The balance of the grants subject to repayment at June 30, 2016 was \$975,175. The balance of the loans subject to repayment at June 30, 2016 was \$ 758,005.

The following table summarizes notes receivable at June 30, 2016:

| Grant Source | Grant Purpose | Grant Balance | Loan Terms | Loan Balance |
|--|--|---------------|--|--------------|
| NYS Rental Rehabilitation Section 17 Program -1989 | Rehabilitate apartment building | \$ 0 | Loan is subordinate to existing mortgages, maturing 2024 and bearing interest at 6.25%. All accrued interest and principal are payable at maturity. Deferred revenue has also been recorded equivalent to the amount of the loan outstanding | \$ 71,500 |
| CDBG Small Cities - 2005 | Single purpose home ownership | \$ 0 | Loans not to exceed \$20,000 to be repaid at 0% interest in monthly installments over 20 - 30 years | \$ 188,760 |
| CDBG Small Cities - 2006 | Single purpose housing rehabilitations | \$ 0 | Over 5 years in monthly installments at a rate of \$18 per \$1,000 | \$ 3,715 |
| CDBG Small Cities - 2008 | Rental rehabilitations and downtown apartments | \$ 0 | Over 5 to 10 years in monthly installments at a rate of \$18 per \$1,000 | \$ 69,526 |
| CDBG Small Cities - 2009 | Rental rehabilitations and downtown apartments | \$ 5,055 | Up to 20 years at 0% interest for downtown apartments and up to 10 years at 0% for rental rehabilitations | \$ 126,125 |
| CDBG Small Cities -2011 | Rental rehabilitations and downtown apartments | \$ 14,066 | Up to 20 years at 0% interest for newly developed rental apartments and up to 10 years at 0% for rental rehabilitations | \$ 133,223 |
| CDBG Small Cities - 2012 | Rental rehabilitations and downtown apartments | \$ 170,276 | Up to 20 years at 0% interest for newly developed rental apartments and up to 10 years at 0% for rental rehabilitations | \$ 165,156 |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 5 – NOTES RECEIVABLE - Continued

| | | | | |
|---|---|------------|--|------------------|
| CDBG Small Cities - 2013 | City-wide housing rehabilitations | \$342,086 | 5 years - 20 years at 0% interest for newly developed rental apartments and 5 – 10 years at 0% for City-wide rehabilitations | N/A |
| North Country HOME Consortium – 2007 - 2014 | Repair and rehabilitate the local housing stock | \$ 260,034 | N/A | N/A |
| Program Income - CDBG Small Cities | Repair and rehabilitate the local housing stock | \$ 183,658 | Loan repayments received from recipients of previous CDBG Small Cities grant awards | N/A |
| | Total | \$ 975,175 | | Total \$ 758,005 |

NOTE 6 – SHORT-TERM DEBT

The City issued a bond anticipation note in the amount of \$1,875,000 on June 28, 2016 to finance various projects. The bond anticipation note is reflected in the capital projects fund and enterprise funds. The interest rate is 2.00% with an effective net interest cost of 1.33% and the maturity date of the note is June 28, 2017. The bond anticipation notes are backed by the full faith and credit of the City of Watertown.

| | Balance July 1, 2015 | Additions | Reductions | Balance June 30, 2016 |
|---------------------------------|---------------------------------|------------------|-------------------|----------------------------------|
| Governmental Activities | | | | |
| Bond Anticipation Note | \$ - | \$ 1,225,000 | \$ - | \$ 1,225,000 |
| Total | \$ - | \$ 1,225,000 | \$ - | \$ 1,225,000 |
| | | | | |
| | Balance July 1, 2015 | Additions | Reductions | Balance June 30, 2016 |
| Business-Type Activities | | | | |
| Bond Anticipation Note | \$ - | \$ 650,000 | \$ - | \$ 650,000 |
| Total | \$ - | \$ 650,000 | \$ - | \$ 650,000 |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 7 – LONG-TERM DEBT

During the year ended June 30, 2016, the following changes occurred in long-term obligations:

Governmental Activities

| | Balance July 1, 2015 | Additions | Reductions | Balance June 30, 2016 | Due Within One Year |
|--------------------------|-------------------------|------------|----------------|--------------------------|------------------------|
| General Obligation Bonds | \$ 23,010,176 | \$ - | \$ (2,371,994) | \$ 20,638,182 | \$ 2,192,872 |
| Total | \$ 23,010,176 | \$ - | \$ (2,371,994) | \$ 20,638,182 | \$ 2,192,872 |
| Compensated Absences | \$ 1,089,510 | \$ 21,676 | \$ (25,442) | \$ 1,085,744 | \$ - |
| Workers Compensation | 1,653,544 | 121,060 | - | 1,774,604 | - |
| Landfill Monitoring | 162,000 | - | (18,000) | 144,000 | 18,000 |
| Total | \$ 2,905,054 | \$ 142,736 | \$ (43,442) | \$ 3,004,348 | \$ 18,000 |

The Statement of Net Position at June 30, 2016 includes a deferred amount of \$86,642 on the advance refunding of bonds.

Business-Type Activities

| | Balance July 1, 2015 | Additions | Reductions | Balance June 30, 2016 | Due Within One Year |
|---------------------------------|-------------------------|-----------|----------------|--------------------------|------------------------|
| General Obligation Bonds: | | | | | |
| Water | \$ 5,942,937 | \$ - | \$ (675,610) | \$ 5,267,327 | \$ 672,099 |
| Sewer | 9,511,887 | - | (887,396) | 8,624,491 | 870,029 |
| Total | \$ 15,454,824 | \$ - | \$ (1,563,006) | \$ 13,891,818 | \$ 1,542,128 |
| Workers Compensation Liability: | | | | | |
| Water | \$ 337,887 | \$ 66,322 | \$ - | \$ 404,209 | \$ - |
| Sewer | 118,981 | - | (12,576) | 106,405 | - |
| Total | \$ 456,868 | \$ 66,322 | \$ (12,576) | \$ 510,614 | \$ - |
| Compensated Absences: | | | | | |
| Water | \$ 55,315 | \$ 4,165 | \$ - | \$ 59,480 | \$ - |
| Sewer | 59,608 | - | (12,512) | 47,096 | - |
| Total | \$ 114,923 | \$ 4,165 | \$ (12,512) | \$ 106,576 | \$ - |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 7 – LONG-TERM DEBT - Continued

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 10 to 30 year serial bonds with equal amounts of principal maturing each year. General obligation bonds at June 30, 2016 are as follows:

| | Interest Rate | Original Amount | Paid June 30, 2016 | Outstanding June 30, 2016 | Maturity Date |
|------------------------------|------------------|--------------------|-----------------------|------------------------------|------------------|
| Sanitary and Storm Sewers | 9.60% | \$ 2,330,000 | \$ 50,000 | 75,000 | 12/2017 |
| Public Improvements | 4.00-5.00% | 2,310,000 | 10,000 | 20,000 | 5/2021 |
| Public Improvements | 4.625-7.5% | 250,000 | 25,000 | - | 11/2015 |
| Public Improvements | 3.25-4.00% | 7,345,000 | 475,000 | 2,575,000 | 2/2023 |
| Public Improvements | 2.50-3.25% | 3,220,000 | 325,000 | 975,000 | 9/2018 |
| Public Improvements | 3.125-4.00% | 2,225,000 | 150,000 | 975,000 | 12/2024 |
| Public Imp. Refunding, Ser.A | 2.00-4.00% | 2,175,000 | 130,000 | 1,555,000 | 11/2025 |
| Public Imp. Refunding, Ser.B | 2.00-3.75% | 1,635,000 | 140,000 | 185,000 | 5/2020 |
| Public Imp. Refunding, Ser.C | 2.00-6.00% | 3,695,000 | 285,000 | 2,380,000 | 11/2022 |
| Public Improvements | 2.00-3.00% | 2,035,000 | 225,000 | 875,000 | 6/2021 |
| Public Improvements | 3.00-3.50% | 1,645,000 | 125,000 | 1,250,000 | 10/2027 |
| Public Imp. Refunding | 1.00- 2.625% | 4,485,000 | 865,000 | 3,105,000 | 11/2022 |
| Public Improvements, Ser.A | 1.50-2.75% | 1,195,000 | 150,000 | 900,000 | 4/2024 |
| Public Improvements, Ser.B | 2.00-3.25% | 5,110,000 | 280,000 | 4,550,000 | 4/2029 |
| Public Improvements, Ser.A | 3.00-3.50% | 10,000,000 | 265,000 | 9,735,000 | 6/2040 |
| Public Improvements, Ser.B | 2.00-3.125% | 5,810,000 | 435,000 | 5,375,000 | 6/2030 |
| Total Serial Bonds | | | <u>\$ 3,935,000</u> | <u>34,530,000</u> | |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 7 – LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

Annual debt service requirements to maturity for general obligation bonds for fiscal year ending June 30, 2016 are as follows:

Governmental Activities

| | Principal | Interest | Total |
|-------------|----------------------|---------------------|----------------------|
| 2017 | \$ 2,192,872 | \$ 685,392 | \$ 2,878,264 |
| 2018 | 2,130,357 | 620,246 | 2,750,603 |
| 2019 | 2,009,112 | 556,912 | 2,566,024 |
| 2020 | 1,543,941 | 498,184 | 2,042,125 |
| 2021 | 1,463,800 | 444,854 | 1,908,654 |
| 2022 – 2026 | 4,417,100 | 1,566,093 | 5,983,193 |
| 2027 – 2031 | 2,216,000 | 1,041,533 | 3,257,533 |
| 2032 – 2036 | 2,405,000 | 654,150 | 3,059,150 |
| 2037 – 2040 | <u>2,260,000</u> | <u>201,250</u> | <u>2,461,250</u> |
| Totals | <u>\$ 20,638,182</u> | <u>\$ 6,268,614</u> | <u>\$ 29,906,796</u> |

Business-type Activities

| | Principal | Interest | Total |
|-------------|----------------------|---------------------|----------------------|
| 2017 | \$ 1,542,128 | \$ 386,066 | \$ 1,928,194 |
| 2018 | 1,519,643 | 346,155 | 1,865,798 |
| 2019 | 1,450,888 | 307,434 | 1,758,322 |
| 2020 | 1,291,059 | 272,647 | 1,563,706 |
| 2021 | 1,246,200 | 240,573 | 1,486,773 |
| 2022 – 2026 | 4,272,900 | 765,904 | 5,038,804 |
| 2027 – 2031 | <u>2,569,000</u> | <u>178,968</u> | <u>2,747,968</u> |
| Totals | <u>\$ 13,891,818</u> | <u>\$ 2,497,747</u> | <u>\$ 16,389,565</u> |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 7 – LONG-TERM DEBT - Continued

Airport Debt

The City transferred ownership of the Watertown International Airport to Jefferson County on March 1, 2006. In accordance with the transfer agreement, Jefferson County provided the City with the necessary funds to retire all outstanding general obligation bonds as they mature. The City invested \$301,168 in State and Local Government Series securities with the proceeds received from Jefferson County in various amounts and at various interest rates, which will produce the funds necessary to meet the principal and interest obligations of the outstanding airport debt. The outstanding principal balance of airport debt at June 30, 2016 was \$ 17,250.

Advance Refunding

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 7 – LONG-TERM DEBT - Continued

Advance Refunding - Continued

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

On April 14, 2011, the City elected to call in and redeem on June 15, 2011 the outstanding \$110,000 aggregate principal amount of its Hydroelectric Plant (Serial) Bonds, 2002 (Federally Taxable Series) dated May 15, 2002, and maturing on May 15 and November 15 in each of the years 2012 to 2021, both inclusive, at par plus accrued interest to the redemption date, as specified on the face of the bonds. The bonds were part of an original issue of \$190,000.

On June 18, 2014, the City issued \$4,485,000 in general obligation bonds with an average interest rate of 1.29% to refund \$2,400,000 of outstanding January 15, 2005 serial bonds with an average interest rate of 3.67% and an advance refund \$2,100,000 of outstanding November 15, 2005 serial bonds with an average interest rate of 4.15%. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent and used to redeem all of the outstanding January 2005 series bonds on July 21, 2014 and the November 2005 series bonds will be refunded on November 15, 2014. A difference in cash flow requirements of \$346,783 and a net present value savings of \$327,420 were a result of this advance refunding by the City.

NOTE 8 – UNEARNED REVENUE

General Fund

| | |
|--|-------------------|
| Unearned Property Tax Revenue, Refuse Tote Revenue and Prepaid Interest Installments on Special Assessments | <u>\$ 269,398</u> |
|--|-------------------|

Capital Projects Fund

| | |
|--|------------------|
| Unearned State Aid and Other Miscellaneous Sources | <u>\$ 23,945</u> |
|--|------------------|

Special Revenue Fund

| | |
|---|---------------------|
| Notes Receivable Funded from Grant Proceeds | <u>\$ 1,762,714</u> |
|---|---------------------|

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS

Plan Description

The City of Watertown participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. Dinapoli has served as Comptroller since February 7, 2007. In November 2014, he was elected for a new term commencing January 1, 2015. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City of Watertown also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Funding Policy

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS- Continued

Funding Policy - Continued

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

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

The City of Watertown is required to contribute at an actuarially determined rate. The required contributions for New York State's current year ended March 31, 2016 and two preceding years were:

| | FYE 6/30/16 | FYE 6/30/15 | FYE 6/30/14 |
|------------------------|--------------------|--------------------|--------------------|
| Employer Contributions | | | |
| ERS | \$ 1,343,922 | \$ 1,657,173 | \$ 1,748,158 |
| PFRS | \$ 2,136,795 | \$ 2,494,595 | \$ 2,516,571 |
| Employee Contributions | | | |
| ERS | \$ 124,882 | \$ 118,259 | \$ 115,471 |
| PFRS | \$ 51,341 | \$ 26,724 | \$ 13,678 |

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS- Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016 the City of Watertown reported a liability of \$5,481,964 for its proportionate share of the Employees' Retirement System net pension liability and a liability of \$9,459,217 for its proportionate share of the Police and Fire Employees' Retirement System net pension liability. The new pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2015. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2016, the City's proportionate share was 0.0341549 percent for the Employees' Retirement System and 0.3194832 percent for the Police and Fire Employees' Retirement System.

For the year ended June 30, 2016, the City recognized a pension expense of \$1,909,452 for the Employees' Retirement System and a pension expense of \$3,373,489 for the Police and Fire Employees' Retirement System. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Employees' Retirement System | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences Between Expected and Actual Experience | \$ 27,702 | \$ 649,795 |
| Changes of Assumption | 1,461,874 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 3,252,202 | - |
| Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions | - | 181,447 |
| City Contributions Subsequent to Measurement Date | 326,338 | - |
| Total | <u>\$ 5,068,116</u> | <u>\$ 831,242</u> |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS- Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

| Police and Fire Employees' Retirement System | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 84,841 | \$ 1,430,120 |
| Changes of Assumption | 4,077,837 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 5,301,126 | - |
| Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions | 18,297 | 504,981 |
| City Contributions Subsequent to Measurement Date | <u>569,116</u> | <u>-</u> |
| Total | <u>\$ 10,051,217</u> | <u>\$ 1,935,101</u> |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | Employees' Retirement System | Police and Fire Retirement System |
|------------|---|--|
| 2017 | \$ 988,868 | \$ 1,788,377 |
| 2018 | 988,868 | 1,788,377 |
| 2019 | 988,868 | 1,788,377 |
| 2020 | 943,930 | 1,714,565 |
| 2021 | - | 467,306 |
| Thereafter | - | - |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS- Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

| | Balance July 1, 2015 | Additions | Reductions | Balance June 30, 2016 |
|--|---------------------------------|----------------------|-------------------|----------------------------------|
| Governmental Activities | | | | |
| Net Pension Liability – Proportionate Share | \$ 1,679,640 | \$ 11,648,747 | \$ - | \$ 13,328,387 |
| Total | <u>\$ 1,679,640</u> | <u>\$ 11,648,747</u> | <u>\$ -</u> | <u>\$ 13,328,387</u> |
| | | | | |
| | Balance July 1, 2015 | Additions | Reductions | Balance June 30, 2016 |
| Business-Type Activities | | | | |
| Net Pension Liability- Proportionate Share | | | | |
| Water | \$ 185,530 | \$ 671,849 | \$ - | \$ 857,379 |
| Sewer | 167,741 | 587,674 | - | 755,415 |
| Total | <u>\$ 353,271</u> | <u>\$ 1,259,523</u> | <u>\$ -</u> | <u>\$ 1,612,794</u> |

Payables to the Pension Plan

For ERS and PFRS pension plans, employer contributions are paid annually based on the System’s fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2016 represent the projected employer contributions for the period April 1, 2016 through June 30, 2016 based on ERS and PFRS wages multiplied by the employer’s rate, by tier. The accrued ERS retirement contributions as of June 30, 2016 were \$233,505 for governmental activities and \$92,873 for business-type activities. The accrued PFRS retirement contribution as of June 30, 2016 was \$644,985 for governmental activities.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS- Continued

Actuarial Assumptions

The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

| | ERS | PFRS |
|---|------------|-------------|
| Inflation Rate | 2.5% | 2.5% |
| Salary Increases | 3.8% | 4.5% |
| Investment Rate or Return (Net of Investment Expense Including Inflation) | 7.0% | 7.0% |
| Cost of living Adjustments | 1.3% | 1.3% |

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 system experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumption used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 are summarized below.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS- Continued

Actuarial Assumptions - Continued

| | Long-Term Expected Real Rate |
|---------------------------|---|
| Asset Type | |
| Domestic Equity | 7.30% |
| International Equity | 8.55% |
| Private Equity | 11.00% |
| Real Estate | 8.25% |
| Absolute Return | 6.75% |
| Opportunistic Portfolio | 8.60% |
| Real Assets | 8.65% |
| Bonds and Mortgages | 4.00% |
| Cash | 2.25% |
| Inflation - Indexed Bonds | 4.00% |

Discount Rate

The discount rate used to calculate the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS- Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption - Continued

| | 1% Decrease (6.0%) | Current Assumption (7.0%) | 1% Increase (8.0%) |
|--|-------------------------------|--|-------------------------------|
| Employees' Retirement System | | | |
| City's Proportionate Share of the Net Pension Liability (Asset) | \$ 12,361,430 | 5,481,964 | \$ (330,891) |
| Police and Fire Employees' Retirement System | | | |
| City's Proportionate Share of the Net Pension Liability (Asset) | \$ 21,128,156 | 9,459,217 | \$ (321,883) |

Pension Plan Fiduciary Net Position

The components of the current- year net pension liability of the employers as of March 31, 2016, were as follows:

| | (Dollars in Thousands) | | |
|--|---|--|----------------------|
| | Employees' Retirement System | Police and Fire Retirement System | Total |
| Employers' Total Pension Liability | \$ 172,303,544 | 30,347,727 | \$ 202,651,271 |
| Plan Net Pension | <u>(156,253,265)</u> | <u>(27,386,940)</u> | <u>(183,640,205)</u> |
| Employers' Net Pension Liability | <u>\$ 16,050,279</u> | <u>2,960,787</u> | <u>\$ 19,011,066</u> |
| Ratio of Plan Net Position to the Employers' Total Plan Pension Liability | 90.7% | 90.2% | 90.6% |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – RETIREMENT BENEFITS- Continued

Bonus Retirement Plan

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

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

The City has reported \$71,000 relating to this bonus retirement plan as part of the accrued compensated absences balance in the General Fund.

NOTE 10 – POST EMPLOYMENT BENEFITS

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

Plan Description

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 10 – POST EMPLOYMENT BENEFITS - Continued

Funding Policy

The contribution requirements of the members and the City are established by the City's collective bargaining agreements with its various unions. The required contribution rate of the City and the members varies depending on the applicable agreement covering the retiree and retiree's date of hire. Contribution rates for retirees range from 0% to 25% of the monthly premium cost. The City currently pays for postemployment healthcare benefits on a pay-as-you-go basis. For the year ended June 30, 2016, the City contributed approximately \$7,296,416 to the plan for its share of the health insurance premiums while plan members receiving benefits contributed \$658,052.

Annual OPEB Cost and Net Obligation

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

| | Governmental Activities | Business-type Activities - Water Fund | Business-type Activities - Sewer Fund | Total |
|--|------------------------------------|--|--|----------------------|
| Annual Required Contribution (ARC) | \$ 6,278,123 | \$ 445,352 | \$ 426,943 | \$ 7,150,418 |
| Interest on Net OPEB Obligation Adjustment to ARC | 560,078 | 63,027 | 43,138 | 666,243 |
| | <u>(535,049)</u> | <u>(60,210)</u> | <u>(41,210)</u> | <u>(636,469)</u> |
| Annual OPEB Cost | 6,303,152 | 448,169 | 428,871 | 7,180,192 |
| Contributions Made | <u>(3,824,180)</u> | <u>(188,944)</u> | <u>(167,880)</u> | <u>(4,181,004)</u> |
| Change in Net OPEB Obligation | 2,478,972 | 259,225 | 260,991 | 2,999,188 |
| Net OPEB Obligation - Beginning of Year | <u>14,001,963</u> | <u>1,575,665</u> | <u>1,078,439</u> | <u>16,656,067</u> |
| Net OPEB Obligation - End of Year | <u>\$ 16,480,935</u> | <u>\$ 1,834,890</u> | <u>\$ 1,339,430</u> | <u>\$ 19,655,255</u> |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 10 – POST EMPLOYMENT BENEFITS - Continued

Annual OPEB Cost and Net Obligation - Continued

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

| | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---------------------------------------|-----------------------------|---|--------------------------------|
| FYE 6/30/16 | | | |
| Governmental Activities | \$ 6,303,152 | 60.67% | \$ 16,480,935 |
| Business-type Activities - Water Fund | \$ 448,169 | 42.16% | \$ 1,834,890 |
| Business-type Activities - Sewer Fund | \$ 428,871 | 39.14% | \$ 1,339,430 |
| FYE 6/30/15 | | | |
| Governmental Activities | \$ 6,132,186 | 59.72% | \$ 14,001,963 |
| Business-type Activities – Water Fund | \$ 432,306 | 40.65% | \$ 1,575,665 |
| Business-type Activities – Sewer Fund | \$ 412,633 | 35.03% | \$ 1,078,439 |
| FYE 6/30/14 | | | |
| Governmental Activities | \$ 6,832,342 | 54.93% | \$ 11,532,530 |
| Business-type Activities – Water Fund | \$ 463,899 | 26.66% | \$ 1,319,089 |
| Business-type Activities – Sewer Fund | \$ 336,150 | 44.46% | \$ 810,343 |

Funded Status and Funding Progress

As of September 1, 2014, the most recent actuarial valuation date, the City's actuarial accrued liability for benefits was \$130,233,084 and there were no plan assets. Actuarial valuations of an ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents multi-year trend information about the value of plan assets relative to the actuarial accrued liability.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 10 – POST EMPLOYMENT BENEFITS - Continued

Actuarial Methods and Assumptions

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

In the September 1, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The plan's unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payrolls on an open basis. The actuarial assumptions include 4.0% investment rate of return and an inflation rate of 3.0%. The annual healthcare cost trend rate was estimated at 7.5% for the next fiscal year and decreasing each fiscal year thereafter until reaching 6.10% for the fiscal year ending June 30, 2019. The rate was then adjusted every five years through 2084 at 4.40%.

NOTE 11 – FUND BALANCES

Nonspendable Fund Balances

Non-spendable fund balance consists of prepaid stop loss insurance on the City's health insurance plan.

Restricted Fund Balances

Restricted fund balances consist of the following:

General Fund

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 11 – FUND BALANCES - Continued

Restricted Fund Balances - Continued

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

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

Community Development Fund

Community Development – An amount restricted as to use for providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

Other Governmental Funds

Mandatory Reserve for Indebtedness - Pursuant to Section 165.00 of the Local Finance Law of the State of New York, the proceeds, which will not be used for the specific purpose of the borrowing, plus any interest earned or capital gain realized on these proceeds must be used only for payment of principal and/or interest from which these proceeds were derived.

Economic Development – An amount which represents the net position of the Watertown Empire Zone.

Other Fund Balance Disclosures

Deficit Fund Balance

The Capital Projects Fund had a deficit fund balance of \$779,954 at June 30, 2016 due to the issuance of a bond anticipation note rather than a serial bond to finance various projects.

Excess of Expenditures over Appropriations

The Health Insurance Fund had excess expenditures of \$61,963 over appropriations due to higher than expected health claims.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 12 – INTERFUND TRANSACTIONS

Operating Transfers

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

Inter-fund receivable and payable balances arising from these transactions as of June 30, 2016 were as follows:

| | Inter-fund Receivable | Inter-fund Payable |
|-----------------------|----------------------------------|-------------------------------|
| General Fund | \$ 1,136,038 | \$ 129,456 |
| Special Revenue Fund | - | 99,459 |
| Water Fund | 12,442 | 47,548 |
| Sewer Fund | 51,158 | 6,591 |
| Library Fund | 116,500 | 256 |
| Health Fund | - | 2,650 |
| Capital Project Funds | 69,923 | 1,071,523 |
| Tourism | - | 32,330 |
| Trust & Agency Fund | 3,752 | - |
| | <u>\$ 1,389,813</u> | <u>\$ 1,389,813</u> |
| Total | <u>\$ 1,389,813</u> | <u>\$ 1,389,813</u> |

Interfund Eliminations

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

| | General Fund | Self-funded Health Insurance Fund |
|--------------|---------------------|--|
| Revenues | \$ - | \$ 6,211,304 |
| Expenditures | 6,211,304 | - |
| | <u>\$ 6,211,304</u> | <u>\$ 6,211,304</u> |
| Total | <u>\$ 6,211,304</u> | <u>\$ 6,211,304</u> |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 13 – OPERATING LEASES

State Street Parking Lot

The City leases a parking lot located at 250-270 State Street from Wilson Rusho and Terry MacAdam. The term of the original lease was for a five-year period from October 22, 2011 through October 21, 2016. The annual rent for the current fiscal year is \$2,900. The lease payment is payable in advance by September 15th of the previous year. On April 19, 2016, the City Council approved a new lease for the period from October 22, 2016 through October 21, 2021.

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

| | | |
|-------|----|---------------|
| 2017 | \$ | 3,000 |
| 2018 | | 3,100 |
| 2019 | | 3,200 |
| 2020 | | 3,300 |
| 2021 | | <u>3,400</u> |
| Total | \$ | <u>16,000</u> |

Fairgrounds Property Lease

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

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

| | | |
|------------|----|----------------|
| 2017 | \$ | 25,800 |
| 2018 | | 25,800 |
| 2019 | | 26,768 |
| 2020 | | 27,735 |
| 2021 | | 27,735 |
| Thereafter | | <u>378,669</u> |
| Total | \$ | <u>512,507</u> |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 13 – OPERATING LEASES - Continued

Public Safety Building Lease

The City has entered into an amended Inter-municipal Agreement with the County of Jefferson, New York, for the joint operation and maintenance of a County/City Public Safety Building. Minimum annual lease payments are calculated on a pro rata basis of square footage utilized by the City and consist of the costs incurred for debt service, operation and maintenance expenses. These lease payments are offset by a percentage of the costs incurred by the City for the construction of the facility. Furthermore, the City is liable for a portion of the debt regardless of the City continuing the lease or not. Total rental expenditures for the year ended June 30, 2016 were \$246,578. The final debt service payment on the initial construction was made in the fiscal year ended June 30, 2014.

Equipment Leases

The City is the lessor of certain office equipment. The lease dated August 13, 2013 is for a term of five years. Minimum future rentals on the lease as of June 30 are as follows:

| | | | |
|-----------|--|--------|-----------|
| 2017 | | \$ | 2,606 |
| 2018 | | | 2,606 |
| 2019 | | | 434 |
| Total | | \$ | 5,646 |

The City is the lessor of certain office equipment. The lease dated November 2, 2011 is for a term of five years. Minimum future rentals on the lease as of June 30 are as follows:

| | | | |
|-----------|--|--------|---------|
| 2017 | | \$ | 675 |
| Total | | \$ | 675 |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation

The City has been named in several claims arising out of the conduct of its business, including claims for property damage, personnel practices, personal injury, false arrest, and disputes over contracts and suits contesting assessments. These claims, in the opinion of City officials, will not result in material judgments against the City, and, therefore, are not expected to have a material effect on the general-purpose financial statements. Additionally, as of June 30, 2016, the financial impact of these claims, if any, cannot be determined. Accordingly, the general-purpose financial statements have not been adjusted to reflect the potential result of these claims. However, the City has accumulated a reserve of \$571,315 as of June 30, 2016 for un-funded general liability claims.

Grant Programs

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

Environmental Concerns

On April 27, 2007, the City acquired several parcels of property from Black Clawson known as Sewall's Island. On December 26, 2006, the City received a grant under the Environmental Restoration Program (ERP) from the New York State Department of Conservation for the investigation of the Sewall's Island project site. The ERP grant will provide \$705,540 towards the investigation phase of the project. The City's local share to the ERP grant will be funded from a U.S. Environmental Protection Agency Brownfields Pilot Program grant. The City Council has spent \$900,545 for a professional services contract with Lu Engineers to prepare the investigation phase of the Environmental Restoration Program. As of June 30, 2016, the City is not expected to have any liability for this potential environmental clean-up due to the "safe harbor" provisions of the ERP grant.

The City is engaged in many activities (i.e. water and sewer service, refuse collection, and gasoline storage) in the normal course of operations that are potentially hazardous to the environment. As of June 30, 2016, the City is not aware of any significant environmental problems that should be disclosed in the financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 14 – COMMITMENTS AND CONTINGENCIES - Continued

Landfill Closure

State and federal laws and regulations required the City to close its landfill site in 1993. Although the closure has been completed, the City must continue to perform certain maintenance and monitoring functions at the site for thirty years after closure. The costs incurred during the closure were expensed as incurred. The post-closure monitoring occurs three times a year at an estimated annual expenditure of \$18,000. At June 30, 2016, an estimated \$144,000 in post-closure care cost will be incurred over the remaining 8-year period. This liability is recorded as long-term debt in the Statement of Net Position and is amortized in the General Fund at approximately \$18,000 each year.

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

Black River Fund

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 14 – COMMITMENTS AND CONTINGENCIES - Continued

Black River Fund - Continued

Under the terms of the agreement, within sixty (60) days of the City's acceptance of a new FERC license, the City agreed to contribute \$30,000 to cover the first three (3) years of the license's forty (40) year term. The City started to contribute \$10,000 annually beginning in the fiscal year ending June 30, 2003, for a total agreed contribution of \$400,000. The balance in the fund as of June 30, 2016 was \$78,189.

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

Electrical Distribution System Agreement

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

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

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

Metropolitan Planning Organization

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 14 – COMMITMENTS AND CONTINGENCIES - Continued

Metropolitan Planning Organization – Continued

A Metropolitan Planning Organization (MPO) was formed to plan for the expenditure of federal highway and transit funds within a Metropolitan Planning Area (MPA) that was delineated around the Urbanized Area. The Watertown-Jefferson County Transportation Council was designated as the MPO on September 19, 2014 by the Commissioner of the NYS Department of Transportation on behalf of the Governor. The MPO is governed by a Memorandum of Understanding between the City, Jefferson County and NYS Department of Transportation.

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

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

NOTE 15 – RESTATEMENT OF NET POSITION / FUND BALANCE

For the fiscal year ended June 30, 2015, a prior year restatement of \$438,071 was made between the governmental activities and business-type activities to correct prior year over charges to the water and wastewater treatment plants for their use of electricity generated by the City's hydro-electric plant.

Statement of Activities

| | Governmental | Business- Type |
|---|----------------------|---------------------------|
| Net Position Beginning of Year, as Previously Stated | \$ 53,112,845 | \$ 31,980,275 |
| Reclassification of prior year hydro-electric charges | <u>(438,071)</u> | <u>438,071</u> |
| Net Position Beginning of Year, as Restated | <u>\$ 52,674,774</u> | <u>\$ 32,418,346</u> |

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 15 – RESTATEMENT OF NET POSITION/FUND BALANCE - Continued

Governmental Funds

| | General | Non-Major |
|---|----------------------|-------------------|
| Fund Balance Beginning of Year, as Previously Stated | \$ 16,202,052 | \$ 354,252 |
| Reclassification of prior year hydro-electric charges | <u>(462,962)</u> | <u>24,891</u> |
| Fund Balance Beginning of Year, as Restated | <u>\$ 15,739,090</u> | <u>\$ 379,143</u> |

Proprietary Funds

| | Water | Sewer |
|---|----------------------|----------------------|
| Net Position Beginning of Year, as Previously Stated | \$ 15,197,270 | \$ 16,783,005 |
| Reclassification of prior year hydro-electric charges | <u>149,308</u> | <u>288,763</u> |
| Net Position Beginning of Year, as Restated | <u>\$ 15,346,578</u> | <u>\$ 17,071,768</u> |

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 5, 2017, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ended June 30, 2016

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|--|--|--|-------------------------------|------------------------------------|--|
| 6/30/2016 | \$ - | \$ 130,233,084 | \$ 130,233,084 | 0% | \$ 18,669,336 | 698% |
| 6/30/2015 | \$ - | 127,195,942 | \$ 127,195,942 | 0% | \$ 18,105,641 | 703% |
| 6/30/2014 | \$ - | 134,515,815 | \$ 134,515,815 | 0% | \$ 18,459,558 | 729% |

See paragraph on supplementary schedules included in independent auditors' report.

CITY OF WATERTOWN, NEW YORK

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance With |
|---|-------------------|-------------------|-------------------------------|--|
| | Original | Final | Amounts Budgetary Basis | Final Budget Favorable (Unfavorable) |
| Resources (Inflows) | | | | |
| Real Property Taxes | \$ 8,406,979 | \$ 8,406,979 | \$ 8,440,657 | \$ 33,678 |
| Real Property Tax Items | 327,000 | 327,000 | 309,967 | (17,033) |
| Non-Property Taxes | 18,540,000 | 18,540,000 | 17,925,638 | (614,362) |
| Departmental Income | 5,186,575 | 5,197,575 | 5,367,002 | 169,427 |
| Intergovernmental Charges | 140,030 | 140,030 | 128,893 | (11,137) |
| Use of Money and Property | 92,360 | 92,360 | 92,802 | 442 |
| Licenses and Permits | 92,600 | 92,600 | 69,190 | (23,410) |
| Fines and Forfeitures | 135,000 | 135,000 | 104,548 | (30,452) |
| Sale of Property and Compensation for Loss | 195,100 | 195,100 | 901,441 | 706,341 |
| Miscellaneous Local Sources | 842,635 | 842,635 | 1,085,668 | 243,033 |
| Interfund Revenue | 1,181,828 | 1,183,753 | 1,166,033 | (17,720) |
| State Source | 5,580,210 | 5,580,210 | 5,660,472 | 80,262 |
| Federal Sources | 680,800 | 842,898 | 437,728 | (405,170) |
| Transfers from Other Funds | 83,900 | 83,900 | 30,001 | (53,899) |
| Amounts Available for Appropriation | <u>41,485,017</u> | <u>41,660,040</u> | <u>41,720,040</u> | <u>60,000</u> |
| Charges to Appropriations (Outflows) | | | | |
| General Government Support | 6,045,550 | 6,354,750 | 5,676,173 | 678,577 |
| Public Safety | 15,769,550 | 16,414,662 | 16,025,351 | 389,311 |
| Transportation | 5,239,105 | 4,427,605 | 4,068,951 | 358,654 |
| Economic Assistance and Development | 60,037 | 60,037 | 49,438 | 10,599 |
| Culture and Recreation | 1,596,078 | 1,766,203 | 1,554,668 | 211,535 |
| Home and Community Services | 1,329,832 | 1,162,982 | 1,022,554 | 140,428 |
| Employee Benefits | 8,725,366 | 8,825,641 | 8,915,846 | (90,205) |
| Debt Service | 3,086,348 | 3,058,723 | 3,058,700 | 23 |
| Transfers to Other Funds | 1,962,823 | 1,912,823 | 1,836,096 | 76,727 |
| Total Charges to Appropriations | <u>43,814,689</u> | <u>43,983,426</u> | <u>42,207,777</u> | <u>1,775,649</u> |
| Excess (Deficiency) of Resources Over | | | | |
| Charges to Appropriations | (2,329,672) | (2,323,386) | (487,737) | 1,835,649 |
| Appropriation of Prior Year Fund Balance | <u>2,329,672</u> | <u>2,323,386</u> | <u>-</u> | <u>(2,323,386)</u> |
| Excess / (Deficiency) of Resources Over | | | | |
| Charges to Appropriations | <u>\$ -</u> | <u>\$ -</u> | <u>(487,737)</u> | <u>\$ (487,737)</u> |
| Fund Balance, Beginning of Year | | | 15,739,090 | |
| Fund Equity Transfer | | | <u>-</u> | |
| Fund Balance, End of Year | | | <u>\$ 15,251,353</u> | |

See paragraph on supplementary schedules included in independent auditors' report.

CITY OF WATERTOWN, NEW YORK

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – NYSLRS PENSION PLAN

Year Ended June 30, 2016

| | 2016 | 2015 |
|---|--------------|--------------|
| Employees' Retirement System (ERS) | | |
| City's Proportion of the Net Pension Liability | 0.03415490% | 0.03534050% |
| City's Proportionate Share of the Net Pension Liability | \$ 5,481,964 | \$ 1,193,889 |
| City's Covered Payroll | \$ 8,685,504 | \$ 8,549,403 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll | 63.12% | 13.96% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 90.70% | 97.90% |
| Police and Fire Retirement System (PFRS) | | |
| City's Proportion of the Net Pension Liability | 0.31948320% | 0.30481120% |
| City's Proportionate Share of the Net Pension Liability | \$ 9,459,217 | \$ 839,022 |
| City's Covered Payroll | \$ 9,983,832 | \$ 9,556,238 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll | 94.75% | 8.78% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 90.20% | 99.00% |

10 years of historical data was not available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditors' report.

CITY OF WATERTOWN, NEW YORK

SCHEDULE OF THE CITY'S CONTRIBUTIONS – NYSLRS PENSION PLAN

Year Ended June 30, 2016

| | 2016 | 2015 |
|--|------------------|------------------|
| Employees' Retirement System (ERS) | | |
| Contractually Required Contribution | \$ 1,343,922 | \$ 1,657,173 |
| Contributions in Relation to the Contractually Required Contribution | <u>1,343,922</u> | <u>1,657,173</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> |
| City's Covered Employee Payroll | \$ 8,685,504 | \$ 8,549,403 |
| Contributions as a Percentage of Covered Employee Payroll | 15.47% | 19.38% |

Police and Fire Retirement System (PFRS)

| | | |
|--|------------------|------------------|
| Contractually Required Contribution | \$ 2,136,795 | \$ 2,494,595 |
| Contributions in Relation to the Contractually Required Contribution | <u>2,136,795</u> | <u>2,494,595</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> |
| City's Covered Employee Payroll | \$ 9,983,832 | \$ 9,556,238 |
| Contributions as a Percentage of Covered Employee Payroll | 21.40% | 26.11% |

10 years of historical data was not available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditors' report.

FEDERAL AWARDS PROGRAM INFORMATION



**BOWERS & COMPANY
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CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WATERTOWN, NEW YORK**, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise City of Watertown, New York's basic financial statements, and have issued our report thereon dated January 5, 2017.

Internal Control Over Financial Reporting

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

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

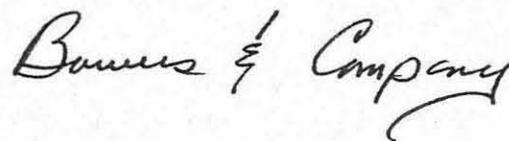
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Banner & Company". The signature is written in dark ink and is positioned to the right of the main text block.

Watertown, New York
January 5, 2017



**BOWERS & COMPANY
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Watertown, New York's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Watertown, New York's major federal programs for the year ended June 30, 2016. The City of Watertown, New York's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Watertown, New York's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Watertown, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, City of Watertown, New York, complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Bowers & Company

Watertown, New York
January 5, 2017

CITY OF WATERTOWN, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2016

| Federal Grantor/Program Title | <u>CFDA Number</u> | <u>Pass-Through Grant #</u> | <u>Federal Expenditures</u> |
|--|-------------------------------|--|--|
| US Department of Housing & Urban Development | | | |
| Direct Award: | | | |
| Community Development Block Grant / Entitlement Grant | 14.218 | B-14-MC-36-0121 | \$ 226,304 |
| Passed Through New York State Homes & Community Renewal: | | | |
| Community Development Block Grant / State's Program | 14.228 | 1207HR11-13 | 184,356 |
| Community Development Block Grant / Program Income | 14.228 | | <u>28,152</u> |
| Total Community Development Block Grant / State's Loan | | | 212,508 |
| Passed Through Development Authority of the North Country: | | | |
| HOME Investment Partnerships Program | 14.239 | M14-DC360512 | <u>48,331</u> |
| Total HOME Investment Partnership Program | | | 48,331 |
| Total Department of Housing & Urban Development | | | <u>487,143</u> |
| US Department of Transportation | | | |
| Passed Through New York State: | | | |
| State and Community Highway Safety | 20.600 | PD-00140-(023) | 4,129 |
| Highway Planning and Construction | 20.205 | PIN 7753.15.121 | 2,449,541 |
| Total Department of Transportation | | | <u>2,453,670</u> |
| US Department of Homeland Security | | | |
| Direct Award: | | | |
| Assistance to Firefighters Grant | 97.044 | EMW-2014-FO-01549 | 147,362 |
| Passed Through New York State Division of Homeland Security and Emergency Services: | | | |
| Homeland Security Grant Program | 97.067 | C190329 | 27,289 |
| Homeland Security Grant Program | 97.067 | C190349 | <u>49,730</u> |
| Total Department of Homeland Security | | | <u>77,019</u> |
| Total Department of Homeland Security | | | <u>224,381</u> |
| US Department of Justice | | | |
| Bullet Proof Vest Partnership | 16.607 | | <u>2,306</u> |
| Total Department of Justice | | | <u>2,306</u> |
| TOTAL FEDERAL ASSISTANCE | | | <u>\$ 3,167,500</u> |

See paragraph on supplementary schedules included in independent auditors' report and accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the City, which is described in Note 1 to the City's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as a source of the data presented. The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures.

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

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

NOTE 2 - COMMUNITY DEVELOPMENT BLOCK GRANT LOANS

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

| CFDA # | Balance at July 1, 2015 | Issuance | Forgiveness | Balance at June 30, 2016 |
|--------|----------------------------|-------------------|-------------------|-----------------------------|
| 14.228 | <u>\$ 991,948</u> | <u>\$ 233,638</u> | <u>\$ 250,411</u> | <u>\$ 975,175</u> |

NOTE 3 - SUBRECIPIENTS

No amounts were provided to subrecipients.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2016

NOTE A - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of City of Watertown, New York.
2. No significant deficiencies related to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Watertown, New York were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs of the City of Watertown, New York expresses an unmodified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with the Uniform Guidance are reported in this Schedule.
7. The programs tested as major federal program was – Highway Planning and Construction – CFDA #20.205.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The City of Watertown, New York was determined to be a low-risk auditee.

NOTE B - FINANCIAL STATEMENT AUDIT FINDINGS

There were no findings to report.

NOTE C - MAJOR FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

There were no findings to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2016

NOTE A – FINANCIAL STATEMENT AUDIT FINDINGS

There were no prior year audit findings.

NOTE B – MAJOR FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

There were no prior year audit findings.

STATE TRANSPORTATION ASSISTANCE PROGRAMS



**BOWERS & COMPANY
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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

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

Report on Compliance For Each State Transportation Assistance Program Tested

We have audited the compliance of City of Watertown, New York with the types of compliance requirements described in Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended June 30, 2016. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs for state transportation assistance expended.

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Each State Transportation Assistance Program Tested

In our opinion, City of Watertown, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its state transportation assistance programs tested for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

Report on Schedule of State Transportation Assistance Expended

We have audited the financial statements of City of Watertown, New York as of and for the year ended June 30, 2016, and have issued our report thereon dated January 5, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on City of Watertown, New York's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Part 43 of NYCRR, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state transportation assistance expended is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Bowers & Company

Watertown, New York
January 5, 2017

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

June 30, 2016

| Program Title | Ref. Number | Expenditures |
|--|--------------------|-------------------------|
| Consolidated Local Street and Highway Improvement | | |
| Program Capital - Reimbursement / CHIPS | 732059 | \$ 660,320 |
| Marchiselli Match For Federal Aid Highway Projects | D032467 | 460,100 |
| Bus Transit Operating Assistance | | <u>256,567</u> |
| Total | | <u>\$ 1,376,987</u> |

See accompanying notes to schedule of state transportation assistance expended.

NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
June 30, 2016

NOTE A - GENERAL

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

NOTE B - BASIS OF ACCOUNTING

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

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

June 30, 2016

Summary of Audit Results

Internal control over state transportation assistance expended:

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

| | |
|---|------------|
| Type of auditors' report issued on compliance for Program tested: | Unmodified |
|---|------------|

| | |
|----------------------------|-----|
| Summary of Audit Findings: | N/A |
|----------------------------|-----|

| | |
|--|--|
| Identification of State Transportation Assistance Programs tested: | Consolidated Local Street & Highway Improvement Program Capital Reimbursement-CHIPS Contract# 732059 Marchiselli Match for Federal Aid Highway Projects #D032467 |
|--|--|

Compliance Findings and Questioned Costs

No matters were reported.

Res No. 1

January 6, 2017

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Authorizing Re-adoption of the FY 2016-17 Sewer Fund Budget

The Fiscal Year 2016-17 Sewer Fund Budget did not appropriate funds for the hauling and tipping costs associated with the Waste Water Treatment Plant's bio-solids. The attached resolution re-adopts the budget to provide adequate funding for these costs through a combination of increased revenue from the agreement with the Development Authority of the North Country for plant operating costs, savings realized on equipment and utility expenses, as well as an increase to the amount of appropriated fund balance.

RESOLUTION

Page 1 of 1

Readopting Fiscal Year 2016-17
Sewer Fund Budget

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.
 Total

| YEA | NAY |
|-----|-----|
| | |
| | |
| | |
| | |
| | |
| | |

Introduced by

WHEREAS on May 25, 2016 the City Council passed a resolution adopting the Budget for Fiscal Year 2016-17, of which \$5,699,841 was appropriated for the Sewer Fund, and

WHEREAS the Adopted Fiscal Year 2016-17 Sewer Fund Budget did not contain funding for the hauling and tipping fees associated with the waste water treatment plant’s bio-solids,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby re-adopts the Sewer Fund Budget for Fiscal Year 2016-17 in the total amount of \$5,829,841 and

BE IT FURTHER RESOLVED by the City Council of the City of Watertown that the following adjustments be included in the re-adopted Sewer Fund Budget:

| <u>Revenue and Appropriated Fund Balance</u> | |
|--|-------------------|
| G.0000.2370 Sewer Rents – Outside Users | \$ 28,000 |
| G.0000.0909 Fund Balance | <u>\$ 102,000</u> |
| Total Revenues and Appropriated Fund Balance | <u>\$ 130,000</u> |

| <u>Expenditures</u> | |
|---|-------------------|
| G.8130.0250 Waste Water Treatment Plant – Equipment | \$ (50,000) |
| G.8130.0410 Waste Water Treatment Plant – Utilities | \$ (100,000) |
| G.8130.0430 Waste Water Treatment Plant – Contracted Services | <u>\$ 280,000</u> |
| Total Expenditures | <u>\$ 130,000</u> |

Seconded by

Res No. 2

January 6, 2017

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Accepting Bid for Boiler #2 Replacement/Repair (Digester Building),
Waste Water Treatment Facility

Boiler #2 at the Digester Building of the Waste Water Treatment Facility has experienced sections failing and did not pass inspection. The City Purchasing Department has advertised and received sealed bids for the replacement of all 11 sections of the #2 boiler at the Waste Water Treatment Plant, as per City specifications.

Bid invitations were sent to twelve (12) prospective bidders, with five (5) sealed bids submitted to the Purchasing Department where they were publicly opened and read on Thursday, January 5, 2017, at 11:30 a.m.

City Purchasing Manager Amy M. Pastuf reviewed the bids received with Chief Operator Mark Crandall, and it is their recommendation that the City Council accept the bid submitted by Black River Plumbing, Heating and AC, Inc. in the amount of \$46,800 as the lowest qualified bidder meeting our specifications. The other bids received are detailed in the attached report of Mrs. Pastuf.

Funding to support this project will be from the Sewer Fund Operating Budget as it is a necessary repair.

A resolution for Council consideration is attached.

RESOLUTION

Page 1 of 1

Accepting Bid for Boiler #2 Replacement/Repair
(Digester Building), Waste Water Treatment Facility

Introduced by

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
|-----|-----|
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| | |

WHEREAS the City Purchasing Department has advertised and received sealed bids for the replacement all 11 sections of the #2 boiler at the Waste Water Treatment Plant, as per City specifications, and

WHEREAS bid invitations were sent to twelve (12) prospective bidders, with five (5) sealed bids submitted to the Purchasing Department, and

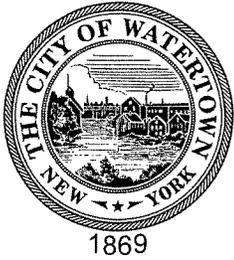
WHEREAS on Thursday, January 5, 2017, at 11:30 a.m., the bids received were publicly opened and read, and

WHEREAS City Purchasing Manager Amy M. Pastuf reviewed the bids received with Chief Operator Mark Crandall, and it is their recommendation that the City Council accept the bid submitted by Black River Plumbing, Heating and AC, Inc.,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown accepts the bid of Black River Plumbing, Heating and AC, Inc., in the amount of \$46,800 for the replacement of all 11 sections of the #2 boiler at the Waste Water Treatment Plant as the lowest qualified bidder meeting our specifications, and

BE IT FURTHER RESOLVED that City Manager Sharon Addison is hereby authorized and directed to sign all contracts associated with implementing the award to Black River Plumbing, Heating and AC, Inc.

Seconded by



CITY OF WATERTOWN, NEW YORK

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

Amy M. Pastuf
 Purchasing Manager

MEMORANDUM

TO: Sharon Addison, City Manager
FROM: Amy M. Pastuf, Purchasing Manager
SUBJECT: Bid 2016-22 – Primary Digester #2 Boiler Replacement for WWTP – Bid Recommendation
DATE: 1/6/2017

The City's Purchasing Department advertised in the Watertown Daily Times on December 6, 2016, calling for sealed bids for the replacement the Primary Digester #2 boiler at the WWTP as per City Specifications.

The City of Watertown issued Invitations to Bid to twelve (12) prospective contractors and five (5) sealed bids were as submitted to the Purchasing Department. The Purchasing Department publically opened the sealed bids on January 5, 2017, 11:30 am, local time. Please see the bid tabulation below:

| Description | Black River Plumbing, Heating and AC, Inc. | C&S Technical Resources, Inc. | DW & Crew Mechanicals, Inc. | Hyde Stone Mechanical Contractors, Inc. | Lawman Heating & Cooling, Inc |
|--|---|-------------------------------|-----------------------------|---|-------------------------------|
| | Black River, NY | Syracuse, NY | Cicero, NY | Watertown, NY | Sackets Harbor, NY |
| | Total Price | Total Price | Total Price | Total Price | Total Price |
| Primary Digester #2 Boiler Replacement | \$46,800.00 | \$58,280.00 | \$36,592.00 | \$59,450.00 | \$46,100.00 |
| Bid Bond Security | x | x | No | No | No |
| Non-Collusive Bidding Certificate | x | x | x | x | x |
| Statement of Surety's Intent | x | No | No | No | No |
| Certificate of Compliance with the Iran Divestment Act | x | x | x | x | x |

Chief Operator Mark Crandall and the Purchasing Department reviewed the responses to confirm that they conformed to City's bid specifications. Upon evaluation, we discovered that the lowest two responses failed to provide a Bid Bond Security with their bid. The Purchasing Department recommends that the City Council reject the bids from DW & Crew Mechanicals, Inc and Lawman Heating & Cooling, Inc. as non-responsive. It is further recommended that the bid for a the replacement of a boiler at the WWTP be awarded to **Black River Plumbing, Heating and AC, Inc.** as the lowest responsive responsible bidder for a contract total of **\$46,800.00**. If there are any questions concerning this recommendation, please contact me at your convenience.

Res No. 3

January 11, 2017

To: The Honorable Mayor and City Council

From: Michael A. Lumbis, Planning and Community Development Director

Subject: Authorizing the City Manager to Enter Into and Execute a New York Main Street Program Grant Agreement with the Housing Trust Fund Corporation for the Lincoln Building Revitalization Phase II Project

In July of 2016, the City Council authorized an application for funding through the Consolidated Funding Application (CFA) Process for the Lincoln Building Revitalization Phase II Project. The City applied for funding through the New York Main Street Program, which is administered by the NYS Office of Community Renewal under the direction of the Housing Trust Fund Corporation.

The City was recently notified that it has been awarded a \$500,000 grant for the project. The City will serve as the local program administrator/sponsor for the project which involves the restoration of the rear façade, a new roof, the build out of commercial tenant spaces, refurbishing the stairway and elevator and other improvements. The grant will fund 75% of the project cost up to \$500,000. The 25% match is the responsibility of the building owner, Doolittle and Hall, LLC.

The City must enter into a New York Main Street Program Grant Agreement with the Housing Trust Fund Corporation for the project. A copy of the Grant Agreement is attached for City Council review.

The attached resolution authorizes the City Manager to enter into and execute the New York Main Street Program Grant Agreement with the Housing Trust Fund Corporation and to act on behalf of the City Council in all further matters related to the financial assistance for this project.

RESOLUTION

Page 1 of 1

Authorizing the City Manager to Enter Into and Execute a New York Main Street Program Grant Agreement with the Housing Trust Fund Corporation for the Lincoln Building Revitalization Phase II Project

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
|-----|-----|
| | |
| | |
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| | |
| | |

Introduced by

WHEREAS the City Council of the City of Watertown applied for grant funding from the New York State Office of Community Renewal (NYS OCR) through the New York Main Street Program for funding to assist with the rehabilitation of the Lincoln Building, located in the Public Square Historic District in Downtown Watertown, and

WHEREAS the NYS OCR recently announced that the City of Watertown was awarded a \$500,000 grant to assist with the restoration of the Lincoln Building’s rear façade, roof and various interior improvements, and

WHEREAS the City of Watertown must enter into a New York Main Street Program Grant Agreement with the Housing Trust Fund Corporation for the project,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby authorizes the City Manager, Sharon Addison, to enter into and execute the New York Main Street Program Grant Agreement with the Housing Trust Fund Corporation, a copy of which is attached and made part of this resolution, and

BE IT FURTHER RESOLVED that the City Manager is authorized to act on behalf of the City Council in all further matters related to the financial assistance for this project.

Seconded by

NEW YORK MAIN STREET PROGRAM
GRANT AGREEMENT

This **AGREEMENT** is made effective as of the 20th day of December 2016, by and between the Housing Trust Fund Corporation ("Corporation"), a public benefit corporation created and existing as a subsidiary of the New York State Housing Finance Agency pursuant to Section 45-a of the New York Private Housing Finance Law (the "PHFL"), with an office at 38-40 State Street, Hampton Plaza, 4th Floor, Albany, New York 12207, and the City of Watertown ("Recipient"), a not-for-profit corporation organized pursuant to the Not-For-Profit Corporation Law of the State of New York or a unit of general local government, having its principal place of business at 245 Washington Street, Watertown, New York 13601.

WITNESSETH:

WHEREAS, pursuant to PHFL Article XXVI and the regulations promulgated thereunder ("Statute"), the Corporation is authorized to enter into contracts to provide grants to qualified community based not-for-profit corporations and units of local government for the revitalization of eligible main street and surrounding downtown areas under the New York Main Street program ("NYMS"); and

WHEREAS, the Recipient has applied to the Corporation for NYMS funds to administer a local NYMS program ("Program") as described in the Recipient's 2016 Funding Round application; and

WHEREAS, the Corporation has selected the Recipient to receive an award of NYMS funds to be used for eligible costs to complete the Program ("Program Costs"), in consideration of, among other things, the Recipient undertaking to comply with all the terms and conditions of this Agreement, the Statute, and the Corporation's applicable rules, regulations, policies and procedures, as amended from time to time.

NOW, THEREFORE, in furtherance of the Project, and for the consideration herein provided, the parties do mutually covenant and agree as follows:

1. Scope of Work.

The Recipient shall (a) complete the Program in accordance with the Recipient's approved application ("Application"), which is incorporated herein and summarized in Awarded Budget & Projected Accomplishments attached as **Schedule A**, and its Administrative Plan ("Plan") attached as **Schedule B**, as modified by the terms of this Agreement or any subsequent amendment approved by the Corporation, and (b) adhere to the Awarded Budget reflected in **Schedule A**. The Recipient represents that it has obtained the managerial and technical capability necessary to undertake and perform the Plan in a satisfactory manner.

2. Term.

The period of performance for all activities assisted pursuant to this Agreement shall be twenty-four (24) months commencing on the effective date of this Agreement and ending on December 19, 2018, ("Term"), unless sooner terminated as provided for herein.

3. Program Costs.

The maximum amount of NYMS funds to be provided to the Recipient is Five Hundred Thousand dollars (\$500,000). The Corporation agrees to reimburse the Recipient for Program Costs described in the Application and the Plan, and contained in the Awarded Budget. Program Costs shall not exceed the amount

of NYMS funds available. Any modification, amendment or rescission of Program Costs must be requested in writing, and approved in writing by the Corporation.

4. Environmental Review.

Prior to the formal commitment or expenditure of NYMS funds, the environmental effects of each activity must be assessed in accordance with the State Environmental Quality Review Act (SEQRA) at 6 NYCRR Part 617. Recipient must submit Environmental Review documents as required by the Corporation in a timely manner following grant agreement execution. The Corporation will issue a notice to proceed following the submission of complete and accurate Environmental Review documents. No construction is to occur prior to receipt of this notice.

5. Equal Opportunity Requirements and Procedures.

The Corporation values affording minority- and women-owned business enterprises (M/WBEs) the opportunity to participate in the Program. Accordingly, the Recipient will promote and assist the participation of certified M/WBEs as outlined and in accordance with **Schedule C**.

6. Regulatory Period.

The Recipient, for a period of five (5) years from the date of Program Completion and final inspection ("Regulatory Period"), shall take all necessary steps to ensure that owners of properties improved under the program ("Assisted Property") maintain the structures and their units in good condition. The Recipient shall also take all necessary steps to ensure that streetscape enhancements are maintained and kept in good condition during the Regulatory Period. Residential units improved under the Program that become vacant during the Regulatory Period must be marketed, and made affordable, to persons of low-income. For the purposes of this Agreement, persons of low-income are defined as persons and families whose incomes do not exceed ninety percent (90%) of the area median income for the metropolitan statistical area in which the target area is located. The Recipient shall require every owner of an Assisted Property to execute a Property Maintenance Declaration, in the form provided by the Corporation, which shall be filed in the County Clerk's Office for the county in which the Assisted Property is located. The Recipient agrees to operate, monitor and regulate the Program in accordance with the Plan, and in compliance with the terms of this Agreement, throughout the Regulatory Period.

7. Reports.

During the Term and the Regulatory Period, the Recipient shall, at such times and in such form as the Corporation may require, furnish the Corporation with periodic reports pertaining to the Program, and the costs and obligations incurred in connection therewith, and any other matters covered by this Agreement.

8. Records.

The Recipient shall keep and maintain complete and accurate books, records and other documents as shall be required under applicable State and Federal rules and regulations, and as may be requested by the Corporation to reflect and fully disclose all transactions relating to the receipt and expenditure of NYMS funds and administration of the Program. All such books, records and other documents shall be available for inspection, copying and audit at all reasonable times by any duly authorized representative of the State or Federal Government.

9. Performance Review.

The Corporation will conduct periodic reviews in such manner and at such times as it shall determine for the purpose, among other things, of ascertaining the quality and quantity of the Recipient's activities, as well as their conformity to the provisions of this Agreement, and the financial integrity and efficiency of the Recipient.

10. Notice of Investigation or Default.

The Recipient shall notify the Corporation within five (5) calendar days after obtaining knowledge of: (i) the commencement of any investigation or audit of its activities by any governmental agency; or (ii) the alleged default by the Recipient under any mortgage, deed of trust, security agreement, loan agreement or credit instrument executed in connection with the Program; or (iii) the allegation of ineligible activities, misuse of NYMS funds, or failure to comply with the terms of the Recipient's approved application. Upon receipt of such notification, the Corporation may, in its discretion, withhold or suspend payment of NYMS funds for a reasonable period of time while it conducts a review of the Program's activities and expenditures.

11. Supporting Documentation.

All expenditures made from NYMS funds pursuant to this Agreement shall be supported by written bids, written contracts, billings, bank documents and any other documentation that the Corporation may request, at any time during the Regulatory Period, to establish that such NYMS funds have been used in accordance with the terms of this Agreement.

12. Disbursement.

The Recipient shall submit to the Corporation requests for disbursements in such form and manner and at such times as the Corporation may require. The Recipient shall not request disbursement of funds under this Agreement until the funds are needed for payment of incurred eligible costs. Each such request shall (a) state the amount requested to be disbursed; (b) be certified by an officer of the Recipient and, where required by the Corporation, by a licensed architect or engineer retained by the Recipient; and (c) constitute an affirmation that the representations and warranties contained in Section 13 hereof remain true and correct on the date thereof. All NYMS funds paid to the Recipient shall be disbursed to the contractor or vendor within five (5) business days of receipt, except where such funds are to reimburse the Recipient for payments already disbursed to the contractor or vendor. In its discretion, the Corporation may make such disbursements, directly to the contractor or vendor, and the execution of this Agreement by the Recipient shall constitute an irrevocable direction and authorization to so disburse the funds. No further direction or authorization from the Recipient shall be necessary to warrant such direct disbursement, and all such disbursements shall satisfy, pro tanto, the obligations of the Corporation. The Corporation shall have no obligation to make disbursements for items other than eligible Program Costs, as herein defined.

13. Representations and Warranties.

The Recipient represents and warrants to the Corporation that:

(a) It is, as of the date hereof, and has been for at least one (1) year prior to the execution of this Agreement, duly organized, validly existing and in good standing under the Not-for-Profit Corporation Law of the State of New York and is authorized to enter into this Agreement and the transactions contemplated hereby; or it is, as of the date hereof, a unit of local government duly organized and validly existing under the laws of the State of New York and is authorized to enter into this Agreement and the transactions contemplated hereby.

(b) If applicable, it has secured commitments for such additional funds sufficient to complete the Program and that the source of such funds is specified in the Awarded Budget.

(c) There is no pending or threatened litigation that might affect the Recipient's ability to comply with this Agreement or complete the Program.

(d) The transactions contemplated hereby do not violate any applicable law or the certificate of incorporation, charter, by-laws or any other legal instrument affecting the Recipient.

(e) The Program, to the extent necessary, has been approved by all governmental authorities which have jurisdiction over the Recipient, the Program or any construction performed in connection therewith.

(f) All construction, if any, heretofore performed in connection with the Program has been performed within the perimeter of the Target Area, identified in the Application and summarized in Awarded Budget & Projected Accomplishments attached as Schedule A, in accordance with the Plan and in accordance with all laws, ordinances, rules, orders, regulations and requirements of any governmental authority having

jurisdiction over the Recipient, the Program or any construction performed in connection therewith (any of the foregoing a "Requirement," collectively "Requirements"), and with any restrictive covenants applicable to the Assisted Property, and the intended use of the Assisted Property complies with all applicable zoning ordinances, regulations and restrictive covenants.

(g) The Plan and any other information contained herein or heretofore provided to the Corporation by the Recipient is true and correct in all respects, and accurately represent the condition of the Program and of the Recipient as of the respective dates thereof, no materially adverse change has occurred in the condition of the Program or the financial conditions of the Recipient since the respective dates thereof, and the Recipient has neither received, nor made application for nor received commitments for, any additional grants or loans, other than those specified in the Awarded Budget.

(h) There is no default on the part of the Recipient under this Agreement or under any other instrument executed in connection with the Program or with any other program funded by New York State Homes and Community Renewal or the Corporation, and no event has occurred and is continuing which notice or the passage of time would constitute an event of default thereunder.

(i) This Agreement and all other instruments executed in connection with the Program will be, upon execution thereof, legal, valid and binding instruments enforceable against the Recipient in accordance with their terms.

14. Covenants of the Recipient.

The Recipient covenants as follows:

(a) It will comply promptly with any Requirement and furnish the Corporation, upon request, with official searches made by any governmental authority.

(b) It will cause all conditions hereof to be satisfied in a timely manner and will comply with all Program requirements and guidelines, as well as any applicable State and Federal laws and regulations, as amended.

(c) It will, upon demand, correct any defect in the Program or any departure from the Plan not approved by the Corporation. The disbursement of any NYMS funds hereunder shall not constitute a waiver of the Corporation's rights to require compliance with this covenant with respect to any such defects or departures from the Plan.

(d) It will place at any construction site a sign, the form of which shall have been approved by the Corporation, identifying the participation of the Governor of the State of New York and the Corporation in the financing of the Program, which sign shall be of a size and in a location so as to be visible from outside the construction site, as approved by the Corporation.

(e) It will execute all such instruments and documents that the Corporation may require for the purpose of effectuating the provisions of this Agreement.

15. Insurance.

During the Term, the Recipient shall take all adequate measures to safeguard against the risk of liability for injuries or death of employees of the Recipient, contractors and subcontractors, and of any other persons. The Recipient shall provide the Corporation with an insurance certificate for comprehensive general liability coverage in a minimum amount of one million dollars naming the Corporation and the State of New York as additional insureds, together with certificates for automobile insurance (if applicable), fire insurance, workers' compensation and disability benefits. All certificates shall be with a New York State licensed carrier of insurance. Within two (2) business days of having received any notice of non-renewal, cancellation, termination, or rescindment for any type of insurance required herein, the Recipient shall provide the Corporation with a copy of such notice, either by facsimile or email (in pdf format) to the signatory hereof, together with an explanation of any efforts taken to reinstate such coverage. The Recipient may not cancel, terminate or fail to renew any insurance policy required herein, unless and until the Recipient has received the Corporation's written consent thereto.

16. Contract Supervision.

It is agreed that the services to be performed under this Agreement shall be subject to the overall

administration, supervision and direction of the Corporation and that the Corporation may periodically call meetings which shall be attended by Recipient.

17. Required Cooperation.

The Recipient agrees to cooperate with the Corporation for all of the purposes of this Agreement in order to assure the expeditious and satisfactory completion of the Program. The Recipient also agrees to complete promptly all forms and reports as may from time to time be required by the Corporation and/or the State of New York in the proper administration and performance of said services. The Recipient further agrees that the Corporation may modify this Agreement as may be deemed necessary by the Corporation, to best make use of the Corporation's funding sources available for this Program.

18. Default.

(a) If an Event of Default as defined below shall occur, all obligations on the part of the Corporation to make any further payment of NYMS funds shall, if the Corporation so elects, terminate and the Corporation may, in its discretion, exercise any of the remedies set forth herein; provided, however, that the Corporation may make any payments after the happening of an Event of Default without thereby waiving the right to exercise such remedies, and without becoming liable to make any further payment.

(b) The following shall constitute an Event of Default hereunder:

(i) if the Recipient fails, in the opinion of the Corporation, to comply with or perform any provision, condition or covenant contained in this Agreement, any applicable State or Federal law or regulation, or the Program policies and procedures established by the Corporation;

(ii) if at any time any representation or warranty made by the Recipient shall be incorrect or materially misleading;

(iii) if the Recipient has failed to commence the Program in a timely fashion or has failed to complete the Program within the Term.

(c) Upon the happening of an Event of Default, the Corporation may, in its discretion, exercise any one or more of the following remedies, either concurrently or consecutively, and the pursuit of any one of such remedies shall not preclude the Corporation from pursuing any other remedies contained herein or otherwise provided at law or in equity:

(i) Terminate this Agreement, provided that the Recipient is given at least thirty (30) days prior written notice.

(ii) Commence a legal or equitable action to enforce performance of this Agreement.

(iii) Withhold or suspend payment of NYMS funds.

(iv) Recapture any NYMS funds disbursed to the Recipient on a pro rata basis over the Regulatory Period. The amount to be recaptured shall be determined by reducing the original amount of NYMS funds disbursed to the Recipient by one fifth (1/5th) for each year of the Regulatory Period the Recipient was in compliance with this Agreement.

(v) Exercise any corrective or remedial action, to include, but not be limited to, advising the Recipient to suspend, discontinue or refrain from incurring costs for any activities in question or requiring the Recipient to reimburse the Corporation for the amount of NYMS funds expended or used in an unauthorized manner or for an unauthorized purpose.

(d) In the event this Agreement is terminated by the Corporation for any reason, or upon the closeout of the Program, unless the Recipient obtains the prior written consent of the Corporation to the contrary, all unspent NYMS funds held by the Recipient shall immediately be turned over to the Corporation, and the Corporation shall have no further liability or obligation under this Agreement; provided, however, that nothing herein is intended to relieve the Corporation of its obligation to pay for services properly performed by the Recipient prior to such termination. Notwithstanding any such termination or closeout, the Recipient shall remain liable to the Corporation for any unspent NYMS funds, the expenditure or use of NYMS funds in a manner or for a purpose not authorized by this Agreement, or damages as a result of any breach of this Agreement by the Recipient. The Corporation shall have the right, at any time prior or subsequent to any such termination or

closeout, to pursue any and all available remedies, including seeking injunctive or other equitable relief, to enforce the provisions of this Agreement and to recover NYMS funds which are unspent, expended or used in an unauthorized manner or for an unauthorized purpose.

19. Indemnification.

To the fullest extent permitted by law, the Recipient shall defend, indemnify and hold harmless the Corporation and its agents and employees from and against any and all claims, actions, damages, losses, expenses and costs of every nature and kind, including reasonable attorneys' fees, incurred by or asserted or imposed against the Corporation, as a result of or in connection with the Program. All money expended by the Corporation as a result of such claims, actions, damages, losses, expenses and costs, together with interest at a rate not to exceed the maximum interest rate permitted by law, shall be immediately and without notice due and payable by the Recipient to the Corporation.

20. No Commitment Beyond Term.

The Recipient shall not enter into any contract, lease, loan or other agreement, the terms or effect of which shall commit the use of NYMS funds received pursuant to this Agreement for a period prior to commencement of the Term or subsequent to the termination of this Agreement, unless the Recipient obtains the prior written consent of the Corporation. The Recipient shall follow a formal procedure approved by the Corporation in soliciting and entering into contracts, leases and/or agreements which will be paid with NYMS funds under this Agreement.

21. Assignment.

The Recipient may not assign any right granted to it under this Agreement or delegate any obligation imposed on the Recipient herein without the prior written consent of the Corporation, and any purported assignment or delegation without the Corporation's prior written consent shall be void. No such assignment or delegation consented to by the Corporation shall be effective until the proposed assignee or delegatee (the "Assignee"), as the case may be, shall execute, acknowledge and deliver to the Corporation an agreement pursuant to which the Assignee shall assume the obligations imposed on the Recipient by this Agreement. This Agreement shall inure to the benefit of the successors and permitted assigns of the parties hereto.

22. Property Release.

To permit the Corporation to publish photographs of Assisted Property for promotional or public relation purposes, the Recipient agrees to obtain a written consent, in the form provided by the Corporation, from each owner of an Assisted Property, which it will provide to the Corporation upon request.

23. Miscellaneous.

(a) All notices or other communications with respect to the subject matter of this Agreement shall be in writing and shall be deemed to have been given when personally delivered or sent by certified mail, return receipt requested, to the parties at the addresses first set out herein, or at such other address of which the receiving party shall have notified the sending party, except that notice of such change or address shall be deemed to have been given when it is received.

(b) No action shall lie or be maintained against the State of New York or the Corporation upon any claim based upon or arising out of this Agreement or the work performed hereunder or anything done in connection herewith, unless such action shall be commenced within six (6) months after the termination of this Agreement, or one year from the accrual of the cause of action, whichever is earlier.

(c) If any provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application thereof to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision shall be valid and enforceable to the fullest extent permitted by law.

(d) Any action to be taken or consents to be given by the Corporation hereunder may be taken or given by a

representative or agent designated by the Corporation for such purpose. All consents and approvals to be given by the Corporation hereunder must be in writing.

(e) The captions and headings of the various sections herein are for convenience only and do not, and shall not be deemed to, define, limit or construe the contents of such sections.

(f) This Agreement, including the attached schedules, constitutes the entire agreement between the parties and supersedes all prior oral and written agreements with respect to the Program.

(g) This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of New York.

24. Schedules.

The following schedules are hereby incorporated into this Agreement and the Recipient, shall adhere to the provisions contained therein.

Schedule A - Awarded Budget & Projected Accomplishments

Schedule B - Administrative Plan

Schedule C - Participation by Minority Group Members and Women with Respect to
State Contracts: Requirements and Procedures

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

Housing Trust Fund Corporation

By: _____
Christian M. Leo
Vice President

City of Watertown

By: _____
Sharon Addison
City Manager

**Schedule A
Awarded Budget & Projected Accomplishments
City of Watertown
Lincoln Building Revitalization Phase II**

SHARS ID: 20160283

Award Budget

| <u>Funding Source</u> | <u>Amount</u> |
|-----------------------------------|---------------|
| New York Main Street (NYMS) Award | \$500,000 |
| Other Sources | \$1,300,000 |

NYMS Activity Budget Detail

| <u>Activity(ies)</u> | <u>Amount Not to Exceed</u> |
|---|-----------------------------|
| Downtown Anchor Renovation | \$497,000 |
| Administration | \$3,000 |
| Architecture, Engineering & Environmental Testing | \$0 |

Target Area

89 - 99 Public Square in the City of Watertown.

Projected Accomplishments

| <u>Units</u> |
|-------------------------|
| 0 Residential Units |
| 2 Commercial Units |
| 0 Civic/Community Units |

Program Compliance

The term Local Program Administrator or LPA shall refer to the City of Watertown, the recipient of New York Main Street (NYMS) program funds.

- The LPA must endeavor to meet the projected accomplishments. Any defect or departure from the proposal must be requested and approved in writing.
- The LPA must follow the processes identified in the Administrative Plan included as Schedule B to the NYMS Grant Agreement. LPAs are required to supplement the identified processes to develop a local NYMS program. Any defect or departure from the Administrative Plan must be requested and approved in writing.
- NYMS funds may only be requested for reimbursement for eligible program costs incurred within the grant period pursuant to the NYMS grant agreement. Prior to commencing the program, the LPAs must review the eligible work items, program budget, and program timeline with OCR staff. The NYMS program operates fully as a reimbursement program and payment will be made only upon satisfactory completion of building projects
- Downtown Anchor funds awarded for the identified renovation project shall not exceed 75% of the total renovation project cost.

- NYMS funds budgeted for Administrative expenses shall not exceed 5% of the NYMS award or the amount noted above under Activity Budget Detail, whichever is less. Administrative funds shall be only for payment of reasonable administration and planning costs related to the NYMS contract.
- NYMS funds budgeted for Architecture, Engineering or Environmental Testing shall not exceed 18% of the NYMS building renovation funds committed for a project, and shall not exceed the amount noted above under Activity Budget Detail. Architecture, Engineering or Environmental Testing costs incurred for work on buildings that eventually prove infeasible and do not receive other investments will not be reimbursed with NYMS funds, therefore, project delivery expenses may not be requested as part of a partial payment prior to project completion.
- Projects including NYMS funds must produce a finished commercial or residential space, ready for occupancy, within the 24 month contract term. NYMS funds will be disbursed only for completed projects. Work can be completed on part of a building, leaving another part unfinished as a holdover for future use, provided that the project can be completed in compliance with all applicable codes and ordinances, and the unfinished space does not present a hazard to occupants or users of the building.
- Perceived or actual conflicts of interest may arise when certain individuals have access to inside information regarding the award of a contract or property assistance. A contractor cannot receive NYMS funds for work done on property that s/he owns, or a property that is owned by an immediate family member. Prior to commencing a project where there is a possible conflict of interest, the LPA must review the eligible work items with OCR staff.
- Prior to the commitment or expenditure of NYMS program funds, the environmental effects of each activity must be assessed in accordance with the State Environmental Quality Review Act (SEQRA) at 6 NYCRR Part 617. The LPA must submit Environmental Review documents as required by Housing Trust Fund Corporation in a timely manner following grant agreement execution. Housing Trust Fund Corporation will issue a notice to proceed following the submission of complete and accurate Environmental Review documents.
- Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law of 1980 requires publicly-funded projects to be reviewed for their potential impact/effect on historic properties. LPAs must submit proposed project scopes of work for each participating project to the New York State Office of Parks, Recreation and Historic Preservation (OPRHP or SHPO) for review. This review is required for all NYMS funded projects.
- In cases where relocation of residential and/or non-residential tenants will be required, the LPA must develop a plan for temporary relocation. Prior to commencing project, the LPA must review the relocation plan with OCR staff.
- The LPA, for a period of five (5) years from the date of project completion and final inspection, must take all necessary steps to ensure that the owner of any NYMS assisted project maintains the structure and its units in good condition. The LPA must submit an executed Property Maintenance Declaration for an assisted building at the time reimbursement is requested from OCR. The LPA must develop a formal plan for monitoring the assisted properties and ensuring compliance with NYMS rent limits for assisted residential units for the full regulatory term. The plan must address staff assignment of this responsibility and address continuity of operations.

Schedule B
2016 New York Main Street (NYMS) Administrative Plan
City of Watertown
Lincoln Building Revitalization Phase II

SHARS ID: 20160283

The term Local Program Administrator or LPA shall refer to the City of Watertown, the recipient of the Housing Trust Fund Corporation (HTFC) funds. The New York Main Street Program Guide provides information to supplement the procedures outlined in the Administrative Plan.

1. Program Development

1. a. Project Selection

The LPA must maintain correspondence and documents related to the selection of the identified project for support as a Downtown Anchor.

2. Project Development

2. a. Design Standards

The LPA will develop design guidelines for exterior renovations if the municipality in which the project is located does not already require participating renovation projects to undergo an architectural or design review process. These guidelines will be consistent with the requirements of the State Historic Preservation Office, Housing Trust Fund Corporation (HTFC), municipality in which the project is located and the LPA. The LPA will enforce the standards throughout the development process.

2. b. Work Write-up / Scope of Work

The LPA will meet with the property owner to develop a scope of work and an initial estimate of costs. The LPA will explain program requirements related to design, environmental hazards, energy efficiency and other required work scope items.

A formal written scope of work is a NYMS program requirement. The scope of work for participating projects must address:

- Immediate health and safety concerns;
- The correction of existing code violations;
- Environmental hazards as described in the program environmental compliance checklist;
- Installation of energy conservation measures;
- Improvement of accessibility for persons with disabilities;
- Consistency with local program design guidelines; and
- Preservation of historical elements of the building.

The LPA is responsible for coordinating the work write-ups with local code officials, the State Historic Preservation Office, and other regulators. If needed, additional experts must be consulted. Both the LPA and the property owner must sign-off on the formal scope of work before the LPA may begin to seek bids for the work.

The property owner will be responsible for paying for all agreed upon repairs, but the LPA will not reimburse more than the costs identified as available per building for the funding year. Reimbursements will be issued only upon satisfactory completion of all work as described in the written scope of work. Satisfactory completion will be determined by the LPA.

2. c. Contractor Selection

The LPA will establish a list of contractors able to perform work in compliance with applicable standards. The LPA may choose to develop this list through a formal Request for Qualifications (RFQ) process to provide contractors and professional service providers an equal opportunity for consideration. All contractors must supply references and proof of proper insurance. The LPA will use this list to solicit bids or quotes for the project activities. Additional contractors can be added to the list at any time, however, references and proof of proper insurance must be supplied to the LPA and approved.

Under Article 15A of the New York State Executive Law, all award recipients are required to comply with the Equal Employment Opportunity provisions of Section 312 of that Article. Also, all awardees are required to make affirmative efforts to ensure that New York State Certified Minority and Women-Owned Business Enterprises are afforded opportunities for meaningful participation in projects through inclusion on the list of contractors funded by HTFC pursuant to Section 313 of the Article. Please visit NYS Empire State Development's Division of Minority & Women Business Development website for a directory of certified Minority and Women-Owned Businesses: <http://www.esd.ny.gov/MWBE.html>

An appropriate procurement process must be completed for all activities to be reimbursed with program funds. At a minimum, two bids or proposals must be obtained and reviewed for all renovation, administration or professional service activities to establish the reasonableness of project costs.

The procurement process must be free of collusion or intimidation, and the LPA must exercise appropriate oversight over the entire process to ensure that it is fair, efficient and free of actual and perceived conflicts of interest. A clear, written, scope of work for the project, as outlined in Work Write-up / Scope of Work above, must be the basis for the bids or proposals. All bidders must have equal access to relevant information, including information on the property itself.

The bids or proposals for all activities must be submitted directly to the LPA by the contractor. The LPA will advise the property owner of acceptability of bids and proposed cost. If the property owner chooses other than the lowest bidder, re-imbursement will be based on the amount of the lowest bid.

2. d. Contracting Procedures

The LPA will enter into a contract with the property owner to provide the program financial assistance. The contract will outline the roles and responsibilities for both the LPA and the participating property owner.

At a minimum, the contract must specify:

- Agreed upon scope of work;
- Projected amount of financial assistance awarded;
- Estimated project timeline;
- Requirement to sign and file the NYMS Property Maintenance Declaration form;
- Requirement to sign the NYMS Property Release form permitting the Housing Trust Fund Corporation to use photographs of the assisted properties.
- Requirement to engage a contractor and begin construction within 30 days of LPA approval.
- Payments will be made only after work is complete, and on a reimbursement basis;
- LPA has the right to inspect work at any time;
- LPA may terminate the award and cancel the contract should the work be inconsistent with the program rules outlined, agreed upon scope of work or project design, stated timeline or if insurance is not maintained by the participating contractor;
- Property owner will cooperate with the LPA requirement to monitor the ongoing maintenance of the property, including the rent limits for assisted residential units for the five year regulatory term.

3. Construction Management/Quality Control

3. a. Construction Monitoring

The LPA retains the right to inspect work in progress at any point. The LPA must perform periodic inspections of renovation activities to monitor adherence with program rules, environmental hazard compliance, and general project progress. These visits must be documented in LPA project files.

3. b. Final Inspection

A final inspection is required before submitting a final payment request. The LPA, property owner and other relevant professionals must verify that the work was completed properly and is consistent with the contracted scope of work. A final inspection report must be documented in LPA project files, and submitted with the request for reimbursement.

4. Financial Management

4. a. Staff

The LPA's chief financial officer will be responsible for all financial transactions under this contract. The LPA should have a written policy on internal controls, and use this policy to determine the process for review and approval of requests for disbursement of NYMS funds. The Authorized Signature Form must be completed to designate the representative(s) authorized to sign disbursement requests and must reflect the LPA's written policy on internal controls.

4. b. Interim / Construction Financing

The property owner will be responsible for paying for all agreed upon repairs, but the LPA will not reimburse more than the costs identified as available per building for the funding year. Participating property owners are responsible for obtaining construction or interim financing for the renovation projects.

The NYMS program operates fully as a reimbursement program and payment will be made only upon satisfactory completion of renovation activities. Request for progress payments are discouraged, and will only be considered based on demonstrated need and by written request prior to commencement of renovation project. The request must minimize the number of progress payments, and clearly outline the proposed payment schedule.

5. Ongoing Maintenance

5. a. Obligations

The property owner is required to maintain the property assisted with NYMS funds for a period of five years from the date of project completion and final inspection. This requires that any assisted improvements be maintained in a manner that is consistent with the goals of the NYMS program for the regulatory term. Assisted residential units, when they become vacant, must be marketed and affordable to low income households during the regulatory term. This requirement is met through a rent limit imposed on the assisted residential unit.

The LPA will require each property owner receiving NYMS funds to file a Property Maintenance Declaration, in a form approved by HTFC, with the clerk of the county in which the project is located. In the Declaration the property owner will declare that he/she has received assistance from NYMS and will maintain the property in a manner consistent with the program objectives for a minimum of five years. In the event of non-compliance or resale, the amount of grant funds will be subject to repayment in accordance with a simple annual declining balance, based on the five-year regulatory term.

5. b. Responsible Parties

The LPA will monitor projects assisted under NYMS during the five-year regulatory term. The LPA will ensure maintenance of Main Street investments. The LPA must develop a formal plan for monitoring the assisted properties and ensuring compliance for the five-year term. The plan must address staff assignment of this

responsibility and address continuity of operations. As part of this plan, the LPA will periodically inspect assisted properties and conduct any inspections directed by HTFC.

6. Program Compliance

6 a. Conditions

Housing Trust Fund Corporation reserves the right to change or disallow aspects of the application and may make such changes conditions of its commitment to provide funding to a project or program. The LPA will address any additional requirements or conditions of approval.

6. b. Covenants of the Recipient

The LPA will comply with all applicable statues, guidelines, regulations, policies and procedures of the New York Main Street program. Any defect or departure from the NYMS Administrative Plan must be requested and approved in writing. The LPA must refer to Grant Agreement Schedule A - Awarded Budget & Projected Accomplishments for a summary of the awarded program activities

Schedule C

PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN WITH RESPECT TO STATE CONTRACTS: REQUIREMENTS AND PROCEDURES

I. General Provisions

- A. The Housing Trust Fund Corporation (HTFC) is required to implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 (“MWBE Regulations”) for all State contracts as defined therein, with a value (1) in excess of \$25,000 for labor, services, equipment, materials, or any combination of the foregoing or (2) in excess of \$100,000 for real property renovations and construction.
- B. Recipient agrees, in addition to any other nondiscrimination provision of this agreement and at no additional cost to the HTFC, to fully comply and cooperate with the HTFC in the implementation of New York State Executive Law Article 15-A. These requirements include equal employment opportunities for minority group members and women (“EEO”) and contracting opportunities for certified minority and women-owned business enterprises (“MWBEs”). Recipient’s demonstration of “good faith efforts” pursuant to 5 NYCRR §142.8 shall be a part of these requirements. These provisions shall be deemed supplementary to, and not in lieu of, the nondiscrimination provisions required by New York State Executive Law Article 15 (the “Human Rights Law”) or other applicable federal, state or local laws.
- C. Failure to comply with all of the requirements herein may result in a finding of non-responsiveness, non-responsibility and/or a breach of contract, leading to the withholding of funds or such other actions, liquidated damages pursuant to section VII of this Appendix or enforcement proceedings as allowed by this Agreement

II. Contract Goals

- A. For purposes of this Agreement, the HTFC hereby establishes a goal of, 10% for Minority-Owned Business Enterprises (“MBE”) participation and 10% for Women-Owned Business Enterprises (“WBE”) participation (based on the current availability of qualified MBEs and WBEs).
- B. For purposes of providing meaningful participation by MWBEs on this Agreement and achieving the Contract Goals established in section II-A, Recipient should reference the directory of New York State Certified MBWEs found at the following internet address:
<https://ny.newnycontracts.com/FrontEnd/VendorSearchPublic.asp?TN=ny&XID=4687>.

Additionally, Recipient is encouraged to contact the Division of Minority and Woman Business Development’s assigned Compliance Officer to discuss additional methods of maximizing participation by MWBEs on this Agreement.

- C. Where MWBE goals have been established herein, pursuant to 5 NYCRR §142.8, Recipient must document “good faith efforts” to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of this Agreement. In accordance with section 316-a of Article 15-A and 5 NYCRR §142.13, Recipient acknowledges that if Recipient is found to have willfully and intentionally failed to comply with the MWBE participation goals set forth in this Agreement, such a finding constitutes a breach of contract and Recipient shall be liable to the HTFC for liquidated or other appropriate damages, as set forth herein.

III. Equal Employment Opportunity (EEO)

- A. Recipient agrees to be bound by the provisions of Article 15-A and the MWBE Regulations promulgated by the Division of Minority and Women's Business Development of the Department of Economic Development. If any of these terms or provisions conflict with applicable law or regulations, such laws and regulations shall supersede these requirements.
- B. Recipient shall comply with the following provisions of Article 15-A:

1. Recipient and its subcontractors shall undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, EEO shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.
2. The Recipient and its subcontractors shall submit an EEO policy statement to the HTFC with its MWBE Utilization Plan in accordance with the NYS Homes and Community Renewal (HCR)'s Office of Fair Housing and Equal Opportunity ("OFHEO") procedures. If Recipient or its subcontractors do not have an existing EEO policy statement, a model statement can be found on the HCR website.
3. Recipient's EEO policy statement shall include the following language:
 - a. The Recipient or its subcontractors will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force
 - b. The Recipient shall state in all solicitations or advertisements for employees that, in the performance of the contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.
 - c. The Recipient shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Recipient's obligations herein.
 - d. The Recipient will include the provisions of sections (a) through (c) of this subsection and paragraph "E" of this section, which provides for relevant provisions of the Human Rights Law, in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with this Agreement.
4. Recipient or its subcontractors will comply with both Executive Law Article 15A and Executive Law Article 15, including, but not limited to Section 296.

C. Staffing Plan

To ensure compliance with this section Recipient shall submit a Staffing Plan to document the composition of the proposed workforce to be utilized in the performance of this Agreement by the specified categories listed, including ethnic background, gender, and Federal occupational categories. Recipient shall complete the Staffing Plan form and submit it within 60 days of this Agreement.

D. ADM 136 Monthly Employment Utilization Report ("Monthly Report")

1. Once a contract has been awarded and during the term of the construction, Recipient and its subcontractors are responsible for updating and providing notice to the HTFC of any changes to the ADM 136. This information is to be prepared monthly and submitted on a quarterly basis to report the actual workforce utilized on the project by the specified categories listed including ethnic background, gender and Federal occupational categories.
2. Separate forms shall be completed by each subcontractor performing work on the project.
3. In limited instances it may not be possible to separate out the workforce utilized on the project from subcontractor's total workforce. When a separation can be made, subcontractor shall submit the ADM 136 and indicate that the information provided related to the actual workforce utilized on this project. When the workforce to be utilized on the project cannot be separated out from subcontractor's total workforce,

subcontractor shall submit the ADM 136 and indicate that the information provided is subcontractor's total workforce during the subject time frame, not limited to work specifically for this project.

- E. Recipient and its subcontractors shall comply with the provisions of the Human Rights Law, and all other State and Federal statutory and constitutional non-discrimination provisions. Recipient and its subcontractors shall not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

IV. MWBE Utilization Plan

- A. The Recipient represents and warrants that Recipient will submit an ADM- 095B MWBE Utilization Plan either prior to, or within 60 days of work being definitely assigned and described under this Agreement or subsequent work order hereunder.
- B. Recipient agrees to use such MWBE Utilization Plan for the performance of MWBEs on this project pursuant to the prescribed MWBE goals set forth in section II-A of this Appendix.
- C. Recipient further agrees that a failure to submit and/or use such MWBE Utilization Plan shall constitute a material breach of the terms of this Agreement. Upon the occurrence of such a material breach, the HTFC shall be entitled to any remedy provided herein, including but not limited to, a finding of Recipient non-responsiveness.

V. Waivers

- A. For Waiver Requests Recipient should refer to OFHEO's Good Faith Efforts Guide on the HCR website.
- B. If Recipient, after making good faith efforts, is unable to comply with MWBE goals, Recipient may submit a Request for Waiver documenting good faith efforts by Recipient to meet such goals. Requests are to be in writing and directed to Wanda Graham, Director, Office of Fair Housing and Equal Opportunity, NYS Homes and Community Renewal, 641 Lexington Avenue, 5th Floor, New York, New York 10022.
- C. If the HTFC, upon review of the Utilization Plan and updated Compliance Reports determines that Recipient is failing or refusing to comply with the contract goals and no waiver has been issued in regards to such non-compliance, the HTFC may issue a notice of deficiency to Recipient. Recipient must respond to the notice of deficiency within seven (7) business days of receipt. Such response may include a request for partial or total waiver of MWBE Contract Goals.

VI. Quarterly MWBE Contractor Compliance Report

Recipient is required to submit a Quarterly MWBE Contractor Compliance Report Form to the HTFC by the 10th day following each end of quarter over the term of the Agreement documenting the progress made towards achievement of its MWBE goals.

VII. Forms

The required forms can be found on the HCR website at <http://www.nyshcr.org/Forms/NYMS/>.

Res No. 4

January 10, 2017

To: The Honorable Mayor and City Council

From: Michael A. Lumbis, Planning & Community Development Director

Subject: Approving the Special Use Permit Request Submitted by Rickey E. Martin III, of KDM Kustoms, LLC, to Allow an Auto Repair Shop at 925 Main Street West, Parcel Number 1-17-403.000

Rickey E. Martin III, of KDM Kustoms, LLC has submitted the above subject Special Use Permit request to allow an auto repair shop at 925 Main Street West, Parcel Number 1-17-403.000.

The Planning Board reviewed the request at its January 3, 2017 meeting and adopted a motion recommending that City Council approve the request with the conditions listed in the resolution.

The Jefferson County Planning Board is scheduled to review the request at its January 31, 2017 meeting, pursuant to General Municipal Law Section 239-m.

Attached is a copy of the Special Use Permit application, the report on the request prepared for the Planning Board and a copy of the Planning Board meeting minutes.

As the City Council will note in the application, Mr. Martin has requested that light body work and small body repair be allowed as part of the Special Use Permit. Section 310-52(a) of the Zoning Ordinance states that a garage or shop for painting of automobiles or for the repairing of automobile bodies or fenders involving hammering or other work causing loud or unusual noise or fumes or odors is not permitted within 200' of any Residence District. Residentially zoned properties are located closer than 200' so the proposed use of light body or small body repair will not be allowed at the site.

If the applicant is granted a Special Use Permit for the auto repair shop, a variance would be required to perform the light body work. Mr. Martin has indicated that he intends to apply to the Zoning Board of Appeals for a variance if the Special Use Permit request is granted.

The resolution prepared for City Council consideration approves the Special Use Permit for an auto repair shop. A public hearing is required before the City Council may vote on the resolution. It is recommended that a public hearing be scheduled for 7:30 p.m. on Monday, February 6, 2017.

RESOLUTION

Page 1 of 2

Approving the Special Use Permit Request Submitted by Rickey E. Martin, III, of KDM Kustoms, LLC to Allow An Auto Repair Shop at 925 Main Street West, Parcel Number 1-17-403.000

- Council Member HORBACZ, Cody J.
- Council Member JENNINGS, Stephen A.
- Council Member MACALUSO, Teresa R.
- Council Member WALCZYK, Mark C.
- Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS Rickey E. Martin, III, of KDM Kustoms, LLC, has made an application for a Special Use Permit to allow an auto repair shop at 925 Main Street West, Parcel Number 1-17-403.000, and

WHEREAS the Planning Board of the City of Watertown reviewed the request for a Special Use Permit at its meeting held on January 3, 2017, and voted to recommend that the City Council of the City of Watertown approve the Special Use Permit with the following conditions:

1. The structure(s) must meet International Building Code standards as it pertains to the change of the use from one use to another.
2. The applicant shall install an oil-water separator and provide a design for a proposed connection to the City’s sanitary sewer.
3. The applicant shall obtain all necessary permits from the Bureau of Code Enforcement.
4. Per Section 169-18(1) of the City Code, no more than 10 motor vehicle may be stored at one time in an open area at a gasoline filling station or outdoors at a New York State licensed repair shop for the purpose of repair or reconditioning, only provided that the outdoor storage of a specific vehicle shall not exceed 30 days.

and,

WHEREAS the request has been referred to the Jefferson County Planning Board for review at their January 31, 2017 meeting, pursuant to General Municipal Law Section 239-m, and

RESOLUTION

Page 2 of 2

Approving the Special Use Permit Request Submitted by Rickey E. Martin, III, of KDM Kustoms, LLC to Allow An Auto Repair Shop at 925 Main Street West, Parcel Number 1-17-403.000

- Council Member HORBACZ, Cody J.
- Council Member JENNINGS, Stephen A.
- Council Member MACALUSO, Teresa R.
- Council Member WALCZYK, Mark C.
- Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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WHEREAS a public hearing was held on the proposed Special Use Permit on February 6, 2017, after due public notice, and

WHEREAS the City Council has reviewed the Short Environmental Assessment Form, responding to each of the questions contained in Part II and has determined that the project, as submitted, will not have a significant effect on the environment,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown declares that the proposed Special Use Permit to allow an auto repair shop at 925 Main Street West is an Unlisted Action for the purposes of SEQRA and hereby determines that the project, as proposed, will not have a significant effect on the environment, and

BE IT FURTHER RESOLVED by the City Council of the City of Watertown, that a Special Use Permit is hereby granted to Rickey E. Martin, III, LLC of KDM Kustoms, LLC, to allow an auto repair shop in a Neighborhood Business District located at 925 Main Street West, Parcel Number 1-17-403.000, contingent upon the applicant meeting the conditions listed above.

Seconded by



CITY OF WATERTOWN, NEW YORK

245 Washington Street, Watertown, NY 13601
Office: (315) 785-7740 - Fax: (315) 785-7829

Special Use Permit Application



APPLICANT INFORMATION

Name: KDM Kustoms, LLC

Mailing Address: P.O. Box 6553 Watertown, New York 13601

Phone Number: 315 955-4810 Email:

PROPERTY INFORMATION

Property Address: 747 West Main Street

Tax Parcel Number(s): 1-17-403

Property Owner (if not applicant): REBAN HOLDINGS, LLC / Richard E. Martin, III

If applicant is not owner or owner's representative, indicate interest in the property:

- Signed Purchase Agreement (attach) Signed Lease (attach) None yet

Zoning District:

Land Use:

Required Attachments:

- 8.5x11 parcel map with property outlined with heavy black ink
- Sketch of the site drawn to an engineering scale (e.g. 1"=20')
- Completed Part I of the Environmental Assessment Form (SEQR)

REQUEST DETAILS

Proposed Use:

Explain proposal (use additional 8.5x11 sheets if necessary):

See Attached Paper

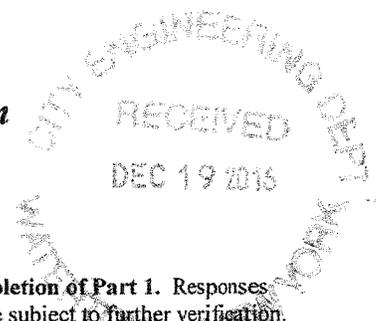
I certify that the information provided in this application is true to the best of my knowledge.

Signature: [Handwritten Signature]

Date: 12/19/15

December 1, 2015

**Short Environmental Assessment Form
Part 1 - Project Information**



Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

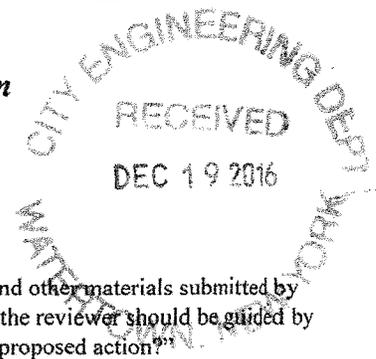
| | | | |
|--|--|------------------------------|--|
| Part 1 - Project and Sponsor Information | | | |
| Name of Action or Project: Proposed Auto Repair Shop with light body KDM Customs, LLC | | | |
| Project Location (describe, and attach a location map): 941 W. Main St. Watertown, NY 13601 | | | |
| Brief Description of Proposed Action: We would like to open an auto repair shop with light body. we would like to conduct motor repair, transmission repair, light body work, light mechanical work (buly, brakes, etc...) | | | |
| Name of Applicant or Sponsor: Ricky E. Martin, III | | Telephone: 315-955-4810 | |
| | | E-Mail: Ricky@kdmcustoms.net | |
| Address: P.O. Box 6553 | | | |
| City/PO: Watertown | | State: NY | Zip Code: 13601 |
| 1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2. | | | NO <input checked="" type="checkbox"/> |
| 2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: New York State Dept of Motor Vehicles | | | YES <input checked="" type="checkbox"/> |
| 3.a. Total acreage of the site of the proposed action? | | 1.11 acres | |
| b. Total acreage to be physically disturbed? | | 0 acres | |
| c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? | | 1.11 acres | |
| 4. Check all land uses that occur on, adjoining and near the proposed action. | | | |
| <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban) | | | |
| <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ | | | |
| <input type="checkbox"/> Parkland | | | |

Agency Use Only [If applicable]

Project:

Date:

**Short Environmental Assessment Form
Part 2 - Impact Assessment**



Part 2 is to be completed by the Lead Agency.

Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

| | No, or small impact may occur | Moderate to large impact may occur |
|--|-------------------------------|------------------------------------|
| 1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Will the proposed action result in a change in the use or intensity of use of land? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Will the proposed action impair the character or quality of the existing community? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Will the proposed action impact existing: | <input type="checkbox"/> | <input type="checkbox"/> |
| a. public / private water supplies? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. public / private wastewater treatment utilities? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems? | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Will the proposed action create a hazard to environmental resources or human health? | <input type="checkbox"/> | <input type="checkbox"/> |

PRINT FORM

Agency Use Only [If applicable]

| | |
|----------|--|
| Project: | |
| Date: | |

Short Environmental Assessment Form
Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

- Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.
- Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

| | |
|--|---|
| _____ | _____ |
| Name of Lead Agency | Date |
| _____ | _____ |
| Print or Type Name of Responsible Officer in Lead Agency | Title of Responsible Officer |
| _____ | _____ |
| Signature of Responsible Officer in Lead Agency | Signature of Preparer (if different from Responsible Officer) |

PRINT FORM

Concrete Sidewalk

DEED REFERENCE
to
Frank Cote
Instrument # 2012-00017193
Recorded November 05, 2012
Tax Map Parcel No. 1-17-402-001

GRANGER
PROPERTY

44°03'23" E — 57.08'

N 145° 00' 36"
E 56' 185.47'

S 30° 43' 31" E
39.37'

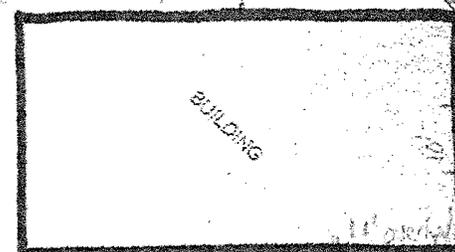
S 48° 24' 59" E
55.06'

S 42° 29' 11" E
8.61'

S 42° 40' 08" E
36.45'

Parking

Building Corner
1.5' over
margin line



BUILDING

DEED REFERENCE
to
Frank Cote
Instrument # 2014-00017080
Recorded December 03, 2014
Tax Map Parcel No. 1-17-405
Area = 1.11 Acres

Concrete Loading Dock

Asphalt

Parking

BUILDING

S 45° 41' 51" E

MAIN STREET WEST
(width varies)

Curve

We would like to open an Auto Repair Shop with light body at 941 West Main Street Waterown, New York 13601. Our daily duties will include motor repair, small body repair, transmission repair and light mechanical (bulbs, brakes, etc...).

I feel this will not negatively affect the area due to there being multiple repair shops within a 5 block section. There is West Main Auto which required a special use permit. There is Parsons and also Robert Sales. There is plenty of parking which I will outline on the map attached.





MEMORANDUM

CITY OF WATERTOWN, NEW YORK
PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
245 WASHINGTON STREET, ROOM 304, WATERTOWN, NY 13601
PHONE: 315-785-7740 – FAX: 315-785-7829

TO: Planning Board Members

FROM: Michael A. Lumbis, Planning and Community Development Director

SUBJECT: Special Use Permit Approval – 941 Main Street West

DATE: December 29, 2016

Request: Special Use Permit to allow an auto repair shop.

Applicant: Rickey E. Martin, III, of KDM Kustom, LLC

Proposed Use: Auto repair shop

Property Owner: Reban Holdings, LLC

Submitted:

8 ½” x 11” Copy of Parcel Map: Yes A Sketch of the Site to Scale: Yes

Completed Part I of an Environmental Assessment Form: Yes SEQRA: Unlisted Action

County Planning Board Review Required: Yes

Comments: The applicant proposes to convert an existing structure to an auto repair shop. Proposed services would include motor repair, transmission repair, light body work and light mechanical work (bulbs, brakes, etc.). The property is in a Neighborhood Business zoning district, and was previously used as storage for Cota Flooring. The use of garages for adjusting and repairing motor vehicles is permitted only by special approval of City Council, as per Section 310-8 of the Zoning Ordinance. This requires the applicant to apply for a Special Use Permit.

If the Special Use Permit is approved, the structure(s) must meet International Building Code standards as it pertains to the change of use from one use to another. The applicant will also be required to install an oil-water separator as well as provide a design for a proposed connection to the City’s sanitary sewer. Permits will be required.

Section 310-52(a) of the Zoning Ordinance states that a garage or shop for painting of automobiles or for the repairing of automobile bodies or fenders involving hammering or other work causing loud or unusual noise or fumes or odors is not permitted within 200’ of any Residence District. Residentially zoned properties are located closer than 200’ so the proposed use of “light body or small body repair “as stated in the application will not be allowed at the site.

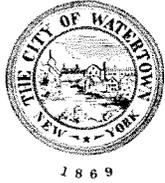
In addition, Section 169-18(1) of the City Code states that no more than 10 motor vehicles may be stored at one time in an open area at a gasoline filling station or outdoors at a New York State licensed repair shop for the purpose of repair or reconditioning, only provided that the outdoor storage of a specific vehicle shall not exceed 30 days.

Special Use Permits require City Council approval after recommendation from the Planning Board and a Public Hearing. The procedure is outlined in Section 310.67 of the Zoning Ordinance.

Summary: The following should be included as contingencies in the motion to approve the Special Use Permit.

1. The structure(s) must meet International Building Code standards as it pertains to the change of use from one use to another.
2. The applicant shall install an oil-water separator and provide a design for a proposed connection to the City's sanitary sewer.
3. The applicant shall obtain all necessary permits from the Bureau of Code Enforcement.
4. Per Section 169-18(1) of the City Code, no more than 10 motor vehicles may be stored at one time in an open area at a gasoline filling station or outdoors at a New York State licensed repair shop for the purpose of repair or reconditioning, only provided that the outdoor storage of a specific vehicle shall not exceed 30 days.

cc: City Council Members
Rickey E. Martin, KDM Kustoms, LLC, P.O. Box 6553 Watertown, NY 13601
Justin Wood, City Engineer



CITY OF WATERTOWN, NEW YORK

CITY PLANNING BOARD
ROOM 304, WATERTOWN CITY HALL
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601-3380
(315) 785-7740

MEETING: January 3, 2017

PRESENT:

Larry Coburn, Chairperson
Michelle Capone
Linda Fields
Anthony Neddo
Steve Rowell

ABSENT:

Neil Katzman

ALSO:

Michael A. Lumbis, Planning & Community
Development Director
Jennifer Voss, Senior Planner
Geoffrey Urda, Planner
Michael DeMarco, Planner
Justin Wood, City Engineer
Carolyn Meunier, Code Enforcement Officer

The January 3, 2017 Planning Board Meeting was called to order at 2:59 p.m. by Planning Board Chair Larry Coburn. Mr. Coburn called for a reading of the Minutes from the December 6, 2016 Planning Board Meeting. Ms. Fields made a motion to accept the minutes as written. Mr. Neddo seconded the motion and all voted in favor.

SPECIAL USE PERMIT

925 MAIN STREET WEST – PARCEL # 1-17-403.000

First on the agenda was a request submitted by Rickey E. Martin, III, of KDM Kustoms, LLC on behalf of Reban Holdings, LLC for a Special Use Permit to allow an auto repair shop at 925 Main Street West, Parcel Number 1-17-403.000.

Mr. Martin was in attendance to represent the project.

Mr. Coburn began by saying that Mr. Neddo had a comment. Mr. Neddo said that he wished to note for the record that his firm has represented Mr. Martin in various real estate matters, but that he had no involvement with the subject property, so there was no conflict of interest in this case.

Mr. Neddo then asked if Section 310-52 of the Zoning Ordinance, Location of certain activities restricted, would preclude Mr. Martin from performing body work on the site. Mr. Lumbis replied in the affirmative. Mr. Neddo then asked what exactly a Special Use Permit would allow Mr. Martin to do on the property. Mr. Lumbis replied that it would allow the applicant to perform normal auto repair activities, but because the property was within 200 feet of a residential zoning district, body work would not be allowed.

Mr. Neddo then asked what options Mr. Martin's had for relief if he wished to include body work as part of his proposed business. Mr. Lumbis replied that the only relief from the Zoning Ordinance is for the applicant to seek a variance from the Zoning Board of Appeals to allow body work.

Mr. Neddo then asked Mr. Martin if he understood what had just been discussed. Mr. Martin replied in the affirmative.

Ms. Fields then asked Mr. Martin how he would police the legal storage limits of 10 vehicles at a time and 30 days per vehicle. Mr. Martin replied that his business would need to bear responsibility for controlling it. Ms. Fields then asked about sprinklers. Mr. Coburn replied that sprinklers were a Code Enforcement issue.

Mr. Coburn then asked for some clarification on the application, noting that Staff's memorandum stated that the applicant proposed to convert the existing building into an auto repair shop to include light body work, but later in the memorandum, it referenced Section 310-52 of the Zoning Ordinance to note that body work could not be allowed at the site.

Mr. Lumbis replied that the first paragraph of Staff's memorandum simply summarized the applicant's request to convert the existing building into an auto repair business. Mr. Lumbis then reiterated that while the Planning Board could grant that request, the applicant could not perform body work as a part of that business even if he received the Special Use Permit; it was an exclusion from the approval.

Ms. Fields then asked Mr. Martin why he wanted to open an auto repair business. Mr. Martin replied that he wanted to make an investment in something that he thought was profitable, and added that he was an entrepreneur by nature. Ms. Fields said that she knew Mr. Martin was an entrepreneur.

Ms. Capone then moved to recommend that City Council approve the request submitted by Rickey E. Martin, III, of KDM Kustoms, LLC on behalf of Reban Holdings, LLC for a Special Use Permit to allow an auto repair shop at 925 Main Street West, Parcel Number 1-17-403.000, contingent upon the following:

1. The structure(s) must meet International Building Code standards as it pertains to the change of use from one use to another.
2. The applicant shall install an oil-water separator and provide a design for a proposed connection to the City's sanitary sewer.
3. The applicant shall obtain all necessary permits from the Bureau of Code Enforcement.
4. Per Section 169-18(1) of the City Code, no more than 10 motor vehicles may be stored at one time in an open area at a gasoline filling station or outdoors at a New York State licensed repair shop for the purpose of repair or reconditioning, only provided that the outdoor storage of a specific vehicle shall not exceed 30 days.

Ms. Fields seconded the motion and all voted in favor.

Mr. Coburn then said that the request would go to City Council, and noted that there was a Council meeting later that evening but he doubted this would be on the agenda. Mr. Urda verified that it would not, but that it would be on the agenda for the Council's next meeting in two weeks. Mr. Lumbis then clarified that all that City Council would do at its January 17, 2017 meeting was set a public hearing, which would occur on February 6, 2017, at which time the Council would be free to make a decision.

Ms. Fields then moved to adjourn the meeting. Mr. Rowell seconded the motion and all voted in favor. The meeting was adjourned at 3:07 p.m.

Res No. 5

January 11, 2017

To: The Honorable Mayor and City Council
From: Geoffrey Urda, Planner
Subject: City of Watertown Complete Streets Policy

On October 15, 2015, representatives from the Association of Pedestrian and Bicycle Professionals held a Complete Streets workshop in Watertown, which several Council Members and community leaders attended. At its January 4, 2016 meeting, the City Council expressed an interest in pursuing a Complete Streets policy for the City of Watertown and requested that Staff outline what such a policy would entail.

At the January 19, 2016 Council meeting, Staff presented a report on the purpose of a Complete Streets policy, which is to formalize the City's intent to make its streets safer for all users, regardless of age, ability, or mode of transportation, and to implement Complete Streets principles in the community, treating new projects as opportunities to put them into practice. At the September 12, 2016 Work Session, Staff requested input from each Council Member on what their goals and expectations for the policy were.

Over the last four months, Planning Staff has worked on a Complete Streets policy for the City of Watertown in close cooperation with Engineering and DPW. The attached policy specifies the City's goals, identifies the design criteria and standards that the community will use to work towards those goals, and directs the City's staff to apply those standards when feasible to current and future projects. It also establishes a scope of applicability, makes appropriate exceptions, and lays out clear steps to implementation.

The policy specifically establishes a Complete Streets Committee, to be made up of Staff, that will be responsible for putting all projects "through the lens" of Complete Streets and will look for opportunities to implement Complete Streets principles. The policy also tasks this committee with reviewing projects for possible exceptions from the policy. If the committee determines that a project is eligible for an exception, it will forward this recommendation to City Council, which will retain final authority for granting exceptions.

The policy also directs the Complete Streets Committee to prepare an annual progress report to City Council, which uses specified performance measures to gauge the ongoing success of the policy.

The first goal of this policy is to ensure safe travel for pedestrians, bicyclists, transit users and those with disabilities, in addition to motor vehicle operators. To this end, automotive Level of Service (LOS) at some signalized intersections may decrease as a result of safety measures provided to other modes.

While many projects will receive only minor improvements, some may warrant consideration for significant treatments. As such, Staff has attached a series of schematics that illustrate what these may look like.

Exhibit A, excerpted from the City of Philadelphia's Complete Streets Design Handbook, illustrates the typical cross-section of a complete street, with different features accommodating different modes all identified.

Exhibit B depicts a standard Road Diet on an arterial road in Seattle. The Federal Highway Administration (FHWA) defines a Road Diet as a "Conversion of a four-lane undivided road to a three-lane undivided road made up of two through lanes and a center two-way-left-turn-lane." Alternatively, the Institute of Transportation Engineers (ITE) describes Road Diets as "Removing travel lanes from a roadway and utilizing the space for other uses and travel modes." In a Road Diet, the asphalt footprint is not widened or narrowed. The Road Diet is accomplished with restriping.

Benefits of Road Diets include reduced right-angle crashes, traffic calming and reduced speed differential, as well as increased safety and accommodations for bicyclists and pedestrians. The safety benefit for pedestrians is especially pronounced at unsignalized crossings, where slower traffic speeds and fewer lanes to cross greatly reduce the risk of a pedestrian being struck.

Exhibit C depicts curb extensions, also known as bulb outs or bump outs, in Salem, Oregon. In addition to shortening the walking distance from one side of the street to the other, curb extensions also give pedestrians a safe space from which to look both ways around parked cars instead of having to walk out into the street to do so.

Exhibit D, a National Association of City Transportation Officials (NACTO) schematic, illustrates how curb extensions facilitate eye contact between drivers and pedestrians, as well as call a driver's attention to a wider range of activity on the surrounding sidewalk when approaching an intersection.

In this case, narrower corners increase visibility even though they decrease vehicular speed. According to NACTO, "Wide corners with large sight triangles may create visibility, but in turn may cause cars to speed through the intersection, losing the peripheral vision they might have retained at a slower and more cautious speed."

Exhibit E illustrates the significance of simply placing a stop bar in front of a crosswalk. At the first intersection, located in Washington, DC, a car has pulled forward into the crosswalk before stopping. Whereas at the second intersection, located in Albany, the stop bar directs cars to stop before entering the crosswalk. This treatment is also relatively inexpensive to implement.

Exhibit F depicts a pedestrian shelter island at the intersection of Washington Street and Public Square. Pedestrian shelter islands break up long crossings into two shorter, less complicated crossings, with the added benefit that pedestrians only have to be concerned with only one direction of vehicular travel at a time.

The above does not represent an exhaustive list of Complete Streets improvements. Rather, it portrays a gamut of various engineering and design techniques that calm traffic and improve safety for other transportation modes.

Staff will be available at Tuesday night's City Council meeting to answer any questions about the Complete Streets policy proposed for adoption, its goals, procedures and implementation, or about Complete Streets principles in general. The attached Resolution adopts the Complete Streets Policy as written.

DESIGN PRIORITIES FOR MULTIPLE ROADWAY USERS

**Pedestrian Design Priorities**

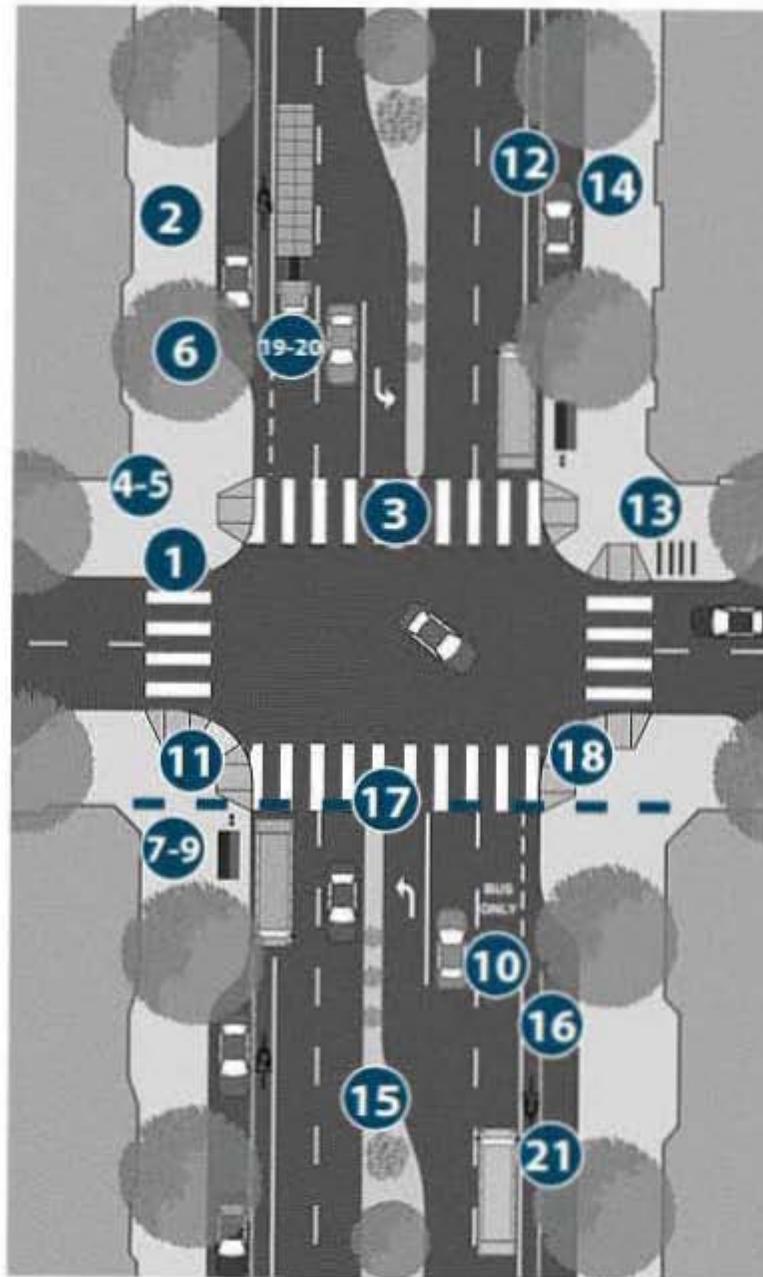
1. Accessible curb ramps
2. Ample, unobstructed walkways
3. Safe, visible crossings
4. Public plazas and street-level activities
5. Pedestrian-scale lighting & urban design
6. Streetscaping and green space

**Transit Design Priorities**

7. Convenient pedestrian access to stops
8. Connections to surrounding destinations
9. Safe, secure waiting areas with passenger amenities
10. In-road facilities to increase service speed and reliability
11. Adequate curb radii

**Bicycle Design Priorities**

12. Safe designated facilities
13. Ample, secure bike parking
14. Connected, well-marked network

**Automobile Design Priorities**

15. Appropriate design speed (traffic calming)
16. Parking management
17. Appropriate distribution of road space

**Freight and Emergency****Services Design Priorities**

18. Adequate curb radii
19. Adequate lane width
20. Designated routes without disturbances
21. Loading zones

Exhibit B - Road Diet



NE 125th Street Before



NE 125th Street After

BETTER TO SEE YOU WITH

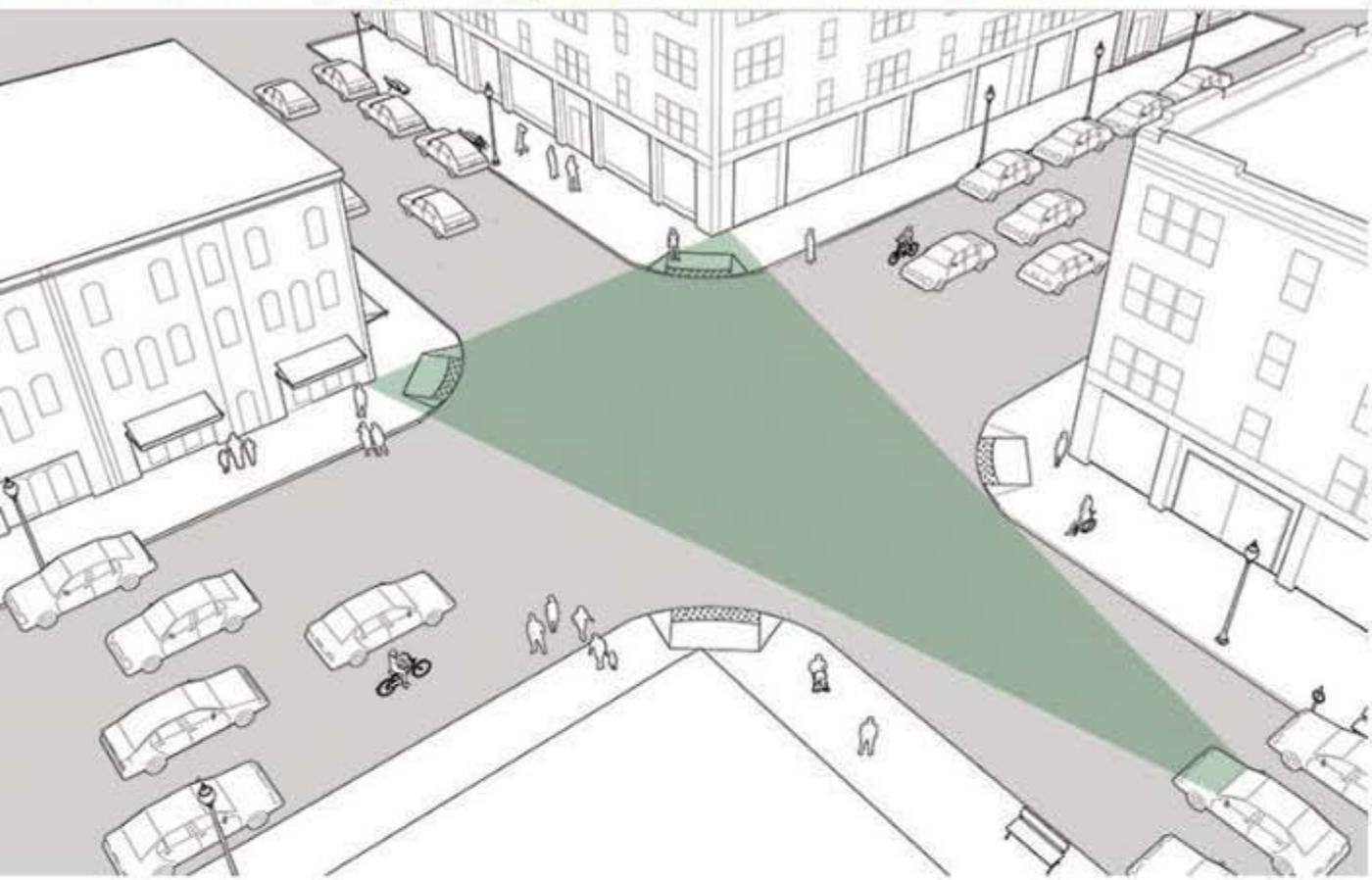


Pedestrians wait where they can see - in front of parked cars

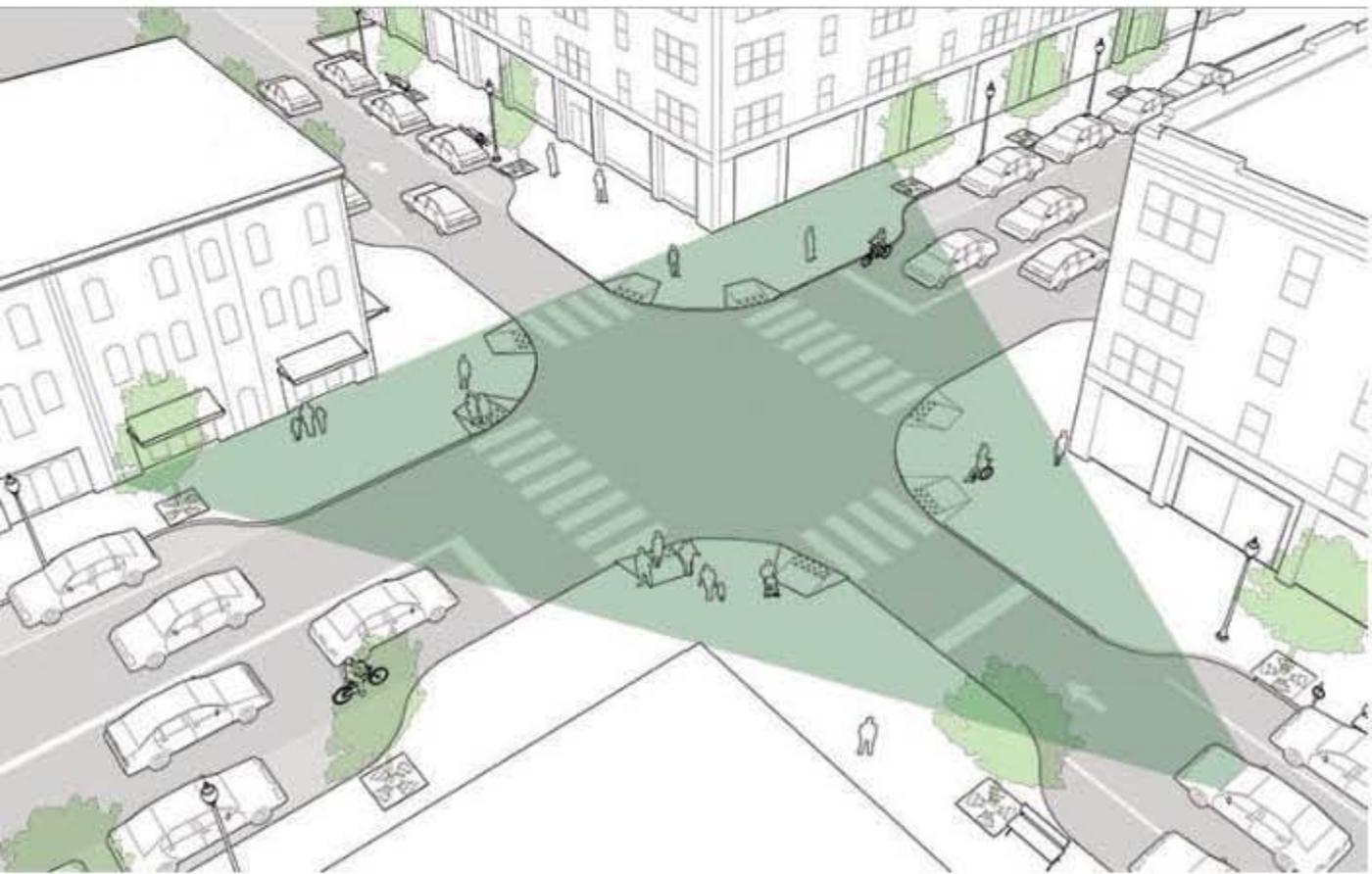


Curb extension places pedestrian where they can see and be seen!

Exhibit D - Curb Extension (Bulb Out) Driver's Cone of Vision Before and After



Before



After

Exhibit E- Crosswalk Safety



Without a Stop Bar



With a Stop Bar

Exhibit F - Pedestrian Refuge Island



RESOLUTION

Page 1 of 1

Adopting a Complete Streets Policy for the City of Watertown

Introduced by

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.
 Total

| YEA | NAY |
|-----|-----|
| | |
| | |
| | |
| | |
| | |
| | |

WHEREAS the City of Watertown actively promotes safe streets, and seeks to design and maintain a transportation network that safely and adequately accommodates all users and all modes of transportation, and

WHEREAS Complete Streets are planned, designed and constructed to improve mobility, access and connectivity for persons travelling by all modes, encourage healthy lifestyles, increase safety for all users, enhance neighborhoods, businesses and institutions, and advance the quality of life for all Watertown citizens and visitors, and

WHEREAS the City of Watertown views all transportation improvements as opportunities to improve safety, access and connectivity by all modes of travel to Watertown’s businesses, neighborhoods, schools, parks, trails and adjacent communities, and

WHEREAS streets are a vital part of the public realm, and shape the experience of residents and visitors to Watertown, directly affect public health and welfare, and provide the framework for current and future development, and

WHEREAS numerous jurisdictions in the United States have adopted Complete Streets Policies, including the State of New York and over five dozen other respective Towns, Villages, Cities and Counties across the State.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby adopts the Complete Streets Policy for the City of Watertown, dated January 17, 2017, a copy of which is attached and made part of this resolution, and

BE IT FURTHER RESOLVED that a Complete Streets Committee is hereby created as outlined in the Complete Streets Policy, and tasked with the duties outlined in the Policy.

Seconded by

City of Watertown, New York Complete Streets Policy

-January 17, 2017-

Section 1: Vision

This Complete Streets Policy shall guide the City of Watertown to design, provide and maintain a safe, accessible and well-connected multimodal surface transportation network that meets the needs of all users, regardless of age or ability level, including drivers of automobiles, emergency and freight vehicles, bicyclists, pedestrians, transit users and those with disabilities.

The City will consider all modes equally when making transportation decisions and treat all modes as legitimate users of the City's transportation network. The City's inclusive transportation network will play a crucial role in ensuring the health, safety, economic vitality and quality of life in the City of Watertown.

By implementing Complete Streets principles, the City will foster a more liveable community for all of its residents, especially children, the elderly and the City's disabled population.

Section 2: Goals

The purpose of this policy is to ensure that planning and engineering decisions affecting surface transportation in the City of Watertown are made with consideration for the safety and convenience of all users, regardless of their mode of transportation, age or ability level.

Specific goals of this policy include:

1. To ensure safe travel for pedestrians, bicyclists, transit users and those with disabilities, in addition to motor vehicle operators.
2. To increase economic activity by making the City's commercial areas more attractive and more accessible to users of all transportation modes and to encourage non-vehicular travel within these areas.
3. To provide safe routes to school and encourage walking and bicycling as safe, healthy and convenient ways for children to travel to and from school.
4. To improve the health and physical fitness of the City's population by encouraging walking and bicycling among its residents, thereby yielding more of the health benefits that these activities provide.
5. To ensure that all sidewalk and street reconstruction projects are designed appropriately for all users prior to undertaking any construction, eliminating the need for costly rebuilds in the future.

Section 3: Scope of Applicability

The City of Watertown shall develop a safe, convenient, integrated and connected multimodal transportation system so that users of all ages and abilities can travel safely and independently. While each and every individual street need not contain accommodations for all modes, the network should enable all users to travel safely via any mode.

The City of Watertown shall approach every transportation improvement and transportation-related project phase as an opportunity to create safer, more accessible streets for all users. These phases include, but are not limited to: planning, programming, design, right-of-way acquisition, construction, construction engineering, reconstruction, operation and maintenance. Other changes to transportation facilities on streets and rights-of way, including capital improvements, maintenance and restriping must also be included.

The City of Watertown realizes that its transportation network should provide consistent access and safe travel for all users within the City and beyond the City's borders. To this end, the City shall, when feasible and appropriate, foster relationships with the State of New York, Jefferson County, neighboring communities, business and school districts to develop facilities and accommodations that further the City's Complete Streets Policy and continue such infrastructure beyond the City's borders.

This policy applies to all publicly and privately funded projects and developments that affect the right-of-way. Privately constructed streets, parking lots and connecting pathways shall also adhere to this policy. The City shall review all private development proposals with reference to the incorporation of Complete Streets principles and general consistency with the Complete Streets Policy.

Review for Complete Streets consistency will be added to the existing Planning and Community Development Department development review process. Planning and Engineering Staff will review any applicable Site Plan, Waiver of Site Plan, Subdivision, Special Use Permit or Zone Change application for general consistency with this policy.

Section 4: Exceptions

Any exception to this policy, including for eligible private projects, must be reviewed by the Complete Streets Committee, and approved by the City Council with supporting documentation that indicates the basis for the decision. Such documentation shall be made publicly available. The Complete Streets Committee will be responsible for performing a thorough review of the project relating to the incorporation of Complete Streets elements and principles, and will forward a recommendation to the City Council.

Exceptions may be considered for approval when:

- An affected roadway prohibits by law, use by pedestrians and bicyclists (such as limited-access highways), in which case a greater effort shall be made to accommodate those specified users elsewhere, including on roadways that cross or otherwise intersect with the affected roadway;
- The activities are minor maintenance activities designed to keep the roadway in serviceable condition (e.g. mowing, cleaning, sweeping, spot repair and surface treatments such as chip seal, painting to brighten existing stripes, or interim measures) and do not change the roadway geometry or operations;
- The costs of providing accommodation for some travel modes is excessively disproportionate to the current need or anticipated future demand for those modes, with due consideration given to future users, latent demand, and the social and economic value of providing a safer and more convenient transportation system for all users;
- There is sufficient documentation that there is no feasible way to accommodate improvements for non-vehicular traffic within a project's scope; or
- There is a documented absence of current and future need.

Section 5: Design Standards

The City of Watertown shall follow and use the best and latest accepted design standards available. These standards include, but are not limited to:

- ITE Designing Walkable Urban Thoroughfares: A Context Sensitive Approach;
- AASHTO Guide for Planning, Designing and Operating Pedestrian Facilities;
- AASHTO guide for the Development of Bicycle Facilities;
- NYSDOT Highway Design Manual;
- FHWA Manual on Uniform Traffic Control Devices; and
- FHWA Lighting Handbook

In recognition of various contexts, public input and the needs of many users, a flexible, innovative and balanced approach that follows other appropriate design standards may be considered, provided that a comparable level of safety for all users is present. The standards identified above represent the most current standards at the time of this policy's adoption. As new and updated accepted standards emerge, they may be considered for City use.

Points of emphasis for this policy include, but are not limited to, traffic-calming measures, pedestrian sanctuaries and bicycle safety. However, specific design criteria shall not be purely prescriptive, but shall be based on the thoughtful application of engineering, architectural and urban design principles.

Section 6: Context Sensitivity

The City of Watertown shall implement Complete Streets solutions in a manner that is sensitive to the local context and character, aligns transportation and land use goals and recognizes that the needs of users may vary by case, community or corridor.

Context sensitivity to the community's overall surroundings, its current and planned buildings and land uses, and current and expected transportation needs must be a factor in decision-making. Context-sensitive design allows roadway decisions to be more flexible and sensitive to community values, and to better balance economic, social and environmental objectives.

Section 7: Implementation

The City of Watertown shall view Complete Streets as integral to everyday transportation decision-making practices and processes. To this end:

- The Department of Public Works, the Engineering Department, the Planning and Community Development Department and other relevant departments, agencies or committees will incorporate Complete Streets elements and principles into all existing plans, manuals, checklists decision-trees, rules, regulations and programs as appropriate (including, but not limited to the Local Waterfront Revitalization Program, Capital Program and other appropriate planning tools);
- The Department of Public Works, the Engineering Department, the Planning and Community Development Department and other relevant departments, agencies or committees will review current design standards, including subdivision regulations that apply to new roadway construction, to ensure that they reflect the best available design standards and guidelines, and effectively implement Complete Streets where feasible;
- When available, the City shall encourage professional development and training for staff on non-motorized transportation issues through attending conferences, classes seminars and workshops;
- City Staff shall identify all current and potential future sources of funding for street improvements and recommend improvements to the project selection criteria to support Complete Streets projects;
- The City shall promote inter-departmental project coordination among City departments with an interest in the activities that occur within the public right-of-way in order to better use fiscal resources;
- Every Complete Streets project shall include an educational component to ensure that all users of the transportation system understand and can safely utilize Complete Streets project elements.

- The City shall promote cooperation and collaboration between City departments and other external agencies, including NYSDOT, the Watertown Jefferson County Area Transportation Council, the City of Watertown School District, its municipal authorities, adjacent municipalities, private developers, and public and private utilities to develop facilities and accommodations that further the City's vision of a connected and integrated network.
- Within one year from the adoption of this policy, the City and the Complete Streets Committee shall adopt or create a Complete Streets checklist form to be filled out during a project review to determine compliance with this policy.
- The City shall establish a Complete Streets Committee, which shall consist of the City's ADA Coordinator, City Engineer, Superintendent of Public Works, Planning and Community Development Director, Chief of Police, or a designee appointed by any of the above department heads from within their respective departments. This committee will meet as needed to conduct project reviews and shall be responsible for preparing an annual progress report.
- During the planning and design phase of any public transportation improvement project, the Complete Streets Committee shall conduct a review of the project relating to the incorporation of Complete Streets elements and principles into the project. The review shall be made with reference to current best practices, as detailed in the design guidelines listed in Section 5, and a recommendation shall be forwarded to the City Council. If the Complete Streets Committee determines a project to be eligible for an exception from this policy, it shall follow the procedure detailed in Section 4 and forward that determination, along with documented evidence to support it, to the City Council for final approval of the exception.

Section 8: Reporting

The application of Complete Streets will be a process that requires regular evaluation to determine progress and effectiveness. To facilitate that regular evaluation, the Complete Streets Committee shall prepare a written annual progress report that measures the success of this Complete Streets Policy and present the report to City Council. The City shall also make this report publicly available. The performance measures that will be evaluated include, but are not limited to, the following:

- Linear feet of new or repaired pedestrian accommodations
- Number of new or repaired curb ramps installed along City streets
- Number of crosswalk and intersection improvements
- Number of transit facilities installed or improved
- Total miles of new bike lanes
- Number of street trees planted
- Number of traffic calming features installed
- Watertown City School District walker data
- A list of approved exceptions to this policy

Res Nos. 6 through 21

January 11, 2017

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Sale of City Property

On January 10th the City Comptroller's Office held a public auction of City owned properties. The results of the auction are as follows:

| Parcel Number | Location | Bid Amount | Bidder |
|---------------|------------------------|------------|-------------------------------|
| 11-03-220.000 | 166 Academy Street | \$5,000 | Aaron W. Assad |
| 1-10-310.000 | 103 Alexandria Avenue | \$100 | Jason Anthony Simonette |
| 11-05-116.000 | 524 Clay Street | \$4,000 | Aaron W. Assad |
| 5-06-260.000 | 340 Rear Colorado Ave. | \$500 | Nancy A. Coughlin |
| 5-02-302.000 | 1205 Columbia Street | \$1,000 | Angela Gault |
| 5-04-208.000 | 1230 Gill Street | \$2,400 | Cathy M. Anderson |
| 06-06-125.000 | 316 High Street | \$7,000 | A. Brown Properties, LLC |
| 06-06-126.001 | 318 Rear High Street | | |
| 06-06-126.000 | 320 High Street | | |
| 3-05-305.000 | 602 Lansing Street | \$6,000 | Robert G. Lamoreaux III |
| 2-03-111.000 | 367 Main Street West | \$5,500 | Aaron W. Assad |
| 08-05-121.000 | 140 Palmer Street | \$5,100 | Daryl R. Clemons |
| 08-05-120.000 | VL-140 Palmer Street | | |
| 14-20-313.000 | VL-3 Richards Drive | \$350 | Aaron W. Assad |
| 7-17-117.000 | 321 Sill Street | \$15,500 | Choice Properties of NNY, LLC |
| 11-01.105.000 | 209 Sterling Street | \$700 | Watertown Holdings, LLC |
| 03-09-101.000 | 36 Stuart Street | \$100 | Aaron W. Assad |
| 1-24-202.000 | 59 Woodley Street | \$100 | Nicholas Surdo |
| 1-24-201.000 | 60 Woodley Street | \$400 | Nicholas Surdo |

The required 10% deposit has been received for each parcel. Resolutions authorizing the sale of each property are attached for City Council consideration. All of the above high bidders are current with property taxes and none have outstanding issues with Code Enforcement.

Properties included in the auction that did not receive bids were:

| Parcel Number | Location | Assessment | Lot size | Zoning | Minimum Bid |
|---------------|-------------------|------------|------------|---------------|-------------|
| 3-05-331.000 | VL Burlington St. | \$4,750 | 50' x 75' | Residential C | \$500 |
| 2-02-114.000 | 524 Cooper Street | \$ 800 | 22' x 118' | Residential B | \$ 100 |

Subsequent to the auction I did receive an offer of \$100 for VL Burlington Street from John Flowers. If City Council wishes to accept this offer a resolution can be prepared for the February 6th agenda.

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 166 Academy Street to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 166 Academy Street, approximately 50' x 109' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 11-03-220.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$5,000 submitted by Aaron W. Assad for the purchase of Parcel No. 11-03-220.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 166 Academy Street to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Aaron W. Assad upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 103 Alexandria Avenue to
Jason Anthony Simonette, 147 Winthrop Street,
Watertown, New York 13601

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| Council Member HORBACZ, Cody J. |
| Council Member JENNINGS, Stephen A. |
| Council Member MACALUSO, Teresa R. |
| Council Member WALCZYK, Mark C. |
| Mayor BUTLER, Jr., Joseph M. |

Total

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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 103 Alexandria Avenue, approximately 30' x 70' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 01-10-310.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$100 submitted by Jason Anthony Simonette for the purchase of Parcel No. 01-10-310.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 103 Alexandria Avenue to
Jason Anthony Simonette, 147 Winthrop Street,
Watertown, New York 13601

| |
|-------------------------------------|
| Council Member HORBACZ, Cody J. |
| Council Member JENNINGS, Stephen A. |
| Council Member MACALUSO, Teresa R. |
| Council Member WALCZYK, Mark C. |
| Mayor BUTLER, Jr., Joseph M. |

Total

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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Jason Anthony Simonette upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 524 Clay Street to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 524 Clay Street, approximately 55' x 66' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 11-05-116.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$4,000 submitted by Aaron W. Assad for the purchase of Parcel No. 11-05-116.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 524 Clay Street to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

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|-------------------------------------|
| Council Member HORBACZ, Cody J. |
| Council Member JENNINGS, Stephen A. |
| Council Member MACALUSO, Teresa R. |
| Council Member WALCZYK, Mark C. |
| Mayor BUTLER, Jr., Joseph M. |

Total

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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Aaron W. Assad upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 340 Rear Colorado Avenue to
Nancy A. Coughlin, 25725 County Route 69,
Rodman, New York 13682

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 340 Rear Colorado Avenue, approximately .53 acre in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 05-06-260.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$500 submitted by Nancy A. Coughlin for the purchase of Parcel No. 05-06-260.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 340 Rear Colorado Avenue to
Nancy A. Coughlin, 25725 County Route 69,
Rodman, New York 13682

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Nancy A. Coughlin upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 1205 Columbia Street to
Angela Gault, 202 N. Indiana Avenue,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 1205 Columbia Street, approximately 60' x 50' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 05-02-302.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$1,000 submitted by Angela Gault for the purchase of Parcel No. 05-02-302.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 1205 Columbia Street to
Angela Gault, 202 N. Indiana Avenue,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Angela Gault upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 1230 Gill Street to
Cathy M. Anderson, 1310 Gill Street,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 1230 Gill Street, approximately 51' x 139' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 05-04-208.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$2,400 submitted by Cathy M. Anderson for the purchase of Parcel No. 05-04-208.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 1230 Gill Street to
Cathy M. Anderson, 1310 Gill Street,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Cathy M. Anderson upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 316 High Street, 318 Rear High Street and
320 High Street to A. Brown Properties LLC,
248 High Street, Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lots of land known as 316 High Street, approximately 66' x 112' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 06-06-125.000; 318 Rear High Street, approximately 54' x 84' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 06-06-126.001, and 320 High Street, approximately 68' x 132' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 06-06-126.000 and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$7,000 submitted by A. Brown Properties, LLC for the purchase of Parcel No. 06-06-125.000, 06-06-126.001 and 06-06-126.000, is a fair and reasonable offer therefore and the same is hereby

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 316 High Street, 318 Rear High Street and
320 High Street to A. Brown Properties LLC,
248 High Street, Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

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accepted, and

BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to A. Brown Properties, LLC upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 602 Lansing Street to
Robert G. Lamoreaux III, 1775 Evans Road,
Dexter, New York 13634

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 602 Lansing Street, approximately 47' x 72' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 03-05-305.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$6,000 submitted by Robert G. Lamoreaux III for the purchase of Parcel No. 03-05-305.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 602 Lansing Street to
Robert G. Lamoreaux III, 1775 Evans Road,
Dexter, New York 13634

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Robert G. Lamoreaux III upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 367 Main Street West to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

Council Member HORBACZ, Cody J.

Council Member JENNINGS, Stephen A.

Council Member MACALUSO, Teresa R.

Council Member WALCZYK, Mark C.

Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 367 Main Street West, approximately 41' x 150' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 02-03-111.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$5,500 submitted by Aaron W. Assad for the purchase of Parcel No. 02-03-111.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 367 Main Street West to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

| |
|-------------------------------------|
| Council Member HORBACZ, Cody J. |
| Council Member JENNINGS, Stephen A. |
| Council Member MACALUSO, Teresa R. |
| Council Member WALCZYK, Mark C. |
| Mayor BUTLER, Jr., Joseph M. |

Total

| YEA | NAY |
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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Aaron W. Assad upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
 Known as 140 Palmer Street and VL-140 Palmer Street to
 Daryl R. Clemons, 17520 County Route 59,
 Dexter, New York 13634

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lots of land known as 140 Palmer Street, approximately 65' x 214.5' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 08-05-121.000 and VL-140 Palmer Street, approximately 5' x 214.5' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 08-05-120.000 and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$5,100 submitted by Daryl R. Clemons for the purchase of Parcel No. 08-05-121.000 and 08-05-120.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 140 Palmer Street and VL-140 Palmer Street to
Daryl R. Clemons, 17520 County Route 59,
Dexter, New York 13634

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Daryl R. Clemons upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as VL-3 Richards Drive to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

| |
|-------------------------------------|
| Council Member HORBACZ, Cody J. |
| Council Member JENNINGS, Stephen A. |
| Council Member MACALUSO, Teresa R. |
| Council Member WALCZYK, Mark C. |
| Mayor BUTLER, Jr., Joseph M. |

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as VL-3 Richards Drive, approximately 80' x 35' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 14-20-313.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$350 submitted by Aaron W. Assad for the purchase of Parcel No. 14-20-313.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as VL-3 Richards Drive to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

| |
|-------------------------------------|
| Council Member HORBACZ, Cody J. |
| Council Member JENNINGS, Stephen A. |
| Council Member MACALUSO, Teresa R. |
| Council Member WALCZYK, Mark C. |
| Mayor BUTLER, Jr., Joseph M. |

Total

| YEA | NAY |
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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Aaron W. Assad upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 321 Sill Street to
Choice Properties of NNY, LLC, 853 Emmett Street,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 321 Sill Street, approximately 75' x 83' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 07-17-117.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$15,500 submitted by Choice Properties of NNY, LLC for the purchase of Parcel No. 07-17-117.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 321 Sill Street to
Choice Properties of NNY, LLC, 853 Emmett Street,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Choice Properties of NNY, LLC upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 209 Sterling Street to
Watertown Holdings, LLC, 215 Washington Street,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 209 Sterling Street, approximately 28' x 87' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 11-01-105.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$700 submitted by Watertown Holdings, LLC for the purchase of Parcel No. 11-01-105.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 209 Sterling Street to
Watertown Holdings, LLC, 215 Washington Street,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Watertown Holdings, LLC upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 36 Stuart Street to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 36 Stuart Street, approximately 36' x 52' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 03-09-101.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$100 submitted by Aaron W. Assad for the purchase of Parcel No. 03-09-101.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 36 Stuart Street to
Aaron W. Assad, 415 Gaffney Drive,
Watertown, New York 13601

| |
|-------------------------------------|
| Council Member HORBACZ, Cody J. |
| Council Member JENNINGS, Stephen A. |
| Council Member MACALUSO, Teresa R. |
| Council Member WALCZYK, Mark C. |
| Mayor BUTLER, Jr., Joseph M. |

Total

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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Aaron W. Assad upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 59 Woodley Street to
Nicholas Surdo, 18876 County Route 66,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
Council Member JENNINGS, Stephen A.
Council Member MACALUSO, Teresa R.
Council Member WALCZYK, Mark C.
Mayor BUTLER, Jr., Joseph M.

Total

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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 59 Woodley Street, approximately 50' x 73' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 01-24-202.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$100 submitted by Nicholas Surdo for the purchase of Parcel No. 01-24-202.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 59 Woodley Street to
Nicholas Surdo, 18876 County Route 66,
Watertown, New York 13601

| |
|-------------------------------------|
| Council Member HORBACZ, Cody J. |
| Council Member JENNINGS, Stephen A. |
| Council Member MACALUSO, Teresa R. |
| Council Member WALCZYK, Mark C. |
| Mayor BUTLER, Jr., Joseph M. |

Total

| YEA | NAY |
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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Nicholas Surdo upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 60 Woodley Street to
Nicholas Surdo, 18876 County Route 66,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 60 Woodley Street, approximately 50' x 73' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 01-24-201.000, and

WHEREAS title to said land has since been retained by the City of Watertown as acquired at said tax sale, which title was retained by reason of the failure of anyone to redeem the same, and

WHEREAS said real property has never been assigned by the Council for a public use, and

WHEREAS the City Council desires to ensure that properties such as this property be brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers,

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$400 submitted by Nicholas Surdo for the purchase of Parcel No. 01-24-201.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 60 Woodley Street to
Nicholas Surdo, 18876 County Route 66,
Watertown, New York 13601

Council Member HORBACZ, Cody J.
 Council Member JENNINGS, Stephen A.
 Council Member MACALUSO, Teresa R.
 Council Member WALCZYK, Mark C.
 Mayor BUTLER, Jr., Joseph M.

Total

| YEA | NAY |
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BE IT FURTHER RESOLVED that the Mayor, Joseph M. Butler Jr. be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Nicholas Surdo upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

BE IT FURTHER RESOLVED that the deed issued by the City contain a provision that if the property sold is not brought into compliance with all applicable provisions of the Uniform Construction Codes, as defined by Watertown City Code Chapter 120, and the Code of the City of Watertown within one (1) year from the date of delivery of the quit claim deed of their sale to subsequent buyers, the City shall have the right to seek and be entitled to receive reversion of title to the premises to the City.

Seconded by

January 12, 2017

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Tax Sale Certificate Assignment Auction

On January 10th the City Comptroller's Office held a public auction of the City owned tax sale certificate for 465 Martin Street. Unfortunately there were no bids received.

The redemption amount for 465 Martin Street at the end of the two year period was \$7,357.31 and since the expiration of the redemption period the City has paid an additional \$1,503.12 in City and school taxes as the tax sale certificate holder.

Now that the public auction option has been unsuccessful the City staff is recommending that the tax sale certificate be canceled and a judgment be sought against TS Vendors, Inc for the back taxes. The company owns the following properties in the City.

| <u>Address</u> | <u>Property Class</u> | <u>Taxable Assessed Value</u> |
|--------------------------|-----------------------|-------------------------------|
| 306 Factory Street | Commercial | \$ 65,100 |
| 743 Huntington Street | Bar | \$105,200 |
| 335 Rutland Street North | Single family | \$ 76,100 |
| 451 Martin Street | Vacant commercial | \$ 8,500 |



465 Martin Street

COUNCIL MEMORANDUM

TO: Honorable Mayor and Members of City Council

FROM: Vicky L. Murphy, Water Superintendent

Date: January 11, 2017

RE: Authorization to Move Forward With the Watertown Biosolids Project as Amended

City staff recommends moving forward with the Biosolids Project, which will incorporate opportunities for energy recovery and beneficial reuse of biosolids where feasible and cost-effective. However, to address Council's concerns regarding the Biosolids Storage Building, it is proposed that the construction of the building be delayed until development and implementation of a biosolids management strategy that will ensure a market for the beneficial reuse of Watertown's biosolids is complete.

The revised Project 1A and 1B will include:

- Biosolids Conveyor
- HVAC
- Instrumentation/Electrical
- Digester Gas Engine-Driven Pumps
- Digester Gas Conditioning
- Digester Gas Conditioning Building
- Digester Gas Flare
- Plumbing
- Process and Yard Piping

Efforts will continue during construction on the development and implementation of markets for the beneficial use of Watertown's biosolids. When a market has been found, staff will present their findings and recommendation to Council prior to moving forward with the Biosolids Storage Building.

SUMMARY OF ESTIMATED COSTS
Watertown Biosolids Project

CURRENT ENGINEER'S ESTIMATE OF PROBABLE COSTS

| Description | Phase 1A | Phase 1A w/o Storage Building | Phase 1B |
|--|--------------------|----------------------------------|--------------------|
| Mobilization, demobilization, bonds, insurance, general conditions | \$130,000 | \$130,000 | - |
| Dewatered Biosolids Storage Building | \$2,120,000 | - | - |
| Sludge Conveyor | \$400,000 | \$400,000 | - |
| Gas Pump Engines & Control Building | - | - | \$1,310,000 |
| Gas Conditioning | - | - | \$1,440,000 |
| Gas Flare | - | - | \$60,000 |
| Subtotal Capital Costs | \$2,650,000 | \$530,000 | \$2,810,000 |
| Site/Civil | \$890,000 | \$20,000 | \$80,000 |
| Electrical/Instrumentation | \$150,000 | \$100,000 | \$420,000 |
| HVAC | \$360,000 | \$360,000 | \$120,000 |
| Plumbing | - | - | \$60,000 |
| Yard Piping | \$90,000 | - | - |
| Subtotal Construction Costs | \$4,140,000 | 1,010,000 | \$3,490,000 |
| Contingency | \$314,000 | \$100,000 | \$600,000 |
| Total Construction Costs | \$4,454,000 | \$1,110,000 | \$4,090,000 |
| Inflation to construction midpoint | - | - | \$100,000 |
| Engineering/Legal/Admin | \$638,280* | \$638,280* | \$600,000 |
| Total Project Costs | \$5,092,280 | \$1,748,280 | \$4,790,000 |

*Work has been completed and costs have been incurred



CITY OF WATERTOWN, NEW YORK

FIRE DEPARTMENT
224 South Massey Street
Watertown, New York 13601
(315) 785-7800
Fax: (315) 785-7821
Dale C. Herman, Fire Chief
dherman@watertown-ny.gov



To: S. Addison, City Manager
From: D. Herman, Fire Chief **DCH**
Date: January 13, 2017
Subject: SAFER grant opportunity

On January 9, 2017 the Staffing for Adequate Fire and Emergency Response (SAFER) grant application period opened for communities to apply for the hiring of new personnel or recruitment and retention of volunteer firefighters.

This year's Notice of Funding Opportunity (NOFO) stipulates that the performance period for hiring personnel is a 36 month program with a local community match for years 1 and 2 being 25% and year three being a 65% match.

There is a requirement to fill all line vacancies during the performance period of the grant. Currently, there are two anticipated retirements for the 17/18 fiscal year.

The Department's current line strength is listed as 67 with one of those individuals out on long term on-the-job injury and is not expected to return. It is my recommendation to apply for this funding opportunity. The previous SAFER grant was developed to maintain 18 members assigned to each shift. In order to duplicate that, this request would need to indicate the hiring of six new personnel to maintain 15 personnel on duty with an acceptable level of overtime. However, Council may elect to increase or decrease the number of personnel to be applied for.

I have included an additional document showing current department staffing and overtime costs which could be temporarily alleviated with the award of this grant.

Deputy Chief Randall will be at the next Council meeting in my absence, if you have any questions, please feel free to contact me as I will be in the office on Tuesday or can be contacted after hours on my cell phone.



CITY OF WATERTOWN, NEW YORK

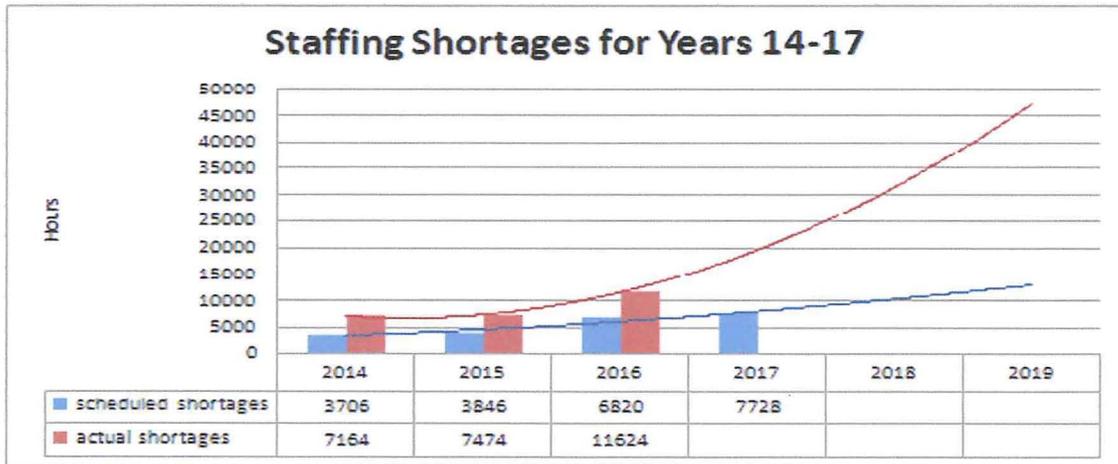
FIRE DEPARTMENT
224 South Massey Street
Watertown, New York 13601
(315) 785-7800
Fax: (315) 785-7821
Dale C. Herman, Fire Chief
dherman@watertown-ny.gov



To: S. Addison, City Manager
Members of City Council
From: D. Herman, Fire Chief **DCH**
Date: December 28, 2016; updated 1/12/17
Subject: SAFER Grant Opportunity

I have received word through association contacts that the 2016 SAFER (Staffing for Adequate Fire and Emergency Response) grant application period is expected to be announced soon and agencies applying for this grant should begin preparations. The application period will open January 9, 2017.

The following information is being provided to aid in Council's decision making process in considering application for the SAFER grant.

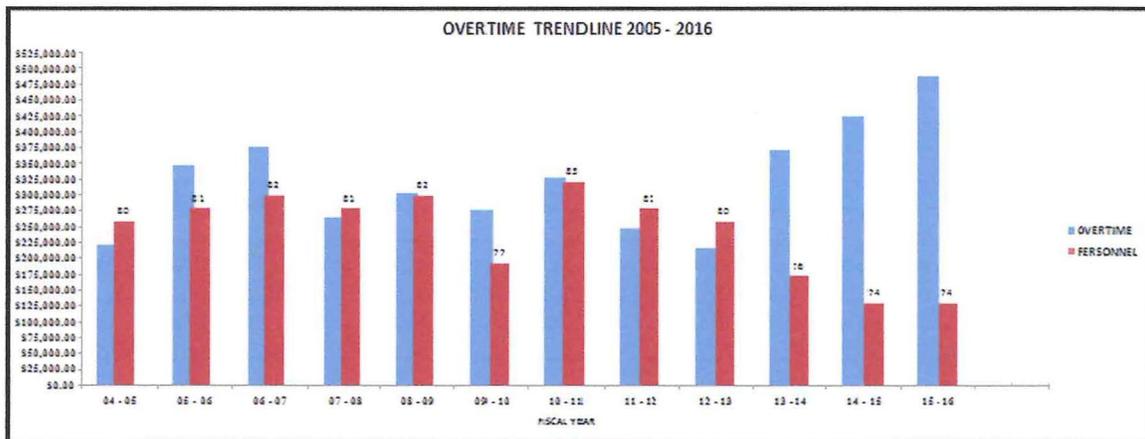


The scheduled shortages on the above graph for calendar year 2014-16 are actual shortages that are compiled when the monthly schedule is posted on the 20th of the month. For these years, reasons for the scheduled shortages would include: vacation leave, known extended sick leave, training opportunities and Union business. The 7728 hours for calendar year 2017 accounts for shortages based upon vacation selections only as we cannot predict long term illness or injuries. However, this number does account for the absence of one member who is currently on long term on-the-job injury and is not expected to return. It is anticipated that the scheduled shortages for calendar year 2017 will be higher than 7,728.

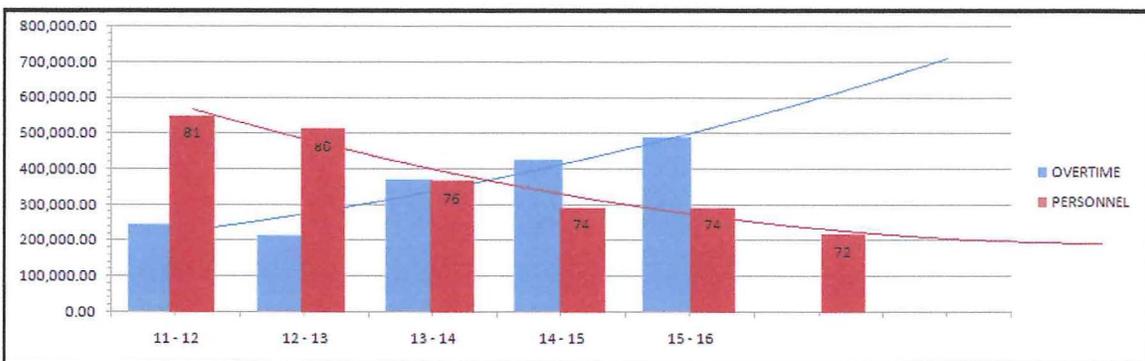
The scheduled shortages can be reduced in three methods: hiring of additional personnel, negotiating a lower minimum manning clause, and/or negotiating a 42 hour average work week similar to the schedule recently adopted by the Police Department.

The reduction of the Department's overall strength from 80 to 72 personnel coupled with the minimum manning clauses for staffing each work period with 15 members and has created a situation where virtually all absences create overtime. For calendar year 2016, 27 % (3196 hours) of the overtime could be contributed to members on vacation, 18% (2110 hours) for member being on out on work related injury, 31% (3596 hours) of overtime for members out on both long and short term illness. The remaining 2722 hours were associated with scheduled days off, family leave, retirement, bereavement, jury duty, Union business and other absences.

The chart below shows a direct correlation between overtime costs and the overall number of personnel. As one can see that as the number of employees decrease, overtime expenses increase.



The following chart depicts the trend of overtime should the Department strength remain at 72. This chart will be utilized to project overtime cost in the FY 17-18 budget as the department has not been in this position previously with so few employees and the need to continue staffing levels based on the contract.



Based on current staffing levels and the number of overtime hours associated with maintaining 15 personnel on duty is divided among the current 70 union members, the average is 166 additional hours per person. The continued reduction in personnel would require even more overtime, which will become unreasonable and/or unsafe as the overtime is never equally worked by the members for many reasons. In calendar year 2016 one member worked a total of 319 hours of overtime while another member worked 11 hours of overtime for the same year. The overall breakdown of overtime for 2016 is: 3 members worked over 300 hours of overtime, 24 members accumulated between 200 and 300 hours of overtime, 32 members accumulated between 100 and 200 hours and the remaining members less than 100 hours.

The Notice of Funding Opportunity (NOFO) for the 2016 SAFER grant is a three year program with FEMA funding 75% and a required 25% match from the municipality for the first and second year. For the third year, FEMA will fund 35% and require a 65% match from the City. All percentages for FEMA funding are limited to the first year salary and benefits of a new hire and does not account for salary step increases or increases in benefits costs during the grant period.

| | | | | | |
|--------------------------|-------------|--------------|--|-----------|--------------|
| First Year | Salary | \$ 44,799.00 | | | |
| | Holiday Pay | \$ 1,895.52 | | | |
| at 22.15% | Benefits | \$ 10,342.84 | | | |
| | Family Ins | \$ 15,013.47 | | | |
| | Total | \$ 72,050.83 | | Fed Share | \$ 54,038.12 |
| Second Year | Salary | \$ 46,760.00 | | | |
| | Holiday Pay | \$ 1,978.24 | | | |
| at 22.15% | Benefits | \$ 10,795.52 | | | |
| | Family Ins | \$ 15,013.47 | | | |
| | Total | \$ 74,547.23 | | Fed Share | \$ 54,038.12 |
| Third Year | Salary | \$ 48,819.00 | | | |
| | Holiday Pay | \$ 2,065.36 | | | |
| at 22.15% | Benefits | \$ 11,270.89 | | | |
| | Family Ins | \$ 15,013.47 | | | |
| | Total | \$ 77,168.72 | | Fed Share | \$ 25,217.79 |
| Total for 1 person | | \$223,766.77 | | | \$133,294.03 |
| Percent of Reimbursement | | | | | 59.57% |

The above chart shows the three year breakdown of cost versus FEMA reimbursement. These calculations are based on current salary and contributions percentages allowed in the contract. The City's share for the first year is \$18,012.71, a second year contribution of \$20,509.11 and the third year match of \$51,950.93 per person hired. The costs for the first year hire of a firefighter have been verified by the City Comptroller.

Based on the leave that a new hire would receive, it is expected that each new hire could decrease overtime by at least 1900 hours per year after their assignment to the line. Using an average figure of \$43 per overtime hour, the overtime budget in the first year could be reduced by \$81,700. Overtime savings could continue to be achieved throughout the performance period of the grant. As with all previous SAFER grants, there is a need to maintain operational personnel staffing throughout the performance period, i.e., if there is a retirement or resignation of a member who is assigned to the line, that member's position must be replaced with a new hire. The grant guideline allows for a recruitment period of 180 days from time of a member leaving and the hiring of a replacement.

There are two expected retirements in 2018, and if the grant were accepted, these positions would need to be filled. There would be some additional savings, namely lower pay and less leave for each new employee.

| | Top Paid Firefighter | | New Hire |
|-------------|----------------------|--|--------------|
| Wages | \$ 55,635.00 | | \$ 44,799.00 |
| Holiday Pay | \$ 2,354.00 | | \$ 1,895.00 |
| Total | \$ 57,989.00 | | \$ 46,694.00 |
| | | | |
| Vacation | 32 | | 16 |

An additional reduction of \$11,295 per hire could be recognized in the first year and there would be a corresponding reduction in overtime due to the vacation adjustments. New hires contribute 3% of their actual wages to the pension system which will have continued effect on future budgets.

Based on information learned during a FEMA webinar on the SAFER grant, if a new contract is settled between the application and the award notification, we need to contact the program agent in order to adjust benefits costs and payroll wages for a first year firefighter.

The question is if we were to apply for this grant, how many firefighters should be considered? Currently there are three shifts with 17 members assigned and one shift with 16 members assigned. One of these shifts with 17 members has a member out on long term on-the-job injury and he is not expected to return.

1. Two additional hires would bring shift strength to 17 members for a three year period. This action could reduce overtime by some 3,800 hours; however the budget build would most likely have an overtime line above the \$400,000 mark to compensate for absences of vacation, scheduled time off and other absences that cannot be forecasted at the time the monthly schedule is written.
2. Four additional hires would increase shift strength so that the use of overtime would occasionally be used to cover vacation leave, but primarily used for unanticipated absences and on-the-job injuries. Hiring four new people would allow us to train personnel in-house at a lower cost than having them attend a fire

academy. The amount of training time is about the same for both options. Overtime estimates could be below \$400,000 for the performance period.

3. The hiring of six new people would allow for 18 personnel on shift and place us at department strength of 77 personnel and an anticipated overtime budget of approximately \$300,000, which is at or near FY 09-10 numbers. The same training option for four members applies to six members. The overall line strength would be at a number comparable with working a 42 hour work week and a minimum staffing of 15 personnel on duty.

I am recommending that option 3 be utilized on the grant application as it would provide for the right sized line structure to provide for a minimum of 15 personnel on duty in a consistent manner in order to reduce overtime for the expected duration until a contract settlement.

Justification for the grant can be made for the hiring of 2, 4 or 6 personnel and is intended to get the City through this time period of getting a contact settlement.

Anticipated grant reimbursements for the three year period are listed below based on the number of personnel hired.

| Personnel | City's Match | FEMA Reimbursement | Total |
|-----------|---------------|--------------------|-----------------|
| 2 | \$ 180,945.49 | \$ 266,588.06 | \$ 447,533.54 |
| 4 | \$ 361,890.97 | \$ 533,176.11 | \$ 895,067.09 |
| 6 | \$ 542,836.46 | \$ 799,764.17 | \$ 1,342,600.63 |

January 12, 2017

To: The Honorable Mayor and City Council

From: Charles P. Donoghue, Police Chief
Vicky Murphy, Water Superintendent
Michael A. Lumbis, Planning and Community Development Director

Subject: Huntington Island

At the request of Council Member Walczyk, the following report details the existing conditions and uses on Huntington Island, as well as the types of uses that would be allowed under the current zoning and the vision outlined for the island in the Draft Local Waterfront Revitalization Program.

The island is currently accessed via a land bridge/dam located on the southwestern tip of the island. This location is approximately 850' from NYS Route 3 and is also near the Rotary fishing access deck. (see the attached map)

WATER DEPARTMENT:

The Water Department currently utilizes the western third of the island for its water treatment operations. A pole barn exists for storage of a dredge used for annual dredging of the Water Treatment coagulation basin on the northwest side of Huntington Island. The coagulation basin is used for removal of turbidity, organics, and inorganics prior to additional treatment of the City's drinking water. Dredged material from the coagulation basin is placed in the four drying beds on the northwest portion of Huntington Island.

POLICE DEPARTMENT:

The Watertown Police Department's Firearms Range is located on Huntington Island in the City of Watertown. The firearms range is oriented in an east-west arrangement. At the time of its construction, Huntington Island was located just outside the city limits. Today, the island is within the city limits. The grounds consist of two firing ranges and the K9 training area.

FIRING RANGES:

The first is a 100 yard range which is marked and paved at the 7, 10, 15, 25, 50 and 100 yard distances. The 50 and 100 yard distances are used for the patrol rifles (AR-15) and 12 gauge shotguns. The remaining portion of the range is used for the duty

hand gun (Glock .40 caliber) as well as the long guns. This range is used for several types of courses of fire, including static targets (traditional marksmanship training), moving targets, shoot/don't shoot targets, and various combat courses which are designed to simulate real world encounters, such as building clearing and multiple armed/unarmed suspects.

The second range is in a semi-wooded area and requires officers to negotiate uneven ground and trees to engage good shoot/don't shoot targets. Officers use cover/concealment and movement to clear the area while applying proper use of force policy.

The Department runs a full-day range training in the fall of each year, which takes roughly three weeks to conduct, due to the fact that officers work 24/7/365 and we try to minimize overtime. Additionally, we train in the spring and additional times during the year as manpower allows, by having on-shift officers respond to the range in their patrol cars and shoot a course of fire. They then reload and return to the street for shift.

Our Special Reaction Team (SRT) trains on the range frequently, usually monthly during the non-winter months. We also use the range to recertify officers who have missed training due to long-term injury.

Our Evidence Technicians must "test fire" any weapons that are seized and are part of a criminal case, since proof of operability must be shown to prove criminal cases involving firearms. We also must test fire weapons which have undergone repairs by our department armorers.

The range is also used by numerous outside agencies in our county. The largest outside user is the Jefferson County Sheriff's Office (Law Enforcement and Corrections Divisions). The Sheriff's Office uses the range for semi-annual in-service firearms training (spring and fall), for the Corrections Academy Basic Course, for their tactical team training (several times a year) and for test-firing of weapons as needed.

Additional outside agencies who use the range include NY State Parole, NY State Probation, and the villages of Adams, Black River, Carthage, W. Carthage, Cape Vincent and others. Village agencies participate in training that is instructed by either the Watertown Police Department or the Jefferson County Sheriff's Office.

The range is scheduled to be cleaned of lead in the spring of 2017. This cleanup has been budgeted in the 2016-2017 budget and the project is currently out to bid.

K9 TRAINING AREA:

The Watertown Police Department K9 teams utilize the area to the south of the firearms ranges for mandated semi-weekly training. The Jefferson County Sheriff's

Office K9 teams also train with our K9 teams at the location. Federal and State certification requirements mandate that the teams be continuously trained. Maintaining certifications is critical for K9 teams due to court admissibility of K9 evidence and civil liability.

POLICE SUMMARY:

The WPD firing range and K9 training areas are vital resources for our department and instrumental to our maintaining accreditation certification. There are no other ranges in the area which allow for the constant access and flexibility of set-up of the WPD range. Civilian ranges are not an option for police training as they are designed only for marksmanship training, not police training. Long gone are the days of police officers qualifying on their weapons by lining up on a static range and firing at fixed size and fixed design stationary paper targets (marksmanship training). While that type of training is still necessary for learning to use a weapon and for honing basic accuracy skills, it does nothing to train an officer for the high stress, lights flashing, sirens blaring highly fluid use of force incidents that occur on the streets. It also doesn't train officers to use cover and concealment, to move while shooting, to transition from one weapon to another (rifle or shotgun to the handgun) or to clear malfunctions to the weapons while moving. While we cannot completely duplicate the stress of those situations, we do what we can and strive to improve our range training every year.

On the topic of moving the range and K9 training area so that the current location can be developed, I am waiting for some additional information as to the cost of building a range from scratch. This would need to include a building to be used as a training classroom and office for the range instructors.

ZONING:

The island is zoned "Waterfront" district. The purpose and intent of this district is to allow the Black River to be used as an economic development catalyst while protecting its environmental characteristics. Permitted principal uses include water-dependent uses and water-enhanced uses.

Water-dependent uses are defined as an activity that can only be conducted on, in, over or adjacent to a water body because such activity requires direct access to that water body, and which involves, as an integral part of such activity, the use of the water. Water-dependent uses include hydroelectric facilities and associated infrastructure, river outfitters, whitewater rafting and kayaking facilities and access areas, fishing facilities and other recreational uses that are dependent on the river.

Water-enhanced uses are defined as an activity that does not require a location adjacent to or over coastal waters, but whose location on land adjacent to the shore adds to the public use and enjoyment of the water's edge. Water-enhanced uses are primarily residential, recreational, cultural, retail, or entertainment uses.

LWRP:

The Draft Local Waterfront Revitalization Program (LWRP) envisions that Huntington Island would eventually become part of what would be called the “Eastern Islands Park and Recreation Area.” In addition to Huntington Island, this area would include Delano Island, Waterworks Park, the Route 3 Wave and Marble Street Park. In the draft plan, this area would primarily be a waterfront recreation destination and nature preserve. It would include diverse recreational opportunities including trails, kayak and boat access, viewing areas, waterfront parks and open space, tent camping and other light recreational uses in moderation. It would also provide for the protection of significant wildlife habitat and natural lands through the creation of a nature preserve with opportunities for environmental education. Attached is an excerpt from the draft LWRP which describes the vision for this area.

should also include the creation of an appropriately-scaled gateway entrance to this area with visitor information.

- Investigate the potential for a 50-50 façade program to provide property owners along Factory Street with matching funds for façade improvements.
- Create a plan for, and construct, the Sewall's Island Rail-Trail. In the long-term, integrate rail bridges and trail into overall design scheme for redevelopment of Sewall's Island.

E. Eastern Islands Park and Recreation Area

The eastern Black River waterfront area, including the Route 3 Wave, Huntington Island, and Delano Island is different from the other opportunity areas discussed in this report. This area is mostly undeveloped and semi-natural and provides the majority of the non-urban waterfront experience in Watertown. Currently, this area hosts the city's water treatment and hydroelectric facilities and waterfront access areas such as the Rotary Club fishing access, Marble Street Park and Waterworks Park. The north side of Huntington Island is used to store sludge generated as part of the city's water treatment operations. The Route 3 wave is an important whitewater play wave and has hosted national level, freestyle kayaking events like the North American Championships and National Team Trials.



Figure 4.18: A view of the natural scenery of the Eastern Islands Park area.

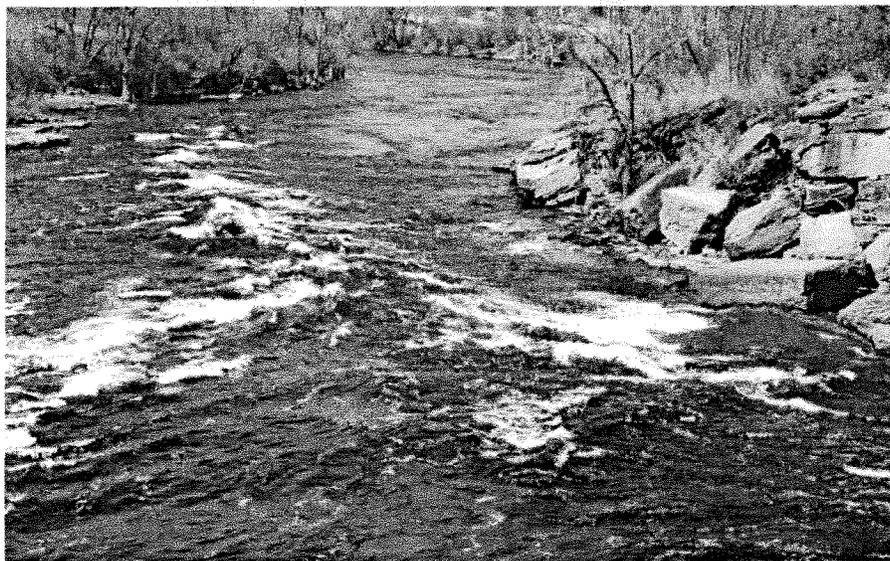


Figure 4.19: The Black River's "natural" course in the area of the Route 3 Wave.

This eastern area is envisioned as a primary waterfront recreation destination and nature preserve. It would include diverse recreational opportunities including trails, kayak and boat access, viewing areas, waterfront parks and open space, and tent camping and other light recreational uses in moderation. It would also provide for the protection of significant wildlife habitat and natural lands through the creation of a nature preserve, with

opportunities for environmental education (for example, by development of a youth camp on Huntington Island or another appropriate location).

A recommended approach for realizing the vision of a recreation area and nature preserve is to conduct a more detailed park master planning process to develop a program and process for the park's creation. This plan should identify appropriate uses for passive and active recreation and for nature preservation. It should also help to define appropriate and feasible ownership, construction, management and maintenance partners for the park. This master planning process should be conducted with extensive community outreach and should include all potential partners in development of the park (such as state and county agencies, the Tug Hill Commission, and non-profit environmental or neighborhood organizations). The conceptual plan for the park and nature preserve identifies a future pedestrian bridge connection from the island below the Route 3 (vehicular) Bridge east to Delano Island. It also identifies loop trails along Delano Island and a continued pedestrian connection from Delano to Huntington Island. The Park Master Plan will help to confirm the feasibility and desirability of such connections.

In the short-term, some basic improvements to the Route 3 Wave area to allow for safe access for whitewater boating and observation are necessary. These improvements include connecting the existing parking area within Marble Street Park (completed in 2007) to river level for paddlers as well as spectators. The *Black River Whitewater and Trail Feasibility Study* provides a more detailed discussion of the types of improvements that are recommended in this area, as well as for the entire Black River corridor.

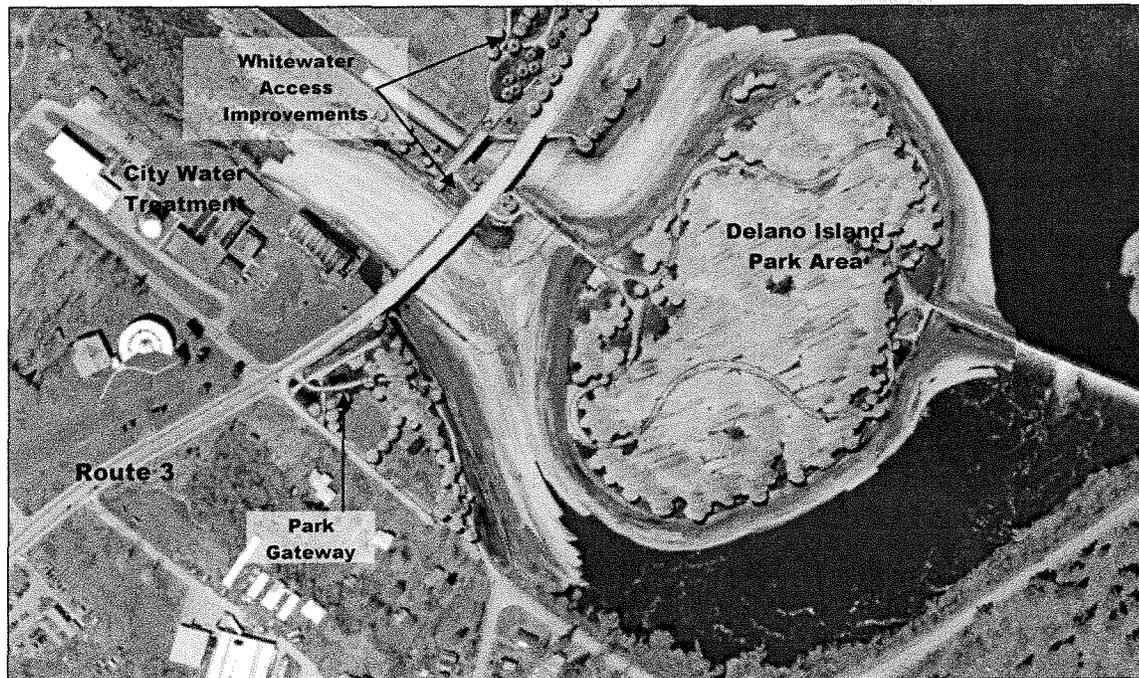


Figure 4.20: A conceptual plan for the Eastern Islands Park indicating potential for enhanced access at Route 3 Wave, pedestrian linkages between the eastern islands (Delano and Huntington), and improved gateway entrances to the park along the north and south touchdowns of the Route 3 Bridge.

There is also an opportunity to improve the area's existing access along Huntington Street by creating a small-scale gateway at the eastern side of the intersection of Huntington Street and the Route 3 Bridge.

This gateway could provide signage, landscaping and/or other amenities that help to introduce the river to passing vehicles.

Proposed Projects:

- Conduct a master planning process to identify ownership, maintenance, etc. for a nature preserve and passive recreation area on Delano and Huntington Islands. The plan should investigate the following: ownership options, water quality/conflicting uses, permitting, implementation, operation and maintenance, etc.
- Construct improved access at Route 3 wave, including a pedestrian connection between Water Works Park and Marble Street Park to the Route 3 Wave. The City completed this in 2007.
- Create a gateway entrance along south touchdown of Route 3 Bridge, to serve as visual indication of entering the Black River area.



**CITY OF WATERTOWN, NEW YORK
GIS DEPARTMENT**

ROOM 305B, MUNICIPAL BUILDING
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601
TEL: (315) 785-7793
EMAIL: gis@watertown-ny.gov

Drawn By: J. Carlsson

Date: 1/10/2017

Requested By: M. Lumbis

Date:

Scale: 1 inch = 500 feet

Map Number: 17-03

| Revision: | Description of Revision: | Date: | By: |
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Project:

Huntington Island Development

Title:

Existing Site Layout

January 11, 2017

To: The Honorable Mayor and City Council

From: Michael A. Lumbis, Planning and Community Development Director

Subject: New York State Department of Environmental Conservation (NYS DEC)
Urban and Community Forestry Grant Program

The NYS DEC has recently announced that funding is available through the Urban and Community Forestry Grant Program for urban forestry related projects. Applications are being accepted through March 1, 2017 for projects such as tree inventories, tree management plans, tree planting, and tree maintenance. The minimum grant amount is \$11,000 while the maximum grant award is \$50,000.

Applications for tree inventories and tree management plans do not require a match from the City. Applications for tree planting and tree maintenance require matching funds totaling 25% of the project cost.

In 2014, the City was awarded \$25,000 in funding from NYS DEC for a street tree inventory project. A Request for Proposals is currently being drafted for the project and it is scheduled to be published later this month. Work on the inventory will start in the late spring or early summer. The City last completed a tree inventory in 1999 after the 1998 ice storm. Since that time many new trees have been planted, some of our older trees have been removed and others have declined in health. The updated tree inventory will provide the City with accurate information on the health of our trees. The City will be provided with an assessment of the condition of each individual tree, identifying those that may require something as simple as minor pruning to those that are potentially hazardous and may require removal. This information will allow the City to better prioritize our maintenance efforts and reduce the potential liability that results from hazardous trees. The tree inventory will also provide key data about the state of the urban forest including species and size class distribution and will provide the basis for determining annual environmental, aesthetic and economic benefits that the urban forest provides.

However, the current amount of funding will not be enough to complete an entire tree inventory for the City. Many of the City's park trees will not be inventoried under the current project. If the City Council concurs, Staff recommends applying for additional funding to complete Phase 2 of the inventory project and also have an Urban Forest Management Plan drafted for the City.

The grant program will be discussed with Tree Watertown, the City's Street Tree Advisory Board, at its next meeting to be held on January 12, 2016. Staff can share the results of that discussion with the City Council during the meeting.

If the City Council would like to apply for funding through this program, Staff will prepare a resolution for Council consideration at the February 6, 2017 meeting.



**CITY OF WATERTOWN, NEW YORK
PARKS & RECREATION DEPARTMENT**

Watertown Municipal Arena
600 William T. Field Drive
Watertown, New York 13601
parksrec@watertown-ny.gov
Phone (315) 785-7775 • Fax (315) 785-7776



ERIN E. GARDNER
Superintendent

Date: January 11, 2017
To: Sharon Addison, City Manager
From: Erin E. Gardner, Superintendent of Parks and Recreation
Subject: Request for Waiver of Fees for Figure Skating Competition

A request to waive \$480.00 in fees was received by the City on January 9, 2017.

Stacy Faunce, President of the Watertown Figure Skating Club, has asked for a waiver for the following: 1 multipurpose room for Friday, January 20th for \$100.00, 2 multipurpose rooms for Saturday, January 21st for \$200.00, 1 multipurpose room for Sunday, January 22nd for \$100.00 and 10 tables for 2 days for \$80.00.

As Superintendent of Parks and Recreation, I would not recommend waiving the above fees. I will be in attendance at the City Council meeting to answer questions.



January 9, 2017

Mr. Joseph Butler, Mayor
Watertown City Council Members
245 Washington Street
Watertown, New York 13601

RE: *Watertown Municipal Arena Fees*

Dear Mayor Butler and Council Members:

I am writing on behalf of the Figure Skating Club of Watertown. As President, I am making a plea to the City Council requesting that the fees the Watertown Municipal Arena charges for multi-purpose rooms of \$100.00 per day and for table rentals of \$4.00 per day per table be waived for our upcoming figure skating competition to be held January 20-22, 2017.

The Figure Skating Club of Watertown lost over fifty percent of their membership due to moving to a different arena last season during the renovation of the Watertown Municipal Arena. The Club is now struggling to get back on track financially. We are optimistic that the upcoming competition will point us in the right direction to stabilize and rebuild our financial status, as it was in the past.

I make this plea on behalf of the Figure Skating Club Board, our skaters and their families. Without our dedicated families, there would not be a figure skating club.

Hopefully, the Watertown City Council will consider this request. Thank you for your time and consideration of this matter.

Sincerely,

Stacy Faunce
President of the Figure Skating Club of Watertown

cc: Erin Gardner, Superintendent of Parks & Recreation
Sharon Addison, City Manager

January 4, 2017

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Sale of Surplus Hydro-electricity – December 2016

The City has received the monthly hydro-electricity production and consumption data from National Grid. In comparison to last December, the sale of surplus hydro-electric power on an actual to actual basis was down \$71,971 or 13.27%. In comparison to the original budget projection for the month of December, revenue was up \$98,903 or 26.63%.

The year-to-date actual revenue is down \$94,683 or 6.13% while the year-to-date revenue on a budget basis is down \$200,440 or 12.14%. Year-to-date revenue finished at \$1,450,142.

The attached spreadsheet shows the monthly revenues for this year and last year along with the budgeted amounts. Revenues for the Fiscal Years' 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 have been included for historical perspective.

| | <u>Actual 2011-12</u> | <u>Actual 2012-13</u> | <u>Actual 2013-14</u> | <u>Actual 2014-15</u> | <u>Actual 2015-16</u> | <u>Actual 2016-17</u> | <u>Variance</u> | <u>% Inc/(Dec)to Prior Year</u> |
|-----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|-------------------------------------|
| July | \$ 58,161 | \$ 821 | \$ 382,759 | \$ 286,952 | \$ 321,539 | \$ 73,815 | \$ (247,724) | -77.04% |
| August | \$ 60,957 | \$ 2,060 | \$ 115,769 | \$ 293,338 | \$ 11,805 | \$ 278,611 | \$ 266,806 | 2260.14% |
| September | \$ 269,071 | \$ 17,605 | \$ 48,478 | \$ 38,778 | \$ 14,857 | \$ 22,118 | \$ 7,262 | 48.88% |
| October | \$ 271,426 | \$ 261,082 | \$ 237,797 | \$ 296,432 | \$ 260,804 | \$ 208,586 | \$ (52,218) | -20.02% |
| November | \$ 248,928 | \$ 105,694 | \$ 473,459 | \$ 331,977 | \$ 393,589 | \$ 396,753 | \$ 3,164 | 0.80% |
| December | \$ 446,292 | \$ 356,383 | \$ 323,081 | \$ 502,018 | \$ 542,231 | \$ 470,259 | \$ (71,971) | -13.27% |
| January | \$ 145,673 | \$ 179,469 | \$ 240,183 | \$ 246,137 | \$ 380,018 | \$ - | | 0.00% |
| February | \$ 95,930 | \$ 160,026 | \$ 225,629 | \$ 158,920 | \$ 440,304 | \$ - | | 0.00% |
| March | \$ 342,560 | \$ 338,154 | \$ 232,743 | \$ 154,182 | \$ 634,598 | \$ - | | 0.00% |
| April | \$ 294,811 | \$ 551,360 | \$ 468,075 | \$ 577,742 | \$ 555,833 | \$ - | | 0.00% |
| May | \$ 417,317 | \$ 324,167 | \$ 660,449 | \$ 192,410 | \$ 281,274 | \$ - | | 0.00% |
| June | \$ 114,976 | \$ 474,813 | \$ 421,856 | \$ 638,045 | \$ 162,659 | \$ - | | 0.00% |
| YTD | <u>\$ 2,766,103</u> | <u>\$ 2,771,633</u> | <u>\$ 3,830,277</u> | <u>\$ 3,716,931</u> | <u>\$ 3,999,511</u> | <u>\$ 1,450,142</u> | <u>\$ (94,683)</u> | <u>-6.13%</u> |

Original Budget

| | <u>2016-17</u> | <u>Actual 2016-17</u> | <u>Variance</u> | <u>%</u> |
|-----------|---------------------|-----------------------|---------------------|----------------|
| July | \$ 234,630 | \$ 73,815 | \$ (160,815) | -68.54% |
| August | \$ 143,986 | \$ 278,611 | \$ 134,625 | 93.50% |
| September | \$ 131,075 | \$ 22,118 | \$ (108,957) | -83.13% |
| October | \$ 346,050 | \$ 208,586 | \$ (137,464) | -39.72% |
| November | \$ 423,485 | \$ 396,753 | \$ (26,732) | -6.31% |
| December | \$ 371,356 | \$ 470,259 | \$ 98,903 | 26.63% |
| January | \$ 296,766 | \$ - | | 0.00% |
| February | \$ 202,888 | \$ - | | 0.00% |
| March | \$ 369,204 | \$ - | | 0.00% |
| April | \$ 585,166 | \$ - | | 0.00% |
| May | \$ 479,886 | \$ - | | 0.00% |
| June | \$ 375,508 | \$ - | | 0.00% |
| YTD | <u>\$ 3,960,000</u> | <u>\$ 1,450,142</u> | <u>\$ (200,440)</u> | <u>-12.14%</u> |

Total Budget \$ 3,960,000



**CITY OF WATERTOWN, NEW YORK
PARKS & RECREATION DEPARTMENT**

Watertown Municipal Arena
600 William T. Field Drive
Watertown, New York 13601
parksrec@watertown-ny.gov
Phone (315) 785-7775 • Fax (315) 785-7776



ERIN E. GARDNER
Superintendent

Date: January 17, 2017
To: Ms. Sharon Addison, City Manager
From: Erin E. Gardner, Superintendent of Parks and Recreation
Subject: Northern New York Builder's Exchange

Mr. Phil Reed from the Northern New York Builders Exchange has requested that the Builders Exchange be charged the City Resident fee for the 2017 Home Show. The majority of businesses participating in the Home Show are located within City limits. As Superintendent of Parks and Recreation, I recommend that we grant his request for the 2017 Home Show. Superintendent Gardner will be in attendance at the Council Meeting to answer any questions.



NORTHERN NEW YORK BUILDERS EXCHANGE, INC.

Tel: 315-788-1330
Fax: 315-788-9357

22074 FABCO ROAD
WATERTOWN, N.Y. 13601-1755

Web: www.nnybe.com
Email: info@nnybe.com

Headquarters of the Building Industry in Northern New York

City Manager
Sharon Addison

Watertown City Council

Superintendent of Parks and Recreation
Erin Gardner

Watertown Ice Arena
William T. Field Dr.
Watertown, NY 13601

Dear Officials

We at the Northern New York Builders Exchange would like to thank the City of Watertown for extending us the City rates for rental of the Ice Arena last year for the Home Show. The show was a success and certainly drew a great crowd to the area. We filled the venue with 65 exhibitors with 30 of them coming from the 13601 zip code area.

It is our intention to keep the Home Show in Watertown for this year's event. Technically our office is located just past the City limits, but we have much of our business in the City. We would like to request the same rates that we were granted last year. This will allow for the opportunity to provide the same rates to our exhibitors as last year, and keep the participation high, which in turn draws people to the Arena.

This year's Home Show promises to be a great event, and we look forward to having it at your facility. Thank you for your time and consideration.

Best regards

Phil Reed
Executive Director