

**CITY OF WATERTOWN, NEW YORK
AGENDA**

This shall serve as notice that the next regularly scheduled meeting of the City Council will be held on Tuesday, February 21, 2012, at 7:00 p.m. in the City Council Chambers, 245 Washington Street, Watertown, New York.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF MINUTES

COMMUNICATIONS

PRESENTATION

Engineering Week

PRIVILEGE OF THE FLOOR

PRESENTATION

Financial Statements and Supplemental Information, June 30, 2011
Laurie J. Podvin, CPA, Poulsen & Podvin, P.C.

RESOLUTIONS

- Resolution No. 1 - Performance Reviews of City Manager and City Clerk
- Resolution No. 2 - Approving Supplemental Appropriation No. 1 For Fiscal Year 2011-12 for Various Accounts
- Resolution No. 3 - Re-Adoption of Fiscal Years 2011-12 through 2015-2016 Capital Budget
- Resolution No. 4 - Approving Alcohol Sales Policy For the City of Watertown, City Owned Property
- Resolution No. 5 - Approving Professional Services Agreement With GHD
- Resolution No. 6 - Amending the September 20, 2010 Site Plan Approval for the Ives Hill Retirement Community at 1200 Jewell Drive, Parcels 14-49-101, 14-49-101.101, and 14-49-101.005

Resolution No. 7 - Authorizing Sale of Real Property, Known as 138 Court Street to Alex D. Rahmi, 638 Marlow Road, Charles Town, West Virginia 25414

ORDINANCES

Ordinance No. 1 - Amending Section 265-2 of the City Code, Naming of Streets and Numbering of Buildings

Ordinance No. 2 - An Ordinance Authorizing the Issuance of \$710,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant

Ordinance No. 3 - Approving the Request Submitted by David Wise of Stebbins Engineering to Change the Approved Zoning Classification of VL-1 Eastern Boulevard, Parcel 5-26-109.005, from Residence C to Light Industry

Ordinance No. 4 - Changing the Approved Zoning Classification of 110 Parcels in the Public Square Area to Downtown District in Order to Implement the Local Waterfront Revitalization Program

LOCAL LAW

PUBLIC HEARING

7:30 p.m. Ordinance Changing the Approved Zoning Classification of Various Government-Owned Parcels in Order to Implement with the Recommendations of the Local Waterfront Revitalization Program

OLD BUSINESS

STAFF REPORTS

1. Continuation of the City of Watertown K-9 Program
2. Engineering and Consultant Projects
3. Sales Tax Revenue – January 2012
4. F. P. Flower Memorial Library, Board of Trustees, Meeting Minutes of January 10, 2012

NEW BUSINESS

EXECUTIVE SESSION

WORK SESSION

ADJOURNMENT

**NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS MONDAY,
MARCH 5, 2012.**

February 15, 2012

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Fiscal Year 2010-11 Audit Report

Attached for your review is a copy of the independent audit report for the fiscal year ended June 30, 2011 as prepared by Poulsen & Podvin, P.C..

CITY OF WATERTOWN, NEW YORK

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**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

JUNE 30, 2011

CITY OF WATERTOWN, NEW YORK
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POULSEN & PODVIN, CPA, P.C.

Certified Public Accountants

145 Clinton Street, Watertown NY 13601

INDEPENDENT AUDITOR'S REPORT

To the Senior Management, Mayor and
Members of the City Council of
the City of Watertown, New York

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 City of Watertown, New York as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Watertown, New York's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Trustees of the Roswell P. Flower Memorial Library, which represents 100 percent of the City's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Trustees of the Roswell P. Flower Memorial Library, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-16), budgetary comparison information (page 57) and schedule of funding progress for "the plan" (page 60) 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Watertown, New York's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 and other 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Poulsen & Poduin, CPA, P.C.

January 27, 2012

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

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, 2011. This discussion and analysis is designed to (a) assist the reader in focusing on the significant financial issues, (b) provide an overview of the financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the approved budget, and (e) identify individual fund issues or concerns. Since management's discussion and analysis is designed to focus on the current year's activities, resulting changes, and known facts, readers are encouraged to consider the information presented here in conjunction with the financial statements that follow.

FINANCIAL HIGHLIGHTS

- The assets of the City of Watertown exceeded its liabilities at June 30, 2011 by \$93,340,649. Of this amount unrestricted net assets of \$10,013,015 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$648,248 in fiscal year 2010-11, with a decrease of \$365,013 in governmental activities and an increase of \$1,013,261 in business-type activities.
- At the close of the current fiscal year, the City of Watertown's governmental funds reported combined ending fund balances of \$16,041,195.
- General Fund revenues of \$38,592,109 on a budgetary basis exceeded budgeted revenues by \$1,824,544 or 4.96% while budgetary basis expenditures finished \$446,692 higher than budgeted expenditures. These results reduced the need to use \$1,612,039 in appropriated fund balance budgeted for in the 2010-11 General Fund budget.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,510,137 or 24.32% of total General Fund expenditures.
- The City issued \$7,505,000 on April 15, 2011 in general obligation bonds (Series A, B and C) with average interest rates for the series ranging from 2.37% to 5.19% to advance refund \$7,340,000 of outstanding 1997, 2000 and 2002 serial bonds with average interest rates of 4.30% to 7.09%. The majority of the outstanding 1997, 2000 and 2002 series bonds were redeemed on May 15, 2011. Additionally, the City used \$1,000,000 of General Fund balance to increase the amount of outstanding 1997 taxable serial bonds redeemed to \$4,625,000. A combined difference in cash flow requirements of \$2,869,744 and a net present value savings of \$804,313 were a result of this advance refunding by the City.
- The City issued \$2,035,000 in serial bonds dated June 28, 2011 maturing June 15, 2021 at interest rates ranging from 2.00% through 3.00% (priced to yield 2.33%) to provide financing for various capital projects.

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The Statement of Net Assets 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 assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes in net assets 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.

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

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

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.

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

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

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

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

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.

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 assets may serve over time as a useful indicator of a government's financial position. At June 30, 2011, the City's assets exceeded liabilities by \$93,340,649 compared to \$92,692,401 at June 30, 2010. By far the largest portion of the City's net assets (85.94%) 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.

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

An additional \$3,112,183 or 3.33% of the net assets represents resources that are subject to external restrictions on how they may be used. Currently, the amount of restricted net assets represents the net assets of the Watertown Empire Zone, Alex T. Duffy Fairgrounds Stadium Repair Reserve Fund, Capital Reserve Fund, Tourism Fund, Community Development Fund, Capital Projects Fund, Workers Compensation Fund, Insurance Liability Fund and Debt Service Fund. The unrestricted net assets, \$10,013,015 compared to \$13,051,708 last year, may be used to meet the government's ongoing obligations to citizens and creditors.

City of Watertown's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	6/30/11	6/30/10	6/30/11	6/30/10	6/30/11	6/30/10
Current and other assets	\$22,024,304	\$23,370,005	\$5,384,256	\$4,951,576	\$27,408,560	\$28,321,581
Capital Assets	73,325,057	74,377,771	34,033,792	34,062,135	107,358,849	108,439,906
Total Assets	\$95,349,361	\$97,747,776	\$39,418,048	\$39,013,711	\$134,767,409	\$136,761,487
Long-term liabilities outstanding	\$25,173,683	\$26,284,942	\$9,421,489	\$9,950,866	\$34,595,172	\$36,235,808
Other liabilities	6,144,426	7,066,568	687,162	766,709	6,831,588	7,833,277
Total liabilities	\$31,318,109	\$33,351,510	\$10,108,651	\$10,717,575	\$41,426,760	\$44,069,085
Net Assets:						
Invested in Capital Assets, net of related debt	\$53,716,212	\$52,642,828	\$26,499,239	\$25,472,434	\$80,215,451	\$78,115,262
Restricted	2,682,223	967,366	429,960	558,065	3,112,183	1,525,431
Unrestricted	7,632,817	10,786,071	2,380,198	2,265,637	10,013,015	13,051,708
Total Net Assets	\$64,031,252	\$64,396,265	\$29,309,397	\$28,296,136	\$93,340,649	\$92,692,401

As of June 30, 2011, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate categories- governmental and business-type activities.

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

The following table provides a summary of the City's operations for the year ended June 30, 2011.

City of Watertown's Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	6/30/11	6/30/10	6/30/11	6/30/10	6/30/11	6/30/10
Revenues:						
Program Revenues:						
Charges for services	\$7,533,763	\$6,775,610	\$9,646,362	\$8,953,687	\$17,180,125	\$15,729,297
Operating grants and contributions	1,887,283	3,119,620	1,011	70,342	1,888,294	3,189,962
Capital grants and contributions	1,313,844	912,020	170,981	258,216	1,484,825	1,170,236
General revenues:						
Property taxes	7,359,032	7,549,829	-	-	7,359,032	7,549,829
Sales tax	16,007,070	15,223,095	-	-	16,007,070	15,223,095
Utilities gross receipts tax	407,527	346,709	-	-	407,527	346,709
Franchise tax	431,049	415,047	-	-	431,049	415,047
Hotel occupancy tax	208,453	200,250	-	-	208,453	200,250
Mortgage tax	351,984	398,710	-	-	351,984	398,710
Grants and Entitlements not restricted to specific programs	4,799,192	4,988,373	-	-	4,799,192	4,988,373
Investment earnings	173,059	148,490	29,435	14,556	202,494	163,046
Total revenues	\$40,472,256	\$40,077,753	\$9,847,789	\$9,296,801	\$50,320,045	\$49,374,554
Expenses:						
General government support	\$13,265,889	\$12,900,136	-	-	\$13,265,889	\$12,900,136
Hydroelectric production	425,599	540,933	-	-	425,599	540,933
Fire	7,572,164	7,069,685	-	-	7,572,164	7,069,685
Police	6,632,214	6,202,072	-	-	6,632,214	6,202,072
Other Public Safety	389,832	347,838	-	-	389,832	347,838
Public Works	6,319,007	6,285,656	-	-	6,319,007	6,285,656
Bus	874,730	980,947	-	-	874,730	980,947
Other Economic Assistance	94,554	97,029	-	-	94,554	97,029
Watertown Empire Zone	12,178	20,830	-	-	12,178	20,830
Library	920,139	923,695	-	-	920,139	923,695
Other Culture and Recreation	1,510,076	1,511,917	-	-	1,510,076	1,511,917
Refuse and Recycling	858,188	903,248	-	-	858,188	903,248
Other Home and Community Services	1,034,757	2,485,608	-	-	1,034,757	2,485,608
Interest on Debt Service	942,942	1,055,998	-	-	942,942	1,055,998
Water	-	-	4,372,484	4,507,696	4,372,484	4,507,696
Sewer	-	-	4,447,044	4,290,469	4,447,044	4,290,469
Total Expenses	\$40,852,269	\$41,325,592	\$8,819,528	\$8,798,165	\$49,671,797	\$50,123,757
Excess of Revenues over Expenses	(380,013)	(1,247,839)	1,028,261	498,636	648,248	(749,203)
Transfers	15,000	(57,715)	(15,000)	57,715	-	-
Change in Net Assets	(365,013)	(1,305,554)	1,013,261	556,351	648,248	(749,203)
Net Assets - Beginning	64,396,265	65,992,322	28,296,136	27,739,785	92,692,401	93,732,107
Prior Period Adjustment	-	(290,503)	-	-	-	(290,503)
Net Assets - Ending	\$64,031,252	\$64,396,265	\$29,309,397	\$28,296,136	\$93,340,649	\$92,692,401

CITY OF WATERTOWN, NEW YORK

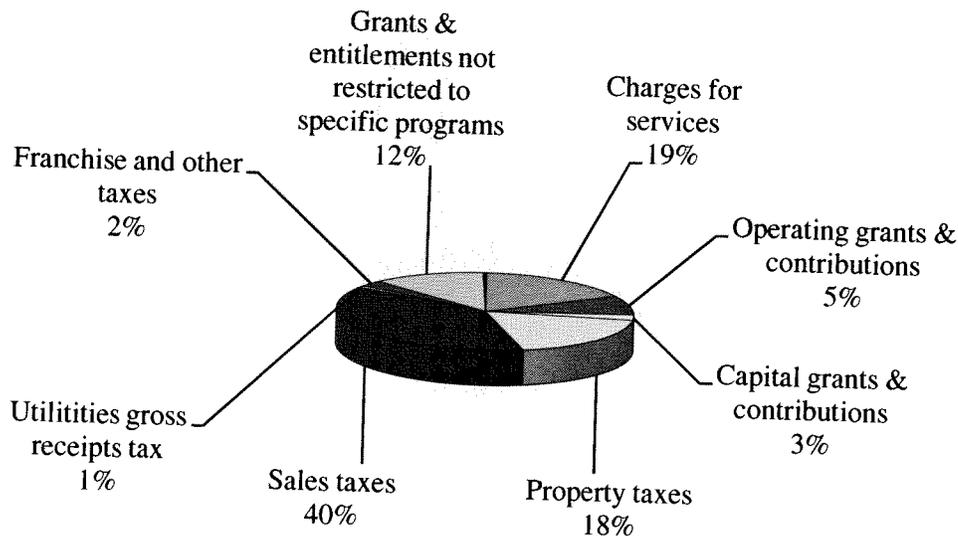
Management's Discussion and Analysis

June 30, 2011

Governmental activities. Governmental activities decreased the City's net assets by a total (\$365,013) compared to last year's decrease of (\$1,596,057) which included a prior period adjustment of (\$290,503). Key elements of the year are as follows:

- Sales tax revenue totaled \$16,007,070 which was an increase of \$783,975 or 5.15% over last year's total of \$15,223,095. Sales tax revenue represented 39.55% of the governmental activities' revenue in FY 10/11 compared to 37.98% in FY 09/10.
- Due to the fiscal condition of New York State, the City's State Aid revenue was cut \$189,181 or 3.79% to \$4,799,192 compared to \$4,988,373 last year.
- The City made the payment to settle a lawsuit with Ryan Dorr in the amount of \$600,000 that was accrued to Fiscal Year 2009-10.
- The City received \$1,089,695 in Federal and State Aid for various capital projects which is an increase of \$268,509 from the amount received last year for Federal and State grants for capital projects. Some of the major projects include the Washington Street stimulus paving project (\$225,937), the Consolidated Local Street and Highway Improvement Program for various streets (\$279,240), the J.B. Wise parking lot rehabilitation (\$237,135), para-transit buses (\$119,930) and the police and fire inter-operability project (\$96,231).

Governmental Activities - Revenue by Source



CITY OF WATERTOWN, NEW YORK

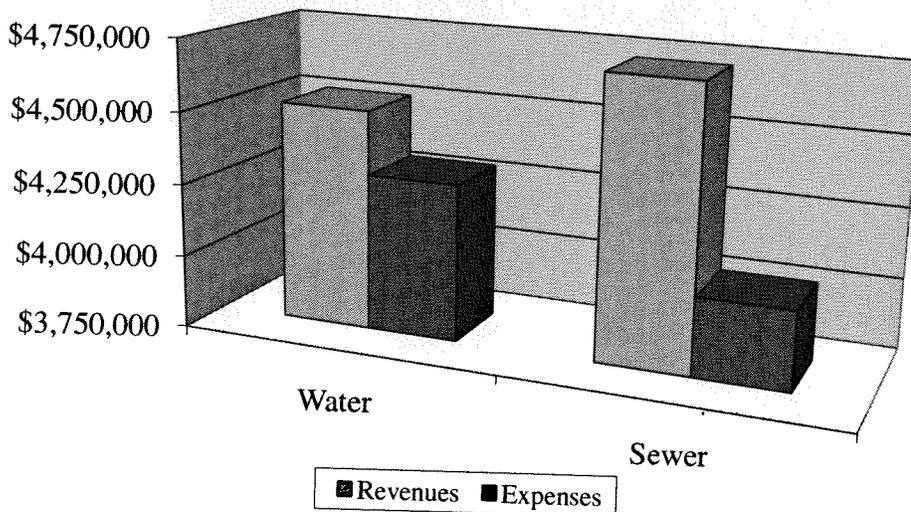
Management's Discussion and Analysis

June 30, 2011

Business-type activities. Business-type activities increased the City's net assets by \$1,013,261 compared to \$556,351 last year. Key elements for this year are as follows:

- Water operating revenues increased by \$32,436 or 0.72% to \$4,546,654 while operating expenses decreased by \$93,735 or 2.18% to \$4,200,739. Sewer operating revenues increased by \$590,908 or 13.10% to \$5,100,719 and operating expenses increased by \$167,700 or 4.08% to \$4,278,659. Revenues related to the City's tanker hauled waste program increased \$ 266,250 due to a large new customer, Seneca Meadows, that began hauling to the City routinely in the spring of 2010. Transfers to the Sewer Fund capital projects increased by \$571,065 as the Sewer Fund was able to afford paying more of its capital projects on a pay-as-you-go method and avoid the issuance of debt.
- The City has a contract with the Development Authority of the North Country to produce and deliver treated fresh water to Fort Drum as well as other outside water districts. In the current fiscal year the revenue derived from this agreement was \$546,326 or 12.02% of the total water operating revenues as compared to \$544,160 or 12.05% of the total water operating revenues in the prior year. Revenues from this agreement increased by \$2,166 or 0.40% over last year's total.
- The City also 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 \$661,652 or 12.97% of the total sewer operating revenues as compared to \$632,880 or 14.03% of the total sewer operating revenues in the prior year. Revenues from this agreement increased by \$28,772 or 4.55% over last year's total.

Business-type Activities - Revenues and Expenses



CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

Financial Analysis of the Government's Funds

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

At June 30, 2011 the City's governmental funds reported combined ending fund balances of \$16,041,195, a decrease of (\$469,894) or 2.85% in comparison with the prior year. The decrease is most attributable to the appropriation of \$1,000,000 of General Fund balance to increase the amount of outstanding November 1997 taxable serial bonds that were redeemed. Approximately 59% or \$9,510,137 represents the unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is 1) *non-spendable* to indicate that it is not available for new spending because it must be maintained intact for inventories (\$2,863) and prepaid expenditures (\$3,300), and 2) *restricted* to indicate limitations on its use imposed by grants, debt or legislation (\$2,682,223).

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 \$9,510,137, while the total General Fund balance equaled \$14,133,689 compared to \$14,558,066 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 24.32% of total General Fund expenditures and other financing uses, while total fund balance represents 36.14% of that same amount compared to 39.83% last year.

During the current fiscal year, the fund balance of the City's General Fund decreased by \$517,268 compared to last year's increase of \$863,062. The use of \$1,000,000 of fund balance to call additional serial bonds as part of the refunding contributed to the loss.

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 \$1,205,221 compared to \$1,205,812 in the previous year. Within the current year the amount of \$887,835 is considered restricted due to debt financing and \$317,386 is considered assigned due to the funding being from operating fund transfers.

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

Unrestricted net assets at the end of the fiscal year of the Water Fund were \$893,733 compared to \$1,017,641 in the prior fiscal year. The water fund had an increase in net assets in the amount of \$277,586 compared to an increase of \$5,738 in the previous year.

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

Unrestricted net assets at the end of the fiscal year of the Sewer Fund were \$1,486,465 compared to \$1,247,996 in the prior year. The Sewer Fund had an increase in net assets in the amount of \$735,675 compared to an increase of \$550,613 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 during the fiscal year to appropriate \$1,000,000 to increase the amount of 1997 taxable serial bonds that were redeemed, to appropriate \$100,000 to call the outstanding 2002 taxable serial bonds, to appropriate an additional \$28,465 to cover the City's share of the sidewalk special assessment program, to provide \$5,000 of funding for the Disabled Persons Action Organization and to increase the transfer to the Capital Projects fund by \$43,000 to cover the design costs the Thompson Park Aviary reconstruction. There were no new revenue sources to fund these increased expenditures therefore the appropriated fund balance also increased \$1,176,465. Other budget amendments between departmental expenditure accounts also did occur.

General Fund revenues of \$38,592,109 on a budgetary basis exceeded final budgeted revenues of \$36,767,565 by \$1,824,544 or 4.96% while budgetary basis expenditures of \$39,109,377 were \$446,692 or 1.13% lower than the final budgeted expenditures of \$39,556,069. The excess of actual revenues over budgeted revenues is primarily due to the increases over budget of sales tax revenue (\$707,070), sale of surplus hydro-electric power (\$366,437), Federal Aid received from the Early Retiree Reinsurance Program (\$300,952), insurance recoveries on large self-insurance claims (\$210,727), and utilities gross receipts taxes (\$89,527). Revenues that did not meet budgetary expectations included real property tax reserve (\$354,350), interest earnings (\$55,019), and mortgage recording taxes (\$48,016). Actual expenditures were lower than the budgeted expenditures due mostly to a reduction in the amount transferred to the capital projects fund (\$196,219) for projects not undertaken by fiscal year-end such as the municipal building chiller and tower replacement (\$235,000), health insurance claim costs for pharmaceutical services (\$137,608), and planning department projects that did not occur as planned such as brown-field projects (\$56,000). Expenditures that exceeded budgetary expectations included health insurance claim costs for medical services (\$492,691). These combined results negated the use of \$1,612,039 in appropriated fund balance that was budgeted in the 2010-11 General Fund original adopted budget.

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

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, 2011, amounts to \$80,215,451. 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	
	6/30/11	6/30/10	6/30/11	6/30/10	6/30/11	6/30/10
Land	\$2,599,900	\$2,601,285	\$ -	\$ -	\$2,599,900	\$2,601,285
Construction in Progress	2,481,261	1,434,897	736,393	803,149	3,217,654	2,238,046
Land Improvements	2,250,655	2,397,376	7,966	11,566	2,258,621	2,408,942
Building and Improvements	19,243,276	19,868,117	13,407,644	13,942,902	32,650,920	33,811,019
Infrastructure	41,771,288	42,313,874	17,082,737	16,045,412	58,854,025	58,359,286
Machinery and Equipment	2,828,708	3,298,642	2,545,760	3,136,716	5,374,468	6,435,358
Vehicles	2,149,969	2,463,580	253,292	122,390	2,403,261	2,585,970
Total Net Assets	\$73,325,057	\$74,377,771	\$34,033,792	\$34,062,135	\$107,358,849	\$108,439,906

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

- Completed reconstruction of Breen Avenue at a cost of \$986,170 which included reconstruction of 2,100 LF of street including curbs, sidewalks, water main and storm and sanitary sewers.
- Rehabilitation of the Dosing Station dam at a cost of \$334,808 to address leakage on the upstream side of the dam.
- Completed installation of approximately 1,100 LF of slip lining in the North Side Trunk Sewer located in the channel of Kelsey Creek at a cost of \$379,196 to eliminate large amounts of infiltration.
- Reconstruction of Riggs Avenue at a cost of \$429,533 which included reconstruction of 550 LF of street including curbs, sidewalks, water main and storm and sanitary sewers.
- Began reconstruction of J.B. Wise parking lot to include a partially covered pedestrian walkway, new vehicle drives, lighting, landscaping, water main replacement, and the construction and separation of a storm and sanitary sewer. Construction in progress totals \$1,410,175.
- Began the Greensview / Ives Hill sanitary sewer reconstruction with construction-in-progress totaling \$244,882.

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

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$28,180,000. This entire amount is backed by the full faith and credit of the City of Watertown. Following is a comparative statement of outstanding debt:

City of Watertown's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	6/30/11	6/30/10	6/30/11	6/30/10	6/30/11	6/30/10
General obligation bonds	\$19,750,078	\$21,671,082	\$8,429,922	\$9,309,118	\$28,180,000	\$30,980,200
Other loans	44,289	92,319	1,836	3,827	46,125	96,146
	<u>\$19,794,367</u>	<u>\$21,763,401</u>	<u>\$8,431,758</u>	<u>\$9,312,945</u>	<u>\$28,226,125</u>	<u>\$31,076,346</u>

In June 2011 Moody's Investor Services upgraded the City of Watertown's rating to an Aa3 from an A1 rating. According to Moody's the improved rating was reflective of the City's sound financial position characterized by healthy reserves, a medium-sized tax base with below average wealth levels and manageable debt burden. Other factors that contributed to the rating upgrade were demonstrated strong fiscal management and financial planning as well as the City's increased role as a regional economic center.

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, 2011, the City's debt limit was \$69,105,732 with total net indebtedness of \$12,127,291, thus exhausting 17.55% of the City's debt limit.

The City issued \$7,505,000 on April 15, 2011 in general obligation bonds (Series A, B and C) with average interest rates for the series ranging from 2.37% to 5.19% to advance refund \$7,340,000 of outstanding 1997, 2000 and 2002 serial bonds with average interest rates of 4.30% to 7.09%. The majority of the outstanding 1997, 2000 and 2002 series bonds were redeemed on May 15, 2011. Additionally, the City used \$1,000,000 of General Fund balance to increase the amount of outstanding 1997 and 2002 taxable serial bonds redeemed to \$4,625,000. A combined difference in cash flow requirements of \$2,869,744 and a net present value savings of \$804,313 were a result of this advance refunding by the City.

The City issued \$2,035,000 in serial bonds dated June 28, 2011 maturing June 15, 2021 at interest rates ranging from 2.00% to 3.00% (priced to yield 2.33%) to provide financing for various capital projects.

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

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when adopting the fiscal year 2011-12 budget, most importantly the state and local economy.

The City of Watertown is the county seat of Jefferson County. The unemployment rates in June 2011 were 8.9% for the City of Watertown, 8.9% for Jefferson County, 8.0% for New York State and 9.1% for the United States. The unemployment rates in June 2010 were 8.5% for the City of Watertown, 8.5% for Jefferson County, 8.4% for New York State and 9.4% for the United States.

Budget factors considered during the preparation of the FY 2011-12 budget included the national and state economies, low interest rates, high unemployment and escalating NYS Retirement System contribution rates. With the continued uncertainties in Afghanistan, as has been the case since 2001, it was difficult to predict how many of the 19,447 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. With the continued decrease in the value of the American dollar and the proximity of the City to Canada sales tax revenue has continued to stabilize our economy and is projected to increase \$1,165,000 from the FY 2010-11 budgeted level.

Like most local governments, the City's 2011-12 budget was impacted by the escalating high costs for retirement benefits. The contribution to the Employees' Retirement System will range from 12.7% to 21.5% of salaries, up from a range of 9.0% to 15.3% in the previous year. The contribution rate for the Police and Fire Retirement System will range from 20.0% to 20.9% of salaries, up from 16.8% 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. Accordingly retirement rates are likely to continue to increase over the next few years to as much as 32% of payroll for Police and Fire employees and 25% of payroll for all other employees. Due to the better than expected claims history over the last two years the self-insurance fund appropriated \$600,000 of fund balance to lower the premium rate by 3.4%.

The City saw an increase of \$10,194,468 or 1.02% in taxable assessed value. The residential tax burden has increased slightly to 60.85% from 60.55% last year. The average assessment for a single-family home in Watertown increased slightly to \$105,855 from \$104,574 in FY 2010-11.

The City's FY 2011-12 General Fund operating costs increased by \$1,829,779 or 5.06% to \$38,023,157. The City appropriated \$1,911,888 of fund balance, an increase of \$804,388 over FY 2010-11. The sales tax revenue budget was increased to \$16,545,000 which represented an increase of \$1,165,000 or 7.6% over the sales tax budget for FY 2010-11. The State Aid revenue budget was lowered by 2.7% or \$132,459 from the FY 2010-11 budget to \$4,703,208 based on New York State's FY 2011-12 budget. The decrease in the real property tax levy of \$187,186 or 2.50% and the increase in taxable assessed values resulted in a 3.47% decrease to the property tax rate.

CITY OF WATERTOWN, NEW YORK

Management's Discussion and Analysis

June 30, 2011

Appropriations for the Water Fund increased by \$93,281 or 1.96%. The Water Fund increased the rate for tier one volume slightly, lowered the rater for tier two volumes and eliminated the third tier. The Water Fund appropriated \$93,883 of fund balance of which \$71,438 was from the debt reserve fund to pay for the Ten Eyck Street reconstruction debt service. The Sewer Fund appropriations increased \$709,210 or 16.38% due mostly to the increase in funds transferred to capital projects (\$365,000) and the establishment of a capital reserve fund (\$250,000). The Sewer Fund was also able to lower the rate charge for tier one and tier two volumes and eliminate the third tier. The Sewer Fund appropriated \$96,879 of fund balance of which \$84,765 was from the debt reserve fund to pay for the Ten Eyck Street reconstruction debt service.

Requests for Information

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

CITY OF WATERTOWN, NEW YORK
STATEMENT OF NET ASSETS
June 30, 2011

	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	\$ 14,352,520	\$ 2,395,594	\$ 16,748,114	\$ 143,947
Restricted cash and cash equivalents	1,694,565	1,343,195	3,037,760	204,043
Receivables (net of allowance for uncollectibles):				
Accounts	2,629,454	1,455,096	4,084,550	-
Taxes	332,048	-	332,048	-
Interest	-	-	-	-
Other receivables	-	-	-	4,467
Due from other governments	1,962,273	129,226	2,091,499	-
State and federal aid receivables	875,567	159,429	1,034,996	-
Inventory	2,863	-	2,863	-
Prepaid expenses	67,254	8,756	76,010	247
Internal balances	107,760	(107,040)	720	-
	<u>22,024,304</u>	<u>5,384,256</u>	<u>27,408,560</u>	<u>352,704</u>
Capital Assets:				
Non-depreciable	5,081,161	736,393	5,817,554	14,516
Depreciable, net	68,243,896	33,297,399	101,541,295	54,150
Total capital assets	<u>73,325,057</u>	<u>34,033,792</u>	<u>107,358,849</u>	<u>68,666</u>
Total Assets	<u>\$ 95,349,361</u>	<u>\$ 39,418,048</u>	<u>\$ 134,767,409</u>	<u>\$ 421,370</u>
LIABILITIES				
Accounts payable	\$ 2,055,259	\$ 301,091	\$ 2,356,350	\$ 555
Accrued interest payable	161,318	78,293	239,611	-
Accrued liabilities	578,594	95,255	673,849	-
Retainage payable	42,092	26,197	68,289	-
Compensated absences	646,308	85,810	732,118	-
Workers compensation liability	364,789	193,887	558,676	-
Accrued post employment benefits	4,685,133	812,872	5,498,005	-
Other liabilities	6,798	11,701	18,499	-
Due to other governments	63,886	994	64,880	-
Due to retirement system	725,995	87,821	813,816	-
Deferred revenue	1,864,177	-	1,864,177	-
Other long-term debt	559,204	1,836	561,040	-
Serial bonds	19,750,078	8,429,922	28,180,000	-
Less: deferred amount on advance refunding	(185,522)	(17,028)	(202,550)	-
	<u>31,318,109</u>	<u>10,108,651</u>	<u>41,426,760</u>	<u>555</u>
NET ASSETS				
Investment in capital assets, net of related debt	53,716,212	26,499,239	80,215,451	-
Restricted for:				
Capital Reserves	454,753	-	454,753	-
Workers Compensation Reserve	315,784	-	315,784	-
Insurance Reserve - General	149,273	-	149,273	-
Tourism Reserve	30,290	-	30,290	-
Economic development and assistance	249,071	-	249,071	-
Community development	63,674	-	63,674	-
Capital projects	887,835	179,497	1,067,332	-
Debt Service	531,543	250,463	782,006	-
Library	-	-	-	208,120
Unrestricted	<u>7,632,817</u>	<u>2,380,198</u>	<u>10,013,015</u>	<u>212,695</u>
Total Net Assets	<u>64,031,252</u>	<u>29,309,397</u>	<u>93,340,649</u>	<u>420,815</u>
Total Liabilities and Net Assets	<u>\$ 95,349,361</u>	<u>\$ 39,418,048</u>	<u>\$ 134,767,409</u>	<u>\$ 421,370</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF WATERTOWN, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit The Trustees of the Roswell P. Flower Memorial Library	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities		Total
FUNCTIONS/PROGRAMS								
Governmental Activities:								
General government support:								
General government support	\$ 13,265,889	\$ 2,530,766	\$ 403,365	\$ 10,949	\$ (10,320,809)	\$ (10,320,809)	\$ -	
Hydroelectric production	425,599	3,522,437	-	-	3,096,838	-	3,096,838	
Public safety:								
Fire	7,572,164	-	-	54,130	(7,518,034)	-	(7,518,034)	
Police	6,632,214	95,777	65,233	54,130	(6,417,074)	-	(6,417,074)	
Other public safety	389,832	83,580	-	-	(306,252)	-	(306,252)	
Public Works	6,319,007	89,588	8,036	880,476	(5,340,907)	-	(5,340,907)	
Transportation:								
Bus	874,730	168,006	360,239	218,436	(128,049)	-	(128,049)	
Economic opportunity and development:								
Other economic assistance	94,554	-	-	-	(94,554)	-	(94,554)	
Empire Zone	12,178	-	-	-	(12,178)	-	(12,178)	
Culture and recreation:								
Library	920,139	15,830	50,704	-	(853,605)	-	(853,605)	
Other culture and recreation	1,510,076	292,897	-	60,076	(1,157,103)	-	(1,157,103)	
Home and community services:								
Refuse and recycle	858,188	710,948	-	-	(147,240)	-	(147,240)	
Other home and community services	1,034,757	23,934	999,706	35,647	-	-	24,530	
Interest on debt	942,942	-	-	-	(942,942)	-	(942,942)	
Total Governmental Activities	<u>40,852,269</u>	<u>7,533,763</u>	<u>1,887,283</u>	<u>1,313,844</u>	<u>(30,117,379)</u>	<u>-</u>	<u>(30,117,379)</u>	
Business-Type Activities:								
Water	4,372,484	4,545,643	1,011	92,386	-	266,556	266,556	
Sewer	4,447,044	5,100,719	-	78,595	-	732,270	732,270	
Total Business-Type Activities	<u>8,819,528</u>	<u>9,646,362</u>	<u>1,011</u>	<u>170,981</u>	<u>-</u>	<u>998,826</u>	<u>998,826</u>	
Total Primary Government	<u>\$ 49,671,797</u>	<u>\$ 17,180,125</u>	<u>\$ 1,888,294</u>	<u>\$ 1,484,825</u>	<u>(30,117,379)</u>	<u>998,826</u>	<u>(29,118,553)</u>	
Component Unit:								
The Trustees of the R.P.Flower Memorial Library	82,908	-	100,023	-	-	-	17,115	
Total Component Unit	<u>\$ 82,908</u>	<u>\$ -</u>	<u>\$ 100,023</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>17,115</u>	
Net (Expense) Revenue and Changes in Net Assets brought forward					(30,117,379)	998,826	(29,118,553)	17,115
GENERAL REVENUES								
Property taxes					7,359,032	-	7,359,032	-
Sales taxes					16,007,070	-	16,007,070	-
Utilities gross receipts tax					407,527	-	407,527	-
Franchise tax					431,049	-	431,049	-
Hotel occupancy tax					208,453	-	208,453	-
Mortgage tax					351,984	-	351,984	-
Grants and entitlements not restricted to specific programs					4,799,192	-	4,799,192	-
Investment earnings					173,059	29,435	202,494	1,746
Total General Revenues					<u>29,737,366</u>	<u>29,435</u>	<u>29,766,801</u>	<u>1,746</u>
Transfers					15,000	(15,000)	-	-
Change in Net Assets					(365,013)	1,013,261	648,248	18,861
Total Net Assets - Beginning of year					<u>\$ 64,396,265</u>	<u>\$ 28,296,136</u>	<u>\$ 92,692,401</u>	<u>384,270</u>
Prior period adjustment					-	-	-	17,684
Total Net Assets - End of year					<u>\$ 64,031,252</u>	<u>\$ 29,309,397</u>	<u>\$ 93,340,649</u>	<u>\$ 420,815</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Unrestricted cash and cash equivalents	\$ 13,650,368	\$ -	\$ 702,152	\$ 14,352,520
Restricted cash and cash equivalents	494,096	1,130,377	70,092	1,694,565
Receivables (net of allowance for uncollectibles):				
Accounts	1,094,901	100,992	1,433,561	2,629,454
Taxes	331,406	642	-	332,048
Interest	-	-	-	-
Due from other governments	1,948,876	12,029	1,368	1,962,273
State and federal aid receivables	197,622	608,029	69,916	875,567
Inventory	2,863	-	-	2,863
Prepaid expenses	65,465	-	1,789	67,254
Due from other funds	325,262	17,775	-	343,037
Total Assets	\$ 18,110,859	\$ 1,869,844	\$ 2,278,878	\$ 22,259,581
LIABILITIES				
Accounts payable	\$ 1,622,809	\$ 352,121	\$ 80,329	2,055,259
Accrued liabilities	555,017	6,439	17,138	578,594
Retainage payable	-	42,092	-	42,092
Compensated absences	632,002	-	14,306	646,308
Other liabilities	6,798	-	-	6,798
Due to other funds	23,190	204,844	7,243	235,277
Due to other governments	63,257	629	-	63,886
Due to retirement system	708,058	-	17,937	725,995
Deferred revenue	366,039	58,498	1,439,640	1,864,177
Total Liabilities	3,977,170	664,623	1,576,593	6,218,386
FUND BALANCES:				
Nonspendable:				
Inventory	2,863	-	-	2,863
Prepaid Expenses	3,300	-	-	3,300
Restricted for:				
Capital Reserve - General	387,678	-	-	387,678
Capital Reserve - Fairgrounds	67,075	-	-	67,075
Workers Compensation Reserve	315,784	-	-	315,784
Insurance Reserve - General	149,273	-	-	149,273
Tourism Reserve	30,290	-	-	30,290
Debt Service Reserve	300,601	-	230,942	531,543
Community Development Reserve	-	-	63,674	63,674
Economic Development Reserve	-	-	249,071	249,071
Capital Projects	-	887,835	-	887,835
Assigned to:				
Self-funded health insurance plan	1,799,481	-	-	1,799,481
General government support	48,444	-	-	48,444
Fire	140	-	-	140
Police	3,053	-	-	3,053
Public Works	17,088	-	-	17,088
Bus	480	-	-	480
Other culture and recreation	1,779	-	-	1,779
Library	-	-	12,600	12,600
Capital Projects	-	317,386	-	317,386
Subsequent year's expenditures	1,496,223	-	145,998	1,642,221
Unassigned				
Unassigned	9,510,137	-	-	9,510,137
Total Fund Balances	14,133,689	1,205,221	702,285	16,041,195
Total Liabilities and Fund Balances	\$ 18,110,859	\$ 1,869,844	\$ 2,278,878	\$ 22,259,581

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total governmental fund balances		\$ 16,041,195
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
The cost of capital assets is	\$ 130,865,413	
Accumulated depreciation is	<u>57,540,356</u>	73,325,057
Deferred assets for refunded bonds		185,522
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:		
Bonds payable	\$ (19,750,078)	
Loan payable	(44,289)	
Accrued interest on bonds payable	(161,318)	
Compensated absences	(280,915)	
Workers compensation liability	(364,789)	
Landfill post-closure liability	(234,000)	
Accrued post-employment benefits	<u>(4,685,133)</u>	<u>(25,520,522)</u>
Net assets of governmental activities		<u><u>\$ 64,031,252</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes	\$ 7,054,030	\$ -	\$ -	\$ 7,054,030
Real property tax items	315,952	-	-	315,952
Nonproperty taxes	17,054,098	-	-	17,054,098
Departmental income	4,940,166	-	-	4,940,166
Intergovernmental charges	117,157	-	-	117,157
Use of money and property	145,689	3,593	7,904	157,186
Licenses and permits	93,916	-	-	93,916
Fines and forfeitures	100,533	-	14,186	114,719
Sale of property and compensation for loss	475,533	-	-	475,533
Miscellaneous local sources	706,592	155,443	145,893	1,007,928
Interfund revenue	1,012,040	-	-	1,012,040
State sources	5,627,714	615,501	-	6,243,215
Federal sources	675,655	474,194	922,410	2,072,259
Total Revenues	38,319,075	1,248,731	1,090,393	40,658,199
EXPENDITURES				
General government support	4,956,825	12,991	-	4,969,816
Public safety	13,859,362	120,556	-	13,979,918
Transportation	3,927,197	2,580,251	-	6,507,448
Economic assistance and opportunity	94,554	-	12,177	106,731
Culture and recreation	1,126,600	294,805	649,730	2,071,135
Home and community services	1,072,073	72,738	927,615	2,072,426
Employee benefits	8,004,881	-	297,291	8,302,172
Debt service	4,546,364	-	139,011	4,685,375
Total Expenditures	37,587,856	3,081,341	2,025,824	42,695,021
Excess of (Expenditures) Revenue	731,219	(1,832,610)	(935,431)	(2,036,822)
OTHER FINANCING SOURCES AND (USES)				
Interfund transfers in	273,034	455,021	1,076,090	1,804,145
Interfund transfers out	(1,521,521)	(100,111)	(167,513)	(1,789,145)
Serial bonds	-	1,570,000	-	1,570,000
Bond refunding proceeds	-	-	7,130,911	7,130,911
Payment to escrow agent	-	-	(7,130,911)	(7,130,911)
Bond refunding professional fees	-	-	(18,072)	(18,072)
Total Other Financing Sources (Uses)	(1,248,487)	1,924,910	890,505	1,566,928
Net change in fund balances	(517,268)	92,300	(44,926)	(469,894)
Fund Balances - Beginning of year	14,558,066	1,205,812	747,211	16,511,089
Fund equity transfer	92,891	(92,891)	-	-
Fund Balances - End of year	\$ 14,133,689	\$ 1,205,221	\$ 702,285	\$ 16,041,195

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds \$ (469,894)

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.

Capital outlays	\$	2,983,848	
Depreciation expense	\$	<u>3,999,284</u>	(1,015,436)

Governmental funds report bond principal as an expenditure. However, in the Statement of Net Assets, the principal payments reduce the liability and do not result in an expense in the Statement of Activities. 3,714,695

Governmental funds report bond proceeds as a source of funding. However bond proceeds are not revenues in the Statement of Activities, but long-term liabilities in the Statement of Net Assets. (1,570,000)

Loss on disposal of assets (37,278)

Bond premiums/discounts and issuance costs associated with long-term bonds are recognized as expenditures and other financing sources/uses in the governmental funds at the time the debt issued. However, those items are capitalized on the Statement of Net Assets and amortized over the life of the bonds on the Statement of Activities since they do not require the use of current financial resources.

Amortization of advanced refunding issuance costs (18,597)

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. 46,335

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. (1,225,559)

Long-term portions of accrued claims and judgments, and landfill monitoring liability are included in the outstanding liability in the Statement of Net Assets. 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. 210,721

Change in Net Assets of governmental activities \$ (365,013)

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	Business - Type Activities		
	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Current Assets			
Unrestricted cash and cash equivalents	\$ 999,932	\$ 1,395,662	\$ 2,395,594
Accounts receivable, net of allowance for uncollectible accounts	794,890	660,206	1,455,096
Due from governmental funds	9,711	29,140	38,851
Due from other governments	-	129,226	129,226
State and federal aid receivables	86,021	73,408	159,429
Prepaid expenses	4,906	3,850	8,756
Total current assets	<u>1,895,460</u>	<u>2,291,492</u>	<u>4,186,952</u>
Non-Current Assets			
Restricted cash and cash equivalents	306,357	1,036,838	1,343,195
Capital assets, net of accumulated depreciation	18,315,140	15,718,652	34,033,792
Total non-current assets	<u>18,621,497</u>	<u>16,755,490</u>	<u>35,376,987</u>
Total assets	<u>\$ 20,516,957</u>	<u>\$ 19,046,982</u>	<u>\$ 39,563,939</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 69,401	\$ 231,690	\$ 301,091
Accrued interest payable	39,025	39,268	78,293
Retainage payable	6,696	19,501	26,197
Accrued liabilities	57,051	38,204	95,255
Compensated absences	45,360	40,450	85,810
Due to retirement system	49,205	38,616	87,821
Due to governmental funds	67,005	78,886	145,891
Due to other governments	994	-	994
Other liabilities	11,701	-	11,701
Current portion of long-term liabilities	829,583	494,137	1,323,720
Total current liabilities	<u>1,176,021</u>	<u>980,752</u>	<u>2,156,773</u>
Long-Term Liabilities:			
Workers compensation liability	135,034	58,853	193,887
Other post employment benefits liability	469,258	343,614	812,872
Serial bonds payable	3,474,520	3,633,518	7,108,038
Less: deferred amount on refunding	(15,563)	(1,465)	(17,028)
Total long-term liabilities	<u>4,063,249</u>	<u>4,034,520</u>	<u>8,097,769</u>
Total liabilities	<u>5,239,270</u>	<u>5,015,272</u>	<u>10,254,542</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,104,281	12,394,958	26,499,239
Restricted for maintenance	179,497	-	179,497
Restricted for debt	100,176	150,287	250,463
Unrestricted	893,733	1,486,465	2,380,198
Total net assets	<u>15,277,687</u>	<u>14,031,710</u>	<u>29,309,397</u>
Total liabilities and net assets	<u>\$ 20,516,957</u>	<u>\$ 19,046,982</u>	<u>\$ 39,563,939</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Business - Type Activities		
	Enterprise funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 3,444,976	\$ 3,694,091	\$ 7,139,067
Intergovernmental charges	1,091,145	1,404,364	2,495,509
Other operating revenue	10,533	2,264	12,797
	<hr/>	<hr/>	<hr/>
Total operating revenues	4,546,654	5,100,719	9,647,373
OPERATING EXPENSES			
Salaries, wages and employee benefits	2,204,845	1,646,630	3,851,475
Contractual services	1,341,305	1,849,822	3,191,127
Depreciation	654,589	778,849	1,433,438
Loss on disposal of fixed asset	-	3,358	3,358
	<hr/>	<hr/>	<hr/>
Total operating expenses	4,200,739	4,278,659	8,479,398
	<hr/>	<hr/>	<hr/>
Income from operations	345,915	822,060	1,167,975
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	18,530	10,905	29,435
Gain on bond refunding	10,433	4,808	15,241
Interest expense	(171,745)	(168,385)	(340,130)
	<hr/>	<hr/>	<hr/>
Total non-operating revenue (expenses)	(142,782)	(152,672)	(295,454)
	<hr/>	<hr/>	<hr/>
Income before contributions and transfers	203,133	669,388	872,521
Capital contributions	81,953	73,787	155,740
Transfers out	(7,500)	(7,500)	(15,000)
	<hr/>	<hr/>	<hr/>
Change in net assets	277,586	735,675	1,013,261
	<hr/>	<hr/>	<hr/>
Net assets - beginning of year	15,000,101	13,296,035	28,296,136
	<hr/>	<hr/>	<hr/>
Net assets - end of year	<u>15,277,687</u>	<u>\$ 14,031,710</u>	<u>\$ 29,309,397</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
June 30, 2011

	Business - Type Activities		
	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from providing services	\$ 4,658,841	\$ 5,359,626	\$ 10,018,467
Cash payments for contractual expense	(1,336,678)	\$ (1,818,260)	(3,154,938)
Cash payments for personnel services and benefits	(1,949,074)	\$ (1,540,303)	(3,489,377)
Other operating revenue	48,991	\$ 2,265	51,256
Net cash provided by operating activities	<u>1,422,080</u>	<u>2,003,328</u>	<u>3,425,408</u>
Cash flows from non-capital and financing activities			
Transfers to/from other funds	(7,500)	(7,500)	(15,000)
Cash flows from capital and related financing activities			
Proceeds of capital debt	465,000	-	465,000
Premium received on bond refunding	10,433	4,808	15,241
Principal paid on capital debt	(821,419)	(524,768)	(1,346,187)
Interest paid on capital debt	(173,444)	(173,099)	(346,543)
Capital grants	420	73,787	74,207
Net cash (used) by capital and related financing activities	<u>(519,010)</u>	<u>(619,272)</u>	<u>(1,138,282)</u>
Cash flows from investing activities			
Purchase of capital assets	(868,075)	(661,159)	(1,529,234)
Interest income	18,902	11,409	30,311
Net cash (used) by investing activities	<u>(849,173)</u>	<u>(649,750)</u>	<u>(1,498,923)</u>
Net increase in cash and cash equivalents	46,397	726,806	773,203
Cash and cash equivalents, beginning of year	\$ 1,259,892	\$ 1,705,694	\$ 2,965,586
	<u>\$ 1,306,289</u>	<u>\$ 2,432,500</u>	<u>\$ 3,738,789</u>
Reconciliation of income from operations to net			
Income from operations	\$ 345,915	\$ 822,060	\$ 1,167,975
Depreciation	654,589	778,849	1,433,438
Loss on disposal of fixed asset	-	3,358	3,358
Change in assets:			
Accounts receivable	131,457	12,645	144,102
Due from other governments	(6,863)	256,708	249,845
Due from other funds	(692)	(8,182)	(8,874)
Due from Federal and State governments	36,199	-	36,199
Prepaid expenses	(2,045)	(1,441)	(3,486)
Change in liabilities:			
Accounts payable	(3,450)	39,409	35,959
Accrued liabilities	14,290	1,581	15,871
Compensated absences	(10,887)	(8,366)	(19,253)
Due to retirement system	12,759	9,426	22,185
Due to other governments	322	-	322
Other liabilities	19,648	(18,811)	837
OPEB liability	219,962	122,497	342,459
Customer deposits and overpayments	1,077	-	1,077
Due to other funds	9,799	(6,405)	3,394
Net cash provided (used) by operating activities	<u>\$ 1,422,080</u>	<u>\$ 2,003,328</u>	<u>\$ 3,425,408</u>
Reconciliation of total cash and cash equivalents			
Current assets - unrestricted cash and cash equivalents	\$ 999,932	\$ 1,395,662	\$ 2,395,594
Non-current assets - restricted cash and cash equivalents	306,357	1,036,838	1,343,195
Total Cash and cash equivalents	<u>\$ 1,306,289</u>	<u>\$ 2,432,500</u>	<u>\$ 3,738,789</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011

	Private Purpose <u>Trusts</u>	Agency Funds	<u>Total</u>
ASSETS			
Cash and cash equivalents	<u>\$ 45,711</u>	<u>\$ 86,469</u>	<u>\$ 132,180</u>
LIABILITIES			
Due to governmental funds	\$ -	\$ 720	\$ 720
Deposits held and due to others	-	58,913	58,913
Cafeteria plan	-	19,347	19,347
Other accrued liabilities	-	7,489	7,489
Total Liabilities	<u>-</u>	<u>86,469</u>	<u>86,469</u>
NET ASSETS			
Held in trust for other purposes	15,942	-	15,942
Held in trust for scholarships	29,769	-	29,769
Total Net Assets	<u>45,711</u>	<u>-</u>	<u>45,711</u>
Total Liabilities and Net Assets	<u><u>\$ 45,711</u></u>	<u><u>\$ 86,469</u></u>	<u><u>\$ 132,180</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011

	Private Purpose <u>Trusts</u>
ADDITIONS	
Interest revenue	\$ 259
Total Additions	<u>259</u>
DEDUCTIONS	
Other	-
Scholarships awarded	100
Total Deductions	<u>100</u>
Change in Net Assets	159
Net Assets- Beginning of Year	<u>\$ 45,552</u>
Net Assets-End of Year	<u><u>\$ 45,711</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF WATERTOWN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

I. Summary of Significant Accounting Policies:

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

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

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

During the year ended June 30, 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB issued Statement No. 54 in February 2009 and is intended to enhance the usefulness of the financial statements prepared by governmental entities specifically with regard to their reporting of fund balances. The new 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. To comply with Statement No. 54 the City Council adopted on June 20, 2011 a Fund Balance Policy as described in more detail in Note L of this section of the notes to the financial statements.

A. Financial Reporting Entity

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

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

The financial reporting entity consists of:

1. The primary government which is the City of Watertown
2. Organizations for which the primary government is financially accountable

CITY OF WATERTOWN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 GASB Statement 39, *Determining Whether Certain Organizations are Component Units*.

Based on the foregoing criteria and the significant factors presented below, the following organization is 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.

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, 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.

B. Basic 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.

1. Government-wide Statements

The government-wide statements include a Statement of Net Assets 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 assets resulting from the current year's activities.

In the government-wide Statement of Net Assets, 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 assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

CITY OF WATERTOWN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.).

2. 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:

a. Governmental Funds

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

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

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

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

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

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

CITY OF WATERTOWN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

b. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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.

c. 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 assets and changes in net assets 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.

C. 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.

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

CITY OF WATERTOWN, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

- 2 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.

D. Property Taxes

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

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 \$1,947 and is included in “Due to other Governments”. A portion of the receivable \$289,530 is considered available and is included in liabilities as deferred revenues.

An allowance for uncollectible taxes of \$689,138 has been included in the General Fund accounts receivable balance at June 30, 2011.

E. 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 last regular or special meeting in May the budget is adopted by the City Council through the adoption of various resolutions.
4. City taxes included in the budget are levied on July 5. The collection period is July 5 through August 5.
5. The Comptroller is authorized to approve certain budget transfer requests within departments or within a fund; however, any revisions that alter total expenditures of any department or fund must be approved by the City Council.

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6. For year-end financial reporting, adjustments are made to actual results to conform with modified budget classifications and reflect year-end encumbrances.

The general fund budget was amended from \$38,248,835 to \$39,556,069 to reflect receipt and disbursement of the following:

Prior year encumbrances	\$ 122,094
Re-adoption of General Fund Budget	1,128,465
Re-adoption of Tourism Fund Budget	43,000
Original general fund health insurance appropriations not included in Supplemental Schedule #1 due to the inclusion of the self-funded health insurance fund as part of general fund for reporting purposes were re-appropriated to non-health insurance line items and therefore increased the appropriations in comparison to the original budget	13,675
	\$ 1,307,234

F. Cash and Cash Equivalents

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

G. Receivables

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

H. Investments

Investments are stated at fair value.

I. 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

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J. Compensatory 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 general long-term debt account group 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.

K. 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:

- a. General Liability – The City has a self-insurance program for general liability insurance. The reserved fund balance is recorded within the General Fund.
- b. 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 \$558,676 as of June 30, 2011 has been recorded on the Statement of Net Assets representing the long-term liability of open workers compensation cases.
- c. 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, 2011 were \$11,308.
- d. 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 \$100,000. 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 \$666,055 has been recorded in the self-insurance fund for claims incurred as of June 30, 2011 but not reported based upon historical experience.

CITY OF WATERTOWN, NEW YORK
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L. Fund Balance

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.

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.

CITY OF WATERTOWN, NEW YORK
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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.

II. Detailed Notes on All Funds

A. Assets

1. Cash and Investments -Concentration of Credit, Interest Rate and Foreign Currency Risks

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 and certificates of deposit. 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. At year-end and during fiscal year 2011, 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, other than stated above, and is not exposed to any material interest rate risk.

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:

CITY OF WATERTOWN, NEW YORK
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- 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, 2011 per the banks were \$20,349,222. These deposits are categorized as follows:

(a)	(b)	(c)
\$ 1,086,080	\$ 19,263,142	\$ - 0 -

As of June 30, 2011 the City had the following investments:

<u>Investment Type</u>	<u>Amount</u>
Certificates of Deposit-Trust & Agency Funds	\$ 25,939
State and Local Government Series Securities	<u>89,150</u>
Total	<u>\$ 115,089</u>

2. Capital Assets

A summary of the changes in capital assets for the fiscal year ended June 30, 2011 follows:

Governmental Activities:	<u>Balance</u> <u>June 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2011</u>
Non-depreciable capital assets:				
Land	\$ 2,601,285	\$ -	\$ (1,385)	\$ 2,599,900
Construction in Progress	<u>1,434,897</u>	<u>2,926,460</u>	<u>(1,880,096)</u>	<u>2,481,261</u>
Total	<u>\$ 4,036,182</u>	<u>\$ 2,926,460</u>	<u>\$ (1,881,481)</u>	<u>\$ 5,081,161</u>
Depreciable capital assets:				
Land improvements	7,906,459	47,424	-	7,953,883
Buildings and improvements	30,454,932	69,017	-	30,523,949
Infrastructure	64,933,462	1,422,825	(9,546)	66,346,741
Machinery and equipment	11,328,925	10,700	(64,069)	11,275,556
Vehicles	<u>9,925,493</u>	<u>387,519</u>	<u>(628,889)</u>	<u>9,684,123</u>
Total	<u>124,549,271</u>	<u>1,937,485</u>	<u>(702,504)</u>	<u>125,784,252</u>
Less accumulated depreciation for:				
Land improvements	5,509,083	194,145	-	5,703,228
Buildings and improvements	10,586,815	693,858	-	11,280,673
Infrastructure	22,619,588	1,963,356	(7,491)	24,575,453
Machinery and equipment	8,030,283	480,634	(64,069)	8,446,848
Vehicles	<u>7,461,913</u>	<u>667,291</u>	<u>(595,050)</u>	<u>7,534,154</u>
Total	<u>54,207,682</u>	<u>3,999,284</u>	<u>(666,610)</u>	<u>57,540,356</u>
Depreciable capital assets, net:	<u>\$70,341,589</u>	<u>\$ (2,061,799)</u>	<u>\$(35,894)</u>	<u>\$68,243,896</u>
Grand total	<u>\$74,377,771</u>	<u>\$ 864,661</u>	<u>\$(1,917,375)</u>	<u>\$73,325,057</u>

CITY OF WATERTOWN, NEW YORK
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Depreciation expense was charged to governmental functions as follows:

General government support	\$ 123,109
Hydroelectric production	257,357
Police	122,160
Fire	431,566
Other public safety	-
Public Works	2,366,690
Bus	171,944
Library	119,544
Other culture and recreation	335,432
Refuse and recycling	71,482
Other home and community services	-
Total	<u>\$ 3,999,284</u>

Business-Type Activities:	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Non-depreciable capital assets:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	803,149	1,399,116	(1,465,872)	736,393
Total	<u>\$ 803,149</u>	<u>\$ 1,399,116</u>	<u>\$(1,465,872)</u>	<u>\$ 736,393</u>
Depreciable capital assets:				
Land improvements	\$ 250,568	\$ -	\$ -	\$ 250,568
Buildings and improvements	27,353,259	5,416	-	27,358,675
Infrastructure	21,223,532	1,364,358	(6,309)	22,581,581
Machinery and equipment	15,684,839	81,240	(173,964)	15,592,115
Vehicles	780,725	179,795	(37,885)	922,635
Total	<u>65,292,923</u>	<u>1,630,809</u>	<u>(218,158)</u>	<u>66,705,574</u>
Less accumulated depreciation for:				
Land improvements	239,002	3,600	-	242,602
Buildings and improvements	13,410,357	540,674	-	13,951,031
Infrastructure	5,178,120	324,829	(4,105)	5,498,844
Machinery and equipment	12,548,123	515,442	(17,210)	13,046,355
Vehicles	658,335	48,893	(37,885)	669,343
Total	<u>32,033,936</u>	<u>1,433,438</u>	<u>(59,200)</u>	<u>33,408,175</u>
Depreciable capital assets, net:	<u>\$33,258,986</u>	<u>\$ 197,371</u>	<u>\$(158,958)</u>	<u>\$33,297,399</u>
Grand total	<u>\$34,062,135</u>	<u>\$ 1,596,487</u>	<u>\$(1,624,830)</u>	<u>\$34,033,792</u>

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

Water	\$ 654,589
Sewer	778,849
Total	<u>\$1,433,438</u>

CITY OF WATERTOWN, NEW YORK
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2. Restricted Cash, Cash Equivalents and Investments

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

<u>Fund</u>	<u>Restricted Balance</u>	<u>Restriction</u>
General – Cash	\$ 67,075	Reserve for Duffy Fairgrounds Stadium repairs
General – Cash	\$ 387,678	Reserve for capital projects
General – Cash	\$ 39,343	Reserve for special assessment sidewalk program debt
Special Revenue – Cash	\$ 70,092	Federal and State community development grants
Capital – Cash	\$ 1,130,377	Reserve for capital project acquisitions and construction
Water – Cash	\$ 179,498	Reserve for coagulation basin maintenance
Water – Cash	\$ 26,683	Reserve for capital project acquisitions and construction
Water - Cash	\$ 100,176	Excess debt proceeds reserved for debt service
Sewer – Cash	\$ 886,551	Reserve for capital project acquisitions and construction
Sewer - Cash	\$ 150,287	Excess debt proceeds reserved for debt service

4. Notes Receivable

To assist in the rehabilitation of homes of low and moderate-income persons in the City, the City was awarded various grants for its “Housing Improvement Program”. The purpose of this program is to improve living conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation and other necessary repairs will also be encouraged whenever assistance is provided under this program. Under the grant terms, eligible homeowners receive a grant and/or loan not to exceed \$20,000 using Community Redevelopment Block Grant funds. Grants are subject to repayment if the owner moves or sells the property within 5 years, prorated at 20% per year. Loans are repaid in monthly installments over a 5-year period 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 total loans outstanding at June 30, 2011 was \$64,488. The balance of the grants subject to repayment at June 30, 2011 was \$878,201.

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The City was awarded \$400,000 through a Fiscal Year 2005 Small Cities Community Development Block Grant to support a new City-wide home ownership program that combines CDBG and North Country HOME Consortium funds to allow Neighbors of Watertown to purchase existing homes and rehabilitate those properties before selling them to qualified low or moderate income buyers who have completed a home ownership counseling program and secured appropriate bank mortgage financing. Under the grant terms, eighteen eligible homebuyers received a loan not exceeding \$20,000 to be repaid to the City at zero percent interest in monthly installments over twenty years. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. The balance of these loans outstanding at June 30, 2011 was \$314,689.

Additionally, the City issued a loan to a limited partnership using Community Development Block Grant Funds for rehab to an apartment building. This loan is subordinate to existing mortgages, maturing 2024 and bearing interest at 6.25%. All accrued interest and principal are payable at maturity. The balance of this loan at June 30, 2011 was \$71,500. Deferred revenue has also been recorded equivalent to the amount of the loan outstanding.

The City was awarded \$650,000 through a Fiscal Year 2007 Small Cities Community Development Block Grant to support the redevelopment of the Franklin Building, located at 50 Public Square in downtown Watertown. The project will include commercial tenants on the ground floor and rental apartments that will be affordable to lower income households on the upper floors. Grant expenditures for the fiscal year ending June 30, 2011 were \$147,673.

The City was also awarded an additional \$1,550,000 for the Franklin Building renovation and related soft costs through the 2006-07 New York State Empire State Development's RESTORE NY Communities grant program. Grant expenditures for the fiscal year ending June 30, 2011 were \$129,733.

The City was awarded \$400,000 through a Fiscal Year 2008 Small Cities Community Development Block Grant to support a new City-wide rental rehabilitation program to expand and preserve the supply of affordable housing in Watertown by promoting rehabilitation of existing substandard apartments throughout the City. Under the grant terms, eligible property owners would receive CDBG financing of eligible improvements up to a maximum of \$20,000. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program. The balance of the financing will be repaid over 5 years in monthly installments at a rate of \$18 per \$1,000. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. Grant expenditures for the fiscal year ending June 30, 2011 were \$356,587.

The City was awarded \$400,000 through a Fiscal Year 2009 Small Cities Community Development Block Grant to support a new rental rehabilitation program to expand and preserve the supply of affordable housing in Watertown by promoting rehabilitation of existing substandard apartments or the creation of new apartments on the upper floors of commercial buildings in downtown Watertown. Under the grant terms, eligible property owners would receive CDBG funds in the form of direct grants to cover up to 75% of the cost of eligible improvements up to a maximum of \$15,000 per unit and the property owners will contribute cash to cover the balance of the cost. These funds will be available throughout the City but preference will be given to projects located in the

**CITY OF WATERTOWN, NEW YORK
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downtown area. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program. The balance of the financing will be repaid in monthly installments over a term of up to 20 years at zero percent interest for downtown apartments and loans up to ten years at zero percent for City-wide rental rehabilitations. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. Grant expenditures for the fiscal year ending June 30, 2011 were \$162,156. The balance of the total loans outstanding at June 30, 2011 was \$110,763.

The City was awarded a North Country HOME Consortium Fiscal Year 2009 and 2010 grant in the amount of \$244,887 to assist approximately twelve income eligible homeowners repair their homes. The purpose of this program is to improve neighborhood conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation and other necessary repairs will be encouraged to eliminate those problems where they adversely affect the property or the surrounding neighborhood whenever assistance is provided under this program. Grants of \$126,261 were awarded during the current year.

B. Liabilities

1. Short-Term Debt

The City did not issue or retire any short-term debt during the fiscal year and had none outstanding at June 30, 2011.

2. Long-Term Debt

During the year ended June 30, 2011, the following changes occurred in long-term obligations:

Governmental Activities:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$21,671,082	\$8,700,911	\$(10,621,915)	\$19,750,078	\$2,658,116
Compensated Absences	293,637	-	(12,722)	280,915	30,000
Landfill Monitoring	252,000	-	(18,000)	234,000	18,000
NYPA Loan Payable	<u>92,319</u>	<u>-</u>	<u>(48,030)</u>	<u>44,289</u>	<u>44,289</u>
Total	<u>\$22,309,038</u>	<u>\$8,700,911</u>	<u>\$(10,700,667)</u>	<u>\$20,309,282</u>	<u>\$2,750,405</u>

The Statement of Net Assets at June 30, 2011 includes a deferred amount of \$185,522 on the advance refunding of bonds.

CITY OF WATERTOWN, NEW YORK
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Business-type Activities

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
General Obligation Bonds:					
Water	\$ 4,660,522	\$ 650,589	\$(1,007,008)	\$ 4,304,103	\$ 829,583
Sewer	4,648,596	188,500	(711,277)	4,125,819	492,301
NYPA Loan Payable	<u>3,827</u>	<u>-</u>	<u>(1,991)</u>	<u>1,836</u>	<u>1,836</u>
Total	<u>\$ 9,312,945</u>	<u>\$ 839,089</u>	<u>\$(1,080,126)</u>	<u>\$ 8,431,758</u>	<u>\$ 1,323,720</u>

The Statement of Net Assets at June 30, 2011 includes a deferred amount of \$(17,028) on the advance refunding of bonds.

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20 to 30 year serial bonds with equal amounts of principal maturing each year. General obligation bonds at June 30, 2011 are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Paid 6/30/11</u>	<u>Outstanding 6/30/11</u>	<u>Maturity Date</u>
Sanitary and Storm Sewers	9.60%	\$2,330,000	\$ 75,000	\$ 400,000	12/2017
Public Improvements	6.30-6.375%	\$10,518,000	395,200	400,000	10/2011
Public Improvements	5.50-5.70%	\$3,599,000	175,000	150,000	10/2011
Public Improvements	5.25-5.60%	\$3,060,000	25,000	25,000	10/2011
Public Improvements	5.30-5.70%	\$2,808,000	100,000	-	7/2011
Public Improvements	4.60-5.25%	\$4,220,000	15,000	-	3/2011
Public Improvements	5.00-7.10%	\$11,010,000	1,295,000	-	11/2025
Public Improvements	3.50-4.85%	\$3,908,466	30,000	-	3/2013
Public Improvements	5.125-5.50%	\$6,105,000	20,000	40,000	6/2020
Public Improvements	7.40-7.50%	\$190,000	110,000	-	5/2021
Public Improvements	4.00-5.00%	\$2,310,000	125,000	75,000	5/2021
Public Improvements	2.50-4.00%	\$2,155,000	170,000	165,000	3/2012
Public Improvements	2.75-4.25%	\$8,145,000	575,000	4,050,000	1/2024
Public Improvements	4.00-4.375%	\$5,700,000	400,000	3,700,000	11/2020
Public Improvements	4.625-7.5%	\$250,000	25,000	125,000	11/2015
Public Improvements	3.25-4.00%	\$7,345,000	675,000	5,150,000	02/2023
Public Improvements	2.50-3.25%	\$3,220,000	325,000	2,600,000	09/2018
Public Improvements	3.125-4.00%	\$2,225,000	200,000	2,025,000	12/2024
Public Imp. Refunding, Ser.A	2.00- 4.00 %	\$2,175,000	-	2,175,000	11/2025
Public Imp. Refunding, Ser.B	2.00- 3.75 %	\$1,635,000	265,000	1,370,000	5/2020
Public Imp. Refunding, Ser.C	2.00- 6.00 %	\$3,695,000	-	3,695,000	11/2022
Public Improvements	2.00-3.00%	\$2,035,000	-	<u>2,035,000</u>	6/2021
Total Serial Bonds			<u>\$5,000,200</u>	<u>\$28,180,000</u>	

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On June 28, 2011 the City of Watertown issued \$2,035,000 of General Obligation Bonds to finance various capital projects at interest rates ranging from 2.00% to 3.00%. The net interest cost over the life of the bond is 2.33%.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Governmental Activities:

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,658,116	\$726,705	\$ 3,384,821
2013	2,218,256	626,856	2,845,112
2014	2,057,988	555,144	2,613,132
2015	1,974,702	486,889	2,461,591
2016	1,819,702	418,429	2,238,131
2017-2021	6,818,314	1,187,161	8,005,475
2022-2026	<u>2,203,000</u>	<u>175,948</u>	<u>2,378,948</u>
	<u>\$19,750,078</u>	<u>\$ 4,177,132</u>	<u>\$23,927,210</u>

Business-type Activities:

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,321,884	\$ 299,242	\$ 1,621,126
2013	851,744	255,289	1,107,033
2014	842,012	225,225	1,067,237
2015	825,298	195,642	1,020,940
2016	820,298	165,559	985,857
2017-2021	3,296,686	406,016	3,702,702
2022-2026	<u>472,000</u>	<u>30,090</u>	<u>502,090</u>
	<u>\$ 8,429,922</u>	<u>\$1,577,063</u>	<u>\$10,006,985</u>

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, 2011 was \$ 87,782.

Advance Refunding

On March 15, 1998, the City issued \$3,908,466 in Environmental Improvement Refunding Bonds with interest rates ranging from 3.5% to 4.85% to advance refund \$3,608,700 of outstanding 1991, 1992 and 1996 series bonds with interest rates ranging from 4.60% to 6.37%.

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Also, on March 15, 1998, the City issued \$2,525,000 in Environmental Improvement Refunding Bonds with interest rates ranging from 3.55% to 4.55% to advance refund \$2,350,000 of outstanding 1998 series bonds with interest rates ranging from 7.50% to 7.70%. These bonds were called on May 1, 1998.

For both issuances, the City used net proceeds to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded bonds, and accordingly, these securities are not included in the balance sheet.

These advance refundings reduced total debt service payments over fourteen years by \$1,148,000. The refunding bonds were issued through the New York State Environmental Facilities Corporation Clean Water and Drinking Water Revolving Funds Revenue Bonds (Pooled Loan Issue) Series 1998 A and B.

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

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

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

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

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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 May 15, 2011, the City redeemed the balance of \$100,000 of outstanding Hydroelectric Plant taxable serial bonds with an average interest rate of 7.45% dated May 15, 2002 with the use of \$100,000 of General Fund fund balance.

NYPA Loan Payable

On June 1, 2002 New York Power Authority issued a loan in the amount of \$459,702 to the City of Watertown for 120 monthly payments maturing May 1, 2012 at a variable interest rate. The interest rates in effect for this fiscal year ranged from 0.73% at the start of the fiscal year to 0.73% at the end of the fiscal year. The outstanding balance at June 30, 2011 is \$46,126. The estimated maturities over the next five years and thereafter are as follows:

2012	<u>\$ 46,126</u>
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3. Prior Years Defeasance of Debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for defeased bonds are not included in the City's financial statements. The remaining principal on these bonds was paid during the current fiscal year.

4. Deferred Revenue

Deferred revenue consists of the following:

General Fund:

Deferred property tax revenue and prepaid interest installments on special assessments	<u>\$ 366,039</u>
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Capital Projects Fund

Deferred State Aid and other miscellaneous sources	<u>\$ 58,498</u>
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Special Revenue Fund

Notes receivable funded from grant proceeds	<u>\$ 1,439,640</u>
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6. On-behalf Payments for Fringe Benefits

Beginning in the current fiscal year, the Federal government made on-behalf of payments for the Early Retiree Reinsurance Program, which reimburses the City up to 80% of annual claims between \$15,000 and \$90,000 per person. The amount included in the gross expenditures for the Early Retiree Reinsurance Program for the current fiscal year was \$300,952. This temporary program, authorized under Section 1102 of the Patient Protection and Affordable Care Act of 2010, Public Law 111-148, ends January 1, 2014.

7. Retirement Benefits

Plan Description

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

Funding Policy

The systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. 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, 2011 and two preceding years were:

	FYE 6/30/11	FYE 6/30/10	FYE 6/30/09
Employer Contributions			
ERS	\$ 921,798	\$ 618,718	\$ 635,943
PFRS	\$ 1,367,396	\$ 1,127,720	\$ 1,365,509
Employee Contributions			
ERS	\$ 86,370	\$ 84,691	\$ 80,686
PFRS	\$ -	\$ -	\$ -

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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, New York 12244

Bonus Retirement Plan

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

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

The City has reported \$34,000 relating to this bonus retirement plan as part of the accrued compensated absences balance in the General Fund.

7. 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 must be eligible to retire under the New York State Retirement Systems. The plan provides medical and prescription drug coverage to certain retirees and their dependents based upon the City's collective bargaining agreements with its various unions. The financial information for the City's plan is contained solely within these basic financial statements.

Funding Policy

The contribution requirements of the members and the City are established by the City's collective bargaining agreements with its various unions. The required contribution rate of the City and the members varies depending on the applicable agreement covering the

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retiree and the 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, 2011 the City contributed approximately \$6,501,539 to the plan for its share of the health insurance premiums while plan members receiving benefits contributed \$558,538.

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 the 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)	\$ 4,861,797	\$ 337,727	\$ 275,115	\$ 5,474,637
Interest on net OPEB obligation	\$ 155,109	\$ 11,218	\$ 9,950	\$ 176,277
Adjustment to ARC	<u>\$ (142,638)</u>	<u>\$ (10,316)</u>	<u>\$ (9,150)</u>	<u>\$ (162,104)</u>
Annual OPEB cost	\$ 4,874,268	\$ 338,629	\$ 275,915	\$ 5,488,812
Contributions Made	<u>\$ (3,635,988)</u>	<u>\$ (118,667)</u>	<u>\$ (153,418)</u>	<u>\$ (3,908,073)</u>
Change in net OPEB obligation	\$ 1,238,280	\$ 219,962	\$ 122,497	\$ 1,580,739
Net OPEB obligation - beginning of year	<u>\$ 3,445,853</u>	<u>\$ 249,296</u>	<u>\$ 221,117</u>	<u>\$ 3,917,266</u>
Net OPEB obligation - end of year	<u>\$ 4,685,133</u>	<u>\$ 469,258</u>	<u>\$ 343,614</u>	<u>\$ 5,498,005</u>

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

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Governmental Activities	\$ 4,874,268	74.60%	\$ 4,685,133
Business-type Activities - Water Fund	\$ 338,629	35.04%	\$ 469,258
Business-type Activities - Sewer Fund	\$ 275,915	55.60%	\$ 343,614

Funded Status and Funding Progress

As of September 1, 2010, the most recent actuarial interim valuation date, the City's actuarial accrued liability for benefits was \$112,726,495 and there were no plan assets. The covered payroll (annual payroll budget of active employees eligible to be covered by the

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plan) was \$17,329,092 and the ratio of unfunded actuarial accrued liability to covered payroll was 650.50%.

Actuarial valuations of an ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents multi-year trend information about the value of plan assets relative to the actuarial accrued liability.

Actuarial Methods and Assumptions

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

In the September 1, 2010 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 payroll on an open basis. The actuarial assumptions include 4.5% investment rate of return and an inflation rate of 3.0%. The annual healthcare cost trend rate was 9.0% for the current fiscal year and decreasing to 8.5% for the following year and continuing to decrease 0.5% per fiscal year until the fiscal year ending June 30, 2019 and beyond where it was kept at 5.0%.

C. Fund Balances

1. Non-spendable Fund Balances

Non-spendable fund balances consist of prepaid expenses and inventory at the Municipal Arena concession stand.

2. 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

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- Insurance – An amount reserved to pay claims and judgments for the City's general liability and the cost of providing health care benefits to eligible employees and retirees
- Tourism – Balance of City's share of the hotel occupancy tax enacted by Jefferson County which must be used to promote and develop tourism in the City
- Debt Service – Balance of debt issued on behalf of property owners who elected to participate in the City's ten-year special assessment program for sidewalk replacements

Other Governmental Funds

- Mandatory Reserve for Indebtedness – Pursuant to Section 165.00 of the Local Finance Law of the State of New York, the proceeds, which will not be used for the specific purpose of the borrowing, plus any interest earned or capital gain realized on these proceeds must be used only for payment of principal and/or interest from which these proceeds were derived. The total amount reserved for principal and interest at June 30, 2011 was \$230,942.

Proprietary Funds

- Mandatory Reserve for Indebtedness – Pursuant to Section 165.00 of the Local Finance Law of the State of New York, the proceeds, which will not be used for the specific purpose of the borrowing, plus any interest earned or capital gain realized on these proceeds must be used only for payment of principal and/or interest from which these proceeds were derived. The total amount reserved for principal and interest in the water fund at June 30, 2011 was \$100,176. The total amount reserved for principal and interest in the sewer fund at June 30, 2011 was \$150,287.

3. Other Fund Balance Disclosures

Deficit Fund Balance

There were no funds with a deficit fund balance at June 30, 2011.

4. Excess of Expenditures over Appropriations

The General Fund's employee benefit expenditures for the fiscal year ended June 30, 2011 as presented in Supplemental Schedule #1 exceeded appropriations by \$367,124 due to higher than anticipated claim costs of the City's self-funded health insurance plan.

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D. 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, 2011 were as follows:

	<u>Inter-fund Receivable</u>	<u>Inter-fund Payable</u>
General Fund	\$325,262	\$ 23,190
Water Fund	9,711	67,005
Sewer Fund	29,140	78,886
Library Fund	-	7,243
Capital Project Funds	17,775	204,844
Trust & Agency Fund	-	720
	<u>\$ 381,888</u>	<u>\$ 381,888</u>

Inter-fund Eliminations

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

	<u>General Fund</u>	<u>Self-funded Health Insurance Fund</u>
Revenues	\$ -	\$5,607,780
Expenditures	<u>5,607,780</u>	<u>-</u>
Total	<u>\$5,607,780</u>	<u>\$5,607,780</u>

E. 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 is for a ten-year period from October 22, 2001 through October 21, 2011. The annual rent for the current fiscal year is \$1,900. The lease payment is payable in advance by September 15th of the previous year. On October 17, 2011, the City Council approved a new lease for the period from October 22, 2011 through October 21, 2016. Minimum future rentals to be paid over the term of the lease:

<u>Fiscal year ended June 30,</u>	<u>Amount</u>
2012	\$ 2,500
2013	2,600
2014	2,700
2015	2,800
2016	2,900
	<u>\$ 13,500</u>

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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 in the aggregate and for each of the next five years are as follows:

<u>Fiscal year ended June 30,</u>	<u>Amount</u>
2012	\$ 24,000
2013	24,000
2014	24,900
2015	25,800
2016	25,800
Thereafter	<u>512,507</u>
	<u>\$637,007</u>

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, 2011 were \$381,353.

Estimated minimum future rental payments under the non-cancelable operating lease for each of the next four fiscal years and in the aggregate are:

<u>Fiscal year ended June 30,</u>	<u>Amount</u>
2012	\$187,443
2013	177,481
2014	167,518
2015	<u>157,555</u>
Total	<u>\$689,997</u>

Equipment Lease

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

<u>Fiscal year ended June 30,</u>	<u>Amount</u>
2012	\$ 2,596
2013	2,596
2014	<u>433</u>
	<u>\$ 5,625</u>

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Equipment Lease

The City is the lessor of certain office equipment. The lease dated August 10, 2010 is for a term of four years. Minimum future rentals on the lease in the aggregate and for each of the next three years are as follows:

<u>Fiscal year ended June 30,</u>	<u>Amount</u>
2012	\$ 4,059
2013	4,059
2014	<u>4,059</u>
	<u>\$12,177</u>

Vehicle Leases

The City is the lessor of certain police vehicles. The lease dated June 1, 2010 is for a term of three years. Minimum future rentals on the lease in the aggregate and for each of the next two years are as follows:

<u>Fiscal year ended June 30,</u>	<u>Amount</u>
2012	\$ 16,497
2013	<u>15,122</u>
	<u>\$ 31,619</u>

III. 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, 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, 2011, 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 \$149,273 as of June 30, 2011 for un-funded general liability claims.

On October 4, 2010 City Council authorized a settlement in the amount of \$600,000 of the case entitled Ryan Dorr v. City of Watertown. A liability was accrued to the fiscal year ending June 30, 2010 for this settlement and subsequently paid during the current fiscal year.

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.

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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 \$561,200 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 entered into a professional services contract for \$ 794,595 of which \$744,298 has been spent to date with Lu Engineers to prepare the investigation phase of the Environmental Restoration Program. As of June 30, 2011 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, 2011, the City is not aware of any significant environmental problems that should be disclosed in the general-purpose financial statements.

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, 2011, an estimated \$234,000 in post-closure care cost will be incurred over the remaining 20-year period. This liability is recorded in the long-term debt account group 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 and has applied to the Federal Energy Regulatory Agency (FERC) for a new hydro-electric generation license. 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.

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

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Federal Clean Water Act. The Committee contributed \$80,000 to the City for its Hole Brothers Access Improvement Project between 2008 and 2009.

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, 2011 was \$27,700.

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.

On June 16, 1995, the FERC issued a new license to the City for the continued operation, maintenance and expansion of the City's existing hydro plant.

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:

- Niagara Mohawk 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.
- 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.
- The City will lease all of its surplus power to Niagara Mohawk 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.

Watertown International Airport / Jefferson County Sales Tax Agreement

On May 3, 2004, the City agreed to a revised sales tax distribution with Jefferson County. Effective on September 1, 2004, Jefferson County increased the county's sales tax from 3.00% to 3.75%. Under the prior agreement the City received 28% of the County sales tax collections. The City agreed to forego receiving distributions on the additional revenue for the first five quarters that the new tax rate is in effect thus reducing its overall collection percentage of total sales tax collections to 22.4%. During the first five quarters, Jefferson County will retain all funds collected in excess of the original 3.00%. After the first five quarters, the City's overall collection percentage increases to 23.0% effective on 12/1/05, to 23.5% effective 12/1/06 and to 24.0% effective 12/1/07.

As part of the sales tax agreement, Jefferson County has agreed to take over the ownership of the Watertown International Airport, including all operating expenses and outstanding debt, effective January 1, 2005. The transfer of the airport to Jefferson County occurred on March 1, 2006.

On May 1, 2007 the Jefferson County Board of Legislators agreed to eliminate the 2% tax on residential energy sources and services effective September 1, 2007 and to absorb the full cost of

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providing emergency dispatch services to the City over a two year period beginning with a 50% reduction in charges in 2008 and a full reduction in 2009 and thereafter. The County agreed to these changes to gain the bipartisan support for the introduction of a bill in the State Legislature that extended the County's authorization to impose the additional three quarters of one percent (3/4%) rate of sales tax through November 30, 2009.

Water Agreement Between The Development Authority of the North Country and the City

By resolution adopted January 24, 1990, the City Council approved a twenty year agreement, effective with the commencement of regular treated water deliveries, between the City and the Development Authority of the North Country, in order to produce and deliver treated fresh water to Fort Drum and future outside water districts. The Development Authority of the North Country and United States Army executed an agreement on January 16, 1990 for water services to Fort Drum and surrounding communities. On May 16, 1991, the City began delivering water to the Authority. The City is currently in negotiations with the Development Authority of the North Country on a new agreement for water services.

Gross Receipts Tax Refund Request from National Grid

On December 26, 2008 National Grid requested a gross receipts tax refund in the amount of \$184,430 for the time frame covering December 25, 2005 through September 30, 2008 on the basis that it erroneously included revenues from electric transmission and distribution service and gas transportation service which did not originate within the boundaries of the City. National Grid is seeking similar refunds from approximately 150 New York communities.

On behalf of the affected communities the New York Conference of Mayors (NYCOM) requested and received an Advisory Opinion of the New York State Department of Taxation and Finance that supports NYCOM's position on the applicability of the local gross receipts tax to unbundled sales of energy commodities. Accordingly, it was requested of National Grid to abandon their attempts to collect a refund and immediately begin collecting the gross receipts tax in accordance with the Advisory Opinion and remit a supplemental payment to the affected municipalities on their gross receipt tax underpayments since November 2008. National Grid was approved by the NYS Public Service Commission for a tariff revision to allow them to begin collecting the gross receipts tax in accordance with the Advisory Opinion effective December 1, 2009.

During this dispute the City did not accrue any additional revenues through the fiscal year ending June 30, 2011 related to the underpayments as it was unclear if National Grid would apply the ruling retroactively nor did the City record the initial refund request in the financial statements as a liability.

On October 4, 2010 City Council agreed to a tentative settlement with National Grid that provides for (1) the City to keep the funds that National Grid claimed were owed to them in their December 2008 letter and; (2) National Grid does not remit any gross receipts tax for sales between December 2008 and November 30, 2009, as it did not collect any and; (3) based on new tariff leaves filed at the New York State Public Service Commission, National Grid will collect and pay local GRT on all transactions from December 2009 forward.

**CITY OF WATERTOWN, NEW YORK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows)				
Real property taxes	\$ 7,410,974	\$ 7,410,974	\$ 7,054,030	\$ (356,944)
Real property tax items	236,770	236,770	315,952	79,182
Non-property taxes	16,257,700	16,257,700	17,054,098	796,398
Departmental income	4,484,870	4,484,870	4,940,166	455,296
Intergovernmental charges	123,870	123,870	117,157	(6,713)
Use of money and property	198,930	198,930	145,689	(53,241)
Licenses and permits	79,600	79,600	93,916	14,316
Fines and forfeitures	135,000	135,000	100,533	(34,467)
Sale of property and compensation for loss	237,000	237,000	475,533	238,533
Miscellaneous local sources	648,315	648,315	706,592	58,277
Interfund revenue	760,842	774,517	1,012,040	237,523
State source	5,668,594	5,668,594	5,627,714	(40,880)
Federal sources	315,100	315,100	675,655	360,555
Transfers from other funds	201,325	196,325	273,034	76,709
	<u>36,758,890</u>	<u>36,767,565</u>	<u>38,592,109</u>	<u>1,824,544</u>
Amounts available for appropriation				
Charges to appropriations (outflows)				
General government support	5,344,264	5,177,467	4,956,825	220,642
Public safety	13,854,975	13,901,925	13,859,362	42,563
Transportation	4,046,159	4,141,584	3,927,197	214,387
Economic assistance and development	110,250	110,250	94,554	15,696
Culture and recreation	1,089,373	1,211,348	1,126,600	84,748
Home and community services	1,228,528	1,110,100	1,072,073	38,027
Employee benefits	7,606,207	7,637,757	8,004,881	(367,124)
Debt service	3,444,674	4,547,674	4,546,364	1,310
Transfers to other funds	1,646,499	1,717,964	1,521,521	196,443
	<u>38,370,929</u>	<u>39,556,069</u>	<u>39,109,377</u>	<u>446,692</u>
Total charges to appropriations				
Excess (Deficiency) of Resources Over Charges to Appropriations	(1,612,039)	(2,788,504)	(517,268)	2,271,236
Appropriation of prior year fund balance	1,612,039	2,788,504	-	(2,788,504)
Excess / (Deficiency) of Resources Over Charge to Appropriations	<u>-</u>	<u>-</u>	<u>(517,268)</u>	<u>(517,268)</u>
Fund Balance, Beginning of year			14,558,066	
Fund equity transfer			92,891	
Fund Balance, End of year			<u>\$ 14,133,689</u>	

See Paragraph on Supplemental Schedules Included in Auditor's Report.

SUPPLEMENTAL SCHEDULE #2

CITY OF WATERTOWN, NEW YORK

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**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
US Department of Housing & Urban Development:		
Community Development Block Grant/State's Loan HOME Investment Partnerships Program	14.228 14.239	\$ 675,037 <u>126,261</u>
Total Department of Housing & Urban Development		<u>801,298</u>
US Department of Transportation:		
Passed Through New York State:		
ARRA-Highway Planning and Construction	20.205	221,812
State and Community Highway Safety	20.600	8,347
Federal Transit Administration - Formula Grants for Other than Urbanized Areas	20.509	<u>280,751</u>
Total Department of Transportation		<u>510,910</u>
US Department of Homeland Security:		
Homeland Security Grant Program	97.067	<u>2,729</u>
US Department of Commerce:		
Public Safety Interoperable Communications Grant	11.555	<u>96,231</u>
US Department of Justice:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3,746
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units of Local Government	16.804	45,296
Bulletproof Vest Partnership Program	16.607	<u>2,100</u>
Total Department of Justice		<u>51,142</u>
		<u><u>\$ 1,462,310</u></u>

See Paragraph on Supplemental Schedules Included in Auditor's Report.

See accompanying notes to Schedule of Expenditures of Federal Awards.

CITY OF WATERTOWN, NEW YORK
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 NOTES TO SCHEDULE OF EXPENDITURES
 OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2011

1. Summary of certain significant accounting policies:

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

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

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

2. Community Development Block grant loans:

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

CFDA #	Balance at 7/1/10	Issuance	Forgiveness	Balance at 6/30/11
14.228	\$ 596,681	\$ 535,272	\$ 253,752	\$ 878,201

3. Subrecipients:

No amounts were provided to subrecipients.

SUPPLEMENTAL SCHEDULE #3

CITY OF WATERTOWN, NEW YORK

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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR "THE PLAN"

FOR THE YEAR ENDED JUNE 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)--- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/1/08	\$ -	\$ 106,599,921	\$106,599,921	0%	\$ 15,321,802	695.74%
9/1/09	\$ -	\$ 106,324,770	\$106,324,770	0%	\$ 17,021,035	624.67%
9/1/10	\$ -	\$ 112,726,495	\$112,726,495	0%	\$ 17,329,092	650.50%

See Paragraph on Supplemental Schedules Included in Auditor's Report.

POULSEN & PODVIN, CPA, P.C.

Certified Public Accountants

145 Clinton St.

Watertown NY 13601

**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***

To the Senior Management, Mayor and
Members of the City Council of
the City of Watertown, New York

We have audited 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 City of Watertown, New York, as of and for the year ended June 30, 2011, which collectively comprise the City of Watertown, New York's basic financial statements and have issued our report thereon dated January 27, 2012. We did not audit the financial statements of Trustees of the Roswell P. Flower Memorial Library, which represents 100 percent of the City's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trustees of the Roswell P. Flower Memorial Library, is based on the report of the other auditors. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Watertown, New York's internal control over financial reporting as a basis for designing our auditing procedures 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, New York's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Watertown, New York's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

We noted certain matters that we reported to management of City of Watertown, New York, in a separate letter dated January 27, 2012.

This report is intended solely for the information and use of the Mayor and Members of the City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Poulsen & Poduin, CPA, P.C.

January 27, 2012

POULSEN & PODVIN, CPA, P.C.

Certified Public Accountants

145 Clinton St.

Watertown NY 13601

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Senior Management, Mayor and
Members of the City Council of
the City of Watertown, New York

Compliance

We have audited City of Watertown, New York's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Watertown, New York's major federal programs for the year ended June 30, 2011. City of Watertown, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Watertown, New York's management. Our responsibility is to express an opinion on City of Watertown, New York's compliance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that 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. Our audit does not provide a legal determination of City of Watertown, New York's compliance with those requirements.

In our opinion, City of Watertown, New York, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Mayor and Members of the City Council, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Poulsen & Podvin, CPA, P.C.

January 27, 2012

CITY OF WATERTOWN, NEW YORK
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Section I – Summary of Auditor’s Results:

1. The auditor’s report expresses an unqualified opinion on the financial statements of the City of Watertown, New York.
2. There were no significant deficiencies disclosed during the audit of the financial statements of the City of Watertown, New York.
3. No instances of noncompliance material to the financial statements of the City of Watertown, New York, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies in internal control disclosed during the audit of the major federal award programs of the City of Watertown, New York.
5. The auditor’s report on compliance for the major federal award programs for the City of Watertown, New York expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major federal program included – Community Development Block Grant/State’s Loan – CFDA #14.228.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City of Watertown, New York was determined to be a low-risk auditee.

Section II – Financial Statement Audit Findings:

There were no findings to report.

Section III – Major Federal Award Programs Findings and Questioned Costs:

There were no findings to report.

Summary Schedule of Prior Audit Findings:

There were no findings to report.

POULSEN & PODVIN, CPA, P.C.

Certified Public Accountants

145 Clinton St.

Watertown NY 13601

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

INDEPENDENT AUDITOR'S REPORT

To the Senior Management, Mayor and
Members of the City Council of
the City of Watertown, New York

Compliance

We have audited the compliance of City of Watertown, New York, with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended June 30, 2011. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each program tested is the responsibility of City of Watertown, New York's management. Our responsibility is to express an opinion on City of Watertown, New York's compliance based on our audit.

We conducted our audit of compliance in accordance with accounting standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Draft Part 43 of NYCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Watertown, New York's compliance with those requirements.

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, 2011.

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, 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 for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Watertown, New York's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

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, 2011, and have issued our report thereon dated January 27, 2012. Our audit was conducted for the purpose of forming an opinion on City of Watertown, New York's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of City of Watertown, New York's Mayor and Members of the City Council, management and the New York State Department of Transportation. However, this report is a matter of public record and its distribution is not limited.

Poulsen & Paduin, CPA, P.C.

January 27, 2012

CITY OF WATERTOWN, NEW YORK

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SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
YEAR ENDED JUNE 30, 2011

Program Title	Ref. Number	Expenditures
Consolidated Local Street and Highway Improvement Program Capital - Reimbursement/CHIPS	732059	\$ 291,434
Formula Grants for Other Than Urbanized Areas - Bus replacement	C003759	57,757
Formula Grants for Other Than Urbanized Areas - DPW Maintenance Facility	C003695	<u>4,528</u>
TOTAL		<u>\$ 353,719</u>

See accompanying notes to Schedule of State Transportation Assistance Expended.

CITY OF WATERTOWN, NEW YORK

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NOTES TO SCHEDULE OF STATE TRANSPORTATION
ASSISTANCE EXPENDED
YEAR ENDED JUNE 30, 2011

NOTES

A. General:

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

B. Basis of Accounting:

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

CITY OF WATERTOWN, NEW YORK

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
STATE TRANSPORTATION ASSISTANCE EXPENDED
YEAR ENDED JUNE 30, 2011

Summary of Audit Results:

Internal control over state transportation assistance expended:

Material weakness(es) identified	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None reported

Type of auditor's report issued on compliance for Program tested:	Unqualified
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Summary of Audit Findings:	N/A
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Identification of State Transportation Assistance Programs tested:	Consolidated Local Street & Highway Improvement Program Capital Reimbursement- CHIPS Contract #732059
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Compliance Findings and Questioned Costs:

No matters were reported

Res No. 1

February 16, 2012

To: The Honorable Mayor and City Council
From: Mary M. Corriveau, City Manager
Subject: Performance Reviews of City Manager and City Clerk

At the request of the Mayor, the attached Resolution is presented for City Council consideration.

RESOLUTION

Page 1 of 1

Performance Reviews of City Manager and City Clerk

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

Total

YEA	NAY

Introduced by

WHEREAS the Charter of the City of Watertown under Title III, Section 20-8 requires performance reviews of the City Manager and City Clerk, and

WHEREAS the City Manager, Mary M. Corriveau, and the City Clerk, Ann M. Saunders, have submitted to City Council a list of accomplishments for the past year, and

WHEREAS due to the short tenure of Ms. Saunders (in office since January 1, 2012) and the pending retirement of Ms. Corriveau (by or before April 28, 2012), the Council declined further discussion or review of performances at its meeting of February 13, 2012,

THEREFORE BE IT RESOLVED the City Council of the City of Watertown accepts the attached summaries as the sole action in satisfaction of the Charter requirement.

Seconded by

February 1, 2012

To: The Honorable Mayor and City Council

From: Mary M. Corriveau, City Manager

Subject: Annual Summary of Organizational Initiatives,
Challenges and Accomplishments for 2011

The past year has had plenty of challenges; from billing challenges at Parks and Recreation to the growing fiscal challenges all local governments are facing with rising costs and demands to hold the line on taxes. As always, with every challenge comes an opportunity to excel and the City team did just that. City Staff faced the Parks and Recreation billing situation head-on and initiated an internal audit that began before and ran beyond the time spent by our external auditors and together we developed a corrective action plan that has ensured thorough and sustained fiscal review of this department's operations.

I am proud to say that the City team has responded to the changing demands of this community with style and professionalism. At all levels within this organization, you will find competent leaders who inspire the team to achieve the success highlighted in this document. The 350+ individuals that make up the City Team, serve this community proudly, and it has been an honor to lead them over the past year.

Fiscal Initiatives:

Fiscal Year 2011-12 Budget:

Lowered Real Property Tax Levy and Tax Rate, -2.50% and -3.47% respectively. Held water and sewer rates for two years in a row; implemented utility rate schedule modification adopted by City Council.

Health Insurance fund premiums decreased for a second year in a row, 5.0% decrease in FY 2010-2011, and 3.4% decrease in FY 2011-2012.

Continued to focus on reducing the City's dependence on short and long term debt by appropriating operating funds for smaller capital purchases, while balancing the City's ability to pay.

Moody's Investor Services upgraded the City of Watertown's rating to an Aa3 from an A1 rating. According to Moody's the improved rating was reflective of the City's sound financial position characterized by healthy reserves, a medium-sized tax base with below average wealth levels and manageable debt burden. Other factors that contributed to the rating upgrade were demonstrated strong fiscal management and financial planning as well as the City's increased role as a regional economic center.

Refinanced bonds which resulted in a combined difference in cash flow requirements of \$2,869,744 and a net present value savings of \$804,313.

Continued to put greater emphasis on the long term fiscal health of the City. In response to economic downturn, a less aggressive Capital spending plan for the next five years focused on needed improvements vs. wants.

Grants awarded: \$ 586,021

Community Development Block Grant Program - \$400,000, Rental Rehabilitation; North Country HOME Consortium, \$138,436, Rehabilitation of 6 housing units; Environmental Protection Agency, \$12,000, Tree Planting Program; Northern New York Community Foundation, \$3,700 Carolyn Whitney Fund for planting of street trees; Rotary Club of Watertown - \$2,000 for planting of street trees; Urban and Community Forestry Program - \$5,000, for the 2012 Tree Planting Project; Edward Byrne Memorial Justice Assistance Grant (JAG) Program - City/County \$19,280, School Resource Officer; Jefferson County Office of Aging \$4,605, for Citibus senior transport program.

Personnel Matters:

Personnel Actions: 22 Appointments; 3 Resignations; 14 Retirements; 8 Promotions, 2 Suspensions, 1 Termination, 1 Leave of Absence.

Recruited and hired new Purchasing Manager.

Beginning interviews as part of second search for Superintendent of Parks and Recreation.

Initiated search for Parks and Recreation Program Manager, with exam to be given on February 4, 2011.

Actively negotiating with Watertown Professional Fire Fighters' Association, contract expired on June 30, 2011.

Completed Police Academy with a class of sixteen recruits, comprised of six City recruits, with the remaining class members coming from Fulton and Oswego Police Departments, Oswego Sheriff's Department and SUNY Oswego Police.

Civil Service exams given to support City employment needs: 4 Promotional, and 5 Open Competitive.

Fox Lawson presented completed Employee Classification and Compensation Study to City Council, March 2011. Civil Service Commission has reviewed all new job descriptions and is about to begin Employee Appeal Process. Participated in Summer Youth Employment and Training Program.

Twice this year the Watertown Fire Department has been called upon to provide disaster recovery assistance in NYS to areas hit by severe storm. The City of Watertown Type III Swift Water Team provided emergency assistance in both instances.

The Watertown Police Department hosted two JCC Criminal Justice students with 90 hour internships.

Economic Development Initiatives:

Worked with City Council, Planning Board, Advantage Watertown, and River Committee on implementation of zoning modifications associated with Local Waterfront Revitalization Program (LWRP).

Reached an Agreement with the Town of Hounsfield for the provision of Water services to support development in and around the Watertown International Airport.

Reached a twenty (20) year Agreement with the Development Authority of the North Country for providing Water services to Fort Drum and to other users along the Fort Drum to Watertown corridor.

Using Community Development Block Grant and HOME funds, worked with Neighbors of Watertown to implement upper floor housing initiative in the Downtown area with the construction of seven new housing units above Rent-A-Zone and four new units in the Cahill Building.

With the assistance of City Attorney James Burrows, completed the eminent domain proceedings associated with this sewer utility service expansion and intersection acquisition in the Gaffney Drive area.

Completed cleanup of environmental contamination at Sewall's Island and now actively working with Watertown Trust on potentials for redevelopment.

Completed work on Shared Municipal Services Grant received by the City and the Town of Watertown to address system wide issues with Disinfection Byproducts, with presentation to City Council and Town Board on February 14, 2011.

Capital and Facility Projects:

Initiated Ogilvie Site environmental clean-up. Coordinated with Jefferson County the removal of the "shot" rock material that was used to cover the demolition site. Sewer crew conducted the sub-surface excavation work, in the areas identified by the project engineer, to determine the sub-surface conditions.

Coordinated repairs to Clock Tower hands by Department of Public Works Electric Division, Mike Deans of Knowlton Specialty Paper, Watertown Fire Department and an anonymous donor who paid for the fabrication of the new

hands.

Fire and Police Department personnel continue to work with consultant and Jefferson County toward implementation of an interoperable communication network by June 2012.

Annual street paving crew completed surface milling and paving operations on Franklin Street and Ward Street. Shim & overlay projects were performed on New York Avenue, Pratt Street and Railroad Street.

DPW crews placed approximately 6,100 linear feet of concrete pin-on curbing. Concrete pin-on curbs were installed along Franklin Street, a portion of Pawling Street, Pratt Street and a portion of Thompson Boulevard.

Installation of a slip liner in the section of the Western Outfall Trunk Sewer (WOTS) from Wealtha Ave to the overflow device at the WWTP was completed.

Tri-annual dredging of Coagulation Basin completed.

J.B. Wise Parking Lot Reconstruction 95% complete with minor landscaping and flexi-pave to be installed in Spring 2012.

Aviary/Learning Center design underway with final design proposals to be presented to City Council in February.

A new SPDES permit for City's Wastewater Treatment Plant issued effective February 2011, which contained a requirement for the design and construction of a Disinfection System at Wastewater treatment plant. Initiated engineering services for design of system.

Clinton Street reconstruction design nearing completion and prepared to be bid in early 2012.

Proposals for engineering design and oversight of the rehabilitation and replacement of the filter media at the water treatment plant awarded.

Completed design, bidding and renovations to Wash Bay at DPW facility.

Roof repairs at Arsenal Street CitiBus Transfer Facility repaired.

Public Works personnel continue to work on development at Bicentennial Park and Marble Street Park.

Completed installation of new wayfinding signs.

Supported Sidewalk Special Assessment Program. Staff is prepared to move forward with new Assessment District this Spring.

Supported Rotary and Tree Watertown initiatives, Tree City USA, 11th year.

Alternative Energy Initiatives:

Entered into agreement with Sack and Associates for review of geothermal viability at City Hall, Library, Sewage Treatment Plant, Arena and Water Treatment Plant. Draft report on City Hall and Library was presented to the City Council on March 21, 2011. As a result of feasibility study, Sack and Associates put specifications together and bid work for HVAC systems at both facilities.

Working with NYSEERDA through their Local Government Focus Program to develop a Local Action Plan on Energy Conservation/Efficiency and Alternative Energy uses.

Department of Public Works and Information Technology working together on Efficient Transportation System Implementation Project for the City's refuse and recycling operation.

Information Technology:

Fiber Optic network to City facilities complete except connection from Washington Street to Stone Street. Final link to be completed in Spring 2012.

Established a backup site for the City's entire technology infrastructure. Equipment at the secondary location will provide a site for emergency recovery of data services if required and also provide load balancing in normal operating conditions.

Implemented UFPO Permit application for use by Engineering, Public Works Administration, Street, Sewer, and Electric, and Water Administration and Distribution departments attended an introductory session on the new automated UFPO web based response and tracking system.

Assessment, Codes, Engineering, Planning, Police, Information Technology and Fire Department working to develop system for addressing.

In partnership with Jefferson County, City Assessment Department and Information Technology integrated "Pictometry" obtained courtesy of Jefferson County (via a grant) for City staff use.

Installed new desktop systems at the Watertown Police Department. End-of-life network equipment replaced and thin clients were setup for Records, Booking and the Patrol office.

Administrative Initiatives:

Preparation of legislation for City Council consideration: 217 Resolutions, 12 Ordinances, and 5 Local Laws

Prepared and submitted two Consolidated Funding Applications submitted to the Regional Development Council; one for the façade work at the Flower Memorial Library, the other for the rehabilitation of the Municipal Ice Arena.

In concert with the New York State Department of Environmental Conservation (NYSDEC), the City's Planning Department hosted a tree pruning workshop.

Provided anti-harassment/non-discrimination and workplace violence training sessions for all City employees.

Worked successfully with the Attorney General's Office to obtain financial reimbursements for all participants in the first downtown banner vendor.

Working with Consultant Anthony Casale and City Attorney Robert J. Slye, developed Policies and Procedures for the sale and consumption of alcohol on City owned property. To be presented to City Council on February 13, 2012.

Renegotiated Agreements with POMCO and ProAct to provide Third Party TPA Health Administration Services and Rx Administration services, respectively.

Staff continues to work with Tree Watertown on the development of an Emerald Ash Borer (EAB) Management Plan.

Issued Annual Water Quality Report.

Staff actively participated in regional Transit Study initiated by FDRLO.

Participate in quarterly meetings with representatives from POMCO and ProAct.

Facilitated the downtown tree lighting ceremony featuring the Northern Blend Chorus, along with Santa and Mrs. Claus.

Quality of Life Initiatives -

Worked with community organizations and Symphony Syracuse members to ensure that the 4th of July concert in Thompson Park continued after Syracuse Symphony bankruptcy. .

The Fairgrounds Complex, Thompson Park and Watertown Municipal Arena were highly utilized this summer for hosting annual events and shows. The Fairgrounds Athletic Fields hosted the North Country Lacrosse League, Red & Black Football, the Annual Can-AM Girls Softball Tournament on Fairgrounds and North Side fields, Men's Fast Pitch Tuesday Night Softball League, Sunday Softball League, American Legion Baseball, Youth Baseball All-star Game, Watertown Wizard's, Babe Ruth Baseball and Pop Warner Football.

The Fairgrounds and Arena also hosted events such as the Saturday Morning Farmer's Market, the Teitsworth Equipment Auction, Relay for Life, NYPEA

Horse Show, DPAO Kids Concert, the BRVHA Horse Show, Amp Entertainment's Buck Cherry Rock Concert, DPAO Tragically Hip Concert, Jefferson County Fair, DPAO Steve Martin Concert and DPAO Reba McEntire Concert.

The City's Summer Playground program was offered for seven weeks this summer, ending on August 12th.

Parks & Recreation and the Watertown Golf Club teamed up to provide an opportunity for the area's youth interested in learning how to golf.

The City's Watertown Tennis Clinic program provided an opportunity for the area's youth interested in learning how to play tennis. The lessons took place on the tennis courts located in Thompson Park under the direction of Don Osborn.

Significant Training Opportunities:

New York State Public Employer Labor Relations Association two day training conference on current issues facing Public Employers.

Participated in Government 201 session with leadership from the 10th Mountain Division 3rd Brigade Combat Team(BCT), professors from Syracuse University Maxwell School and City Department Heads prior to the 3rd BCT's deployment to Afghanistan.

Preparing for Government 301 session in February 2012 with 10th Mountain Division 3rd BCT, City Staff, and other local government officials that assisted in the Government 101 session.

Professional Organizations:

International City/County Managers Association
New York State Municipal Managers Association
New York State Public Employer Labor Relations Association

Work Related Boards:

Watertown Local Development Corporation - Board of Directors
Jefferson County Job Development Corporation - Board of Directors
Advantage Watertown – Staff Member

Community Related Boards:

Fort Drum Regional Liaison Organization – Treasurer, Board of Directors
NNY - Ft. Drum Chapter AUSA – Member Board of Directors, (Past President)
Jefferson Community College Foundation – Board of Directors (Past President)
Jefferson Community College Center for Community Studies– Board of Directors
Operation Yellow Ribbon Committee – Committee Co-Chair
Mayor’s Ball Committee – Member

Community Opportunities:

Facilitator, Jefferson Leadership Institute, Local Government Day



CITY OF WATERTOWN, NEW YORK

OFFICE OF CITY CLERK

CITY HALL, ROOM 101

245 WASHINGTON STREET

WATERTOWN, NEW YORK 13601-3387

(315) 785-7780 Fax (315) 785-7796

Email: asaunders@watertown-ny.gov

Ann M. Saunders
City Clerk/City Historian

Date: February 2, 2012

To: The Honorable Mayor and City Council

From: Ann M. Saunders

Subject: Annual Performance Review

2011 was a year for transition in the City Clerk's Office. Longtime City Clerk Donna M. Dutton retired on December 31, 2011, after servicing the City of Watertown for 29 years. I started with this office on August 29, 2011, and spent many hours in training prior to taking the oath of office on January 1, 2012. My training involved learning the day to day functions of the deputy clerks as well as serving as the clerk for the City Council. The learning process has been challenging as well as very enjoyable and I am honored to have been chosen for this position. I look forward to serving in this capacity for many years to come.

In the area of vital statistics, our office continues to be very busy with the filing of 1058 marriage licenses, 1631 birth certificates and 522 death certificates. In addition, over 5,000 certified copies were issued throughout the year. We performed 580 wedding ceremonies which was a slight decrease from last year but this number is always influenced by deployments. Birth certificates have been entered into the computer system from 1914 to present and death certificates are computer indexed from 1914 to 1923 and 1967 to present. This is still a work in progress. Due to the confidential information that is handled in this area, I have implemented the policy of shredding documents to be discarded to avoid any privacy issues.

The issuance of passports by the City Clerk's office was discontinued by the US Department of State/Passport in May of 2011. It was determined that there was a conflict of interest with issuing passports because our office issued birth certificates as well. To resolve this conflict, one person would need to be assigned to passports and one person would need to be assigned to birth certificates. Unfortunately, this office is too small to accommodate this requirement.

Dog licensing became the responsibility of the municipality in 2011. Our office issued a total of 1673 dog licenses (1652 new to the city system and 21 renewals). After completing the first year of this process, it was determined there were inconsistencies in the renewal process, updating of statuses and handling of delinquent licenses. I have spoken with Todd Cummings, Jefferson County Dog Warden, several times to develop a more efficient policy for tracking

delinquent dog licenses in hopes of reducing this number. I hope this will be successful and create increased revenue in this area.

Genealogy searches continue to be popular among individuals wanting to know more about their family heritage. In 2010, Elyse Frezzo, Deputy Clerk, worked very closely with an individual from England researching a family member that lived in the area. During the fall of 2011, this individual made a trip from England which included a visit to our office to learn more about our community. He shared many stories and pictures of his family from England.

The historian portion of my job is very fascinating to me and I plan to spend a great deal of time reading through the many archives in the Historian Room. Unfortunately, our office lost one of our dedicated volunteers, Doris Monterey, this year but Clancey Hopkins continues to be a mainstay. His dedication and hard work is much appreciated. My goal for this year is to find more volunteers to help in this area. Currently, I am working with the IT Department to recycle a newer computer into this room and to make the computerized indexing system accessible from the Clerk's Office as well as the Historian Room.

Serving as the clerk to the City Council is a very important function of the position. I became responsible for all the City Council meetings as of September 12, 2011. The process of government is very interesting and I am privileged to be a part of it. My approach to the minutes is to be precise and clear without losing the detail of the discussion. In reviewing the minutes in relation to the City Code, I discovered that some legislation was not implemented into the Code Book. Our office is in the process of auditing the ordinances and local laws of the past few years to ensure everything is reflected in the City Charter and/or City Code as intended.

I have many goals for 2012 which entail developing policy and procedures and implementing more efficient methods of operations. I have started to develop a policy and procedure book for the daily operations of the office to ensure compliance with the NYS regulations that must be followed. I am also in the process of formulating a computerized indexing system for the City Council meeting. This will replace the current handwritten indexing system consisting of index cards and will increase the search capabilities. In addition, I will expand the indexing to include discussion topics as well as resolutions, ordinances and local laws. Furthermore, I plan to explore the capabilities of the BAS software used in the Clerk's Office to further computerize additional day to day functions. This will include the use of the full accounts receivable system available in BAS and provide better checks and balances in the handling of money. I am also working on a policy for the handling of money within our office to be submitted to the Comptroller's Office upon completion.

In conclusion, our office has seen many changes in the past few months but it has not interrupted the quality level of service that is provided to the public. We strive to put customer service first and make it our top priority.

Res Nos. 2 and 3

February 15, 2012

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Authorizing FY 2011-12 Supplemental Appropriation No. 1 for the Sewer Fund and Re-adoption of the FY 2011-12 Capital Budget

Included in tonight's City Council agenda was a contract with GHD Consulting Engineers, LLC in the amount of \$706,800 for the design, bidding and construction phase services for the Wastewater Treatment Plant Disinfection System.

The construction of this system was included in FY 2012-13 of the original FY 2011-12 through FY 2015-16 five-year Capital Budget. As this project is commencing sooner than anticipated a resolution has been prepared for City Council consideration to re-adopt the FY 2011-12 Capital Budget to add this project.

The adopted FY 2011-12 Sewer Fund Budget appropriated \$250,000 to be transferred to a Capital Reserve Fund. When the Sewer Fund budget was developed the intent of establishing the Sewer Fund Capital Reserve Fund was to set aside funds to minimize the debt needed to be issued for the construction of the disinfection system. As the project is commencing sooner than anticipated a resolution has been prepared for City Council consideration that transfers the Capital Reserve Fund appropriation to a Transfer to Capital Project appropriation to partially pay for the design portion of the project.

RESOLUTION

Page 1 of 1

Approving Supplemental Appropriation No. 1
For Fiscal Year 2011-12 for Various Accounts

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

YEA	NAY

Introduced by

RESOLVED by the City Council of the City of Watertown, New York that the total amount of \$250,000 is hereby transferred and appropriated from and to the following accounts of the Sewer Fund for FY 2011-12:

<u>Expenditures</u>		
G 9945.0900	Transfer to Capital Reserve	(\$ 250,000)
G 9950.0900	Transfer to Capital Fund	<u>250,000</u>
Total		<u>\$ -</u>

Seconded by

RESOLUTION

Page 1 of 1

Re-Adoption of Fiscal Years 2011-12 through
2015-2016 Capital Budget

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

YEA	NAY

Introduced by

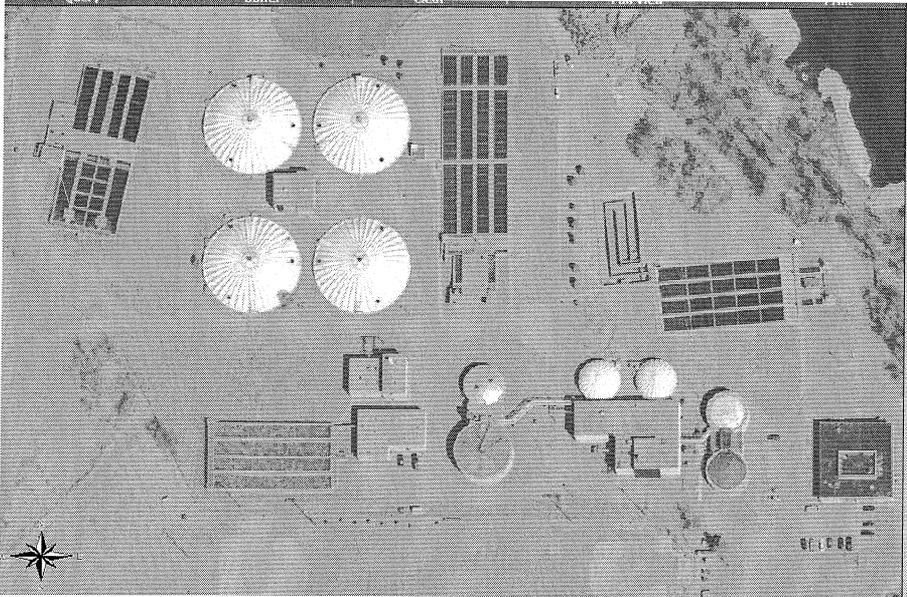
WHEREAS on June 1, 2011 the City Council adopted the Fiscal Years 2011-12 through 2015-16 Capital Budget, and

WHEREAS City Council desires to accept the bid submitted by GHD Consulting Engineers, LLC for the design and construction phase services of the Wastewater Treatment Plant Disinfection System project in the amount of \$706,800, and

NOW THEREFORE BE IT RESOLVED that the Fiscal Years 2011-12 through 2015-16 Capital Budget is amended to include the Wastewater Treatment Plant Disinfection System Design project at an estimated cost of \$710,000 in FY 2011-12.

Seconded by

FISCAL YEAR 2011-2012
 CAPITAL BUDGET
 INFRASTRUCTURE
 SANITARY SEWER CONSTRUCTION

PROJECT DESCRIPTION	COST
<p data-bbox="111 396 663 437">WWTP Disinfection System Design</p> <p data-bbox="106 482 1193 697">This project involves the design of a disinfection system for both treatment outfalls at the WWTP. This system is mandated in the renewed SPDES permit provided by the NYSDEC for the operation of the facility. The DEC has approved the basis of design and this project will perform the detailed design of the new system.</p> 	<p data-bbox="1271 404 1436 445">\$710,000</p>
<p data-bbox="1067 1651 1208 1692">TOTAL</p>	<p data-bbox="1263 1651 1428 1692">\$710,000</p>

Res No. 4

February 15, 2012

To: The Honorable Mayor and City Council

From: Mary M. Corriveau, City Manager

Subject: Alcohol Sales Policy for the City of Watertown,
City Owned Property

The City of Watertown owns recreational facilities utilized for sporting events, concerts and/or performances and public assemblies where the sponsor of the event may wish to lawfully sell alcohol to attendees. The sale of alcohol is unlawful unless it is pursuant to a valid permit or license, and such permits and licenses for sales on City owned property cannot be obtained without City approval. The City has for years reviewed and approved applications to the State Liquor Authority one day permits to sell alcohol on City Property.

In August 2011, the City engaged the services of Anthony J. Casale to review the current practices and procedures that were being followed and help the City develop a formal Policy for the sale of alcohol on City property. That Policy was presented to the City Council for review at the February 13, 2012 City Council meeting, at which time staff was asked to draft a resolution so that the City Council could formally approve the Policy.

Attached for City Council consideration is a resolution approving the Alcohol Sales Policy for the City of Watertown, City owned property. A copy of the Policy is attached and made a part of this resolution.

RESOLUTION

Page 1 of 1

Approving Alcohol Sales Policy
For the City of Watertown, City
Owned Property

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

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown owns recreational facilities utilized for sporting events, concerts and/or performances, and public assemblies where the sponsor of the event may wish to lawfully sell alcohol to attendees, and

WHEREAS the sale of alcohol is unlawful unless it is pursuant to a valid permit or license, and such permits and licenses for sales on City owned property cannot be obtained without City approval, and

WHEREAS the City Council wishes to establish a policy for the sale of alcohol on City owned facilities, and

WHEREAS with the attached Alcohol Sale Policy was reviewed and endorsed by the City Council at the February 13, 2012 City Council Work Session,

NOW THEREFORE BE IT RESOLVED that the City Council approves the Alcohol Sales Policy on City Owned Property, a copy of which is attached and made a part of said resolution, and

BE IT FURTHER RESOLVED that this Policy shall go into effect immediately, and any applications considered after the date of adoption of this Policy shall be in keeping with the guidelines established in the Policy.

Seconded by

**CITY OF WATERTOWN
ALCOHOL SALES POLICY
CITY OWNED PROPERTY**

INTRODUCTION

The City of Watertown owns recreational facilities utilized for sporting events, concerts and/or performances, and public assemblies where the sponsor of an event may wish to lawfully sell alcohol to attendees. Because the sale of alcohol is unlawful unless it is pursuant to a valid permit or license, and such permits and licenses for sales on City property cannot be issued without City approval, this document is designed to outline the City of Watertown's policy concerning the sale of alcohol on City-owned recreational property. The City will adopt specific rules for alcohol sales at each venue, which rules shall become part of the conditions of any permit or license under which alcohol is to be sold.

I. Alex T. Duffy Fairgrounds

A. County Fair Week

During the Jefferson County Fair, the Jefferson County Agricultural Society will be permitted to sell beer and wine for consumption within specified areas. The application for the permit must comply in all respects with the requirements of the State Liquor Authority, and must contain, at a minimum, a plan identifying areas which are to be cordoned off to prohibit minors from entering the service and consumption area. All persons or entities which stand to profit from the sale of alcohol under the Agricultural Society's permit must be identified on the permit application.

B. Jefferson County Agricultural Society Building

The Jefferson County Agricultural Society owns a building located on land leased from the City. The Jefferson County Agricultural Society is prohibited from permitting a for-profit person or entity from sharing in any profits from the sale of alcohol within its building. The sale of alcohol may be by permit for each event or by catering hall license.

Any other not-for-profit sharing the profits from sales must be identified on the license or on each permit.

C. Fairgrounds Ice Arena

Due to the limited number of events utilizing this venue where alcohol would be desired to be sold, the lessee of the facility for such an event must either be the permit holder or, if a licensee with a catering permit is to be utilized for the sale of alcohol, the lessee must be shown on the permit application. Any person or entity sharing in the proceeds of the sale of alcohol must be fully disclosed on any permit. A not-for-profit may not share profits with a for-profit entity.

D. Other Fields Utilized for Concerts/Performances

These one-time events may sell alcohol only pursuant to a date-specific catering permit by a licensee, or by a not-for-profit entity holding a permit limited to the event. No proceeds of the sale of alcohol may be divided by or among any persons or entities unless fully disclosed on the permit. The lessee of the venue must be identified on the permit application.

E. Baseball Stadium/Field

The leaseholder for the season of the baseball stadium/field must obtain a seasonal license for the sale of beer/wine. Alternatively, the license may exceed one season and become a year-round license to be consistent with any negotiated lease of the facility. If the lessee thereafter allows a concert, performance, or other special event to be sponsored at the facility by others during the term of the lease, only the licensee may sell alcohol under its license.

II. Zoo at Thompson Park

The lessee of the Zoo at Thompson Park may sell or otherwise serve alcohol at special events on the leased property only by permit issued to the lessee or by a licensee holding a catering permit for the specific event, which permit must also name the lessee on the permit. No sales of alcohol outside of the leased premises will be permitted.

III. Flower Memorial Library

The Flower Memorial Library's not-for-profit arm may sponsor a special event, or co-sponsor a special event where alcohol may be sold or otherwise served, if both the sponsor of the special event and the licensee with a catering permit are shown on the permit. By way of example only, if a special reception of some kind is to be held, (e.g. a private wedding), or if the Flower Memorial Library's not-for-profit arm chooses to sponsor a fundraising event, alcohol may be served by a licensee holding a permit for that special event. In every circumstance, the not-for-profit entity must be shown on the permit application. If the special event is hosted by another person or entity, such as a wedding, the sponsor must also be shown on the permit application.

Res No. 5

February 14, 2012

To: The Honorable Mayor and City Council
From: Mary M. Corriveau, City Manager
Subject: Approving Professional Services Agreement with GHD

In February 2011 the City's new State Pollution Discharge Elimination System (SPDES) permit for the Waste Water Treatment Plant had new language incorporated requiring the installation of a disinfection system at the Plant's outfalls. The permit required the basis of design for this new system to be submitted within eight (8) months of the effective date of the new permit.

An Agreement with Stearns and Wheler GHD was approved by City Council on March 7, 2011 to perform the basis of a design of the disinfection system for submittal and approval by the NYSDEC. The design was submitted in August 2011 and approval was granted October 27, 2011.

At the November 7, 2011 City Council Meeting, Staff provided an update to the Council regarding the Disinfection System Project at the WWTP. At that point in time, the City Council authorized pursuing an Agreement with Stearns and Wheler GHD to do the preliminary design, final design and construction administration services related to the disinfection system.

Attached is a Professional Services Agreement with GHD that covers the scope of work detailed above. This Agreement is for a total amount of \$706,800, with \$364,000 for the design phases and \$342,800 for the construction administration phases. Due to the fast track this project was put on by the State, funding for the design was not contained in the FY 2011-2012 Capital or Operating Budgets, therefore both budgets will need to be amended to include this project.

Funding to support this design is proposed to come from the following sources, \$250,000 from an appropriation to the Sewer Fund Capital Reserve that was being established to help offset the expenses associated with this project and the remaining funds, \$460,000, from the issuance of bonds. A resolution amending the Sewer Fund Budget and a Bond Ordinance are included in this agenda for City Council review and approval.

RESOLUTION

Page 1 of 1

Approving Professional Services Agreement
With GHD

Introduced by

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

Total

YEA	NAY

WHEREAS in February 2011 the City’s new State Pollution Discharge Elimination System (SPDES) permit for the Waste Water Treatment Plant had new language incorporated requiring the installation of a disinfection system at the Plant’s outfalls, and

WHEREAS the permit required the basis of design for this new system to be submitted within eight (8) months of the effective date of the new permit, and

WHEREAS an Agreement with Stearns and Wheler GHD was approved by City Council on March 7, 2011 to perform the basis of a design of the disinfection system for submittal and approval by the NYSDEC, and

WHEREAS the design was submitted in August 2011 and approval was granted October 27, 2011, and

WHEREAS the New York State Department of Environmental Conservation (NYSDEC) has notified the City of Watertown on October 27, 2011 that they approved the basis of design of the disinfection systems for the City’s State Pollution Discharge Elimination System (SPDES) Permit,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Professional Services Agreement with GHD to perform the preliminary design, final design and construction administration services for the disinfection system at the Wastewater Treatment Plant, a copy of which is attached and made part of this resolution, and

BE IT FURTHER RESOLVED that City Manager, Mary M. Corriveau, is hereby authorized and directed to execute the Agreement with Stearns & Wheler GHD on behalf of the City of Watertown, and

BE IT FURTHER RESOLVED that approval of said Agreement is subject to the City Council approving the funding to support the project scope.

Seconded by



**AGREEMENT
BETWEEN**

CITY OF WATERTOWN

(OWNER)

AND

GHD

FOR

SERVICES

FOR

**PROFESSIONAL SERVICES FOR DISINFECTION IMPROVEMENTS TO THE
WATERTOWN WASTEWATER TREATMENT PLANT**

(PROJECT)

February 1, 2012



GHD – USA
Services Agreement

General Details:

Project Name	Professional Engineering Services for Disinfection Improvements to the Watertown Wastewater Treatment Plant
The Project is <i>(brief project description)</i>	Design, Bidding and Construction Phase Services for Disinfection Upgrades to the Watertown Wastewater Treatment Plant
“OWNER” and the “Client” means <i>(name, address, phone #)</i>	City of Watertown
OWNER’s Designated Representative(s) is <i>(name, title phone/e-mail)</i>	Michael J. Sligar, P.E., Chief Operator City of Watertown 700 William T. Field Drive Watertown, NY 13601 315-785-7840 MSligar@watertown-ny.gov
OWNER’s Authorized Signer is <i>(name, title phone/e-mail)</i>	Mary Corriveau, City Manager City of Watertown 245 Washington Street Watertown, NY 13601 315-785-7730 mcorriveau@watertown-ny.gov
“GHD” means <i>(DBA, Office address)</i>	GHD Consulting Engineers, LLC One Remington Park Drive Cazenovia, NY 13035
GHD’s Designated Representative is <i>(name, title, phone/e-mail)</i>	Bruce G. Munn, P.E. 315-679-5733 bruce.munn@ghd.com
GHD’s Authorized Signer is <i>(name, title, phone/e-mail)</i>	Gerald C. Hook, P.E. 315-679-5500 gerald.hook@ghd.com

Services: (brief description of services)

Design, Bidding and Construction Phase Services for disinfection improvements at the wastewater treatment plant, as further defined in Exhibit A.

Fees: (by phase)

Preliminary Design Phase	\$116,000
Final Design Phase	\$227,000
Bidding and Negotiating Phase	\$21,000
Construction Phase	
• Construction Administration.....	\$104,000
• Resident Representative (Hourly)	\$179,000
• SCADA Programming	\$30,000
• Certified Payroll Reviews	\$6,000
• Post Construction Phase.....	\$14,000
* Alternate Task – New Boiler Design	\$9,800, as further defined in Exhibit C.

Period of Service:

Effective Date of this Agreement: Date of Owner’s signature
 All Phase(s) will be completed as further defined in Exhibit A.

Additional Exhibits: (please list all additional exhibits (if any) that are included in this Agreement)

Exhibits A, B, C, D, E, L



GHD – USA
Services Agreement

Duly authorized representatives to execute this Agreement:

On Behalf of GHD:

<i>Gerald C. Hook</i>	Gerald C. Hook, P.E.	President	2/1/12
(Signature)	(Print name)	(Title)	(Date)

On Behalf of OWNER:

(Signature)	(Print name)	(Title)	(Date)

Additional Signatures, if required:

(Signature)	(Print name)	(Title)	(Date)

(Signature)	(Print name)	(Title)	(Date)



GHD – USA Services Agreement

Services

1. The standard of care for any professional services performed or furnished by GHD under this Agreement will be the care and skill ordinarily used by members of the profession practicing under similar circumstances at the same time and in the same locality. GHD makes no warranties, express or implied, under this Agreement or otherwise, in connection with GHD's services.
2. Any questions in relation to the services being provided by GHD can be directed to the Job Manager.
3. Change of Scope. The scope of Services set forth in this Agreement is based on facts known at the time of execution of this Agreement. For some projects involving conceptual or process development services, scope may not be fully definable during initial phases. As the Project progresses, facts discovered may indicate that scope should be changed. GHD will promptly inform OWNER in writing of such situations, and if the facts discovered constitute a material change in project assumptions, the parties shall renegotiate the amended scope of this Agreement as necessary.

Information and Documents

4. OWNER shall designate and advise GHD of a person to act as OWNER's Representative who has complete authority with respect to the services. OWNER shall do the following in a timely manner:
 - (a) Provide all criteria and full Information as to OWNER's requirements for the Project;
 - (b) Assist GHD by providing all available Information pertinent to the Project (e.g. previous reports), all of which GHD may use and rely upon in performing the services; GHD will not be obligated to verify the accuracy of OWNER provided Information unless verification is included in GHD's scope of work;
 - (c) Arrange for site and property access as required for GHD to perform the services;
 - (d) Give prompt written notice to GHD of any event that affects the scope or timing of GHD's services.

Payment

5. Method of Payment. OWNER shall pay GHD the Fees as defined under the Exhibits.

Additionally, OWNER will pay for any additional approved services GHD undertakes, and any Liability, cost or expense GHD incurs, if:

- (a) The general approved scope, schedule, extent or character of Services is changed materially. In this event, the amount of compensation provided for herein shall be subject to equitable adjustment in accordance with paragraph 3, Change of Scope;
- (b) Any Information OWNER (or OWNER's employees, agents or contractors) provides to GHD is not complete and accurate;

- (c) GHD agrees to make no claim for damages for delay in the performance of this contract occasioned by any act or omission to act of the OWNER or any of its representatives, and agreed that any such claim shall be fully compensated for by an extension of time to complete performance of the work as provided herein;
 - (d) OWNER fails to pay an amount due under the Agreement; or
 - (e) OWNER ends the Agreement before GHD has completed the services.
6. GHD will submit monthly invoices for services rendered and payment will be made within 30 days of OWNER's receipt of such invoices. When the Fees are on the basis of a lump sum, fixed fee, or a percentage of construction cost for the Project, GHD's invoices will be based upon GHD's estimate of the proportion of the services actually completed at the date of the invoice. If OWNER objects to any invoice submitted by GHD, OWNER shall so advise GHD in writing giving reasons therefore within fourteen (14) days of receipt of such invoice. If no such objection is made, the invoice will be considered acceptable by OWNER.

Insurance

7. GHD shall maintain continuously during the life of this Agreement the following minimum insurance requirements:
 - (a) Workers' Compensation Insurance with statutory limits;
 - (b) Comprehensive General Liability Insurance with limits of not less than \$1,000,000 applicable to bodily injury, sickness, or death in any one occurrence or in the aggregate and not less than \$1,000,000 for loss of, or damage to, property in any one occurrence or in the aggregate;
 - (c) Automobile Liability Insurance covering all owned, non-owned, or hired vehicles used by GHD with limits of not less than \$1,000,000 applicable to bodily injury, sickness, or death of any one person per occurrence and \$1,000,000 for loss of or damage to property in any one occurrence;
 - (d) Professional Liability Insurance in the amount of \$1,000,000 covering claims, damages and Liability arising out of, or resulting from, GHD's professional negligence in performance of the services.
8. The policies under 7. (b) and 7. (c) above shall: (1) name OWNER as an Additional Insured; (2) be endorsed to be primary and non-contributory to any other insurance maintained by OWNER.
9. GHD proof of insurance will be on file with the OWNER prior to issuing the "Notice to Proceed".



GHD – USA Services Agreement

Total Liability for Damages

10. (a) Notwithstanding any other provisions of this Agreement, but subject to clause 10(b) below, to the maximum extent permitted by law, the total aggregate Liability of GHD to OWNER and/or anyone claiming by, through, or under OWNER shall be limited to the amounts set out in clause 7 for the relevant insurance policy or, if no insurance is applicable, to \$1,000,000.
- (b) With respect to professional errors or omissions only, notwithstanding any other provision of this Agreement, to the maximum extent permitted by law, the total aggregate Liability of GHD to OWNER and/or anyone claiming by, through, or under OWNER, for all Liabilities arising out of, or resulting from the professional errors or omissions of GHD in the performance or non-performance of the services shall be limited to \$1,000,000, or the total Fees actually paid to GHD under this Agreement, whichever is greater.
- (c) Neither party to this Agreement shall be liable to the other for any indirect, special, incidental, punitive or consequential damages, including but not limited to loss of profits, arising in connection with the performance or non-performance of this Agreement.

Intellectual Property

11. All documents, reports, studies, recommendations, plans and/or instruments of service prepared by GHD and provided to the OWNER both, written and electronic, shall become the property of the OWNER upon provision.

Confidentiality, documents and information

12. GHD agrees to keep confidential and not disclose to any person or entity, other than GHD's employees and subcontractors, without the prior written consent of OWNER (which consent shall not be unreasonably withheld, delayed, or conditioned), all data and Information not previously known to GHD and marked "CONFIDENTIAL" by OWNER and provided in the course of GHD's performance of the services. This provision shall not apply to data or Information which is in the public domain or which was acquired by GHD independently from third parties not under any obligation to OWNER to keep such data and Information confidential or which GHD is required to disclose under any law, rule, regulation, ordinance, code, standard, or court order.

Termination

13. (a) The obligation to provide further services under this Agreement may be terminated by either party upon thirty days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

- (b) This Agreement may be terminated for convenience by OWNER upon thirty days prior written notice to GHD. In the event of termination for convenience by OWNER, GHD shall be entitled to receive all amounts owing to GHD under the Agreement, for all work performed up to the effective date of termination, plus reasonable termination costs.

Indemnification

14. To the maximum extent permitted by law, each party shall indemnify and hold harmless the other party, its appointed and elected officials, partners, officers, directors, employees, and agents; from and against any and all Liabilities arising from the negligent or wrongful acts, errors, or omissions, or breach of contract, by a party; but only to the extent of that party's relative degree of fault.
15. In furtherance of these obligations, and *only* with respect to OWNER, GHD waives any immunity it may have or limitation on the amount or type of damages imposed under any industrial insurance, worker's compensation, disability, employee benefit, or similar laws. GHD ACKNOWLEDGES THAT THIS WAIVER OF IMMUNITY WAS MUTUALLY NEGOTIATED.

Dispute Resolution

16. Both parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this Agreement or the work to be performed hereunder. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, which demand shall specify the facts of the dispute. The matter shall be submitted to a mediator mutually selected by the parties. The mediator shall hear the matter and provide an informal nonbinding opinion and advice in order to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute is not resolved through mediation, the matter may be submitted to the judicial system, in the courts of general jurisdiction where the Project is located.

Independent Contractor

17. GHD shall act as an independent consultant and not as an agent or employee of OWNER, and will be solely responsible for the control and direct performance of the services provided by its employees and agents.

Assignment

18. This Agreement may not be assigned by GHD without the express prior written consent of the OWNER, which consent may be withheld for any reason.

Health and Safety

19. GHD shall only be responsible for the activities of its own employees and agents on the Project site with respect to safety.

Compliance with Laws, Permits and Licenses

20. This Agreement shall be governed by the law of the state where the Project is located. GHD shall perform its Services in accordance with applicable laws, regulations, ordinances, permits, licenses, and other rules.



GHD – USA Services Agreement

Severability

21. The parties agree that, in the event one or more of the provisions of this Agreement should be declared void or illegal, the remaining provisions shall not be affected and shall continue in full force and effect.

No Third-Party Beneficiaries

22. Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by OWNER or GHD to any third party. All duties and responsibilities undertaken under this Agreement shall be for the sole and exclusive benefit of OWNER and GHD. There are no intended third-party beneficiaries. Notwithstanding the foregoing, should a court find a third party to be a beneficiary of this Agreement, it is the intent of the parties that the judicially created third-party beneficiary be bound by and subject to all of the terms and conditions of this Agreement.

Notification Period

23. Any applicable Statute of Limitation shall be deemed to commence running on the date which the claimant knew, or should have known, of the facts giving rise to their claims, but in no event later than the date of the final invoice for GHD's services under this Agreement. To the maximum extent permitted by law, as a condition precedent to commencing a judicial proceeding, a party shall give written notice of their claims, including all amounts claimed, and the factual basis for their claims, to the other party within two (2) years of when the claimant knew, or should have known, of the facts giving rise to their claims, but in no event later than two (2) years from the date of GHD's final invoice for Services under this Agreement.

Complete Agreement

24. This Agreement represents the entire understanding between the OWNER and GHD, and supersedes all prior negotiations, representations, understandings or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the parties hereto.
25. All notices or other written communications required under this Agreement shall be given personally upon delivery or by certified mail, return receipt requested, upon deposit in a U.S. Mail receptacle to the appropriate parties at the addresses shown on the signature page.
26. This Agreement applies to all services undertaken by GHD for OWNER relative to this Project, including any services undertaken prior to the Effective Date hereof.

Definitions

27. Unless the context otherwise requires, in the Agreement:

“Additional Insured” means that the interests of the client will be noted on the relevant policy, but does not mean that the client is an “Insured” under that policy.

“Agreement” means the agreement executed by the parties in connection with the services, including these terms and exhibits.

“Designated Representative” means specific individuals who act as Engineer's and OWNER's representatives with respect to the services to be performed or furnished by Engineer and responsibilities of OWNER under this Agreement. Such an individual shall have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of the respective party whom the individual represents.

“Document” or **“Documents”** includes a written or electronic document.

“Fees” means the amount set out in the agreement details including disbursements.

“Information” includes documents and information provided pertinent to the project.

“Liability” or **“Liabilities”** means any and all liabilities for actions (whether sounding in tort, contract (express or implied), warranty (express or implied), statutory liability, strict liability, or otherwise); claims (including, but not limited to, claims for bodily injury, death, property damage, (including bodily injury, death, or property damage to employees) or arising under environmental laws); and costs or damages of every nature without limitation (including, but not limited to, reasonable attorneys' fees and costs of defense).

“Project” means the project(s) that the services relate to.

“Services” means the services set out in the agreement details (or otherwise the services GHD undertakes).

“OWNER” means the person(s) set out in the agreement details (and if more than one person, “OWNER” means each of those persons severally and all of them jointly).

This is **EXHIBIT A**, consisting of 12 pages, referred to in and part of the Agreement between Owner and Engineer for Professional Services dated February 1, 2012.

Engineer's Services

The Standard Conditions of the Agreement are supplemented to include the following agreement of the parties.

Engineer shall provide Basic and Additional Services as set forth below.

PART 1 – BASIC SERVICES

The scope of work for this project includes Design, Bidding and Construction Phase engineering services for the Disinfection Improvements to the City of Watertown Wastewater Treatment Plant. The improvements generally include:

- Construction of new chlorine contact tanks and dechlorination tanks on Train B - Activated Sludge Treatment Train, sized for a minimum of 8 mgd. These tanks should be constructed in the area which has already been cleared of rock.
- Refurbishment of the existing chlorine contact tanks on Train A - Trickling Filter Treatment Train, sized for 19 mgd.
- Construction of a new dechlorination tank on the trickling filter treatment train sized for 19 mgd.
- Construction of a new chemical unloading pad and new storage building near the Train A final settling tanks. This building would service the disinfection systems for both Train A and Train B.
- Construction of a new small diameter piping system from Train B (Activated Sludge) to the Train A (Trickling Filters) contact tanks to move sodium hypochlorite from the new building to each treatment train (A and B).
- Installation of new chemical feed and mixing equipment, electrical equipment, and instrumentation to support disinfection and dechlorination operations at the treatment plant.
- Modify existing SCADA system to incorporate the new disinfection treatment system components. This work will include PLC logic development and supervisory programming of SCADA screens by the Engineer for the new systems installed on this project.
- Training of Owner's staff members in the use/management of the Owner's SCADA software via manufacturer training furnished through the Contract Documents by the Contractor.
- Construction of an expansion of the existing Control Building to include new dry chemistry laboratory area, laboratory director's office, modification to existing laboratory area, new offices

for the chief and pretreatment coordinator and new conference/training room. This work will include the following scope:

- 1) Extension of the existing boiler heating system for the building expansion (it is assumed that the existing boiler system has sufficient capacity to accommodate the building expansion). An alternate task for replacement of the existing boiler is included, if required and authorized by Owner.
- 2) Addition of a new air conditioning system to accommodate cooling of the rooms that are being modified as part of the Control Building Expansion.
- 3) Extension and modification of the electrical systems to accommodate the Control Building Expansion. The scope of the electrical modifications is based on the following assumptions:
 - There is sufficient available electric power in the existing electrical room for the Control Building Expansion.
 - New raceways (conduits) in the existing building areas may need to run in surface mounted "wiremolds".
 - New luminaires (lighting fixtures) will be designed for the new building expansion and in areas of the existing building where the room spaces are modified.
 - Lightning protection will be added to the new building to match the existing system.
 - Telephone jacks will be placed in new spaces of the building expansion, by extending the existing telephone system (No new system is contemplated).
 - Extension of the fire alarm system into the new building expansion, if applicable.
- 4) Demolish section of Main Instrument Panel (MIP) in the existing control room and replace with a new wall section for remounting of the existing SCADA TV monitors. Closet behind existing MIP section to remain as is with miscellaneous PLC and network hardware remaining undisturbed.

A1.01 *Study and Report Phase [Not Used]*

A1.02 *Preliminary Design Phase*

A. Engineer shall:

1. Prepare Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, and a Preliminary Engineering Report. The Preliminary Engineering Report shall address, among other things, the comments provided by the New York State Department of Environmental Conservation (NYSDEC) on page 3 of the letter dated October 27, 2011 (see Exhibit L).

2. Provide necessary topographic and utility mapping for design purposes. Topographic survey will be completed in the areas of the site where new work will be completed. Utility mapping will be based upon information obtained from utility owners.
 3. Complete soil borings for those areas where new structures will be located. Scope of soil borings is based upon six new soil borings, located at the new chlorine contact tank, both new dechlorination tanks, and the new chemical building.
 4. Provide an asbestos and lead-based paint materials survey of the existing areas at the treatment plant that will be impacted by this project, including the existing chlorine contact tanks, and those existing facilities/rooms that will be utilized for interconnection of new mechanical, electrical, or instrumentation components into existing systems.
 5. Assist Owner with completion of SEQRA Environmental Review documentation for the proposed project improvements. The scope includes documentation of the SEQRA classification to NYSDEC, including coordination and correspondence with SHPO, Army Corps of Engineers and other pertinent agencies. The scope of this SEQRA Review is based upon the project being classified as a Type II Action and a finding of no significant impacts.
 6. Based on the information contained in the Preliminary Design Phase documents, prepare a revised opinion of probable Construction Cost, and assist Owner in collating the various cost categories which comprise Total Project Costs.
 7. Furnish 4 draft copies of the Preliminary Design Phase documents (including electronic PDF copies) and any other deliverables to Owner within 60 calendar days of authorization to proceed with this phase, and review them with Owner.
 8. Attend meeting with Owner to review the Draft Preliminary Engineering Report. Following receipt of comments from the Owner, the Preliminary Engineering Report will be finalized.
 9. Revise the Preliminary Design Phase documents and any other deliverables in response to Owner's comments, as appropriate, and furnish to Owner 6 copies of the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost (including electronic PDF copies) and any other deliverables within 14 calendar days after receipt of Owner's comments.
 10. Submit the Preliminary Engineering Report to the NYSDEC for review and approval.
 11. Respond to NYSDEC comments necessary for project approval.
- B. Engineer's services under the Preliminary Design Phase will be considered complete on the date when the revised Preliminary Design Phase documents, have been approved by NYSDEC.

A1.03 *Final Design Phase*

- A. After acceptance by Owner and approval by NYSDEC of the Preliminary Design Phase documents, revised opinion of probable Construction Cost as determined in the Preliminary Design Phase, and any other deliverables subject to any Owner-directed modifications or changes in the scope, extent, character, or design requirements of or for the Project, and upon authorization from Owner, Engineer shall:
1. Attend a project kick-off meeting with the Owner to discuss project final design details and coordination.
 2. Prepare final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor. The Contract Documents shall be based upon four (4) prime construction contracts: General, Electrical, HVAC, and Plumbing. Contract Specifications will utilize the Engineers Joint Contract Documents Committee (EJCDC) Construction Documents Template. Drawing size shall be 22" x 34".
 3. Provide Contract Document submittals to the Owner at 60 percent, 95 percent, and 100 percent stages in final design. 60 percent completion submittal shall be within 90 days of authorization. 95 percent completion submittal shall be complete 150 days after authorization. 100 percent completion submittal shall be complete 14 days after receipt of Owner comments on the 95 percent submittal.
 4. Attend design progress meetings with the Owner at 60 percent and 95 percent completion point in the final design to review the Contract Documents.
 5. Prepare and furnish 95 percent complete bidding documents for review by Owner, its legal counsel, and other advisors, and assist Owner in the preparation of other related documents.
 6. Revise the bidding documents in accordance with comments and instructions (including electronic PDF copies) from the Owner, as appropriate, and submit 6 final copies of the bidding documents, a revised opinion of probable Construction Cost, and any other deliverables to Owner within 30 calendar days after receipt of Owner's comments and instructions.
 7. Submit the 100 percent complete Contract Documents to the NYSDEC for review and approval.
 8. Respond to NYSDEC comments on 100 percent complete Contract Documents.
 9. Advise Owner of any adjustments to the opinion of probable Construction Cost known to Engineer.
 10. Specify that the Contractor must submit electronic (PDF) shop drawings to the Engineer for review and approval.

- B. Engineer's services under the Final Design Phase will be considered complete on the date that tasks listed in Paragraph A1.03.A are completed.
- C. The number of prime contracts for Work designed or specified by Engineer upon which the Engineer's compensation has been established under this Agreement is four (4). If more prime contracts are awarded, Engineer shall be entitled to an equitable increase in its compensation under this Agreement.

A1.04 *Bidding or Negotiating Phase*

- A. After acceptance by Owner of the bidding documents and the most recent opinion of probable Construction Cost as determined in the Final Design Phase, and upon authorization by Owner to proceed, Engineer shall:
 - 1. Provide 30 sets of Bidding Documents for this phase to the Owner for distribution.
 - 2. Conduct pre-bid conference.
 - 3. Receive questions from perspective bidders, prepare addenda as appropriate to clarify, correct, or change the bidding documents and submit to the Owner for distribution.
 - 4. Consult with Owner as to the acceptability of subcontractors, suppliers, and other individuals and entities proposed by prospective contractors for those portions of the Work as to which such acceptability is required by the bidding documents.
 - 5. If bidding documents require, the Engineer shall evaluate and determine the acceptability of "or equals" and substitute materials and equipment proposed by bidders, but subject to the provisions of paragraph A2.02.A.2 of this Exhibit A.
 - 6. Attend the Bid opening, prepare Bid tabulation sheets, and assist Owner in evaluating Bids or proposals and in assembling and awarding contracts for the Work.
- B. The Bidding or Negotiating Phase will be considered complete upon Owner's acceptance of bids or upon cessation of negotiations with prospective contractors.

A1.05 *Construction Phase*

- A. Upon successful completion of the Bidding and Negotiating Phase, and upon written authorization from Owner, Engineer shall:
 - 1. *General Administration of Construction Contract:* Consult with Owner and act as Owner's representative as provided in the Construction Contract. The extent and limitations of the duties, responsibilities, and authority of Engineer as assigned in the Construction Contract shall not be modified, except as Engineer may otherwise agree in writing. All of Owner's instructions to Contractor will be issued through Engineer, which shall have authority to act on behalf of Owner in dealings with Contractor to the extent provided in this Agreement and the Construction Contract except as otherwise provided in writing.

2. *Resident Project Representative (RPR)*: Provide the services of an RPR at the Site to assist the Engineer and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as set forth in Exhibit D. The furnishing of such RPR's services will not limit, extend, or modify Engineer's responsibilities or authority except as expressly set forth in Exhibit D. Services of Resident Project Representative are based upon 9 months of full-time representation with part-time Resident Project Representative Services for an additional 6 months, as required by Engineer.
3. *Selecting Independent Testing Laboratory*: Assist Owner in the selection of an independent testing laboratory to perform the services identified in Exhibit B, Paragraph B2.01.N.
4. *Pre-Construction Conference*: Conduct a Pre-Construction Conference prior to commencement of Work at the Site.
5. *Schedules*: Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.
6. *Baselines and Benchmarks*: As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.
7. *Visits to Site and Observation of Construction*: In connection with observations of Contractor's Work while it is in progress:
 - a. Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Such visits and observations by Engineer, and the Resident Project Representative, if any, are not intended to be exhaustive or to extend to every aspect of Contractor's Work in progress or to involve detailed inspections of Contractor's Work in progress beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on Engineer's exercise of professional judgment, as assisted by the Resident Project Representative, if any. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Contract Documents, and Engineer shall keep Owner informed of the progress of the Work.
 - b. The purpose of Engineer's visits to, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for Owner a greater degree of confidence that the completed Work will conform in general to the Contract

Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Engineer shall not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety at the Site, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Engineer neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish or perform the Work in accordance with the Contract Documents. The Engineer will notify the Contractor and advise the Owner if work is observed to be not in accordance with the Contract Documents. Further, the Engineer will make recommendations to the Owner regarding acceptability of work determination of defective work and recommendations for withholding/limiting payment for non-acceptable/defective work. The Engineer's responsibilities regarding defective work, recommendations for payment and other construction phase duties are described in the following sections.

8. *Defective Work:* Reject Work if, on the basis of Engineer's observations, Engineer believes that such Work (a) is defective under the standards set forth in the Contract Documents, (b) will not produce a completed Project that conforms to the Contract Documents, or (c) will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
9. *Clarifications and Interpretations; Field Orders:* Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. Subject to any limitations in the Contract Documents, Engineer may issue field orders authorizing minor variations in the Work from the requirements of the Contract Documents.
10. *Change Orders and Work Change Directives:* Recommend change orders and work change directives to Owner, as appropriate, and prepare change orders and work change directives as required.
11. *Shop Drawings and Samples:* Review and approve or take other appropriate action in respect to electronic (PDF) Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

12. *Substitutes and "or-equal"*: Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor, but subject to the provisions of Paragraph A2.02.A.2 of this Exhibit A.
13. *Inspections and Tests*: Require such special inspections or tests of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. Engineer shall be entitled to rely on the results of such tests. Provide electronic PDF copies of test results to Owner for his use.
14. *Disagreements between Owner and Contractor*: Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor's Work; review each duly submitted Claim by Owner or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if Engineer in its discretion concludes that to do so would be inappropriate. In rendering such decisions, Engineer shall be fair and not show partiality to Owner or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
15. *Applications for Payment*: Based on Engineer's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:
 - a. Determine the amounts that Engineer recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute Engineer's representation to Owner, based on such observations and review, that, to the best of Engineer's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe Contractor's Work. In the case of unit price work, Engineer's recommendations of payment will include final determinations of quantities and classifications of Contractor's Work (subject to any subsequent adjustments allowed by the Contract Documents).
 - b. By recommending any payment, Engineer shall not thereby be deemed to have represented that observations made by Engineer to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement

and the Contract Documents. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment including final payment will impose on Engineer responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on Engineer to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to Owner free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between Owner and Contractor that might affect the amount that should be paid.

16. *Contractor's Completion Documents:* Receive, review, and transmit to Owner maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Contract Documents, certificates of inspection, tests and approvals, Shop Drawings, Samples and other data approved as provided under Paragraph A1.05.A.11, and transmit the annotated record documents which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment. The extent of such review by Engineer will be limited as provided in Paragraph A1.05.A.11.
17. *Substantial Completion:* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with Owner and Contractor, visit the Project to determine if the Work is substantially complete. If after considering any objections of Owner, Engineer considers the Work substantially complete, Engineer shall deliver a certificate of Substantial Completion to Owner and Contractor.
18. *Additional Tasks:* Perform or provide the following additional Construction Phase tasks or deliverables:
 - a. Provide SCADA system and instrumentation programming consistent with Owner's existing SCADA system to provide a functioning disinfection and dechlorination system. This work will include programming of new equipment installed as part of this project, and modifications or interconnections to the existing SCADA and instrumentation systems at the site. The work will also include the development and programming of SCADA screens to provide control and alarm interfacing for the new systems installed on this project. Specification of PLCs and Ethernet switches shall be based upon single sole sourced manufacturers selected by the Owner. Engineer will also provide a 1 year warranty for SCADA programming services. Engineer will provide training for use and programming PLC's.
 - b. *Review of Contractor's Certified Payrolls:* Engineer/RPR will assist the Owner in the review of Contractor's certified payrolls submitted. The scope of this includes:

- Receipt of Contractor's certified payroll records.
- Review of certified payrolls versus observed Contractor's field personnel.
- Periodic (monthly) interviews of Contractor's field personnel for verification of payroll classification versus NYS Labor Laws.

19. *Final Notice of Acceptability of the Work:* Conduct a final visit to the Project to determine if the completed Work of Contractor is acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice in the form attached hereto as Exhibit E (the "Notice of Acceptability of Work") that the Work is acceptable (subject to the provisions of Paragraph A1.05.A.15.b) to the best of Engineer's knowledge, information, and belief and based on the extent of the services provided by Engineer under this Agreement.

B. *Duration of Construction Phase:* The Construction Phase will commence with the execution of the first Construction Contract for the Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors. Duration of construction is based upon 14 months for substantial completion and an additional 30 days for final completion. Subject to the provisions of Article 3, Engineer shall be entitled to an equitable increase in compensation if Construction Phase services (including Resident Project Representative services, if any) are required after the original date for completion and readiness for final payment of Contractor as set forth in the Construction Contract.

C. *Limitation of Responsibilities:* Engineer shall not be responsible for the acts or omissions of any Contractor, Subcontractor or Supplier, or other individuals or entities performing or furnishing any of the Work, for safety or security at the Site, or for safety precautions and programs incident to Contractor's Work, during the Construction Phase or otherwise. Engineer shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents. Engineer will notify and advise Owner regarding non-acceptable work or defective work as defined herein.

A1.06 *Post-Construction Phase*

A. Upon authorization from Owner during the Post-Construction Phase Engineer shall:

1. Together with Owner, visit the Project to observe any apparent defects in the Work, assist Owner in consultations and discussions with Contractor concerning correction of any such defects, and make recommendations as to replacement or correction of defective Work, if any.
2. Together with Owner or Owner's representative, visit the Project within one month before the end of the correction period to ascertain whether any portion of the Work is subject to correction.
3. Perform or provide the following additional Post-Construction Phase tasks or deliverables:

- a. Preparation of operation and maintenance manual supplements for the new treatment processes installed under this project.
 - b. Preparation of Record Drawings showing appropriate record information based on Project annotated record documents received from Contractor, and furnishing such Record Drawings to Owner. One electronic copy in PDF format and 1 electronic copy in DWG format shall be provided to the Owner.
- B. The Post-Construction Phase services may commence during the Construction Phase and, if not otherwise modified in this Exhibit A, will terminate 12 months after the commencement of the Construction Contract's correction period.

PART 2 – ADDITIONAL SERVICES

A2.01 Additional Services Requiring Owner's Written Authorization

- A. If authorized in writing by Owner, Engineer shall furnish or obtain from others Additional Services of the types listed below.
1. Preparation of applications and supporting documents (in addition to those furnished under Basic Services) for private or governmental grants, loans, or advances in connection with the Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effects on the design requirements for the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.
 2. Services resulting from significant changes in the scope, extent, or character of the portions of the Project designed or specified by Engineer or its design requirements including, but not limited to, changes in size, complexity, Owner's schedule, character of construction, or method of financing; and revising previously accepted studies, reports, Drawings, Specifications, or Contract Documents when such revisions are required by changes in Laws and Regulations enacted subsequent to the Effective Date or are due to any other causes beyond Engineer's control.
 3. Providing renderings or models for Owner's use.
 4. Undertaking investigations and studies including, but not limited to, detailed consideration of operations, maintenance, and overhead expenses; the preparation of financial feasibility and cash flow studies, rate schedules, and appraisals; assistance in obtaining financing for the Project; evaluating processes available for licensing, and assisting Owner in obtaining process licensing; detailed quantity surveys of materials, equipment, and labor; and audits or inventories required in connection with construction performed by Owner.
 5. Furnishing services of Consultants for other than Basic Services.

6. Services attributable to more prime construction contracts than specified in Paragraph A1.03.C.
7. Preparing for, coordinating with, participating in and responding to structured independent review processes, including, but not limited to, construction management, cost estimating, project peer review, value engineering, and constructability review requested by Owner; and performing or furnishing services required to revise studies, reports, Drawings, Specifications, or other Bidding Documents as a result of such review processes.
8. Preparing additional Bidding Documents or Contract Documents for alternate bids or prices requested by Owner for the Work or a portion thereof.
9. Assistance in connection with Bid protests, rebidding, or renegotiating contracts for construction, materials, equipment, or services.
10. Providing Construction Phase services beyond the original date for completion and readiness for final payment of Contractor.
11. Preparing to serve or serving as a consultant or witness for Owner in any litigation, arbitration, or other dispute resolution process related to the Project.
12. Assistance to Owner in developing procedures for (a) control of the operation and maintenance of Project equipment and systems, and (b) related record-keeping.
15. Other services performed or furnished by Engineer not otherwise provided for in this Agreement.

Owner's Responsibilities

The Standard Conditions of the Agreement are supplemented to include the following agreement of the parties.

B2.01 In addition to other responsibilities of Owner as set forth in this Agreement, Owner shall at its expense:

- A. Provide Engineer with all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Owner will require to be included in the Drawings and Specifications; and furnish copies of Owner's standard forms, conditions, and related documents for Engineer to include in the Bidding Documents, when applicable.
- B. Furnish to Engineer any other available information pertinent to the Project including reports and data relative to previous designs, or investigation at or adjacent to the Site.
- C. Following Engineer's assessment of initially-available Project information and data and upon Engineer's request, furnish or otherwise make available such additional Project related information and data as is reasonably required to enable Engineer to complete its Basic and Additional Services. Such additional information or data would generally include the following:
 1. Property descriptions.
 2. Zoning, deed, and other land use restrictions.
 3. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.
 4. Previous data on explorations and tests of subsurface conditions at or contiguous to the Site, drawings of physical conditions relating to existing surface or subsurface structures at the Site, or hydrographic surveys, with appropriate professional interpretation thereof.
 5. Previous environmental assessments, audits, investigations, and impact statements, and other relevant environmental or cultural studies as to the Project, the Site, and adjacent areas, if available.
 6. Data or consultations as required for the Project but not otherwise identified in the Agreement or the Exhibits thereto.

- D. Give prompt written notice to Engineer whenever Owner observes or otherwise becomes aware of the presence at the Site of any Constituent of Concern, or of any other development that affects the scope or time of performance of Engineer's services, or any defect or nonconformance in Engineer's services, the Work, or in the performance of any Contractor.
- E. Authorize Engineer to provide Additional Services as set forth in Part 2 of Exhibit A of the Agreement as required.
- F. Arrange for safe access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services under the Agreement.
- G. Examine all alternate solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents presented by Engineer (including obtaining advice of an attorney, insurance counselor, and other advisors or consultants as Owner deems appropriate with respect to such examination) and render in writing timely decisions pertaining thereto.
- H. Provide reviews, approvals, and permits from all local governmental authorities having jurisdiction to approve all phases of the Project designed or specified by Engineer and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project.
- I. Recognizing and acknowledging that Engineer's services and expertise do not include the following services, provide, as required for the Project:
 - 1. Accounting, bond and financial advisory, independent cost estimating, and insurance counseling services.
 - 2. Legal services with regard to issues pertaining to the Project as Owner requires, Contractor raises, or Engineer reasonably requests.
 - 3. Such auditing services as Owner requires to ascertain how or for what purpose Contractor has used the moneys paid.
- J. Place and pay for advertisement for Bids in appropriate publications.
- K. Advise Engineer of the identity and scope of services of any independent consultants employed by Owner to perform or furnish services in regard to the Project, including, but not limited to, cost estimating, project peer review, value engineering, and constructibility review.
- L. Furnish to Engineer data as to Owner's anticipated costs for services to be provided by others (including, but not limited to, accounting, bond and financial, independent cost estimating, insurance counseling, and legal advice) for Owner so that Engineer may assist Owner in collating the various cost categories which comprise Total Project Costs.
- M. Attend the pre-bid conference, bid opening, pre-construction conferences, construction progress and other job related meetings, and Substantial Completion and final payment visits to the Project.

- N. Provide the services of an independent testing laboratory to perform all inspections, tests, and approvals of samples, materials, and equipment required by the Contract Documents, or to evaluate the performance of materials, equipment, and facilities of Owner, prior to their incorporation into the Work with appropriate professional interpretation thereof.
- O. Provide Engineer with the findings and reports generated by the entities providing services to Owner pursuant to this paragraph.
- P. Inform Engineer in writing of any specific requirements of safety or security programs that are applicable to Engineer, as a visitor to the Site.
- Q. Coordinate with NYSDEC regarding review and approval of submittals.
- R. Complete advertisement for bidding, distribution of Contract Document to perspective bidders, complete receipt/return of bid deposits, and distribute addenda as prepared by the Engineer.

Payments to Engineer for Services and Reimbursable Expenses
COMPENSATION PACKET BC-1: Basic Services – Lump Sum

The Standard Conditions of the Agreement are supplemented to include the following agreement of the parties:

ARTICLE 2 – OWNER’S RESPONSIBILITIES

C2.01 Compensation for Basic Services (other than Resident Project Representative) – Lump Sum Method of Payment

A. Owner shall pay Engineer for Basic Services set forth in Exhibit A, except for services of Engineer’s Resident Project Representative, if any, as follows:

1. A Lump Sum amount based on the following:

- a. Preliminary Design Phase \$116,000
- b. Final Design Phase \$227,000
- c. Bidding and Negotiating Phase..... \$21,000
- d. Construction Administration..... \$104,000
- e. SCADA Programming \$30,000
- f. Certified Payroll Reviews \$6,000
- g. Post Construction Phase \$14,000
- h. Alternate Final Design Task – New Boiler \$9,800

2. Engineer may alter the distribution of compensation between individual phases noted herein to be consistent with services actually rendered, but shall not exceed the total Lump Sum amount unless approved in writing by the Owner.

3. The Lump Sum includes compensation for Engineer’s services and services of Engineer’s Consultants, if any. Appropriate amounts have been incorporated in the Lump Sum to account for labor, overhead, profit, and Reimbursable Expenses.

4. The portion of the Lump Sum amount billed for Engineer’s services will be based upon Engineer’s estimate of the percentage of the total services actually completed during the billing period.

**COMPENSATION PACKET RPR-5:
Resident Project Representative – Salary Costs Times a Factor**

Standard Conditions of the Agreement is supplemented to include the following agreement of the parties:

*C2.04 Compensation for Resident Project Representative Basic Services – Salary Costs Times a Factor
Method of Payment*

A. Owner shall pay Engineer for:

1. *Resident Project Representative Services:* For services of Engineer's Resident Project Representative, if any, under Paragraph A1.05.A.2 of Exhibit A, an amount equal to the Engineer's Salary Costs times a factor of 3.10 for services of Engineer's personnel engaged directly in resident Project representation, plus related Reimbursable Expenses and Engineer's Consultant's charges, if any. The total compensation under this paragraph is estimated to be \$179,000, based upon RPR services on an eight-hour workday, Monday through Friday, over a 9-month construction schedule with an additional 6 months of part-time RPR services as required by Engineer.

B. *Compensation for Reimbursable Expenses:*

1. For those Reimbursable Expenses that are not accounted for in the compensation for Basic Services under Paragraph C2.01 and are directly related to the provision of Resident Project Representative or Post-Construction Basic Services, Owner shall pay Engineer at the rates set forth in Appendix 1 to this Exhibit C.
2. Reimbursable Expenses include the following categories: transportation, lodging and subsistence incidental thereto; reproduction of reports, Drawings, specifications, bidding documents, and similar project-related items in addition to those required under Exhibit A. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for the use of highly specialized equipment.
3. The amounts payable to Engineer for Reimbursable Expenses, if any, will be those internal expenses related to the Resident Project Representative or Basic Services that are actually incurred or allocated by Engineer, plus all invoiced external Reimbursable Expenses allocable to such services, the latter multiplied by a factor of 1.05.

C. *Other Provisions Concerning Payment Under this Paragraph C2.04:*

4. Whenever Engineer is entitled to compensation for the charges of Engineer's Consultants, those charges shall be the amounts billed by Engineer's Consultants to Engineer times a factor of 3.10.
5. *Factors:* The external Reimbursable Expenses and Engineer's Consultant's factors include Engineer's overhead and profit associated with Engineer's responsibility for the administration of such services and costs.

6. *Estimated Compensation Amounts:*

- a. Engineer's estimate of the amounts that will become payable for specified services are only estimates for planning purposes, are not binding on the parties, and are not the minimum or maximum amounts payable to Engineer under the Agreement.
 - b. When estimated compensation amounts have been stated herein and it subsequently becomes apparent to Engineer that the total compensation amount thus estimated will be exceeded, Engineer shall give Owner written notice thereof, allowing Owner to consider its options, including suspension or termination of Engineer's services for Owner's convenience. Upon notice, Owner and Engineer promptly shall review the matter of services remaining to be performed and compensation for such services. Owner shall either exercise its right to suspend or terminate Engineer's services for Owner's convenience, agree to such compensation exceeding said estimated amount, or agree to a reduction in the remaining services to be rendered by Engineer, so that total compensation for such services will not exceed said estimated amount when such services are completed. If Owner decides not to suspend Engineer's services during the negotiations and Engineer exceeds the estimated amount before Owner and Engineer have agreed to an increase in the compensation due Engineer or a reduction in the remaining services, then Engineer shall be paid for all services rendered hereunder.
7. To the extent necessary to verify Engineer's charges and upon Owner's timely request, Engineer shall make copies of such records available to Owner at cost.

This is **Appendix 1 to EXHIBIT C**, consisting of 1 page, referred to in and part of the Agreement between Owner and Engineer for Professional Services dated February 1, 2012.

Reimbursable Expenses Schedule

Current agreements for engineering services stipulate that the Reimbursable Expenses are subject to review and adjustment per Exhibit C. Reimbursable expenses for services performed on the date of the Agreement are:

8"x11" Copies/Impressions.....	\$0.10/page
Mileage (Auto)	\$0.555/mile
Miscellaneous Resident Project Representative Equipment.....	At cost
Meals and Lodging.....	At cost

Duties, Responsibilities, and Limitations of Authority of Resident Project Representative

Article 1 of the Agreement is supplemented to include the following agreement of the parties:

D1.01 Resident Project Representative

- A. Engineer shall furnish a Resident Project Representative (“RPR”) to assist Engineer in observing progress and quality of the Work. The RPR may provide full time representation or may provide representation to a lesser degree.
- B. Through RPR's observations of Contractor’s work in progress and field checks of materials and equipment, Engineer shall endeavor to provide further protection for Owner against defects and deficiencies in the Work. However, Engineer shall not, during such RPR field checks or as a result of such RPR observations of Contractor’s work in progress, supervise, direct, or have control over Contractor’s Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, for security or safety at the Site, for safety precautions and programs incident to any contractor’s work in progress, or for any failure of a contractor to comply with Laws and Regulations applicable to such contractor’s performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any contractor nor assumes responsibility for Contractor’s failure to furnish and perform the Work in accordance with the Contract Documents. The Engineer /RPR will notify the Contractor and advise the Owner if work is observed to be not in accordance with the Contract Documents. Further, the Engineer will have recommendations to the Owner regarding acceptability of work, determination of defective work and recommendations for withholding/limiting payment for non-acceptable/defective work. In addition, the specific terms set forth in Paragraph A1.05 of Exhibit A of the Agreement are applicable.
- C. The duties and responsibilities of the RPR are as follows:
 1. *General:* RPR is Engineer’s representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR’s actions. RPR’s dealings in matters pertaining to the Contractor’s work in progress shall in general be with Engineer and Contractor. RPR’s dealings with Subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with Owner only with the knowledge of and under the direction of Engineer.
 2. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with Engineer concerning acceptability.

3. *Conferences and Meetings:* Conduct meetings with Contractor, such as preconstruction conferences, regularly scheduled progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
4. *Liaison:*
 - a. Serve as Engineer's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the intent of the Contract Documents.
 - b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-Site operations.
 - c. Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
5. *Interpretation of Contract Documents:* Report to Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by Engineer.
6. *Shop Drawings and Samples:*
 - a. Record date of receipt of Samples and approved Shop Drawings.
 - b. Receive Samples which are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
 - c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by Engineer.
7. *Modifications:* Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report such suggestions, together with RPR's recommendations, to Engineer. Transmit to Contractor in writing decisions as issued by Engineer.
8. *Review of Work and Rejection of Defective Work:*
 - a. Conduct on-Site observations of Contractor's work in progress to assist Engineer in determining if the Work is in general proceeding in accordance with the Contract Documents.
 - b. Report to Engineer whenever RPR believes that any part of Contractor's work in progress will not produce a completed Project that conforms generally to the Contract Documents or will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or

does not meet the requirements of any inspection, test or approval required to be made; and advise Engineer of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection, or approval.

9. *Inspections, Tests, and System Start-ups:*

- a. Consult with Engineer in advance of scheduled inspections, tests, and systems start-ups.
- b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.
- c. Observe, record, and report to Engineer appropriate details relative to the test procedures and systems start-ups.
- d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to Engineer.

10. *Records:*

- a. Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all change orders, field orders, work change directives, addenda, additional Drawings issued subsequent to the execution of the Construction Contract, Engineer's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.
- b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, weather conditions, data relative to questions of change orders, field orders, work change directives, or changed conditions, Site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Engineer.
- c. Record names, addresses, fax numbers, e-mail addresses, web site locations, and telephone numbers of all Contractors, Subcontractors, and major Suppliers of materials and equipment.
- d. Maintain records for use in preparing Project documentation.
- e. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer.

11. *Reports:*

- a. Furnish to Engineer and Owner periodic (biweekly) reports of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.
- b. Draft and recommend to Engineer proposed change orders, work change directives, and field orders. Obtain backup material from Contractor.
- c. Furnish to Engineer and Owner copies of all inspection, test, and system start-up reports.
- d. Immediately notify Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, damage to property by fire or other causes, or the discovery of any Constituent of Concern.

12. *Payment Requests:* Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

13. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.

14. *Completion:*

- a. Participate in visits to the Project to determine Substantial Completion, assist in the determination of Substantial Completion and the preparation of lists of items to be completed or corrected.
- b. Participate in a final visit to the Project in the company of Engineer, Owner, and Contractor, and prepare a final list of items to be completed and deficiencies to be remedied.
- c. Observe whether all items on the final list have been completed or corrected and make recommendations to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work (Exhibit E).

15. Review and maintain file storage of certified payroll submitted by the Contractors for conformance with Contract Document requirements; conduct periodic interviews with Contractors' staff to confirm wage rate certifications.

D. Resident Project Representative shall not:

1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including “or-equal” items).
2. Exceed limitations of Engineer’s authority as set forth in this Agreement.
3. Undertake any of the responsibilities of Contractor, Subcontractors or Suppliers.
4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor’s work.
5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
7. Accept shop drawing or sample submittals from anyone other than Contractor.
8. Authorize Owner to occupy the Project in whole or in part.

This is **EXHIBIT E**, consisting of 2 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated February 1, 2012.

NOTICE OF ACCEPTABILITY OF WORK

PROJECT:

OWNER:

CONTRACTOR:

OWNER'S CONSTRUCTION CONTRACT IDENTIFICATION:

EFFECTIVE DATE OF THE CONSTRUCTION CONTRACT:

ENGINEER:

NOTICE DATE:

To: _____
Owner

And To: _____
Contractor

From: _____
Engineer

The Engineer hereby gives notice to the above Owner and Contractor that the completed Work furnished and performed by Contractor under the above Contract is acceptable, expressly subject to the provisions of the related Contract Documents, the Agreement between Owner and Engineer for Professional Services dated _____, _____, and the terms and conditions set forth in this Notice.

By: _____

Title: _____

Dated: _____

CONDITIONS OF NOTICE OF ACCEPTABILITY OF WORK

The Notice of Acceptability of Work (“Notice”) is expressly made subject to the following terms and conditions to which all those who receive said Notice and rely thereon agree:

1. This Notice is given with the skill and care ordinarily used by members of the engineering profession practicing under similar conditions at the same time and in the same locality.
2. This Notice reflects and is an expression of the professional judgment of Engineer.
3. This Notice is given as to the best of Engineer’s knowledge, information, and belief as of the Notice Date.
4. This Notice is based entirely on and expressly limited by the scope of services Engineer has been employed by Owner to perform or furnish during construction of the Project (including observation of the Contractor’s work) under Engineer’s Agreement with Owner and under the Construction Contract referred to in this Notice, and applies only to facts that are within Engineer’s knowledge or could reasonably have been ascertained by Engineer as a result of carrying out the responsibilities specifically assigned to Engineer under such Agreement and Construction Contract.
5. This Notice is not a guarantee or warranty of Contractor’s performance under the Construction Contract referred to in this Notice, nor an assumption of responsibility for any failure of Contractor to furnish and perform the Work thereunder in accordance with the Contract Documents.

EXHIBIT L

NYSDEC LETTER DATED OCTOBER 27, 2011

New York State Department of Environmental Conservation
Division of Water,
Bureau of Water Permits, 4th Floor
625 Broadway, Albany, New York 12233-3505
Phone: (518) 402-8111 • Fax: (518) 402-9029
Website: www.dec.ny.gov



October 27, 2011

Michael J. Sligar
Chief Operator
William T. Field Pollution Control Plant
700 William T. Field Drive
Watertown, NY 13601

Re: SPDES Permit No. NY 002 5984
Disinfection Alternatives Report

Dear Mr. Sligar:

The New York State Department of Environmental Conservation has reviewed the draft **Disinfection Alternatives** report, developed by GHD Engineers and submitted by you on August 30, 2011. This report is required in the schedule of compliance in the referenced SPDES permit.

As required in the compliance schedule, this draft engineering report evaluates the various alternatives for planning and designing a seasonal disinfection system at the wastewater treatment facility. The report also provides the rationale for selecting a dual sodium hypochlorite treatment approach (one disinfection unit for each treatment train A & B), cost estimates, and scheduling.

The **Design Alternatives** report, however, does not provide details on the engineering and description of the structures, equipment, and units to be installed specifically for the selected alternative, as required in the permit compliance schedule and *Ten States Standards*. Therefore, as discussed during a telephone conversation with you today, once the **Disinfection Alternatives** report is approved by the Department, another engineering report describing the specifics of the dual hypochlorite systems must be submitted with the draft design plans, for Department approval along with the plans. This is discussed in detail below.

Comments on the Disinfection Alternatives Report

Page 2-1 – Hydraulic Evaluations

- The first paragraph should identify each treatment train at the outset, by letter designation, i.e., "Treatment Train A" being the trickling filter system and "Treatment Train B" being the activated sludge system – each with a distinct outfall (002 and 02A, respectively) - within the overall treatment facility.

Page 2-1, Section 2.1 – Preliminary Hydraulic Analysis

- It is not clear in the 1st sentence of the 3rd paragraph what is being referred to. A location for *what* appears to be the most practical near the existing chlorine contact tanks? Is this referring to location of the new Chemical Storage Building? If so, this should be stated in the sentence or discussion.

Page 4-1 – Recommendations

- Although this can be determined in the numbered items in this section, the wording in the first paragraph should clearly state that a dual sodium hypochlorite system with a separate disinfection system for each treatment train (A – Trickling Filters and B – Activated Sludge), and discharge from separate outfalls (002 and 02A), is the recommended alternative.
- There appears to be a discrepancy between recommendation numbers 1 – 3, recommendation no. 4, and Figure 4-1. Recommendation numbers 1 – 3 indicate that the New Chlorination and Dechlorination Tanks are to be constructed on the activated sludge train (Treatment Train B), that the Existing Contact Tank to be refurbished is part of trickling filter train (Treatment Train A), and a New Dechlorination Tank would be constructed as part of the trickling filter train (Treatment Train A, shown adjacent to the Existing Contact Tanks in Figure 4-1). However, recommendation no. 4 states that the New Chemical Building would be constructed near the activated sludge train, which is part of Treatment Train B, while Figure 4-1 shows the New Chemical Building being located near the Existing Contact Tanks, which is Treatment Train A. Please clarify.

Figure 2-1 – Conceptual Pipe Routing

- Treatment Train A and Treatment Train B should be indicated on the drawing.
- Outfalls 002 & 02A should be indicated on the drawing.

Figure 2-2 – Hydraulic Profile

This drawing shows the effluent from Treatment Train A going to the Treatment Train B disinfection system.

- Is the labeling of the treatment trains in this drawing correct? Section 2.1 describes gravity flow going from the activated sludge treatment facilities (Train B) to a location near the existing chlorine contact tanks, which would be Train A. However, the drawing shows flow going from Train A to Train B, which appears to be inconsistent with Section 2.1. The description of the weir elevations in Sections 2.1 and 2.3 appears to confirm a discrepancy in the labeling of the trains on the drawing. Please clarify.

- Although this drawing is intended only to demonstrate the *feasibility*, as part of the alternatives evaluation, of gravity flow from the activated sludge treatment facilities (Train B) to a location near the existing chlorine contact tanks (described in Section 2.1), it can be misleading since this flow scenario is not part of the recommended alternative for dual disinfection. For clarification purposes, a new note should be added to Figure 2-2 which states that this drawing is intended only to show the feasibility of gravity flow between the two described points, but does not show the flow scenario of the recommended alternative.

Figure 4-1 – Conceptual Sodium Hypochlorite Facility Layout

- Same comments as for Figure 2-1 above.

Requirements for the Detailed Engineering Report

As discussed above, once the **Disinfection Alternatives** report is approved by the Department, a detailed engineering report specific to the disinfection system to be installed must be submitted with the draft design plans, for Department approval. In accordance with *Ten States Standards* and Department requirements, this report must include descriptions of the following for both the chlorination and de-chlorination systems:

- Overview of the layout and operation of the dual systems.
- Permit limits and effluent qualities which must be met for Fecal Coliform and Chlorine Residual.
- Structures (new and rehabbed), equipment, equipment sizing (including hydraulic calculations), piping and connections, and electrical, of the units to be installed.
- Type (dry or liquid) and quantities of chemicals to be stored onsite, dosages and minimum contact periods.
- Chemical feed and mixing.
- Housing and storage.
- Leak detection.
- Protective and respiratory gear.
- Emergency power.



CITY OF WATERTOWN
ENGINEERING DEPARTMENT
MEMORANDUM

DATE: February 13, 2012

TO: Mary Corriveau, City Manager

FROM: Kurt W. Hauk, City Engineer

SUBJECT: Wastewater Treatment Plant Outfall Disinfection System Design

Enclosed is the Professional Services Agreement with GHD to perform the preliminary design, final design and construction administration services for the disinfection system at the Wastewater Treatment Plant. It is for the total amount of \$706,800 with \$364,000 for the design phases and \$342,800 for the construction administration phases. The payments under the agreement are outlined in Exhibit C.

The agreement was reviewed and approved by the City Attorney.

The new State Pollution Discharge Elimination System (SPDES) permit for the WWTP effective 1 Feb 2011 incorporated new language requiring the installation of a disinfection system to the outfalls of the Wastewater Treatment Plant. The new language required the basis of design to be submitted within 8 months of the effective date of the new permit. The Council was briefed about these developments and the time requirements at the meeting of 17 January 2011.

The Council approved an agreement with Stearns and Wheler GHD on 7 March, 2011 to perform the basis of design of the disinfection system for submittal and approval by the NYSDEC. The basis of design was submitted to the NYSDEC in August 2011, and approval was granted on October 27th 2011. The Council was briefed on the developments at the meeting on 7 November 2011 and authorized pursuing a professional services agreement at that time.

The basis of design recommendation is to construct a sodium hypochlorite disinfection system for each outfall at the WWTP.

Please prepare a resolution for Council consideration. The original agreements are on file in Engineering and will be forwarded for signature upon approval.

cc: Amy Pastuf, Purchasing Agent
Mike Sligar, Chief Operator WWTP
Jim Mills, Comptroller
File

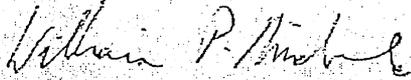
Michael Sligar

4.

Once the above comments on the **Disinfection Alternatives** report are addressed, please submit the revised report for Department approval.

Feel free to contact me at (518) 402-8122 if you have any questions or wish to discuss this matter further.

Sincerely,



William F. Mirabile
Wastewater Permits – Central Section

cc: Dave Rarick, Reg. 6 – Watertown

Res No. 6

February 14, 2012

To: The Honorable Mayor and City Council

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

Subject: Request To Amend the September 20, 2010 Site Plan Approval For The Ives Hill Retirement Community at 1200 Jewell Drive, Parcels 14-49-101, 14-49-101.101, 14-49-101.005

A request has been submitted by Patrick Scordo of GYMO, PC on behalf of Purcell Construction for the above subject site plan amendment. The proposed amendment eliminates the emergency access drive connecting Jewell Drive to Kieff Drive.

The Planning Board reviewed the request at its February 7th meeting. At that meeting, the Planning Board adopted a motion recommending that the City Council approve the site plan with one condition. Attached are a copy of the report on the request prepared for the Planning Board and an excerpt from its minutes.

This project has already been the subject of an environmental review by the City Council. The elimination of the drive is a minor alteration to the original site plan and is not significant enough to alter the Environmental Assessment Form (EAF) or the outcome of that review. It will actually reduce the environmental impact of the project. A copy of the previously completed EAF is attached.

The resolution prepared for City Council consideration approves the site plan amendment submitted to the City Engineering Department on January 12, 2012 with the condition recommended by the Planning Board.

RESOLUTION

Page 1 of 2

Amending the September 20, 2010 Site Plan Approval for the Ives Hill Retirement Community at 1200 Jewell Drive, Parcels 14-49-101, 14-49-101.101, and 14-49-101.005.

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

YEA	NAY

Total

Introduced by

WHEREAS Patrick Scordo, PE of GYMO, PC on behalf of Purcell Construction has submitted a request to amend the September 20, 2010 site plan approval for the Ives Hill Retirement Community at 1200 Jewell Drive, parcels 14-49-101, 14-49-101.101, and 14-49-101.005, and

WHEREAS the Planning Board of the City of Watertown reviewed the site plan amendment at its meeting held on February 7, 2012, and recommended that the City Council of the City of Watertown approve the site plan amendment with the following condition:

- 1) The emergency access road from Jewell Drive to Ives Street shall be properly maintained on a year-round basis to include daily snow removal, and resurfacing and grading when required by the City Engineer,

and,

WHEREAS the City Council has previously declared that this project will not have a significant effect on the environment, pursuant to the State Environmental Quality Review Act,

NOW THEREFORE BE IT RESOLVED that it is an express condition of this site plan approval that the applicant provide the City Engineer with a copy of any change in stamped plans forming the basis for this approval at the same time such plans are provided to the contractor. If plans are not provided as required by this condition of site plan approval, the City Codes Enforcement Officer shall direct that work on the project site shall immediately cease until such time as the City Engineer is provided with the revised stamped plans. Additionally, any change in the approved plan which, in the opinion of the City Engineer, would require Amended Site Plan approval, will result in immediate cessation of the affected portion of the project work until such time as the amended site plan is approved. The City Codes

RESOLUTION

Page 2 of 2

Amending the September 20, 2010 Site Plan Approval for the Ives Hill Retirement Community at 1200 Jewell Drive, Parcels 14-49-101, 14-49-101.101, and 14-49-101.005.

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

YEA	NAY

Total

Enforcement Officer is requested to periodically review on-site plans to determine whether the City Engineer has been provided with plans as required by this approval, and

BE IT FURTHER RESOLVED by the City Council of the City of Watertown that the amended site plan approval is hereby granted to Patrick Scordo, PE of GYMO, PC on behalf of Purcell Construction for the removal of an emergency access road at the Ives Hill Retirement Community, 1200 Jewell Drive, parcels 14-49-101, 14-49-101.101, and 14-49-101.005, as submitted to the City Engineer on January 12, 2012, contingent on the applicant meeting the condition recommended by the Planning Board as listed above.

Seconded by



MEMORANDUM

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

TO: Planning Board Members

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

SUBJECT: Site Plan Amendment – Ives Hill Retirement Community, 1200 Jewell Drive, parcels 14-49-101, 14-49-101.101, and 14-49-101.005.

DATE: January 31, 2012

At its September 20, 2010 meeting, City Council granted approval for a Site Plan submitted by Brian Drake of GYMO, PC on behalf of Purcell Construction for construction of a 13,913 square foot enriched living facility and five two-unit dwellings totaling 19,192 square feet at the above subject location.

This Site Plan depicted two gravel access drives installed for the benefit of the City's emergency service providers. One of these drives already existed and connects Jewell Drive to Kieff Drive; the other is located further west connecting Jewell Drive to Ives Street. During the site plan review, it was decided that the section of drive next to the enriched living center would be paved with asphalt. It was thought by some project representatives that the Jewell-Ives drive and the asphalt paving would replace the gravel portion of the Jewell-Kieff drive, however, that was not noted on the approved site plan.

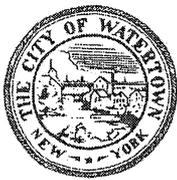
The applicant is requesting that they be allowed to abandon the gravel section of the Jewell-Kieff drive, as depicted on the site plan revision submitted with the attached application.

The Jewell-Ives drive is more functional, but it has to be maintained and be clear for travel year-round. Correspondence regarding the proposed revision was received from the Fire Department. Some concern is expressed regarding the applicant's poor track record for upkeep of the Jewell-Kieff drive. The letter is attached for your consideration. If the drive is found to be impassable on any day, Code Enforcement will have it cleared at the owner's expense.

Summary:

1. The emergency access road to Ives Street shall be properly maintained on a year-round basis to include daily snow removal and resurfacing and grading when required by the City Engineer.

Cc: City Council Members
Robert Slye, City Attorney
Justin Wood, Civil Engineer II
Patrick J. Scordo, GYMO, 220 Sterling St., Watertown, NY 13601



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



January 30, 2012

Mr. Kenneth Mix
Planning Coordinator
City of Watertown
245 Washington Street
Watertown, NY 13601



RE: Ives Hill Community Access Road

Dear Ken:

In 1997, a senior living center was proposed on an extension of Jewell Drive here in the City. If my memory serves correctly, the proposed plans showed a street and water line would be constructed out to Ives Street, but the developer was only doing a phase of the total project and did not want to build out the entire road project. A compromise was reached to create an emergency access road from Kieff Drive to Jewell Drive and a water line was built along that road corridor. As mentioned in a Fire Department memo dated June 13, 1997, Jewell Drive is the longest dead end street (incorporating Weldon Drive) in the City, and it currently measures 2,510 feet in length. The developer deeded 600 feet of Jewell Drive extension back to the City for maintenance purposes.

The developer has since created a new emergency access road (1,350 feet) along their most southern property line and placed a gate with lock to limit access to their projects, but is to be maintained (this is the original road proposed in the 1997 plan) in a manner that emergency responders can use. That was what was also agreed upon for the emergency access road between Kieff and Jewell Drive that has since been grassed over by the developer who is now proposing this road be eliminated.

For many years now, the Kieff to Jewell road bed was not kept up, vehicles were parked on it, snow not removed and the gate not maintained. The developers lack of due diligence in keeping promises places the proposed up keep of the new access in question. No one can predict when an emergency will occur, but if access is limited or denied, there is a potential for a delay of emergency services.

I would concur the new access road to Ives Street is a much better alternative than the road between Kieff and Jewell, but the developer has made promises and must be held accountable.

Access to some of the address in the project is certainly less of a travel distance if the new road is used. If it were paved and the gate permanently opened, the problem would become who owns and maintains the roadway, similar to an existing problem on Palmer Street. From a Fire Department stand point, if fire apparatus are to use it, the road bed must be built to handle the load and be accessible year round.

If you need anything further, please do not hesitate to contact me.

Truly yours,

CITY OF WATERTOWN FIRE DEPARTMENT

A handwritten signature in black ink that reads "Dale C. Herman". The signature is written in a cursive style with a large initial "D".

Dale C. Herman
Fire Chief

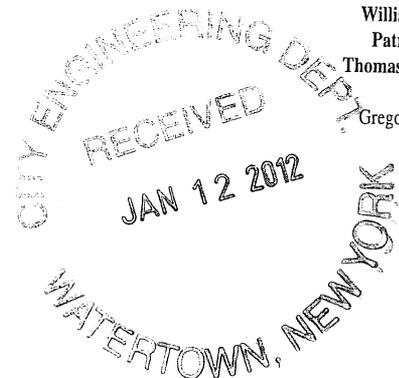
DCH:cdb

cc: Shawn McWayne, Codes Department

12 January 2012

Mr. Kurt Hauk, P.E.
City Engineer
Room 305
245 Washington St
Watertown, NY 13601

Leo F. Gozalkowski, PLS
Stephen W. Yaussi, AIA
Edward G. Olley, Jr., AIA
William P. Plante, PLS
Patrick J. Scordo, PE
Thomas S.M. Compo, PE
Gregory F. Ashley, PLS



Re: Site Plan Modification
Purcell Construction Corp.
Ives Hill Retirement Community Phase III, Watertown, NY

File: 2010-077A

Dear Mr. Hauk:

On behalf of Purcell Construction Corp., we are submitting the following materials for Site Plan review at the February 7th City Planning Board meeting:

- 4 full size sets of revised Site Plan, Sheet C101 (including a wet stamped original), and
- 12-11"x17" sets of Site Plan, Sheet C101.

The project is located on three different tax parcel's; 14-49-101, 14-49-101.101, and 14-49-101.005 in the City of Watertown.

Since Ives Hill constructed a gravel road to Ives Street, the owner wishes to abandon the existing gravel road from the new pavement around the Enriched Living Facility to Kieff Drive.

If there are any questions or you require additional information, please feel free to contact our office.

Sincerely,
GYMO, Architecture, Engineering & Land Surveying, PC

Patrick J. Scordo, P.E.
Director of Engineering

Attachments

pc: Ken Mix, City of Watertown Planning Department
Carolyn Meunier, City of Watertown Code Enforcement Officer
Rick Gefell, Purcell Construction Corp.

X:\2010\2010-077\2010-077A-IVES HILLS RETIREM\CORRESPONDENCE\ENGINEERING\CITY OF WATERTOWN\CITY COVER LETTER_(1-12-12).DOC

EXCERPT FROM THE MINUTES
PLANNING BOARD OF THE CITY OF WATERTOWN
MEETING OF FEBRUARY 7, 2012

**SITE PLAN APPROVAL AMENDMENT – IVES HILL RETIREMENT COMMUNITY
1200 BLOCK OF JEWELL DRIVE, PARCELS NOS. 14-49-101,
14-49-101.101 AND 14-49-101.005**

The Planning Board then considered a request submitted by Patrick Scordo of GYMO, P.C. on behalf of Purcell Construction to amend the approved Site Plan for the Ives Hill Retirement Community located in the 1200 block of Jewell Drive, Parcel Nos. 14-49-101, 14-49-101.101 and 14-49-101.005. In attendance to present the proposed amendment were Patrick J. Scordo, P.E. of GYMO, P.C., Kerry Roberge of Ives Hill Retirement Community, and Rick Gefell of Purcell Construction Corp.

Mr. Scordo began by stating that they were proposing a simple amendment to the Site Plan for the enriched living facility and duplexes, also known as Ives Hill Phase III, that was approved in September 2010. He said that construction on the enriched living facility and the duplexes was recently completed and that as part of the project, they constructed a gravel emergency access road from the property located at the end of Jewell Drive out to Ives Street. He also noted that they paved a complete driveway system around the enriched living facility and that they are now asking for approval to eliminate the pre-existing gravel drive that connected Kieff Drive with Jewell Drive. He said that the Kieff to Jewell emergency access road was no longer needed because of the new access road that connects to Ives Street. He noted that Ives Hill has a maintenance agreement in place for snow removal and maintenance of the gravel road.

Mrs. Freda asked if the applicant was aware of the letter that had been submitted by the Fire Department regarding the upkeep and maintenance of the Kieff to Jewell access road. Mr. Roberge noted that he was aware of that letter and began by apologizing to the Fire Department for not properly maintaining that road previously. He said that although it was part of the site plan that was originally approved, their staff did not realize that they had to maintain it. He said that they are well aware of it now and that they have a contract to keep the new gravel emergency access road plowed, graded, and they will mow along the side of it as needed. Mrs. Freda asked if the new road was built to handle Fire Department vehicles. Mr. Scordo responded that it was.

Dale Herman, Fire Chief, then addressed the Planning Board. Mr. Herman began by giving a little bit of history regarding the gravel access roads and the need to have them as part of the project. He said that the combined Weldon Drive and Jewell Drive road is the longest dead end in the City and that in the event of an emergency; a secondary access is needed in case the first access is blocked for some reason. He said because of the distance and time it takes to get into Ives Hill facility, he would like to see the gravel drive eventually become a permanent paved drive because time can be a critical issue in the event of an emergency response. Mr. Herman also explained the gate and locking system at the Ives end of the road.

Hearing no further discussion, Mr. Harris moved to recommend that the City Council approve the Site Plan Amendment Request submitted by Patrick Scordo of GYMO, P.C. on behalf of Purcell Construction to amend the September 20, 2010 Site Plan Approval for the

Ives Hill Retirement Community located in the 1200 block of Jewell Drive, Parcels Nos. 14-49-101, 14-49-101.101 and 14-49-101.005 by allowing the elimination of the gravel emergency access drive connecting Kieff Drive and Jewell Drive, contingent upon the following:

1. The emergency access road from Jewell Drive to Ives Street shall be properly maintained on a year-round basis to include daily snow removal and resurfacing and grading when required by the City Engineer.

The motion was seconded by Mr. Fontana and all voted in favor.

Yes No

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

Yes No

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

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

NO

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

NO

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

NO

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

NO

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

NO

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

NO

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

NO

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

Yes No

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

Yes No If yes, explain briefly

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

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

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

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

CITY OF WATERTOWN - CITY COUNCIL

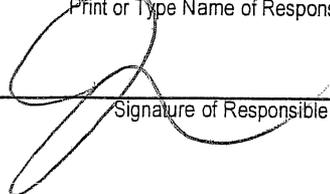
Name of Lead Agency

JEFFREY E. GRAHAM

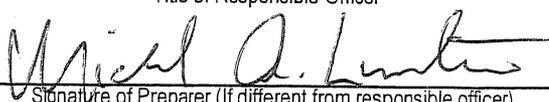
Print or Type Name of Responsible Officer in Lead Agency

MAYOR

Title of Responsible Officer



Signature of Responsible Officer in Lead Agency



Signature of Preparer (If different from responsible officer)

9/24/00

Date

Res No. 7

February 16, 2012

To: The Honorable Mayor and City Council

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

Subject: Authorizing Sale of Real Property Known as 138 Court Street to Alex D. Rahmi, 638 Marlow Road, Charles Town, West Virginia 25414

In December, a Request for Proposals (RFP) for the redevelopment of 138 Court Street was issued. The deadline for proposals was set for January 24, 2012.

Eleven RFPs were sent out. The only proposal received was from Alex D. Rahmi, the previous owner. A copy of his proposal is attached.

The City Council discussed Mr. Rahmi's proposal on February 6, 2012. The Council concurred that it would consider the proposal at its upcoming meeting, though there was a request for more information from Mr. Rahmi about his past experience. As of the writing of this memo, we have not received any information.

Mr. Rahmi is proposing to purchase the property for \$20,000. The unpaid taxes and city expenses as of March 6, 2012 are:

Taxes due as of 6/27/11	\$17,476.96
Taxes since 6/27/11	\$ 3,739.08
Interest & penalties since 6/27/11	\$ 1,505.27
Roof drain repair	\$ 2,436.00
TOTAL	\$25,157.31

A Resolution authorizing the sale for \$20,000 has been drafted for City Council's consideration. The Resolution contains the standard requirement that the property be brought into compliance with the building code within one year. Since this sale is based on a submission to a Request for Proposals, the Resolution also includes a requirement that the redevelopment, as proposed, will be substantially under construction within one year.

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 138 Court Street to
Alex D. Rahmi, 638 Marlow Road,
Charles Town, West Virginia 25414

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

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 138 Court Street, approximately 42' x 160' 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. 07-01-126.000, 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 of Watertown issued a Request for Proposals to redevelop 138 Court Street and Alex D. Rahmi, 638 Marlow Road, Charles Town, West Virginia, 25414, submitted the only proposal, 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 \$20,000.00 submitted by Alex D. Rahmi for the purchase of Parcel No. 07-01-126.000, 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 138 Court Street to
Alex D. Rahmi, 638 Marlow Road,
Charles Town, West Virginia 25414

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

BE IT FURTHER RESOLVED that the Mayor, Jeffrey E. Graham, be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Alex D. Rahmi 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 and the redevelopment of the property as described in the proposal submitted by Alex D. Rahmi on January 24, 2012 is not substantially under construction within one (1) year from the date of delivery of the quit claim deed of its 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

CAPONE LAW FIRM, LLP

HSBC BUILDING, SUITE 310

120 WASHINGTON STREET

WATERTOWN, NEW YORK 13601

RICHARD M. CAPONE

ANDREW N. CAPONE

*ALSO ADMITTED IN FLORIDA

TELEPHONE 315-788-3030

FAX 315-788-3780

January 24, 2012

City Council:
City of Watertown, New York
City Council Chambers
245 Washington Street
Watertown, New York 13601

Re: 138 Court Street, (Parcel 07-01-126.000)

Ladies and Gentlemen:

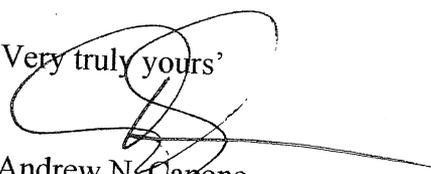
As you are aware, I represent Alex D. Rahmi of Charlestown, West Virginia, the most recent private owner of the above referenced parcel.

Please accept this letter and re-development proposal in response to the city's Request For Proposals regarding the re-development of the subject parcel.

Please be advised that this letter and the attached re-development proposal is my client's unconditional offer to purchase at private sale, that parcel of real property known and identified as tax parcel 07-01-126.000, more commonly know as 138 Court Street, Watertown, New York, upon the terms set forth in said re-development proposal.

Thank you for your time and attention to this matter and if I can be of further assistance, please feel free to contact me.

Very truly yours,


Andrew N. Capone

ANC/tbh

enc

cc: Alex Rahmi

COURT STREET APARTMENTS

Request For Proposal

Project type: Renovation & Reconstruction

138 Court Street

Watertown, New York 13601

Developer: Alex Rahmi

Telephone: (240) 463 4466

AlexRahmi@gmail.com

Introduction:

NYS-DOT completed the Downtown Watertown renovations with reconstruction of the Public Square with new pavements, curbs and sidewalks.

These improvements has changed the mood of Downtown, and the building at 138 Court Street is an attractive building with a superior architect design located within public square, in the center of Downtown.

It is the developers goal to rehabilitate the 138 Court Street building to its fullest capacity, by creating commercial retail and new apartments throughout the building, with the use of private funds.

Proposal:

1. Price \$20,000.00 (cash payment) to redeem the property to offset the real estate taxes that were lost on the property.
2. Developer Qualifications and experience: The Developer has great interest in historic buildings, and has performed many mixed use redevelopment and renovation projects within downtown commercial districts.

3. Project details: Exhibit 1, concept plan presented by Aubertine Currier Architects & Engineers

	2 B/Apt Professional	1 B/Apt	0 B/Apt	Retail-
Third Floor	4 units	0	0	0
Second floor	0	2	1	0
Ground Floor	0	0	0	2
Basement	0	0	0	1

Total available Products & projected Income:

4 units	2 B/Apt	\$800.	\$3,200.
2 Units	1 B/Apt	\$680.	\$1,360.
1 Units	0 B/Apt	\$600.	\$600.
2 Units	Retail	\$700.	\$1,400.

Total (projected) Monthly Income: \$6,560.00

4. Development Cost:

Soft Costs/designs/permits/	\$10,000.
Roof Replacement/repair	\$45,000.
Clean-up, including,	\$20,000.
removal non-load bearing walls, old infrastructure such as plumbing, electrical, HVAC.	
New Windows & doors	\$18,000.
Renovate 7 Apts including,	\$250,000.
New (interior Walls, Ceilings, electrical, plumbing, kitchen cabinets, appliances, bathrooms, central heating, floorings, fixtures)	
Contingencies	15% \$50,000.
Total project Cost and investment	\$393,000.

The Developer will be responsible for approval, performance, and completion of the project based on specifications of construction documents approved by the City of Watertown Planning and Engineering Dept.

It is the developer's intent to proceed with final Engineering design work, for obtain construction permits from the City of Watertown.

This project is expected to start construction, by June 2012.

Your acceptance of developers proposal would be greatly appreciated.

Truly Yours

Alex Rahmi

638 Marlow Road,

Charles Town, WV 25414

(240) 463 4466

Your acceptance of developers proposal would be greatly appreciated.

Truly Yours

A handwritten signature in black ink, appearing to read 'Alex Rahmi', written over a horizontal line.

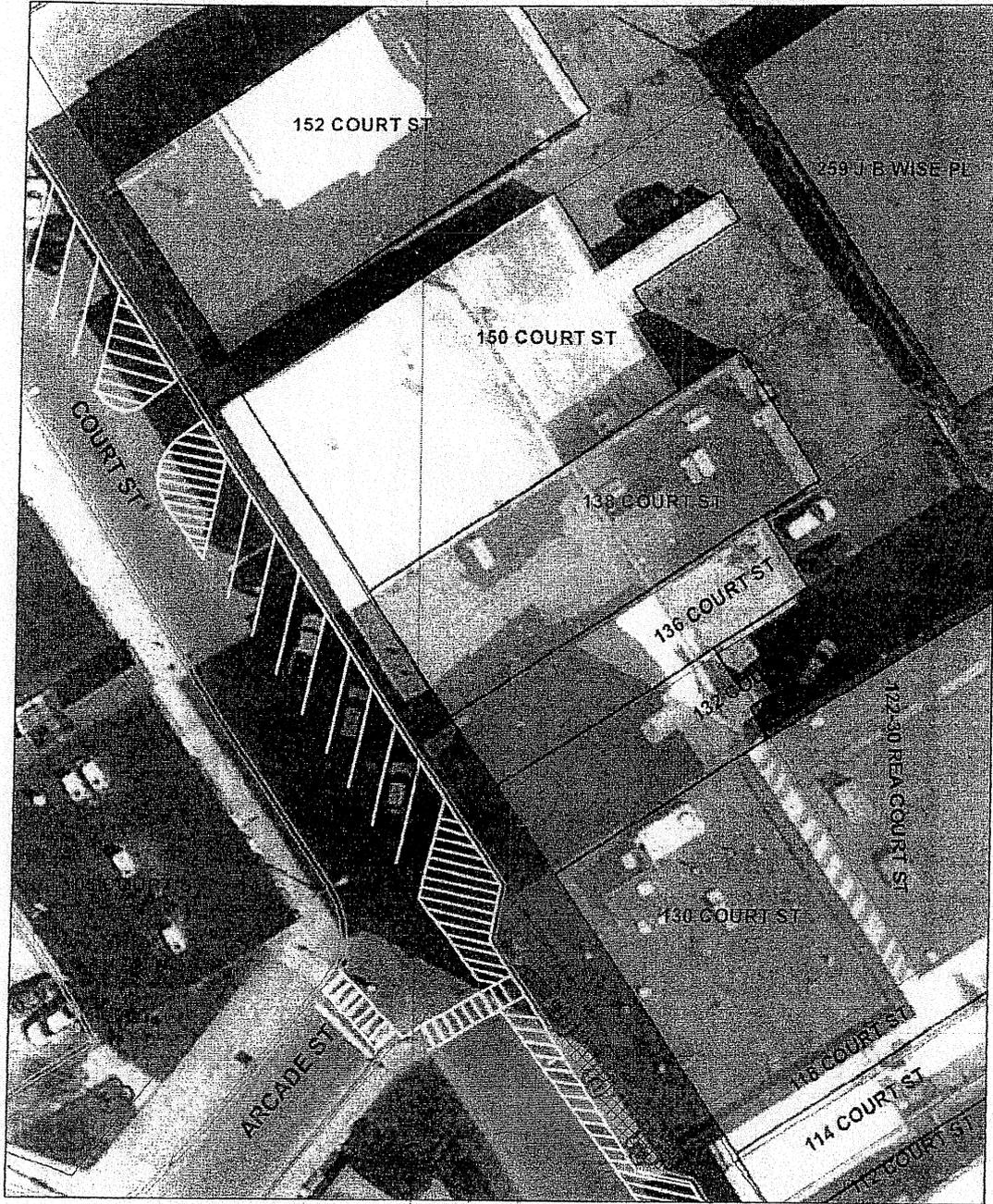
Alex Rahmi

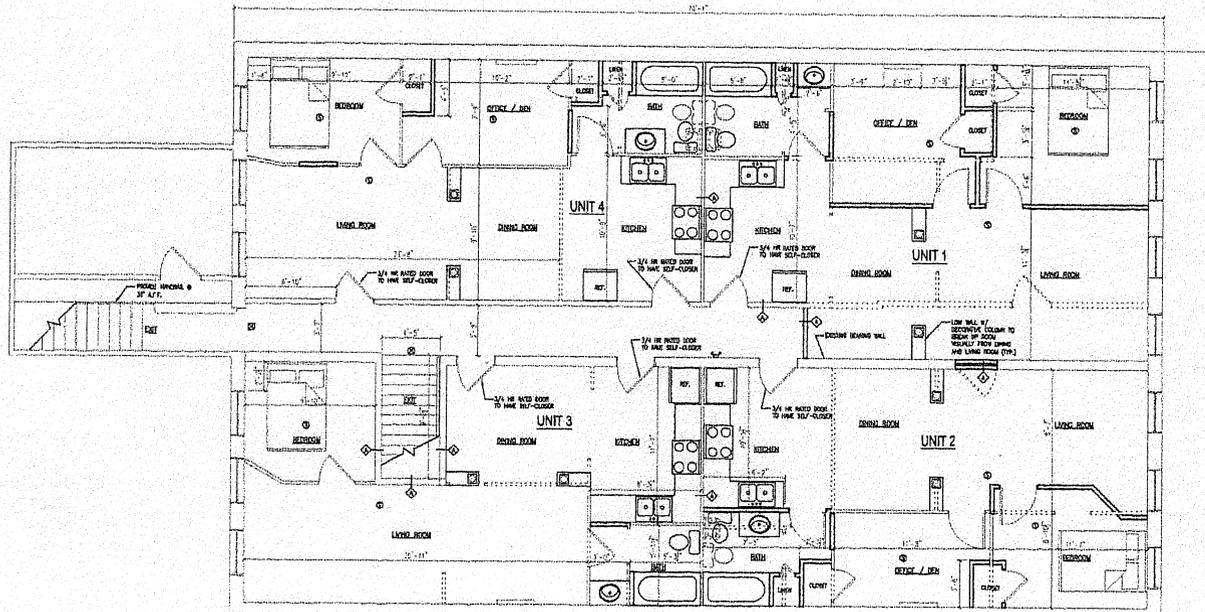
638 Marlow Road,

Charles Town, WV 25414

(240) 463 4466

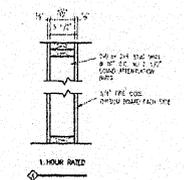
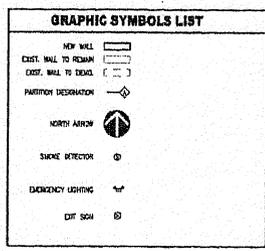
138 Court Street





A 3RD FLOOR PLAN
OPTION 1

GENERAL CODE REQUIREMENTS			
THIS PROJECT HAS BEEN DESIGNED BY THE OFFICE OF AUBERTINE & CURRIER ARCHITECTS IN ACCORDANCE WITH THE 2007 BUILDING CODE OF NEW YORK STATE AND THE 2007 NEW YORK STATE ENERGY CONSERVATION CONSTRUCTION CODE. (SEE ATTACHED COM-CHECK COMPLIANCE REPORT) AND TO THE BEST OF OUR KNOWLEDGE AND BELIEF THE CONSTRUCTION DOCUMENTS ARE IN CONFORMANCE THEREWITH.			
CODE SECTION	TYPIC	REQUIRED OR ALLOWED	PROPOSED OR ACTUAL
310	Use & Occupancy Classification	R-2	R-2
402	Construction Classification	Type III B	Type III B
404.2.2	Fire Protection (sprinklers)	No (Per Exempt) NO	
605.4	DRIP PAN CORRIDORS	3'	3'
705.1	Fire Partitions (each sep. division units in the same building)	Yes	Yes
705.3	Fire-Resistive	1 hr	1 hr
901	Sprinkler System (801.2.1.1 & 903.2.2)	No (Per Exempt) NO	
1001	Occupied Load		
1001.1004.1.2	200 sq. ft. occ.	2040 sq. ft. / 200	14.7
1001.1005.1	Stairway 0.3 X 11.7	4.41'	
1001.1006.1	Other Stairs 0.2 X 11.7	2.84'	
1003	Stairway Width (etc. fl. 3/4" for 50' or less occ.)	Yes	Yes
1011	Exit Access (Stairways)		
1011.1	Group 1 to 10 (from 15 occ.)	1	2
1011.1.1016.1	Corridor Fire Rating (W/Old Sprinkler)	N/A	N/A
1011.1.1017	Corridor Width (W/Old Sprinkler)	3'	3'



1 WALL TYPES
TYPE 1



510 Bradley Street
Watertown, New York 13601
aubertinecurrier.com

Phone: (315)782-2005
Fax: (315)782-1472

The design professional responsible for the preparation and execution of these documents is a duly licensed professional engineer or architect in the State of New York. The design professional is not responsible for the design or construction of any structure or equipment shown on these documents unless the design professional is specifically named as the design professional for that structure or equipment. The design professional is not responsible for the design or construction of any structure or equipment shown on these documents unless the design professional is specifically named as the design professional for that structure or equipment.



COURT STREET APARTMENTS
LEVEL 2 ALTERATION
138-140 COURT STREET
WATERTOWN, NEW YORK 13601

PROJECT NO.	100-100
DATE	10/1/10
DESIGNED BY	AAU
DRAWN BY	AAU
CHECKED BY	AAU
SCALE	AS SHOWN





518 Bradley Street
Watertown, New York 13601

PH: (315) 762-1472
FX: (315) 762-1472

Phone: (315) 762-2005
Fax: (315) 762-1472

The above marked Engineer or Land Surveyor states that he has read the above drawings, specifications and notes, and that he is a duly licensed Engineer or Land Surveyor in the State of New York. He certifies that the above drawings, specifications and notes were prepared by him or under his direct supervision and that he is a duly licensed Engineer or Land Surveyor in the State of New York. He also certifies that he is a duly licensed Engineer or Land Surveyor in the State of New York. He also certifies that he is a duly licensed Engineer or Land Surveyor in the State of New York.

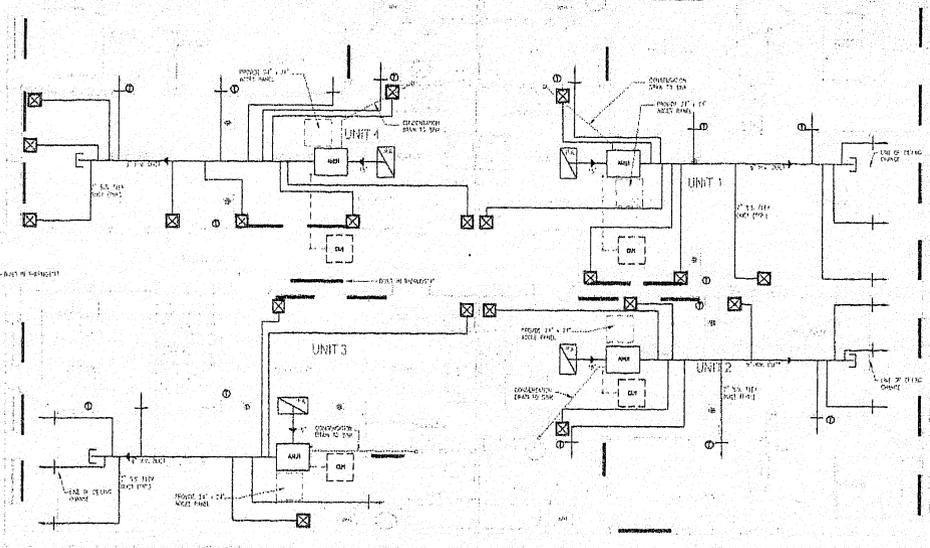


COURT STREET APARTMENTS
LEVEL 2 ALTERATION
138-140 COURT STREET
WATERTOWN, NEW YORK 13601

PROJECT NO. 2004-01
SHEET NO. 100
DATE: 08/01/04
DRAWN BY: JMS
CHECKED BY: JMS
SCALE: AS SHOWN

3RD FLOOR
MECHANICAL PLAN

M-100

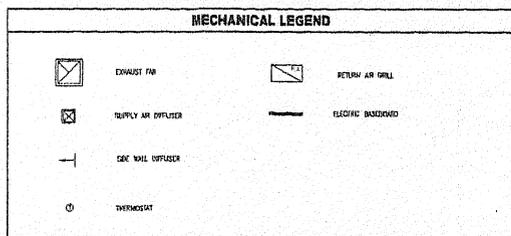


EQUIPMENT & FIXTURE SCHEDULE

NO.	DESCRIPTION	MAKE / MODEL NO.	REMARKS
WDR	WATER HEATER	A.O. SMITH / ECT-30 (700 MA)	W/ GALVANIZED DRAIN PAN
EXP	EXHAUST FAN	TAPPAH / F520 / 1/3 TON	UNIT TO BE ON ROOF
AVH	AIR HANDLING UNIT	SPACE PAK / ESP- 24302 / 3 TON	
ET1	EXHAUST FAN	ROOF TOP UNIT EXHAUST FAN	DN-CURVE-BACKDRIFT DAMPER -GRILL -THERMOSTAT

ELECTRIC HEAT SCHEDULE

LOCATION	BW / HT	BTU
BEDROOM	2,187	30"
OFFICE / DEN	2,812	48"
BATH	1,852	30"
LIVING ROOM	4,275	01 34"
DINING ROOM	1,130	01 34"
KITCHEN	1,130	30"
HALL	2,940	48"
COMMON AREA	4,230	01 30"



3RD FLOOR
MECHANICAL PLAN

Ord No. 1

February 15, 2012

To: The Honorable Mayor and City Council

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

Subject: Amending Section 265-2 of the City Code, Naming of Streets and Numbering of Buildings

A draft of the attached Ordinance amending Section 265-2 of the City Code was presented to and discussed by the City Council on February 6, 2012. The Mayor, Jeffrey E. Graham, requested that a formal Ordinance be prepared for City Council consideration.

The proposed Ordinance retitles the section and adds paragraph "A." Paragraph "B" is existing language within the Code.

ORDINANCE

Page 1 of 1

Amending Section 265-2 of the City Code,
Naming of Streets and Numbering of
Buildings

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

Total

YEA	NAY

Introduced by

BE IT ORDAINED where the City Council deems it in the public interest to control the naming of all streets within the City, public or private, to avoid confusion and delay in finding locations during emergency responses, and

BE IT FURTHER ORDAINED that Section 265-2 of the City Code of the City of Watertown is hereby amended to read as follows:

§ 265-2. Naming of streets and numbering of buildings.

- A. Publicly and privately owned streets and drives shall only be named by resolution of the City Council. Property owners may propose names on site plan or subdivision plat approval applications or through other means. All proposed names shall be checked for similarity with existing street names to reduce possible confusion during emergency responses.
- B. All buildings erected or hereafter to be erected shall be numbered as directed by the City Engineer. No person owning a building shall fail to procure from the City Engineer the proper number or numbers assigned therefor, nor shall any such owner fail to place and maintain the same thereon as hereafter provided. Numbers shall be not less than two and one-half (2 1/2) inches in height, of proportionate width and shall be placed and maintained in a permanent and durable manner where they can be seen at all times from the street.

and,

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

Seconded by

February 15, 2012

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Bond Ordinance – Wastewater Treatment Plant Disinfection System

Included in tonight's agenda is a resolution to accept the contract with GHD Consulting Engineers, LLC for the design, bidding and construction phase services for the Wastewater Treatment Plant Disinfection System in the amount of \$706,800. Also included in tonight's agenda tonight is a resolution to transfer the appropriation of \$250,000 for the Capital Reserve Fund to this project. If that resolution passed then section 2 of the bond ordinance should be amended as follows to limit the borrowing for the design portion of the project to \$460,000.

Section 2. It is hereby determined that the estimated maximum cost of the aforesaid specific object or purpose is \$710,000 and that the plan for the financing thereof is by the issuance of the **\$460,000** bonds of said City authorized to be issued pursuant to this bond ordinance.

A summary of the initial design cost are as follows:

GHD Consulting Engineers, LLC	\$ 706,800
Bonding expenses and contingency	<u>3,200</u>
Bond Ordinance	\$ 710,000

ORDINANCE

Page 1 of 6

An Ordinance Authorizing the Issuance of \$710,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant

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

Total

YEA	NAY

Introduced by

At a regular meeting of the Council of the City of Watertown, Jefferson County, New York, held at the Municipal Building, in Watertown, New York, in said City, on February 21, 2012, at 7:00 o'clock P.M., Prevailing Time.

The meeting was called to order by _____, and upon roll being called, the following were

PRESENT:

ABSENT:

The following ordinance was offered by Councilman _____, who moved its adoption, seconded by Councilman _____, to wit:

WHEREAS, all conditions precedent to the financing of the capital purposes hereinafter described, including compliance with the provisions of the State Environmental Quality Review Act to the extent required, have been performed; and

WHEREAS, it is now desired to authorize the financing of such capital purposes; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of Watertown, Jefferson County, New York, as follows:

ORDINANCE

Page 2 of 6

An Ordinance Authorizing the Issuance of \$710,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant

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

Total

YEA	NAY

Section 1. To pay cost of the design of a disinfection system for the City's wastewater treatment plant, in and for the City of Watertown, Jefferson County, New York, and incidental expenses in connection therewith, a specific object or purpose, there are hereby authorized to be issued \$710,000 bonds of said City pursuant to the provisions of the Local Finance Law.

Section 2. It is hereby determined that the estimated maximum cost of the aforesaid specific object or purpose is \$710,000 and that the plan for the financing thereof is by the issuance of the \$710,000 bonds of said City authorized to be issued pursuant to this bond ordinance.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is five years, pursuant to subdivision sixty-two of paragraph a of Section 11.00 of the Local Finance Law.

Section 4. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the bonds herein authorized, including renewals of such notes, is hereby delegated to the City Comptroller, the chief fiscal officer. Such notes shall be of such terms, form and contents, and shall be sold in such manner, as may be prescribed by said City Comptroller, consistent with the provisions of the Local Finance Law.

Section 5. The faith and credit of said City of Watertown, Jefferson County, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such obligations as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such obligations becoming due and payable in such year. To the extent such appropriation is not made from other sources, there shall annually be levied on all the taxable real property of said City a tax sufficient to pay the principal of and interest on such obligations as the same become due and payable, as shall be established in proceedings under Section 93 of the City Charter.

ORDINANCE

Page 3 of 6

An Ordinance Authorizing the Issuance of \$710,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant

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

YEA	NAY

Section 6. Such bonds shall be in fully registered form and shall be signed in the name of the City of Watertown, Jefferson County, New York, by the manual or facsimile signature of the City Comptroller and a facsimile of its corporate seal shall be imprinted thereon and may be attested by the manual or facsimile signature of the City Clerk.

Section 7. The powers and duties of advertising such bonds for sale, conducting the sale and awarding the bonds, are hereby delegated to the City Comptroller, who shall advertise such bonds for sale, conduct the sale, and award the bonds in such manner as he shall deem best for the interests of the City; provided, however, that in the exercise of these delegated powers, he shall comply fully with the provisions of the Local Finance Law and any order or rule of the State Comptroller applicable to the sale of municipal bonds. The receipt of the City Comptroller shall be a full acquittance to the purchaser of such bonds, who shall not be obliged to see to the application of the purchase money.

Section 8. All other matters, except as provided herein relating to such bonds, including determining whether to issue such bonds having substantially level or declining annual debt service and all matters related thereto, prescribing whether manual or facsimile signatures shall appear on said bonds, prescribing the method for the recording of ownership of said bonds, appointing the fiscal agent or agents for said bonds, providing for the printing and delivery of said bonds (and if said bonds are to be executed in the name of the City by the facsimile signature of the City Comptroller, providing for the manual countersignature of a fiscal agent or of a designated official of the City), the date, denominations, maturities and interest payment dates, place or places of payment, and also including the consolidation with other issues, shall be determined by the City Comptroller. It is hereby determined that it is to the financial advantage of the City not to impose and collect from registered owners of such bonds any charges for mailing, shipping and insuring bonds transferred or exchanged by the fiscal agent, and, accordingly, pursuant to paragraph c of Section 70.00 of the Local Finance Law, no such charges shall be so collected by the fiscal agent. Such bonds shall contain substantially the recital of validity clause provided for in Section 52.00 of the Local Finance Law and shall otherwise be in such form and contain such recitals in addition to those required by Section 52.00 of the Local Finance Law, as the City Comptroller shall determine.

ORDINANCE

Page 4 of 6

An Ordinance Authorizing the Issuance of \$710,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant

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

YEA	NAY

Section 9. This ordinance shall constitute a statement of official intent for purposes of Treasury Regulations Section 1.150-2. Other than as specified in this ordinance, no monies are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside with respect to the permanent funding of the object or purpose described herein.

Section 10. The validity of such bonds and bond anticipation notes may be contested only if:

- (1) Such obligations are authorized for an object or purpose for which said City is not authorized to expend money, or
- (2) The provisions of law which should be complied with at the date of publication of this ordinance are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Section 11. This ordinance, which takes effect immediately, shall be published in full in the Watertown Daily Times, the official newspaper, together with a notice of the City Clerk in substantially the form provided in Section 81.00 of the Local Finance Law.

Unanimous consent moved by Councilman _____, seconded by Councilman _____, with all voting "AYE".

The question of the adoption of the foregoing ordinance was duly put to a vote on roll call, which resulted as follows:

_____ VOTING _____
 _____ VOTING _____
 _____ VOTING _____
 _____ VOTING _____
 _____ VOTING _____

ORDINANCE

Page 5 of 6

An Ordinance Authorizing the Issuance of \$710,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant

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

YEA	NAY

The ordinance was thereupon declared duly adopted.

* * *

APPROVED BY THE MAYOR
_____, 2012.
Mayor

STATE OF NEW YORK)
) ss.:
COUNTY OF JEFFERSON)

I, the undersigned Clerk of the City of Watertown, Jefferson County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Council of said City, including the ordinance contained therein, held on February 21, 2012, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Council had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

Newspaper and/or Other News Media Date Given

Regular meeting of the City Council held in accordance with Section 14-1 of the Municipal Code

ORDINANCE

Page 6 of 6

An Ordinance Authorizing the Issuance of \$710,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant

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

Total

YEA	NAY

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

Designated Location(s) of Posted Noticed Date of Posting

Regular meeting of the City Council held in accordance with Section 14-1 of the Municipal Code

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City on February _____, 2012.

City Clerk

(CORPORATE SEAL)

Ord No. 3

February 14, 2012

To: The Honorable Mayor and City Council

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

Subject: Changing the Approved Zoning Classification of VL-1 Eastern Boulevard, Parcel 5-26-109.005, from Residence C to Light Industry.

A request has been submitted by David Wise of Stebbins Engineering for the above subject zone change request. The Planning Board reviewed the request at its February 7, 2012 meeting and adopted a motion recommending that the City Council approve the zone change request as submitted.

The Jefferson County Planning Board is scheduled to review the request on February 28, 2012.

Attached is a report on the zone change request prepared for the Planning Board, along with an excerpt from its minutes.

The ordinance attached for City Council consideration approves the zone change as requested. The Council must hold a public hearing on the ordinance before it may vote. It is recommended that a public hearing be scheduled for 7:30 pm on Monday, March 5, 2012. A SEQRA resolution will also be presented for City Council consideration at that meeting.

ORDINANCE

Page 1 of 1

Approving the Request Submitted by David Wise of Stebbins Engineering to Change the Approved Zoning Classification of VL-1 Eastern Boulevard, Parcel 5-26-109.005, from Residence C to Light Industry

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

YEA	NAY

Introduced by

BE IT ORDAINED where David Wise of Stebbins Engineering has made application by petition filed with the City Clerk, pursuant to Section 83 of the New York General City Law to change the approved zoning classification of VL-1 Eastern Boulevard, parcel 5-26-109.005, from Residence C to Light Industry, and

WHEREAS the Planning Board of the City of Watertown considered the zone change request at its meeting held on February 7, 2012, and adopted a motion recommending that the City Council approve the zone change as requested, and

WHEREAS the Jefferson County Planning Board reviewed the request at its meeting held on February 28, 2012, pursuant to General Municipal Law Section 239-m, and

WHEREAS a public hearing was held on the proposed zone change on March 5, 2012, after due public notice, and

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

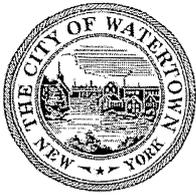
WHEREAS the City Council deems it in the best interest of the citizens of the City of Watertown to approve the requested zone change,

NOW THEREFORE BE IT ORDAINED that the zoning classification of VL-1 Eastern Boulevard, parcel 5-26-109.005, shall be changed from Residence C to Light Industry, and

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

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

Seconded by



MEMORANDUM

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

TO: Planning Board Members

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

SUBJECT: Zone Change – VL-1 Eastern Boulevard, Parcel 5-26-109.005 *KAM*

DATE: January 31, 2012

Request: To change the approved zoning classification of VL-1 Eastern Boulevard, parcel 5-26-109.005, from Residence C to Light Industry

Applicant: David Wise, Stebbins Engineering

Owner: Stebbins Eng/Manf Co

SEQRA: Unlisted

County review: Required – will be forwarded for the February 28th meeting

Comments: In conjunction with the applicant's concurrent requests for Site Plan Waivers, it became apparent that a portion of their property was not zoned appropriately. The parcel in question, 5-26-109.005, is a roughly 100' by 500' strip of land on the northern end of the Stebbins site. The lot is mostly vacant woodland, except for a small area of parking/storage along the southern boundary.

If order to build the cold storage shed proposed in their Site Plan, the zoning must be changed to Light Industry, since the use of the shed is solely an accessory to the main industrial operation on the neighboring parcels.

This property is designated for industrial use in the adopted Land Use Plan.

cc: City Council Members
Robert J. Slye, City Attorney
Justin Wood, Civil Engineer II
David Wise, 363 Eastern Blvd, Watertown 13601

THE

STEBBINS ENGINEERING AND MANUFACTURING COMPANY

363 Eastern Boulevard
Watertown, New York USA 13601-3194
<http://www.StebbinsEng.com>

Telephone: (315) 782-3000
Telecopier: (315) 782-0481
E-Mail: info@StebbinsEng.com

January 27, 2012

City Engineering Office
Room 305, City Hall
245 Washington Street
Watertown, NY 13601

Reference: Zoning Change for Parcel 5-26-109.005
363 Eastern Boulevard
Watertown, NY

Dear Honorable Mayor and City Council,

Please accept our request for a Zoning Change for parcel 5-26-109.005 at STEBBINS Engineering, 363 Eastern Boulevard, Watertown, New York 13601. We propose changing this parcel from Residential C to Light Industrial to match the zoning classification of the other parcels at our Eastern Boulevard facility. It is our intent to erect a 2240 square foot temporary cold storage building on this parcel as shown on the attached site plan. This temporary building will have no utilities installed and will only be used for cold storage of materials and components being shipped to STEBBINS' overseas projects.

Enclosed is our completed application, applicable tax map and site plan showing placement of the proposed building as requested.

If you require any additional information, please contact me at 315-782-3000 ext. 2914 or at 783-7781.

Thank you for your assistance in this matter.

Regards,

THE STEBBINS ENGINEERING
AND MANUFACTURING COMPANY

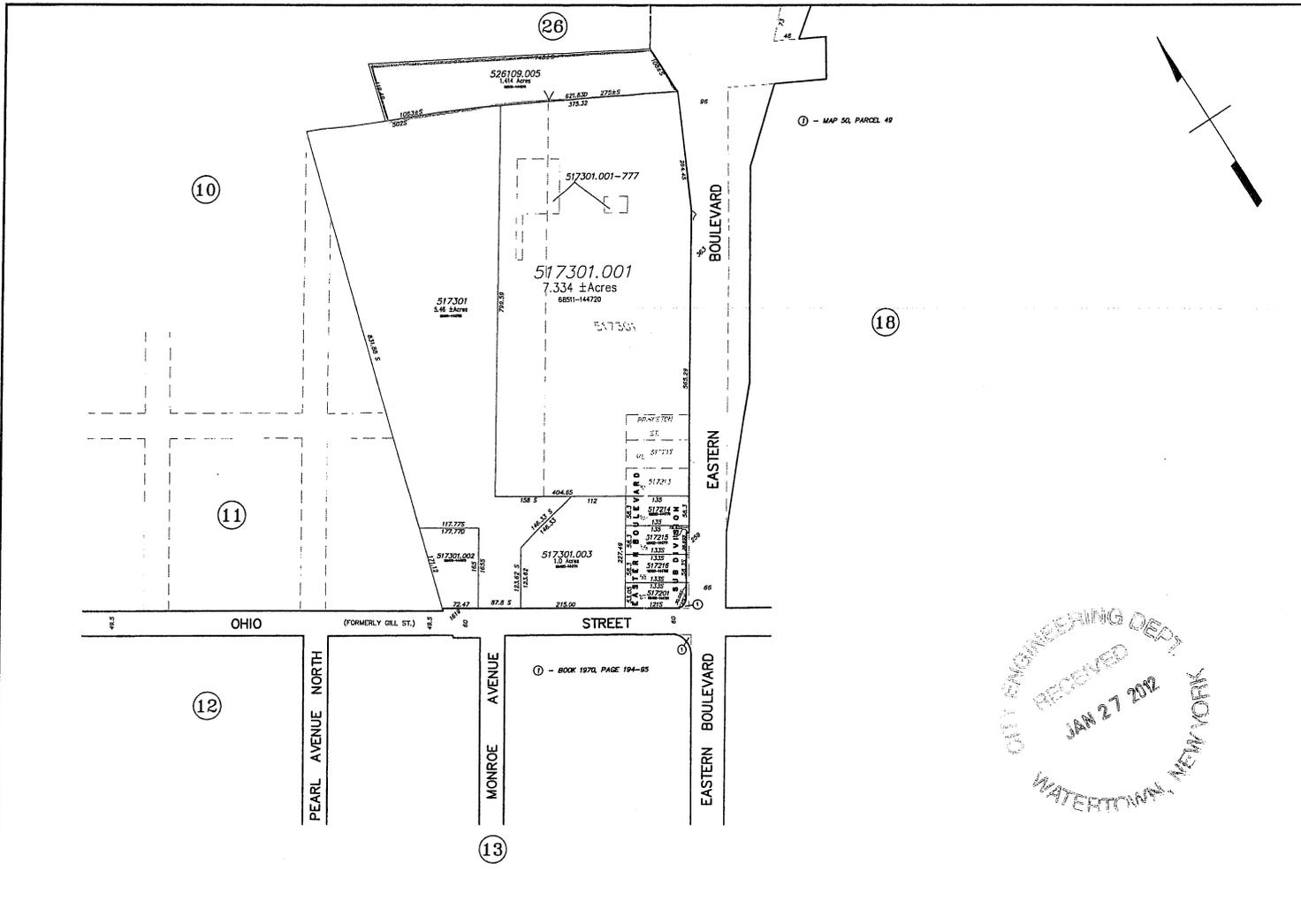


David Wise
Manager of Shop Operations

/cm

Attachments: Site Plan
Application
Tax Map





Drawing scanned by Srinivas & Associates, Inc. (514)-562-7770 - Fax: (514)-562-7412 - EMAIL: srinivas@srinivas.com

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

DISTRICT 5 MAP 17
REVISED DECEMBER 10, 2003

CITY ENGINEERING DEPT.
RECEIVED
JAN 27 2012
WATERTOWN, NEW YORK

SHORT ENVIRONMENTAL ASSESSMENT FORM

For UNLISTED ACTIONS Only

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

1. APPLICANT/SPONSOR STEBBINS ENGINEERING	2. PROJECT NAME North STORAGE BUILDING
3. PROJECT LOCATION: Municipality WATERTOWN County JEFFERSON	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) 363 EASTERN BOULEVARD WATERTOWN, N.Y. 13601	
5. IS PROPOSED ACTION: <input type="checkbox"/> New <input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Modification/alteration Zoning change	
6. DESCRIBE PROJECT BRIEFLY: ZONING CHANGE OF Parcel 5-26-109.005 FROM RESIDENTIAL C TO LIGHT INDUSTRIAL TO ALLOW ERECTION OF A temporary Storage Building	
7. AMOUNT OF LAND AFFECTED: Initially _____ acres Ultimately 1.414 acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open Space <input type="checkbox"/> Other Describe: Adjoining property where proposed Building will be erected is zoned Industrial	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, list agency(s) and permit/approvals Building Permit will be granted from City of WATERTOWN	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, list agency(s) and permit/approvals	
12. AS A RESULT OF PROPOSED ACTION, WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input type="checkbox"/> No N/A	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: STEBBINS Engineering Date: 1/27/12 Signature: Dan J. Wise	

RECEIVED
JAN 27 2012
WATERTOWN, NEW YORK

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

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

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

Yes No

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

Yes No

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

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

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

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

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

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

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

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

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

Yes No

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

Yes No If yes, explain briefly

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

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

- Check this box if you have identified one or more potentially large or significant adverse impacts which **MAY** occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.
- Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action **WILL NOT** result in any significant adverse environmental impacts AND provide on attachments as necessary, the reasons supporting this determination:

Name of Lead Agency

Print or Type Name of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (If different from responsible officer)

Date

EXCERPT FROM THE MINUTES
PLANNING BOARD OF THE CITY OF WATERTOWN
MEETING OF FEBRUARY 7, 2012

**ZONE CHANGE - STEBBINS ENGINEERING
VL-1 EASTERN BOULEVARD – PARCEL NO. 5-26-109.005**

The Planning Board then considered a Zone Change Request submitted by David Wise of Stebbins Engineering Company to change the approved zoning classification of VL-1 Eastern Boulevard, Parcel No. 5-26-109.005 from Residence C to Light Industrial. In attendance on behalf of Stebbins Engineering were David Wise and David Honan. Mr. Wise began by stating that they are requesting a zone change for a parcel of land that they own that is currently zoned Residence C. He said that for some reason, this small portion of their property is zoned Residence C while the remainder is Light Industrial.

Mrs. Freda inquired about the recommended use of the property according to the Land Use Plan. Mr. Mix responded that the land use plan calls for industrial use for this parcel. Mr. Mix speculated that the parcel was likely zoned Residence C because at one time it was part of property owned by the adjacent housing development.

Mr. Wise stated that it is Stebbins' intention to erect a temporary storage facility on the property and that they cannot do so without a change in the zoning. Mr. Mix added that the property surrounding this particular parcel is all zoned Light Industrial and that there is no reason why this parcel should not be changed as well.

Hearing no further discussion, Mr. Harris moved to recommend that the City Council grant the Zone Change Request submitted by David Wise of Stebbins Engineering Company to change the approved zoning classification of VL-1 Eastern Boulevard, Parcel No. 5-26-109.005 from Residence C to Light Industrial. The motion was seconded by Mr. Fipps and all voted in favor.

Ord No. 4

February 15, 2012

To: The Honorable Mayor and City Council

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

Subject: Changing the Approved Zoning Classification of 110 Parcels in the Public Square Area to Downtown District in Order to Implement the Local Waterfront Revitalization Program

On February 7, 2012, the Planning Board reviewed the second phase of the Local Waterfront Revitalization Program (LWRP) zoning amendments and unanimously passed a motion recommending that the City Council adopt the proposed changes. This phase designates Public Square and surrounding areas as a Downtown District. The Downtown District is a new zoning designation that was created by the City Council on June 6, 2011.

Copies of maps showing the existing zoning and this proposed rezoning are included within City Council Members' Agenda Packages. Attached to this memo are copies of the report prepared for the Planning Board and an excerpt from the Planning Board Minutes.

A Public Hearing is required before the City Council may vote on this Ordinance. It is recommended that a Public Hearing be scheduled for 7:30 p.m. on Monday, March 5, 2012.

ORDINANCE

Page 1 of 6

Changing the Approved Zoning Classification of 110
Parcels in the Public Square Area to Downtown
District in Order to Implement the Local Waterfront
Revitalization Program

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

Total

YEA	NAY

Introduced by

BE IT ORDAINED where certain changes to the City of Watertown’s Zoning Map are required in order to implement the City’s Local Waterfront Revitalization Program, and

WHEREAS the Planning Board of the City of Watertown considered the proposal to change the zoning for 110 parcels in the Public Square area to Downtown District at its meeting held on February 7, 2012, and adopted a motion recommending that the City Council approve the zone changes, and

WHEREAS the Jefferson County Planning Board reviewed this proposal at its meeting held on February 28, 2012, pursuant to General Municipal Law Section 239-m, and

WHEREAS a public hearing was held on the proposed zone changes on March 5, 2012, after due public notice, and

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

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

ORDINANCE

Page 2 of 6

Changing the Approved Zoning Classification of 110
 Parcels in the Public Square Area to Downtown
 District in Order to Implement the Local Waterfront
 Revitalization Program

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

Total

YEA	NAY

NOW THEREFORE BE IT ORDAINED that the zoning classification of each of
 the parcels in the following list is hereby changed to **Downtown District**:

- 10-01-101.000 120 WASHINGTON ST
- 10-01-106.000 117 ARSENAL ST
- 10-01-107.000 11 PUBLIC SQ
- 10-01-109.000 3-5-7 PUBLIC SQ
- 10-01-111.000 1 PUBLIC SQ
- 10-01-112.000 102 WASHINGTON ST
- 10-01-113.000 104 WASHINGTON ST
- 10-01-201.000 142 ARCADE ST
- 10-01-211.000 127 ARSENAL ST
- 10-01-213.100 120 ARCADE ST
- 10-06-103.000 132 CLINTON ST
- 10-06-103.001 VL-2 CLINTON ST
- 10-06-103.002 VL-4 CLINTON ST
- 10-06-117.000 177 STONE ST
- 10-06-118.000 171 STONE ST
- 10-06-119.000 161 STONE ST
- 10-06-124.000 200 WASHINGTON ST
- 10-06-126.000 216 WASHINGTON ST
- 10-06-127.000 228 WASHINGTON ST
- 10-06-128.000 242 WASHINGTON ST
- 10-06-129.000 260 WASHINGTON ST
- 11-01-110.000 225 GOODALE ST
- 11-01-112.000 200 FRANKLIN ST
- 11-01-115.000 230 FRANKLIN ST
- 11-01-201.000 245 WASHINGTON ST
- 11-01-211.000 229 WASHINGTON ST
- 11-01-212.000 215 WASHINGTON ST

ORDINANCE

Page 3 of 6

Changing the Approved Zoning Classification of 110
 Parcels in the Public Square Area to Downtown
 District in Order to Implement the Local Waterfront
 Revitalization Program

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

YEA	NAY

Total

- 11-01-213.000 131 WASHINGTON ST
- 11-01-214.000 121 WASHINGTON ST
- 11-01-216.000 105 WASHINGTON ST
- 11-01-217.000 12 PUBLIC SQ
- 11-01-218.000 16 PUBLIC SQ
- 11-01-219.000 18 PUBLIC SQ
- 11-01-220.000 24 PUBLIC SQ
- 11-01-221.000 114 FRANKLIN ST
- 11-01-221.001 114 REAR FRANKLIN ST
- 11-01-223.000 124 FRANKLIN ST
- 11-01-225.000 136 FRANKLIN ST
- 12-01-107.000 231 FRANKLIN ST
- 12-01-108.000 26-44 PUBLIC SQ
- 12-01-109.000 50 PUBLIC SQ
- 12-01-111.000 206 STATE ST
- 12-01-112.000 226 STATE ST
- 12-01-113.000 234 STATE ST
- 6-01-301.001 150 FACTORY ST
- 6-01-301.002 120 FACTORY ST
- 6-01-403.000 123 POLK ST
- 6-01-405.000 291 STATE ST
- 6-01-406.000 261 STATE ST
- 6-01-409.000 235 STATE ST
- 6-01-411.000 221 STATE ST
- 6-01-412.000 76-80 PUBLIC SQ
- 6-01-413.000 82-90 PUBLIC SQ
- 6-02-201.000 342 FACTORY ST
- 6-02-202.000 303 MECHANIC ST
- 6-02-203.000 231 MECHANIC ST
- 6-02-204.000 225 MECHANIC ST

ORDINANCE

Page 4 of 6

Changing the Approved Zoning Classification of 110
 Parcels in the Public Square Area to Downtown
 District in Order to Implement the Local Waterfront
 Revitalization Program

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

YEA	NAY

Total

- 6-02-205.000 176 POLK ST
- 6-02-206.000 202 FACTORY ST
- 6-02-207.000 218 FACTORY ST
- 6-02-208.000 224 FACTORY ST
- 6-02-209.000 230 FACTORY ST
- 6-02-210.000 236 FACTORY ST
- 6-02-211.000 246 FACTORY ST
- 6-02-212.000 306 FACTORY ST
- 6-02-214.000 316 FACTORY ST
- 6-02-215.000 334 FACTORY ST
- 6-02-401.003 306 REAR FACTORY ST
- 7-01-101.000 107 PUBLIC SQ
- 7-01-101.001 109 MILL ST
- 7-01-102.000 103-05 PUBLIC SQ
- 7-01-103.000 101 PUBLIC SQ
- 7-01-104.000 89-99 PUBLIC SQ
- 7-01-105.000 85-87 PUBLIC SQ
- 7-01-106.000 81 PUBLIC SQ
- 7-01-107.000 77-79 PUBLIC SQ
- 7-01-108.000 75 PUBLIC SQ
- 7-01-109.000 71-73 PUBLIC SQ
- 7-01-110.000 67-69 PUBLIC SQ
- 7-01-111.000 63-65 PUBLIC SQ
- 7-01-112.000 53 PUBLIC SQ
- 7-01-112.001 41 PUBLIC SQ
- 7-01-112.002 VL-3 J B WISE PL
- 7-01-113.000 35-39 PUBLIC SQ
- 7-01-114.000 31 PUBLIC SQ
- 7-01-115.000 108 REAR COURT ST
- 7-01-116.000 29 PUBLIC SQ

ORDINANCE

Page 5 of 6

Changing the Approved Zoning Classification of 110
 Parcels in the Public Square Area to Downtown
 District in Order to Implement the Local Waterfront
 Revitalization Program

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

YEA	NAY

Total

- 7-01-116.001 25 PUBLIC SQ
- 7-01-117.000 104 COURT ST
- 7-01-118.000 108 COURT ST
- 7-01-120.000 112 COURT ST
- 7-01-121.000 114 COURT ST
- 7-01-122.000 118 COURT ST
- 7-01-123.000 122-30 REAR COURT ST
- 7-01-123.001 130 COURT ST
- 7-01-124.000 132 COURT ST
- 7-01-125.000 136 COURT ST
- 7-01-126.000 138 COURT ST
- 7-01-127.000 150 COURT ST
- 7-01-129.000 152 COURT ST
- 7-01-130.000 170 COURT ST
- 7-01-132.000 259 J B WISE PL
- 7-01-134.000 223 J B WISE PL
- 7-01-135.000 VL-1 J B WISE PL
- 7-02-101.000 105 COURT ST
- 7-02-102.000 L146 ARSENAL ST
- 7-02-102.001 146 ARSENAL ST
- 7-03-103.000 210 COURT ST
- 7-03-201.000 302 COURT ST
- 7-04-101.000 205 COFFEEN ST

and,

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

BE IT FURTHER ORDAINED this amendment to the Zoning Ordinance of the City of Watertown shall take effect as soon as it is published once in the official newspaper of

ORDINANCE

Page 6 of 6

Changing the Approved Zoning Classification of 110
Parcels in the Public Square Area to Downtown
District in Order to Implement the Local Waterfront
Revitalization Program

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

the City of Watertown, or printed as the City Manager directs.

Seconded by



MEMORANDUM

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

TO: Planning Board Members

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

SUBJECT: LWRP Zone Changes Round 2 – Downtown Area

DATE: January 31, 2012

Last June, the Planning Board reviewed and recommended approval of zone changes to government-owned properties within the LWRP boundary. The rest of the proposed changes have been divided into five further phases.

Phase 2, currently before you, involves the areas around Public Square. The draft LWRP recommends that this area be changed to Downtown District (DD). Most of the areas under consideration are currently zoned Commercial, and few properties are Light Industry. The proposed changes will also eliminate the outdated PDD #5, created in 1962 as part of the City's Urban Renewal Project.

The Downtown District allows multi-family residential and most commercial uses—excluding gas stations and automobile repair shops, and ground floor residential units. The District has no setback or lot coverage requirements, except that 250 square feet of ground area is required for each residential unit.

Attached are two maps: one showing the current zoning, and one showing proposed changes. The next phase will be properties along the river owned or used by hydroelectric firms for generation.

Cc: City Council Members
Robert Slye, City Attorney
Justin Wood, Civil Engineer II

Excerpt From Planning Board's 2/7/12 Meeting Minutes

LWRP ZONE CHANGES (PHASE II) PUBLIC SQUARE AREA

The Planning Board then considered a request submitted by Staff to change the approved zoning classification of 110 parcels in the Public Square area to Downtown District as part of the zone changes required for the LWRP implementation.

Mr. Mix began the discussion by stating that some of the LWRP zoning changes had started last June with the adoption of several new zoning districts. He said that the first map changes are City-owned parcels which have already been presented to the Planning Board and will be heard by the City Council in the coming weeks. He said that the next phase of the zoning map changes are for private property located in the downtown area. He noted that most of the change is from Commercial District to the new Downtown District, but there are some Light Industrial parcels included in the change as well. He said that the change from Commercial to Downtown District only has a few minor differences in terms of the allowed uses. He said that currently automobile repair is allowed in a Commercial District but would not be allowed in the Downtown District. He said that the change from Light Industrial to Downtown District is much more drastic; however, the Light Industrial zoning designation is probably not appropriate in the Downtown area.

Mr. Mix noted that despite notification, there has not been a lot of public input on this particular phase of the zoning map changes; however, he noted that there were a lot of public meetings held beforehand during the LWRP process itself.

A discussion followed regarding some of the Light Industrial parcels. Mr. Mix noted that the only Light Industrial section that is to be changed as part of this request is a section from Polk Street to Mechanic Street. Mrs. Freda asked about the Knowlton property. Mr. Mix said that this property, located on the river side of Factory Street would be addressed in a later phase. With regard to the south side of the street between Polk and Mechanic, Mrs. Freda noted that there were no existing industrial uses in those buildings. Mr. Mix said that the Northern Federal Credit Union, Mick's Place, Morrison's Furniture and an appliance store were located in that area. Mrs. Freda commented that all of those uses would be allowed in the new district.

Dorothy Wolff, the Facilities and NSO Administration Supervisor from Northern Federal Credit Union then addressed the Planning Board. She asked what the impact to their facility would be if the zone change were to go forward. Mr. Mix said that there would be no impact. He said their existing operation would fall under the allowed uses of the Downtown District. Ms. Wolff stated that her primary purpose of coming to the meeting was to verify that financial institutions would be allowed in the new district and that there would be no impact on the drive through facility. Mr. Mix said that there would be no impact on their existing functions.

Tony Keating, in attendance on behalf of the John Sheldon Company, then addressed the Planning Board. He said that the John Sheldon Company owns property on Court Street, and his concern was the difference in allowed uses between the Commercial District and the Downtown District. He noted that Mr. Mix had mentioned auto repair not being allowed but

wondered what else would not be allowed. Mr. Mix noted that there really was not much more that would not be allowed; however, gasoline sales, hospitals and mobile homes sales lot would not be allowed in the new district. He noted that other than that, it would not be very many differences.

Ms. Wolff then readdressed the Planning Board. She asked if there would be any impact on tax rates. Mr. Mix noted that he typically does not like to answer this question as he is not the City Assessor; however, in this case there is really no significant difference in the two zoning districts and that since the two are so similar, he did not see how the assessment would be affected in any way.

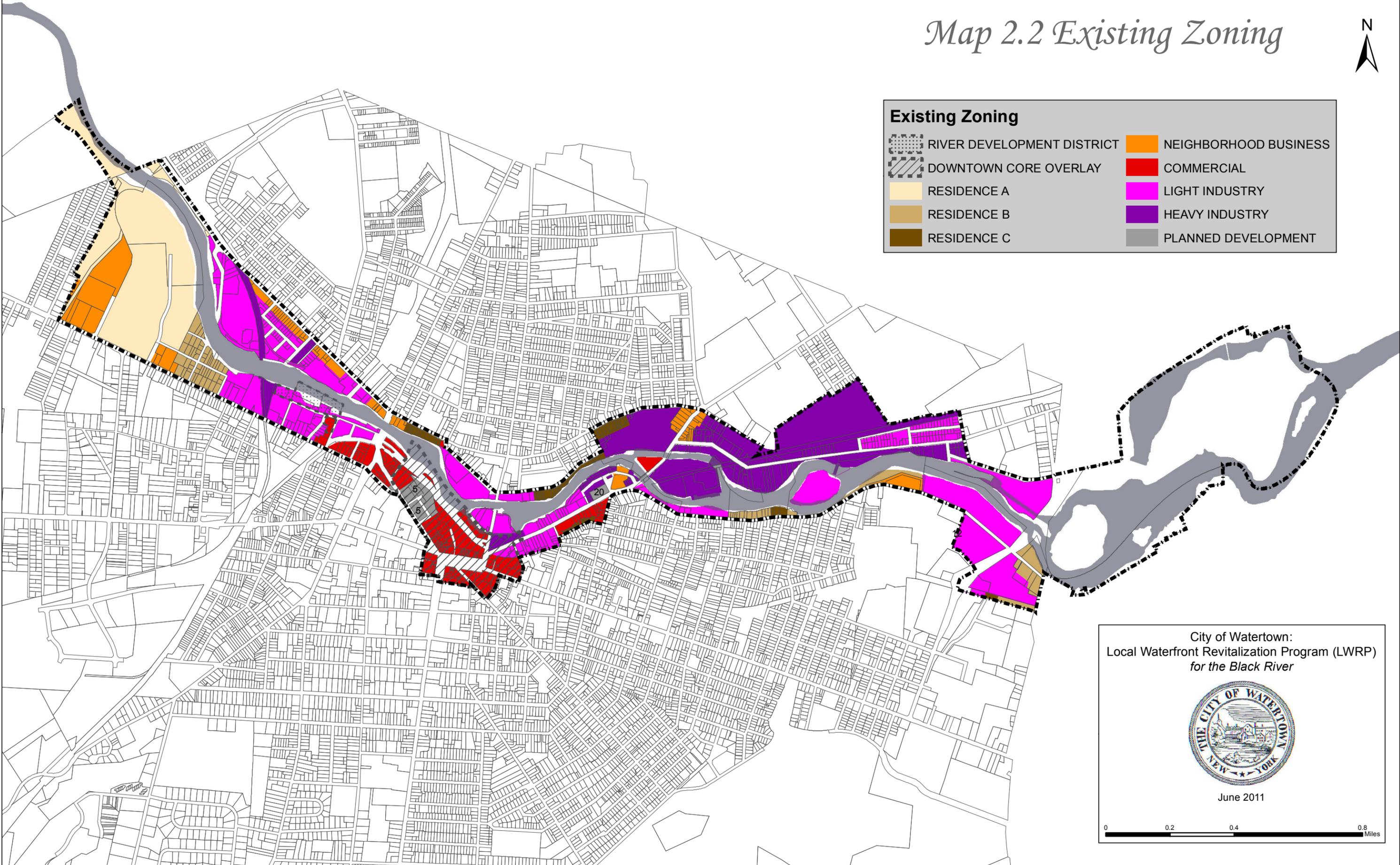
Mrs. Freda asked if there were any further questions or comments. Hearing no further comments, Mr. Harris moved to recommend approval for the request submitted by City Staff to change the approved zoning classification of 110 parcels in the Public Square area from Commercial and Light Industrial to Downtown District. The motion was seconded by Mr. Fipps and all voted in favor.

Map 2.2 Existing Zoning



Existing Zoning

 RIVER DEVELOPMENT DISTRICT	 NEIGHBORHOOD BUSINESS
 DOWNTOWN CORE OVERLAY	 COMMERCIAL
 RESIDENCE A	 LIGHT INDUSTRY
 RESIDENCE B	 HEAVY INDUSTRY
 RESIDENCE C	 PLANNED DEVELOPMENT



City of Watertown:
Local Waterfront Revitalization Program (LWRP)
for the Black River



June 2011

0 0.2 0.4 0.8 Miles

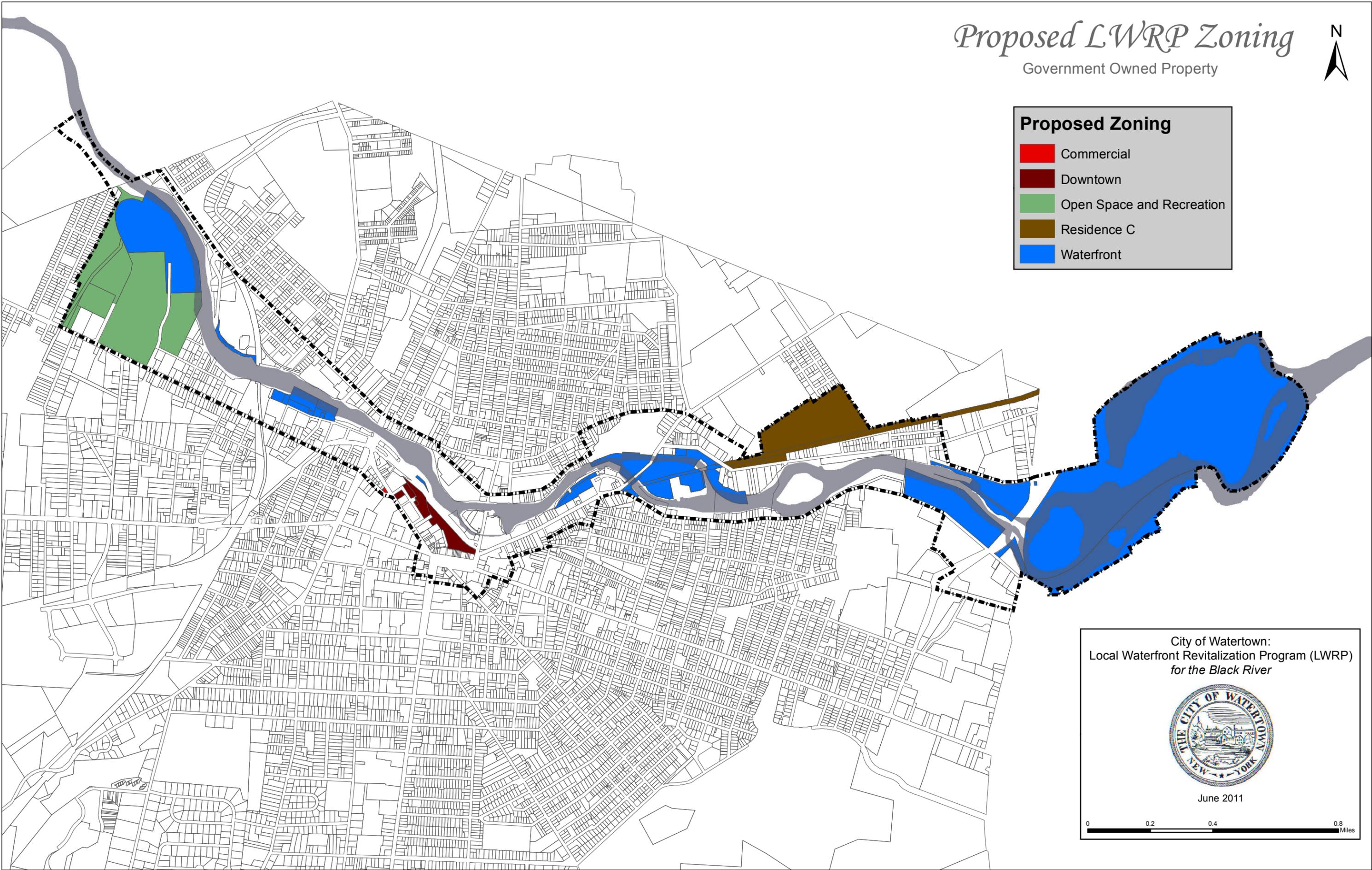
Proposed LWRP Zoning

Government Owned Property



Proposed Zoning

-  Commercial
-  Downtown
-  Open Space and Recreation
-  Residence C
-  Waterfront



City of Watertown:
Local Waterfront Revitalization Program (LWRP)
for the Black River



June 2011

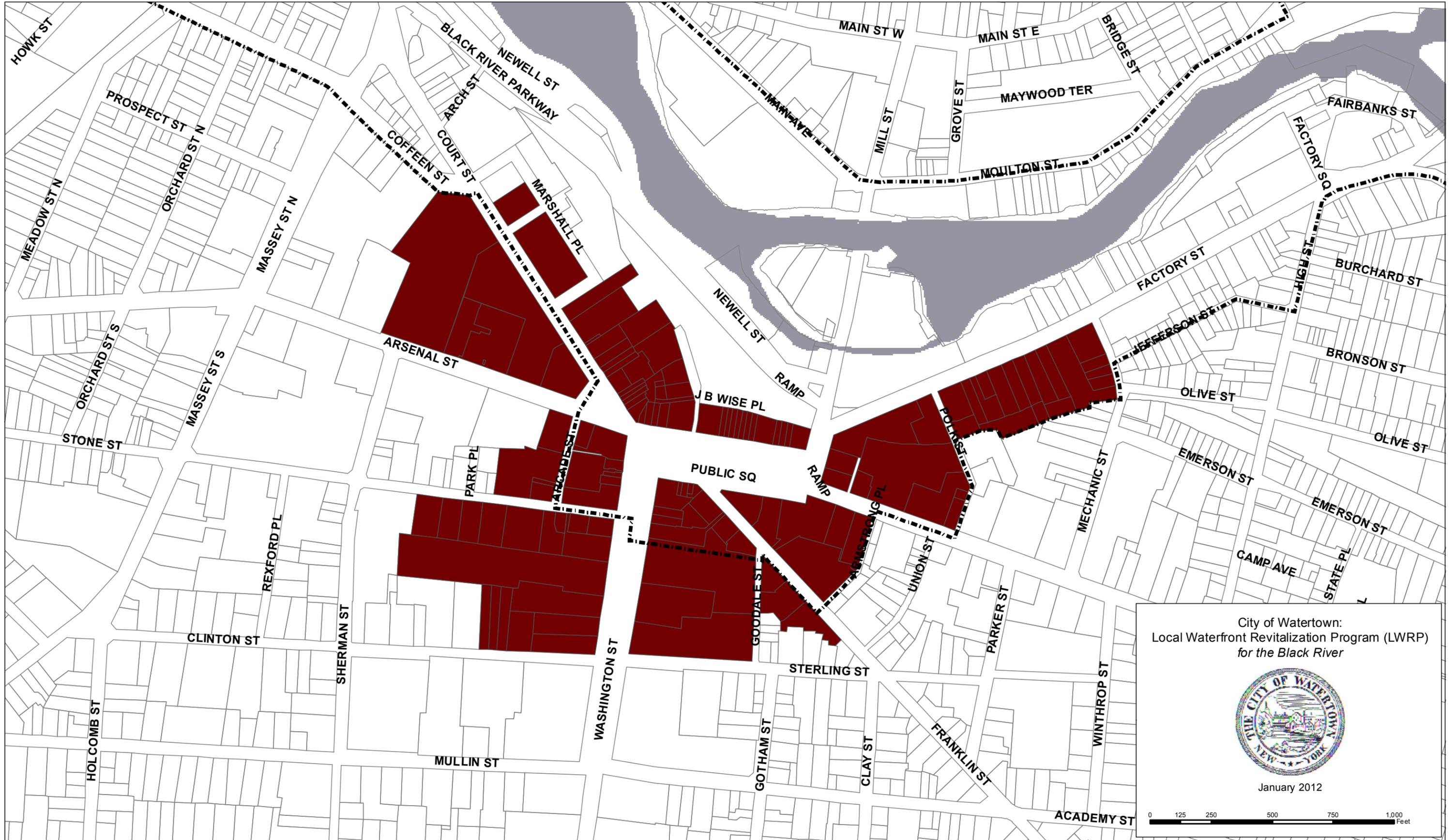


Proposed LWRP Zoning

Downtown Area



 DOWNTOWN
 LWRP Boundary



City of Watertown:
Local Waterfront Revitalization Program (LWRP)
for the Black River



January 2012



7:30 p.m. – Public Hearing

February 14, 2012

To: The Honorable Mayor and City Council

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

Subject: Changing the Approved Zoning Classification of Various Government-Owned Parcels in Order to Implement the Recommendations of the Local Waterfront Revitalization Program

The City Council has scheduled a Public Hearing on the above subject Ordinance for 7:30 p.m. on Tuesday, February 21, 2012.

This Ordinance represents the first phase of the Local Waterfront Revitalization Program (LWRP) zoning. It consists almost entirely of City-owned properties. The State owns two parcels, used for fishing access near Vanduzee Street. The Town of LeRay owns a sewer pumping station on Eastern Boulevard. Two privately-own properties are also included: a small triangle of vacant land near the railroad right-of-way on Water Street and a parcel on Newell Street which contains Maggie's on the River. Copies of maps showing the existing zoning and this proposed rezoning are included within City Council Members' Agenda Packages.

At its June 7, 2011 meeting, the Planning Board reviewed this proposal and unanimously passed a motion recommending that the City Council adopt the changes. Attached are copies of the report prepared for the Planning Board and an excerpt from its meeting minutes.

The County Planning Board also reviewed this proposal at its January 31, 2012 meeting and adopted a motion that the proposal does not have any significant countywide or inter-municipal issues and is of local concern only.

The City Council has already completed an environmental review that covers this zone change. On March 15, 2010, the City Council adopted a resolution finding that the adoption of the LWRP, associated zoning ordinance revisions and Consistency Review Law will not have a significant negative impact on the environment. A copy of the Negative Declaration is attached.

ORDINANCE

Page 1 of 3

Changing the Approved Zoning Classification of Various Government-Owned Parcels in Order to Implement with the Recommendations of the Local Waterfront Revitalization Program

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

YEA	NAY

Introduced by

Council Member Teresa R. Macaluso

BE IT ORDAINED where certain changes to Zoning District boundaries are required in order to implement the City of Watertown’s Local Waterfront Revitalization Program, and

WHEREAS the Jefferson County Planning Board reviewed the request at its meeting held on January 31, 2012, pursuant to General Municipal Law Section 239-m and adopted a motion stating that the project is of local concern only, and

WHEREAS the Planning Board of the City of Watertown considered the zone change request at its meeting held on June 7, 2011, and adopted a motion recommending that the City Council approve the zone changes as proposed, and

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

WHEREAS a public hearing was held on the proposed zone change on February 21, 2012, after due public notice, and

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

ORDINANCE

Page 2 of 3

Changing the Approved Zoning Classification of Various Government-Owned Parcels in Order to Implement with the Recommendations of the Local Waterfront Revitalization Program

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

YEA	NAY

Total

NOW THEREFORE BE IT ORDAINED that the zoning classification of the entirety of each of the parcels in the following list is hereby changed to **Waterfront District**:

1-18-102.001	4-12-201.200	5-26-203.000	7-03-211.000
1-18-102.002	4-12-201.300	5-26-204.000	7-08-301.000
4-12-101.000	4-12-202.000	5-26-205.000	7-08-302.000
4-12-103.001	4-13-101.000	6-05-201.002	7-08-303.000
4-12-103.100	4-13-103.001	6-05-301.003	7-08-304.000
4-12-103.200	4-22-114.000	6-05-304.000	7-08-305.000
4-12-105.000	4-22-115.000	6-05-403.000	7-08-307.000
4-12-106.000	4-27-101.000	6-06-403.000	7-16-112.000
4-12-107.000	4-27-102.000	6-06-404.000	7-16-112.002
4-12-201.100	5-26-202.000	7-03-210.000	8-28-101.000

And,

BE IT FURTHER ORDAINED that the zoning classification of the entirety of each of the parcels in the following list is hereby changed to **Open Space and Recreation District**:

8-22-101.000
 8-29-102.000
 8-29-104.000
 8-29-105.000
 8-29-106.000
 8-29-107.000
 8-29-108.000

And,

ORDINANCE

Page 3 of 3

Changing the Approved Zoning Classification of Various Government-Owned Parcels in Order to Implement with the Recommendations of the Local Waterfront Revitalization Program

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

Total

YEA	NAY

BE IT FURTHER ORDAINED that the zoning classification of the entirety of each of the parcels in the following list is hereby changed to **Residence C District**:

- 4-15-101.000
- 4-16-101.000
- 4-22-202.000
- 4-22-202.001
- 4-22-203.000
- 4-24-201.000

And,

BE IT FURTHER ORDAINED that the zoning classification of the entirety of each of the parcels in the following list is hereby changed to **Downtown District**:

- 7-01-137.000
- 7-03-101.000
- 7-03-102.000
- 7-03-202.000

And,

BE IT FURTHER ORDAINED that the zoning classification of the entirety of parcel 7-03-301.000 is hereby changed to **Commercial District**, and

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

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

Seconded by Council Member Joseph M. Butler Jr.



MEMORANDUM

City of Watertown Planning Office

245 Washington Street, Room 304

Watertown, New York 13601

315-785-7730

Fax: 315-782-9014

TO: Norman J. Wayte, II, Chairman

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

SUBJECT: LWRP Zone Changes

DATE: June 2, 2011

On May 3, 2011 the Planning Board adopted a motion recommending that the City Council approve amendments to the Zoning Ordinance creating three new zoning districts and their related regulations which will implement the land use proposals in the Local Waterfront Revitalization Program. The City Council will hold a public hearing on the Ordinance with those amendments on June 6, 2011. The next step is for the Planning Board to make recommendations on changes to the zoning map that will place the new zoning districts within the LWRP boundary.

Three maps are attached. The first map shows the existing zoning within the LWRP boundary. The second map shows where the existing zoning conforms to the land uses proposed in the LWRP so no changes are needed in these areas. The third map shows proposed zoning for government owned properties.

The vast majority of the government owned property is owned by the City. A small parcel near Eastern Boulevard is owned by the Town of LeRay and contains a sewer pump station. The State of New York owns the fishing access at Vanduzee Street. There are two privately owned properties that are included because they are surrounded by city-owned property. One is a very small triangle next to the old railroad bed at Water Street, and the other is Maggie's on the River.

Staff is proposing to start with public properties before we propose changing private property. We will present proposals for private properties starting next month. The zoning proposed for the private property generally conforms to the land use map in the draft LWRP with the main exception of the islands at the eastern end. We have concluded that the Waterfront District is more appropriate than the originally proposed Open Space and Recreation District. The dams located in this area are water-dependent uses that are allowed in Waterfront Districts, but not in Open Space and Recreation Districts.

cc: Planning Board Members
Robert J. Slye, City Attorney
Justin Wood, Civil Engineer II

EXCERPT FROM THE MINUTES
PLANNING BOARD OF THE CITY OF WATERTOWN
MEETING OF JUNE 7, 2011

**ZONE CHANGES – LWRP
GOVERNMENT OWNED PROPERTIES ALONG THE BLACK RIVER**

The Board then considered a Zone Change proposal submitted by Planning Staff for zone changes to various government owned properties within the Local Waterfront Revitalization Program (LWRP) boundary. Mr. Mix approached the Board to explain the proposal.

Mr. Mix began by informing the Board that on June 6, 2011 the City Council had approved amendments to the Zoning Ordinance creating three new zoning districts. The next step is to implement the LWRP by rezoning parcels along the river. The first round of zone changes involves only government-owned properties, as these will be least likely to produce any controversy. Mr. Mix then presented three maps showing the current zoning and proposed zoning. He mentioned that two private parcels are included in this proposal because they are completely surrounded by public land: a small triangle near railroad bed on Water St, and the Maggie's on the River parcel on Newell St.

There was a short discussion on the proposal, after which Mr. Fipps moved to recommend that City Council approve the Zone Change Request as submitted.

Mr. Harris seconded, all voted in favor.

Mr. Harris moved to adjourn the meeting. Mr. Fipps seconded, all voted in favor. The meeting adjourned at 5:18 pm.



Department of Planning
175 Arsenal Street
Watertown, NY 13601

Donald R. Canfield
Director of Planning

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

February 1, 2012

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



Re: Watertown City Council, Zoning Map Amendment, JCDP File # C 1 - 12

Dear Mr. Nichols:

On January 31, 2012, the Jefferson County Planning Board reviewed the above referenced project, referred pursuant to General Municipal Law, Section 239m.

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

During the review the County Planning Board acknowledged that the Zoning District purpose sections appear consistent with the Local Waterfront Revitalization Program - Land Use Plan stated intent for the Black River vicinity.

The local board is free to make its final decision. Thank you.

Sincerely,

Andy R. Nevin, AICP
Senior Planner

ARN

State Environmental Quality Review

NEGATIVE DECLARATION

Notice of Determination of Non-Significance

Local Waterfront Revitalization Program - City of Watertown

Lead Agency: City of Watertown City Council

Address: City of Watertown City Hall
245 Washington Street
Watertown, NY 13601

Date: March 16, 2010

This notice is issued pursuant to Part 617 of the implementing regulations pertaining to Article 8 (State Environmental Quality Review Act) of the Environmental Conservation Law.

The City of Watertown City Council, as lead agency, has determined that the proposed action described below will not have a significant adverse effect on the environment and that a Draft Environmental Impact Statement will not be prepared.

Name of Action: Adoption of a Local Waterfront Revitalization Program (LWRP) pursuant to the NYS Waterfront Revitalization of Coastal Areas and Inland Waterways Act, adoption of various related amendments to the City's Zoning Regulations, and adoption of the City of Watertown Waterfront Revitalization Consistency Review Law.

SEQR Status: Type I
Unlisted

Conditioned Negative Declaration: Yes
No

Description of Action: The City of Watertown City Council intends to adopt a Local Waterfront Revitalization Program (LWRP) for the area within the waterfront area boundary of the City of Watertown. The LWRP will be prepared under guidelines established by the New York State Department of State and will include: (1) delineation of a waterfront revitalization area; (2) inventory of existing natural and man-made conditions within the waterfront area, as well as an analysis of the opportunities and constraints to future development; (3) policies for use, protection, and development of the waterfront area; (4) recommended land and water uses for the waterfront area and specific projects to implement the Program; (5) a description of local laws, regulations, and other local techniques necessary for implementation of

the LWRP; (6) a description of the State and federal programs likely to affect, and necessary to further, implementation of the LWRP; and (7) a description of the local commitment for preparation of the LWRP. Upon adoption of the LWRP by the City and its subsequent approval by the NYS Secretary of State and incorporation into the State's Coastal Management Program, City and State actions are to be undertaken in a manner consistent to the maximum extent practicable with the LWRP.

The proposed LWRP Consistency Law would establish procedures for determining the consistency of proposed actions with the Watertown LWRP, would require a consistency determination for all actions or direct agency actions in the City's Waterfront Area, and provides for prosecution of violations of these requirements. The proposed local law would take effect immediately upon its filing with the NYS Secretary of State.

Location:

City of Watertown, Jefferson County
City of Watertown City Hall
245 Washington Street
Watertown, NY 13601

Reasons Supporting This Determination:

The Watertown Local Waterfront Revitalization Program (LWRP) will constitute a comprehensive management tool for the **beneficial use and revitalization** of the City's waterfront area. Federal, State and local agencies will be required to undertake their respective actions involving the waterfront area in a manner consistent with the policies and purposes of the Watertown LWRP, as provided by law. The LWRP will entail **positive** impacts from implementation upon natural, institutional, economic, developmental, and social resources.

If **Conditioned Negative Declaration**, provide on attachment the specific mitigation measures imposed.

For Further Information:

Contact Person: Kenneth A. Mix, Planning & Community Development Coordinator

Address: City of Watertown, Jefferson County
City Hall
245 Washington Street
Watertown, NY 13601

Telephone Number: (315) 785-7730

For Type I Actions and Conditioned Negative Declarations, a Copy of this Notice Sent to:

New York State Department of Environmental Conservation, Division of Environmental Permits, 625 Broadway, Albany, NY 12233-1750

NYS Environmental Notice Bulletin, <http://www.dec.ny.gov/enb/enb.html>.

Mr. Lawrence Ambeau, Regional Permit Administrator, NYS DEC, Region 6, State Office Building, 317 Washington Street, Watertown, New York 13601

Honorable Jeffrey E. Graham, Mayor, City of Watertown, City Hall, 245 Washington St, Rm 302A, Watertown, NY 13601

Mr. George R. Stafford, Deputy Secretary of State, Department of State Division of Coastal Resources, One Commerce Plaza, 99 Washington Avenue - Suite 1010, Albany, NY 12231-0001

LIST OTHER INVOLVED AND INTERESTED AGENCIES AND ENTITIES HERE

POST THIS NOTICE IN CITY HALL

February 16, 2012

To: The Honorable Mayor and City Council

From: Mary M. Corriveau, City Manager

Subject: Continuation of the City of Watertown K-9 Program

The City of Watertown's first K-9 dog, Fox, served from 1976 until 1984. The City has supported the K-9 program within the department since that time. As you are aware, in 2011, the department's K-9 Ema passed away, leaving the City without an active K-9 program. As Chief Goss details in the attached memorandum, it is his desire to move forward with acquiring a dog and enrolling the dog in the County's upcoming K-9 training school, which will be held in April 2012.

The City currently has \$1,935.87 on hand for use toward a replacement dog. These are the funds remaining from a November 2005 \$2,000 donation from Sam's Club Foundation. Additionally, Chief Goss has informed me that a number of local businesses and one local businessman have approached the Department and expressed interest in covering the cost of the acquisition of a new dog, estimated to cost approximately \$7,000.

I am recommending that the City Council authorize the acquisition of a dog for training as a K-9 for use by the City Police Department.

Watertown Police Department

To: City Manager Mary Corriveau
From: Chief Joseph Goss
Date: February 14th, 2012
Subject: K-9 Program

To follow up on our conversations about the Police Department's K-9 Program; as you are aware, last year K-9 Emma passed away after an unsuccessful surgery. At this time we do not have a K-9 in the department. I would like to propose acquiring a dog and training the dog to do the regular functions of a K-9 being; building searches, tracking and drug detection. The Jefferson County Sheriff's Department is sponsoring a K-9 school starting in April, 2012. We would still have time to enter a dog in this local school but we need to move quickly. A dog could be obtained from a reputable kennel named Shallow Creek Kennels located in Sharpsville, Pennsylvania.

The cost of the dog would be just under \$7,000 dollars. I have been advised that there is strong interest by some local community groups to donate for the cost of the dog. The City would still be responsible for food, a kennel and veterinary costs as well as the salary for the handler. I have budget lines existing for these costs. We currently have a K-9 vehicle in our garage that has not been used since Emma passed. We have a 2006 Ford Crown Vic with 60,000 miles on it. I would anticipate that this car would need to be upgraded in approximately 2 years.

Officer Mark Sutton, our last handler and certified trainer, would assist us in choosing a K-9 handler and several officers have shown interest. He is also being requested to assist the Sheriff's Department with the school and, manpower permitting, we will do our best to accommodate the request.

If we are going to move forward with the K-9 program, I have information from staff that several local groups and business would like to make donations to support the program. If we decide to accept these donations we would need to let them know that any funds would need to be collected through the Comptroller's Office. As a reminder, there is already a K-9 account that was established some years ago when citizens made donations after the passing of one of the K-9's. I don't see any problem with us reaching the cost of the dog, but we may need to front the money to pay for the dog so that we could have the dog before the start of the school.

I am available to discuss this in greater detail if necessary, please advise.



CITY OF WATERTOWN
ENGINEERING DEPARTMENT
MEMORANDUM

16 February, 2012

TO: Mary Corriveau, City Manager

FROM: Kurt Hauk, City Engineer

SUBJECT: Engineering and Consultant Projects

Enclosed is a spreadsheet listing the capital projects and/or projects requiring a consultant services from 2006-2012 to date. This spreadsheet was developed to respond to a request by Council Member Smith.

The spreadsheet lists all capital projects and lists whether it was done in-house or by a consultant. The projects are listed by the fiscal budget year not actual year. It also lists some other projects that may not have been capital projects, but had a consultant work on it.

The spreadsheet lists the project name, whether it was done in-house or by a consultant, the name of the consultant, the method used for the selection of the consultant, the value of the work, the list of other firms contacted for a proposal, and the department responsible for the project. In some instances the total number of firms contacted could not be determined by the records, in this instance the firms that actually submitted proposals were listed instead.

We think we have captured all of the applicable projects, and it should give an overview and context of all of the engineering work performed by the City over this time period.

Encl

Cc. Gene Hayes, Superintendent of Public Works
Ken Mix, Planning and Community Development Coordinator
Mike Sligar, Superintendent of Water

**Engineering Projects
2006-2012**

Budget Year	Project	Performed By	Selection Method	Value	RFP List	Department
06-07	Iroquois Cosgrove San Sewer	Passero Assoc.	Internal Committee	\$107,600.00	BCA, Lu, CHA, GYMO, A&C, O&G, FA, C&S, B&L, S&W	Engineering
	J.B. Wise Recon Design	Lu Engineers	Pass Through Short list	\$215,405.00	B&L, Earth-Tech, FA, Lu, Stantec	Engineering
	CSO LTCP	Stearns & Wheler (GHD)	Internal Committee	\$72,100.00	CHA-CDM-GYMO, Stearns & Wheler (GHD),	Engineering
	Washington Street Traffic Signal	Traff. Control Sol/Lu Eng	Direct Selection	\$5,361.00	N/A	Engineering
	Ten Eyck Street	In-House	N/A	N/A	N/A	Engineering
	Algonquin Sewer	In-House	N/A	N/A	N/A	Engineering
	WOTS Butterfield-Barben-Chestnut	In-House	N/A	N/A	N/A	Engineering
	Traffic Counts	Traff. Control Sol/Lu Eng	Direct Selection	\$4,000.00	N/A	Engineering
	Washington Street Sidewalk	In-House	N/A	N/A	N/A	Engineering
	Sewall's Island Environmental Clean-up	Lu Engineers	Internal Committee	\$856,195.00	S&W-RNA, B&L, Lu, SE, C&S, Plumley	Planning
	WWTP Roof Rehab	In-House	N/A	N/A	N/A	Engineering
	Plow Shed Fire Suppression System	Davis Ulmer	Design Build	???	Public Bid	Public Works
	Black River Parks Project	EDR	Internal Committee	\$84,982	CHA, EDR, EA	Planning
	Route 3 Wave Access Design and Construction Inspection	Recreation Eng/Plan and GYMO	Amendment to Existing Contract	\$53,850	N/A	Planning
	07-08	Construction Inspection Contract: WOTS, Ten Eyck, Greensview	GYMO	Internal Committee	\$214,000.00	B&L, PA, EA, FA, BCA, Lu, GYMO
Riggs Ave		In-House	N/A	N/A	N/A	Engineering
Greensview-Ives San Sewer		In-House	N/A	N/A	N/A	Engineering
Ontario Drive Water Main Construction Inspection		Passero Assoc.	Direct Selection	\$21,200.00	Emergency Supplemental to Iroquios-Cosgrove Inspection contract	Engineering
Gaffney Drive Reconstruction		In-House	N/A	N/A	N/A	Engineering
Erosion Management Plan		GYMO	Internal Committee	\$26,500.00	EDR, GYMO, Lu	Planning
Marble Street Park and Bicentennial Park		EDR	Internal Committee	\$72,229.00	Lu, A&C, EDR, GYMO	Planning

Budget Year	Project	Performed By	Selection Method	Value	RFP List	Department
	Ice Arena Evaluation	BCA	Internal Committee	\$23,740.00	BCA, Bell & Spina, Bennetts & Huysmar, A&C, GYMO, Robson- Woese	Parks and Recreation
	Traffic Counts	Traff. Control Sol/Lu Eng	Direct Selection	\$4,000.00	N/A	Engineering
08-09	NSTS Design	BCA	Internal Committee	\$66,865.00	B&L, BCA, FA, Passero	Engineering
	Breen Avenue	In-House	N/A	N/A	N/A	Engineering
	Emmett Street Storm	In-House	N/A	N/A	N/A	Engineering
	Holcomb Clinton Mullin Traffic Study	Traff. Control Sol/Lu Eng	Direct Selection	\$15,360.00	N/A	Engineering
	Thompson Park Admin Bld Roof	BCA	Direct Selection	\$9,000.00	N/A	Public Works
	Traffic Counts	Traff. Control Sol/Lu Eng	Direct Selection	\$4,000.00	N/A	Engineering
09-10	WTP Dosing Station Dam	In-House	N/A	N/A	N/A	Engineering
	Gaffney Drive Sewer Ph I	In-House	N/A	N/A	N/A	Engineering
	Mill Street Sewer Lining	In-House	N/A	N/A	N/A	Engineering
	Interoperable Communication Grant	Blue Wing	Internal Committee	\$85,940	AECOM, Copper City, Federal Engineering	City Fire & PD
	Arsenal/Washington Street VPP Construction Inspection	Lu Engineers	Pass Through Short List	\$7,214.00	AECOM, B&L, C&S, Lu, Stantec	Engineering
	Plow Shed Ventilation	BCA	Direct Selection	\$7,500.00	N/A	Public Works
	Basketball Court Lighting	Musco Lighting	Design/Purchase	????	N/A	Public Works
	Wash Bay Rehab	BCA	Direct Selection	\$11,000.00	N/A	Public Works
	Traffic Counts	Traff. Control Sol/Lu Eng	Direct Selection	\$4,000.00	N/A	Engineering
10-11	Franklin Street Sidewalk Design	Lu Engineers	Internal Committee	\$14,187.00	Lu, GYMO	Planning
	WOTS Lining	In-House	N/A	N/A	N/A	Engineering
	J.B. Wise Construction Inspection	In-House	N/A	N/A	N/A	Engineering
	City Hall and Newell St Elevators	BCA	Internal Committee	\$51,635.00	A&C, FA, GYMO, BCA	Engineering
	Ogilvie Site Environmental Clean-up	Lu Engineers	Internal Committee	\$58,095.00	Tyree, KAS, AECC, CRA, B&L, FA, Gymo/S&W- RNA, Lu, HB	Planning

Budget Year	Project	Performed By	Selection Method	Value	RFP List	Department
	Arena SPF Roof System Inspection and Monitoring	Franklin Consulting Services	Direct Selection	\$8,400.00	N/A	Parks and Recreation
	Outdoor Pool Study	W-M Engineers	Internal Committee	\$12,800.00	Bell & Spina, KFA, ME Eng, W-M Eng	Parks and Recreation
	Traffic Counts	Traff. Control Sol/Lu Eng	Direct Selection	\$4,000.00	N/A	Engineering
11-12	Traffic Counts	Traff. Control Sol/Lu Eng	Direct Selection	\$4,000.00	N/A	Engineering
	Factory Street Design Ph I-IV	AECOM	Pass Through Short List	\$612,000.00	AECOM, B&L, C&S, Lu, Stantec	Engineering
	Factory Street Traffic Data	Traff. Control Sol/Lu Eng	Direct Selection	\$4,000.00	N/A	Engineering
	Factory Street Construction Inspection	B&L	Pass Through Short List	TBD	AECOM, B&L, C&S, Lu, Stantec	Engineering
	Clinton Street Design	In-House	N/A	N/A	N/A	Engineering
	Marble Park Restroom Redesign	In-House	N/A	N/A	N/A	Engineering
	Parallel Main Design	Selection Pending	Internal Committee	TBD	A&C, BCA, B&L, CRA, FA, GHD, GYMO, O&G	Engineering
	WOTS: Chestnut to Ives Design	Selection Pending	Internal Committee	TBD	A&C, BCA, B&L, CRA, FA, GHD, GYMO, O&G	Engineering
	Fluoride Tank Replacement Design	BCA	Direct Selection	\$12,500.00	N/A	Engineering
	Filter Media System Rehab	CRA	Internal Committee	\$24,700.00	BCA, B&L, GHD, CRA, O&G, ME-HS	Engineering
	Karl Burns Learning Center	BCA	Internal Committee	\$42,775.00	A&C, BCA, GYMO	Engineering
	FML Fountain	In-House	N/A	N/A	N/A	Engineering
	WWTP Disinfection System	Stearns & Wheler (GHD)	Direct Selection	\$706,800.00	Selection from Basis of Design project	Engineering

Not Listed:

Storino Geomatics
Upstate Testing and Controls

On-call surveying services from FY 09-10 forward, 10k in operating budget annually
Hydro Plant Operation Contract

February 15, 2012

To: The Honorable Mayor and City Council
From: Mary M. Corriveau, City Manager
Subject: Sales Tax Revenue – January 2012

The City has received the monthly sales tax revenue numbers from Jefferson County. In comparison to January 2011, the January 2012 sales tax numbers are down (\$ 18,121) or 1.49%, actual to actual. In comparison to our original budget projection for the month of January, the sales tax numbers are down (\$52,845) or 4.23%.

The year to date actual to actual receipts are up \$515,582 or 5.39%, year to date budget to actual receipts are up \$241,881 or 2.46%. Year to date revenues for the current Fiscal Year are \$10,082,883.

The attached spreadsheet shows the detail collections for this year and last year, along with the budgeted numbers. Collections for Fiscal Year's 2007-2008; 2008-2009; 2009-10, and 2010-11 have been added to provide historical prospective.

	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Actual 2009-10</u>	<u>Actual 2010-11</u>	<u>Actual 2011-12</u>	<u>Variance</u>	<u>% Inc/(Dec)to Prior Year</u>
July	\$ 1,202,556	\$ 1,276,583	\$ 1,054,235	\$ 1,294,030	\$ 1,359,433	\$ 65,403	5.05%
August	\$ 1,150,965	\$ 1,268,437	\$ 1,111,868	\$ 1,250,127	\$ 1,319,714	\$ 69,587	5.57%
September	\$ 1,777,545	\$ 1,529,231	\$ 1,805,736	\$ 1,777,374	\$ 1,886,899	\$ 109,525	6.16%
October	\$ 1,041,228	\$ 1,103,267	\$ 1,081,394	\$ 1,147,531	\$ 1,215,872	\$ 68,341	5.96%
November	\$ 1,089,851	\$ 1,106,240	\$ 1,056,203	\$ 1,203,035	\$ 1,207,881	\$ 4,847	0.40%
December	\$ 1,554,307	\$ 1,413,485	\$ 1,606,018	\$ 1,681,408	\$ 1,897,409	\$ 216,001	12.85%
January	\$ 1,055,815	\$ 1,073,261	\$ 1,103,884	\$ 1,213,795	\$ 1,195,675	\$ (18,121)	-1.49%
February	\$ 925,894	\$ 843,971	\$ 921,272	\$ 984,089	\$ -	\$ -	0.00%
March	\$ 1,591,250	\$ 1,458,063	\$ 1,572,098	\$ 1,445,902	\$ -	\$ -	0.00%
April	\$ 1,044,484	\$ 954,271	\$ 1,121,188	\$ 1,190,708	\$ -	\$ -	0.00%
May	\$ 1,070,945	\$ 960,159	\$ 1,079,512	\$ 1,164,270	\$ -	\$ -	0.00%
June	\$ 1,689,660	\$ 1,479,763	\$ 1,709,687	\$ 1,654,800	\$ -	\$ -	0.00%
YTD	<u>\$ 15,194,501</u>	<u>\$ 14,466,732</u>	<u>\$ 15,223,095</u>	<u>16,007,070</u>	<u>\$ 10,082,883</u>	<u>\$ 515,582</u>	<u>5.39%</u>

	<u>Original Budget 2011-12</u>	<u>Actual 2011-12</u>	<u>Variance</u>	<u>%</u>
July	\$ 1,331,050	\$ 1,359,433	\$ 28,383	2.13%
August	\$ 1,285,891	\$ 1,319,714	\$ 33,823	2.63%
September	\$ 1,828,221	\$ 1,886,899	\$ 58,677	3.21%
October	\$ 1,180,359	\$ 1,215,872	\$ 35,512	3.01%
November	\$ 1,237,451	\$ 1,207,881	\$ (29,570)	-2.39%
December	\$ 1,729,510	\$ 1,897,409	\$ 167,899	9.71%
January	\$ 1,248,520	\$ 1,195,675	\$ (52,845)	-4.23%
February	\$ 1,012,242	\$ -	\$ -	0.00%
March	\$ 1,487,266	\$ -	\$ -	0.00%
April	\$ 1,224,772	\$ -	\$ -	0.00%
May	\$ 1,197,578	\$ -	\$ -	0.00%
June	\$ 1,702,142	\$ -	\$ -	0.00%
YTD	<u>\$ 16,465,000</u>	<u>\$ 10,082,883</u>	<u>\$ 241,881</u>	<u>2.46%</u>

R.P. FLOWER MEMORIAL LIBRARY

BOARD OF TRUSTEES

Meeting Minutes
January 10, 2012

Opening:

The regular meeting of the ROSWELL P. FLOWER MEMORIAL LIBRARY was called to order at 4:00 p.m. on Tuesday, January 10, 2012, in the Community Room by President Holberg

Present:

Mr. Abare, Mr. Caughlin, Mr. Dalton, Ms. Dittrich, Mr. Doheny, Mr. Gebo, Ms. Mesires, Mrs. Holberg, Mr. Hopkins, Mrs. Quigg, Mrs. Weldon, Councilwoman Burns, Mrs. Wheeler, Director

Introductions were made by the members welcoming newest Trustee Robert Dalton who filled the seat vacated by Marcia Gray.

A. Approval of Minutes

Mr. Doheny moved, and Mrs. Quigg seconded, that the minutes of the meeting of December 13, 2011 be approved as written. Motion carried.

B. Approval of Bills and Salaries

Bills and salaries were unavailable for today's meeting but will be available at the February meeting.

C. Presidents Report

No report at this time.

D. Treasurer's Report

A couple of corrections were made prior to today's meeting on the current budget overview. The percentage used year-to-date is 36%; expenditures indicated 100% of Library fines were expended when said fines were turned over to the City of Watertown per resolution approving the transfer at the December meeting. The Schobel expenditures on the second page were changed to reflect the amount of \$197.68. Questions were entertained.

Resolution: Mr. Doheny moved, and Mr. Caughlin seconded, that the Treasurer's Report be approved as corrected. Motion carried.

A copy of the report has been placed on file for audit.

E. Director's Report

Distributed was a new newsletter regarding adult programs put together by the newest librarian, Suzanne Renzi-Falge who has taken over the adult programming. The elevator upgrade will begin Wednesday, January 11 and be completed on February 1. In the meantime, staff will be taking books downstairs by hand and if there are patrons with handicaps, staff will retrieve materials for them. A news story will be done to get the word out to the community about the elevator upgrade. Yvonne Reff was on the news recently discussing emerging technology and downloadable books available for patron e-readers. The first adult program in a series

“Cooking Without Heat” was well attended. A movie series will begin on January 11. The library fence has broken again in the same place that was repaired last year by the DPW. The pieces have been picked up and put away. There have been three recent requests for weddings to be held at the library. The ATTAIN Lab has seen a 22% increase in attendance from last year. Their current “Introduction to Computers” is the largest class to date. Additional chairs have been received in the lab from another lab. The ATTAIN Lab project has been completed and Marvin did a great job on it. Charlene Fisk from Sovie & Bowie CPA recently informed the library that the firm would merge on January 1 with Bowers & Company, a CPA firm in Syracuse. The annual Genealogy Dept. party will be held on Thursday, Board members are urged to attend if they are able. Questions were entertained regarding the City Budget draft that Mrs. Wheeler has begun to put together. There were questions on the heat pumps and the salary schedule. Mrs. Wheeler’s reports are given to the City Manager who in turn incorporates the report into the Managers’ report that goes into the Council information packets.

F. Committee Reports

Building & Grounds – No report.

Finance & Investment – No report.

Friends – A thank you note was received from a woman in Pennsylvania regarding the book sale. A joint Friends/Board meeting will be held on February 1 at 4:30 p.m. in the Community Room. Attendance is encouraged. The annual Friends meeting will be held in April. Upcoming projects were briefly discussed.

Nominating – No report.

Policy – No report. Mr. Caughlin will be the new Chairperson for the committee and all policies will be reviewed each year.

Community Connections – Committee will meet to plan and discuss event issues, promoting the library’s use to its fullest, increase awareness and develop relationships that create connections and goodwill. Any further work will be based upon what the Friends do this year. There was some discussion. This discussion will be tabled for now and revisited again next year.

Ad Hoc Committee #2 Update – Discussions began a year ago on Board/City obligations to the library. The Board hired Mark Gebo for his expertise and opinions. Mayor and Liaison (Councilwoman Burns) were consulted as well as discussions with the City Manager. It was suggested that Attorney Mark Gebo and Mr. Stephen Gebo meet with City Manager and Corporation Counsel (Attorney Slye) primarily to establish who has the right to control the library funds as far as appropriations, spending and balances. It was noted that Library Director is not an employee of the City. Discussions on creating a separate account for County fund appropriations. The library building is of great concern which includes the roof repair that was not done last year. Other discussions were made on primary discretionary funds other than personnel and personnel benefits. Much was agreed with and some progress has been made. This is hopefully to be resolved during the budgetary process. It was decided that a tentative agreement letter to be sent to the City Manager and Attorney Slye confirming what has been agreed upon and to be reviewed by Mr. Gebo and other Board members that funds be held in a separate fund not bound by line items and to retain funds unspent and transfer the unspent funds to the next year’s budget and also contingent with success in raising funds from the Town of Watertown. Councilwoman Burns requested copies of any correspondence be channeled to her and she also made note of her feelings regarding the report just given. Caution should be used. The library is a unique situation similar to the zoo. Mrs. Wheeler works for the Board, any source other than City funds should be in a library account and not general funds. A memorandum of understanding to record what was agreed upon at the meeting was discussed and a draft will be drawn up. Several members of the Board wish to review the draft prior to submitting it. Mrs. Quigg, Mr. Gebo, Mrs. Weldon and Ms. Dittrich were among those wishing to review the draft.

Long Range Planning – The committee consisting of Mr. Caughlin, Ms. Dittrich and Mrs. Weldon, will set up a meeting to review the plans with Mrs. Wheeler and then report to the Board at the February meeting.

Sunday Hours Staffing – copies of a computational sheet outlining staff hours and operational hours were submitted and reviewed. There was much discussion on this matter and the impact on the current staffing level of adding additional hours. This is unworkable currently. Additional funding and at least one library clerk (full time) would be needed. Currently there are consistent hours 6 days a week all year long. Ideally, three people minimum are needed to run the building. There are no custodians on duty on Saturdays. There were more discussions. A future goal would be to be open 7 days a week. A new strategy is needed to present the issue to the Council during the budget process for additional funding and negotiate with the union. Mrs. Wheeler has a meeting with the union representative and City Manager and some of the questions raised today along with the computer policy will be brought up at that meeting.

The committee list signup sheet was passed around for members to sign up for committees for this year.

Mr. Hopkins was excused.

The city budget time frame was discussed. It is due in February. The figures in red for building insurance and utilities were unavailable at meeting time. The rest of the figures were plugged in. There was discussion on the book budget, library programming, and the cleaning of the library paintings. There was an increase in the book budget for the current year of \$6,000 and also an increase in the programming budget as well, therefore status quo was suggested for this years' budget request. The painting work will be removed until a resolution on ownership can be made. There was discussion of a getting better outdoor signage for the Library. A meeting will be set up to review the budget request and work out the format as well as the draft of the memorandum of understanding prior to the February meeting. A question was brought up about requesting a delay in the budget request until March in order to work on the budget request. The preliminary presentation of the budget to the Council is in April. Mr. Doheny, Mr. Caughlin, Mr. Gebo, and Mrs. Holberg will schedule a meeting with Mrs. Wheeler to discuss the budget format for the 2012-2013 Fiscal Year.

A donation of \$1,000.00 was received from Mr. & Mrs. L'Huillier. Mrs. Wheeler wishes the funds to be evening divided between Adult programs and Music CD's.

Mr. Doheny was excused.

The Long Range Planning and Policy Committees will meet with the budget committee.

G. Adjournment:

A motion was made to adjourn the meeting at 5:25pm and seconded by Mrs. Quigg.

The next general meeting will be at 4:00pm on Tuesday, February 14, 2012 in the Community Room.

Minutes submitted by: Tina M. Uebler, Recording Secretary

Approved by: bjw