

CITY OF WATERTOWN, NEW YORK
AGENDA
Monday, February 7, 2022

This shall serve as notice that the next regularly scheduled meeting of the City Council will be held on Monday, February 7, 2022, at 7:00 p.m. in the City Council Chambers, 245 Washington Street, Watertown, New York.

The City Council meeting is open to the public. Everyone must wear a mask.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF MINUTES

COMMUNICATIONS

PRESENTATION

- Independent Auditors' Report for the Fiscal Year Ending June 30, 2021
- Liz Bush, CPA, Bowers & Company CPAs PLLC

PRIVILEGE OF THE FLOOR

RESOLUTIONS

- Resolution No. 1 - Approving Agreement Between the City of Watertown and State of New York, Unified Court System
- Resolution No. 2 - Approving Change Order No. 1 for the Tilden Street Water Main Project, Edge Civil Corporation
- Resolution No. 3 - Approving Change Order No. 2 for the CDBG Tilden Street-300 Block-Sidewalk Repair Project, Upstate Construction Services, Inc.
- Resolution No. 4 - Approving Change Order No. 2 for the CDBG Grant Street Sidewalk Repair Project, Upstate Construction Services, Inc.

Resolution No. 5 - Directing Staff to Conduct a Phase II ESA and Restore the Parking Area and Former Cart Storage Areas in Thompson Park to Lawn

ORDINANCES

Ordinance No. 1 - Amending Section 216-2 of the City Code to Delete a Designated Parking Area in John C. Thompson Park

LOCAL LAW

PUBLIC HEARING

OLD BUSINESS

STAFF REPORTS

1. Community Development Block Grant (CDBG) 2022 Annual Action Plan Public Hearing
2. Tree Watertown Annual Report and Tree City USA Application
3. Revitalization and Redevelopment Design Plan for Sewall's Island and Factory Square - New York Upstate Chapter of the American Planning Association 2021 Professional Awards
4. Downtown Revitalization Initiative (DRI) Streetscape Project Update
5. Complete Streets Annual Progress Report – Calendar Year 2021

NEW BUSINESS

EXECUTIVE SESSION

1. To Discuss the Employment History of Particular Individuals
2. To Discuss Collective Bargaining

WORK SESSION

Next Work Session is scheduled for Monday, February 14, 2022, at 7:00 p.m.

ADJOURNMENT

NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS TUESDAY, FEBRUARY 22, 2022.

January 27, 2022

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Fiscal Year 2020-21 Audit Report

Attached for your review is a copy of the independent audit report for the fiscal year ended June 30, 2021 as prepared by Bowers & Company CPAs PLLC. The audit report will also be available online on the City Comptroller's web page, as well as in the City Clerk's office (by appointment only).

CITY OF WATERTOWN, NEW YORK

FINANCIAL STATEMENTS

June 30, 2021

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CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WATERTOWN, NEW YORK** (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Watertown, New York as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

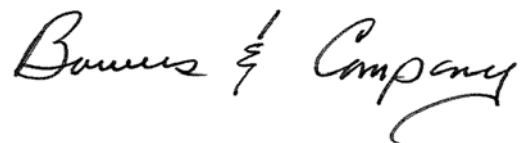
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 22, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios on page 87, Budgetary Comparison Schedule – General Fund on page 88, the Schedule of the City's Proportionate Share of the Net Pension Liability – NYSLRS Pension Plan on page 89, and the Schedule of the City's Contributions – NYSLRS Pension Plan on page 90 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Watertown, New York's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards on pages 98-99 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards on pages 98-99 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2022, 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 solely 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 effectiveness of the City of Watertown, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Watertown, New York's internal control over financial reporting and compliance.

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

Watertown, New York
January 13, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

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, 2021. 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

- Government-wide unrestricted net position showed a deficit of (\$115,337,818) at June 30, 2021. The accumulated deficit results primarily from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2017-2018.
- The City’s total net position increased \$7,225,327 in fiscal year 2020-2021.
- At the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$24,750,733 an increase of \$7,143,358 from the previous year. Approximately 67% of this total amount or \$16,536,469 or 37% of General Fund expenditures and other financing uses, is available for spending at the government’s discretion (unassigned fund balance).
- General Fund revenues of \$49,186,481 on a budgetary basis exceeded budgeted revenues by \$5,068,191 or 11.49% while budgetary basis expenditures and year-end encumbrances finished \$1,144,774 lower than budgeted expenditures. These results reduced the need to use the full \$1,886,949 in the original appropriated fund balance budgeted for in the 2020-2021 General Fund budget.
- The City issued \$1,640,000 in serial bonds dated September 30, 2020 maturing February 15, 2026 at interest rates ranging from 3.00% to 5.00% (priced to yield 0.3809%) to refund \$1,750,000 of outstanding serial bonds issued in 2008, 2010 and 2011 which generated \$95,572 of net present value savings.
- The City issued \$2,800,000 in serial bonds dated May 18, 2021 maturing May 15, 2031 at interest rates of 5.00% (priced to yield 0.9027%) to provide financing for various capital projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements - Continued

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

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

Fund Financial Statements

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

Governmental Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Fund Financial Statements - Continued

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

OVERVIEW OF FINANCIAL STATEMENTS - Continued

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.

Change in Accounting Principle

For the fiscal year ended June 30, 2021, the City implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of this statement establishes criteria for identifying fiduciary activities. For the City, this changed reporting of private purpose trusts and agency funds. See Note 16 of the financial statements for additional information on the implementation of the Statement.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2021, the City had a deficit net position (total liabilities and deferred inflows of resources exceed total assets and deferred outflows of resources) of (\$10,859,995) compared to a deficit net position of (\$18,085,322) at June 30, 2020, which represents an increase of \$7,225,327. The accumulated deficit results primarily from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2017-2018. The City's Other Postemployment Benefits total \$124,014,974 which represents a decrease of \$27,881,059. The largest portion of the City's net position reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets at the end of the year was \$101,725,297 which represents a decrease of \$2,143,202 or 2.06%.

CITY OF WATERTOWN, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

An additional \$2,752,526 of the net position represents resources that are subject to external restrictions on how they may be used. Currently, the amount of restricted net position represents the net position of the Watertown Empire Zone, Alex T. Duffy Fairgrounds Stadium Repair Reserve Fund, Capital Reserve Fund, Tourism Fund, Community Development Fund, Workers Compensation Fund, Insurance Liability Fund, and Debt Service Fund.

The following schedule summarizes, on a comparison basis, the City's net position. The complete Statement of Net Position for the year ended June 30, 2021 can be found in the City's basic financial statements.

City of Watertown's Net Position						
	Governmental Activities		Business-type Activities		Total	
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Current and Other Assets	\$ 43,626,788	\$ 29,317,575	\$ 12,713,596	\$ 11,819,720	\$ 56,340,384	\$ 41,137,295
Capital Assets	87,481,705	89,729,260	50,993,987	50,208,081	138,475,692	139,937,341
Total Assets	<u>\$ 131,108,493</u>	<u>\$ 119,046,835</u>	<u>\$ 63,707,583</u>	<u>\$ 62,027,801</u>	<u>\$ 194,816,076</u>	<u>\$ 181,074,636</u>
Deferred Outflows of Resources	<u>\$ 37,278,900</u>	<u>\$ 35,133,608</u>	<u>\$ 4,439,685</u>	<u>\$ 4,310,074</u>	<u>\$ 41,718,585</u>	<u>\$ 39,443,682</u>
Long-term Liabilities						
Outstanding	\$ 135,546,752	\$ 176,444,090	\$ 24,185,546	\$ 30,297,208	\$ 159,732,298	\$ 206,741,298
Other Liabilities	21,043,325	12,962,619	9,226,955	8,075,159	30,270,280	21,037,778
Total Liabilities	<u>\$ 156,590,077</u>	<u>\$ 189,406,709</u>	<u>\$ 33,412,501</u>	<u>\$ 38,372,367</u>	<u>\$ 190,002,578</u>	<u>\$ 227,779,076</u>
Deferred Inflows of Resources	<u>\$ 51,366,546</u>	<u>\$ 9,629,772</u>	<u>\$ 6,025,532</u>	<u>\$ 1,194,792</u>	<u>\$ 57,392,078</u>	<u>\$ 10,824,564</u>
Net Position:						
Net Investment in Capital Assets						
Assets	\$ 66,199,609	\$ 69,639,705	\$ 35,525,688	\$ 34,228,794	\$ 101,725,297	\$ 103,868,499
Restricted	2,752,526	1,531,367	-	9,041	2,752,526	1,540,408
Unrestricted	(108,521,365)	(116,027,110)	(6,816,453)	(7,467,119)	(115,337,818)	(123,494,229)
Total Net Position	<u>\$ (39,569,230)</u>	<u>\$ (44,856,038)</u>	<u>\$ 28,709,235</u>	<u>\$ 26,770,716</u>	<u>\$ (10,859,995)</u>	<u>\$ (18,085,322)</u>

The schedule on the following page summarizes, on a comparison basis, the City's activities. The complete Statement of Activities can be found in the City's basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

City of Watertown's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
Revenues:	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Program Revenues:						
Charges for Services	\$ 7,980,570	\$ 9,695,296	\$ 12,073,935	\$ 11,788,131	\$ 20,054,505	\$ 21,483,427
Operating Grants and Contributions	2,013,105	4,002,759	-	-	2,013,105	4,002,759
Capital Grants and Contributions	1,121,001	2,529,396	211,597	92,324	1,332,598	2,621,720
General Revenues:						
Property Taxes	9,784,103	9,912,344	-	-	9,784,103	9,912,344
Sales Tax	22,201,114	18,998,780	-	-	22,201,114	18,998,780
Utilities Gross Receipts Tax	285,654	254,709	-	-	285,654	254,709
Franchise Tax	355,345	352,187	-	-	355,345	352,187
Hotel Occupancy Tax	133,745	189,043	-	-	133,745	189,043
Mortgage Tax	461,180	312,103	-	-	461,180	312,103
Unrestricted Grants and Entitlements	5,627,159	3,779,257	-	-	5,627,159	3,779,257
Investment Earnings	24,495	223,416	66,622	84,243	91,117	307,659
Total Revenues	49,987,471	50,249,290	12,352,154	11,964,698	62,339,625	62,213,988
Expenses:						
General Government Support	12,661,988	15,347,958	-	-	12,661,988	15,347,958
Hydroelectric Production	654,542	1,001,572	-	-	654,542	1,001,572
Fire	8,963,150	10,898,028	-	-	8,963,150	10,898,028
Police	7,719,518	9,663,922	-	-	7,719,518	9,663,922
Other Public Safety	364,862	880,763	-	-	364,862	880,763
Public Works	7,029,175	7,491,016	-	-	7,029,175	7,491,016
Bus	1,176,537	1,216,308	-	-	1,176,537	1,216,308
Watertown Empire Zone	2,556	2,443	-	-	2,556	2,443
Other Economic Assistance	13,282	42,176	-	-	13,282	42,176
Library	1,018,037	1,421,903	-	-	1,018,037	1,421,903
Other Culture and Recreation	2,302,282	2,736,423	-	-	2,302,282	2,736,423
Refuse and Recycling	847,012	881,616	-	-	847,012	881,616
Other Home and Comm. Serv.	1,297,830	1,596,493	-	-	1,297,830	1,596,493
Interest on Debt Service	679,892	722,422	-	-	679,892	722,422
Water	-	-	4,637,313	5,180,223	4,637,313	5,180,223
Sewer	-	-	5,746,322	5,935,137	5,746,322	5,935,137
Total Expenses	44,730,663	53,903,043	10,383,635	11,115,360	55,114,298	65,018,403
Excess of Revenues over Expenses	5,256,808	(3,653,753)	1,968,519	849,338	7,225,327	(2,804,415)
Transfers	30,000	30,000	(30,000)	(30,000)	-	-
Change in Net Position	5,286,808	(3,623,753)	1,938,519	819,338	7,225,327	(2,804,415)
Net Position – Beginning	(44,856,038)	(41,232,285)	26,770,716	25,951,378	(18,085,322)	(15,280,907)
Net Position - Ending	\$ (39,569,230)	\$ (44,856,038)	\$ 28,709,235	\$ 26,770,716	\$ (10,859,995)	\$ (18,085,322)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities

Governmental activities increased the City's net position by a total \$5,286,808 compared to last year's decrease of \$3,623,753.

The major factors contributing to the overall revenue decrease of \$261,819 were:

- Charges for services decreased by \$1,714,726 primarily due to a decrease of \$1,188,188 for the sale of the City's excess hydro-electricity due to low flows of the Black River, a decrease of \$185,925 in refund of prior years expenditures, a decrease of \$88,452 in health insurance premiums to the City's health insurance plan from the Water and Sewer Funds, a decrease of \$59,882 in employee health insurance premium contributions to the City's health insurance plan from the Water and Sewer Funds and a net decrease of \$173,270 for Parks and Recreation revenues (activity fees, concession stand sales, baseball stadium and other fields uses, arena rentals, and ice rink related revenues). Offsetting this decrease were increases of \$72,694 for refuse charges, \$20,612 for Civil Service charges to the Watertown School District due to the purchase of a new software system, \$15,731 in City Clerk revenues, \$22,815 in health insurance plan stop loss insurance policy reimbursements, and \$14,428 for Medicare Part D prescription subsidies to the City's health plan.
- Revenue from the City's sales tax distribution agreement with Jefferson County is the City's largest revenue source. Sales tax totaled \$22,201,114 for the year, which was an increase of \$3,202,334 or 16.86%, over last year's total of \$18,998,780. Sales tax revenue represented 44.41% of the governmental activities' revenue in FY 2020/21 compared to 37.81% in FY 2019/20.
- Revenues from property tax related items decreased \$128,241 or 1.29% due to the levy being increased \$256,087 or 2.69%, the decrease of \$46,265 in payments in lieu of taxes (PILOTs), the decrease of \$34,895 in interest and penalties on delinquent property taxes and the increase of \$303,628 to the allowance for uncollectible property taxes on certain parcels that were in bankruptcy or demolished.
- Revenue from the New York State Aid and Incentives to Municipalities (AIM) increased by \$1,847,902 over last year due to the release by the State of last year's 20% AIM withholding (\$923,951) due to the financial impact to the State from COVID-19.
- Revenues received from the hotel occupancy tax decreased by \$55,298 or 29.25%, from last year to \$133,745.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities – Continued

- Revenues received from the City's gross receipts tax on utilities increased by \$30,946 or 12.15% from last year to \$285,654.
- Revenues received from the mortgage tax increased by \$149,078 or 47.77%, from last year to \$461,180.
- Operating grants decreased by \$1,989,654 or 49.71%, due to the decrease of \$51,228 in New York State Department of Transportation Consolidated Local Street and Highway Improvement Program (CHIPs) funding for Department of Public Works' personnel costs and equipment purchases, the decrease of \$1,460,753 in Federal Transportation System Section 5307 funding and deferred inflows for bus operating and maintenance costs and the decrease of \$381,478 in Community Development Block grants for various programs.
- Capital grants received by the City decreased by \$1,408,395 primarily due to the Mill Street Bridge rehabilitation project grant received in the prior year. The City did receive \$1,063,062 in Federal and State Aid for various capital projects compared to \$2,414,863 in the previous year. Some of the major capital projects receiving aid include the Consolidated Local Street and Highway Improvement Program for various streets (\$521,816), the Mill Street bridge reconstruction project (\$63,319), the Pedestrian Safety Action Plan project (\$66,405), the Court Street Bridge reconstruction Massey and Coffeen Streets resurfacing project (\$261,566) and the Congestion Mitigation and Air Quality Improvement project (\$45,792).

The major factors contributing to the overall expense decrease of \$9,172,380 were:

- General government support decreased \$2,685,970 primarily due to a decrease of \$2,707,728 to the annual OPEB expense, a decrease of \$574,964 in net pension obligations, a decrease of \$154,889 in demolition costs for properties acquired for non-payment of property taxes and increase of \$110,281 for pharmacy health insurance claim costs. Offsetting this decrease was an increase in non-pharmacy health insurance claim costs of \$1,148,663.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities – Continued

- Fire expenses decreased \$1,934,878 due to a decrease in the department's net pension obligation of \$1,572,267, a decrease in the change to the net Other Postemployment Benefits (OPEB) liability of \$571,271 a decrease in the change to the compensated absences liability of \$162,733 and a decrease in wages of \$164,150. The change to the department's long-term workers compensation liability increased \$269,697 and overtime increased by \$224,122.
- Police expenses decreased \$1,944,404 due to a decrease in the department's net pension obligation of \$1,625,821, a decrease in the change to the net Other Postemployment Benefits (OPEB) liability of \$478,260 a decrease in wages of \$35,776 and a decrease in overtime of \$152,971. There was an increase of \$229,320 in the change to the department's long-term workers compensation liability.
- Public Works expenses decreased \$461,841 due to a decrease in the department's net pension obligation of \$464,239 a decrease in the change to the net Other Postemployment Benefits (OPEB) liability of \$214,395 while the change to the department's long-term workers compensation liability increased by \$533,036.

Business-Type Activities

Business-type activities increased the City's net position by \$1,938,519 compared to \$819,338 last year. Key elements for this year are as follows:

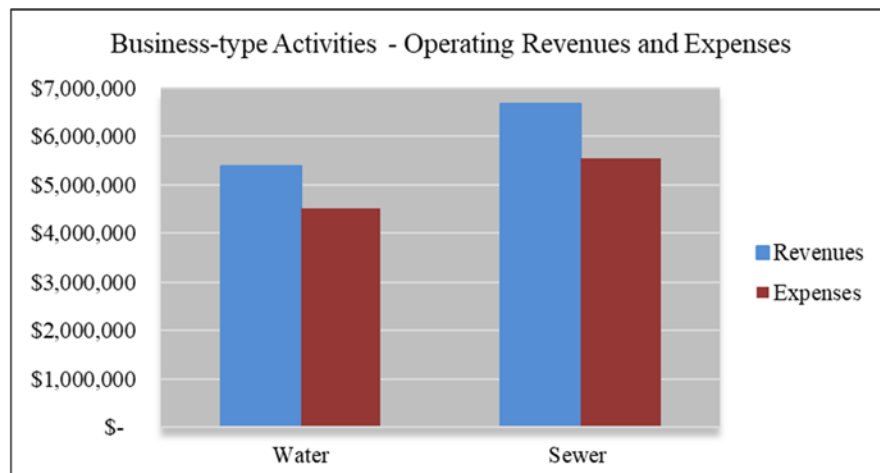
- Water operating revenues increased by \$243,885 or 4.74%, to \$5,391,063 while operating expenses decreased by \$488,123, or 9.77%, to \$4,509,675 due to a decrease of \$269,804 to the annual OPEB expense. Revenues related to inside of the City customers increased \$160,779 or 4.59% and outside of the City customers increased \$10,498, or 0.86%.
- The City has a contract with the Development Authority of the North Country (DANC) to produce and deliver treated fresh water to Fort Drum as well as other outside water districts connected to the Development Authority of the North Country's water distribution line. In the current fiscal year, the revenue derived from this agreement was \$534,321 or an increase of \$67,852 or 14.55% over last year's total of \$466,469 due to a 13.12% increase in volume purchased. Water revenues from this agreement accounted for 9.91% of the total water revenues compared to 9.06% last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**Business-Type Activities – Continued**

- Total revenues from water sales to outside of the City customers such as the Development Authority of the North Country and Town of Watertown water districts was \$1,227,561 or an increase of \$10,498 or 0.86%, over last year's total of \$1,217,063. Water revenues to outside of the City customers represented 22.77% of the water operating revenues compared to 23.65% last year.
- Sewer operating revenues increased by \$41,919 or 0.63%, to \$6,682,872 and operating expenses decreased by \$140,086 or 2.46%, to \$5,551,795 due to a decrease of \$464,088 to the annual OPEB expense. Revenues related to City customers decreased \$341,250 or 11.85% due primarily to a large industrial customer temporarily increasing its use of the City's sewer system.
- The City has a contract with the Development Authority of the North Country to provide wastewater treatment services to Fort Drum as well as other outside sewer districts. In the current fiscal year, the revenue derived from this agreement was \$1,098,848 or an increase of \$98,243 or 9.82% over last year's total of \$1,000,605. Sewer revenues from this agreement accounted for 16.44% of the total sewer revenues compared to 15.07% last year.
- Total sewer revenues from outside of the City customers such as the Development Authority of the North Country and Town of Watertown districts was \$1,929,088, or a decrease of \$29,835 or 1.52% over last year's total of \$1,958,923. Sewer revenues to outside of the City customers represented 28.87% of the sewer operating revenues compared to 29.50% last year.



MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At June 30, 2021, the City's governmental funds reported combined ending fund balances of \$24,750,733 representing an increase of \$7,143,358 or 40.57%, in comparison with the prior year. Approximately 67%, or \$16,536,469 represents the unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is 1) *non-spendable* to indicate that it is not available for new spending because it must be maintained intact for prepaid expenditures (\$64,274), and 2) *restricted* to indicate limitations on its use imposed by grants, debt, or legislation (\$1,279,060).

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 \$16,536,469 while the total General Fund balance equaled \$22,640,384 compared to \$17,816,864 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 37.28% of total General Fund expenditures and other financing uses compared to 24.26% last year, while total fund balance represents 51.03% of that same amount compared to 38.58% last year.

During the current fiscal year, the fund balance of the City's General Fund increased by \$4,823,520 compared to last year's increase of \$926,779.

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 \$2,006,030 compared to (\$310,033) in the previous year. Within the current year \$1,473,466 is considered restricted due to debt financing and \$532,564 is considered assigned due to the funding being from operating fund transfers.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

- Continued

Proprietary Funds

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

Unrestricted net position (deficit) at the end of the fiscal year of the Water Fund was (\$4,091,893) compared to (\$4,540,585) in the prior fiscal year. The deficit unrestricted net position is due to the implementation of GASB Statement No. 75 in fiscal year 2017-2018. The water fund had an increase in net position in the amount of \$984,322 compared to a decrease of \$4,263 in the previous year.

Unrestricted net position (deficit) at the end of the fiscal year of the Sewer Fund was (\$2,724,560) compared to (\$2,926,534) in the prior year. The Sewer Fund had an increase in net position in the amount of \$954,197 compared to an increase of \$823,601 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 numerous times throughout the year for various reasons, such as to restore Management and Management Confidential staff salaries to the Fiscal Year 2019-20 levels (\$31,378) and to appropriate additional funding for the Fairgrounds bleacher replacement project (\$31,617). The budget was also readopted multiple other times, all with no increase to appropriations (budget neutral), for actions such as restoring one Parks and Recreation Maintenance Worker that had been eliminated in the budget while decreasing the amount to be spent on Parks and Recreation temporary workers, operating a youth baseball program, operating an abbreviated pool season at the new Thompson Park pool, adding a shared Secretary for the Engineering and Planning Departments while eliminating an Engineering Department Civil Engineer I, adding two Code Enforcement Officer positions, adding a temporary clerical position in the Department of Public Works Administration, eliminating the Senior Code Enforcement Officer position, adding a part-time temporary Code Enforcement position, adding an additional Maintenance Worker and Account Clerk Typist in Parks and Recreation while eliminating the Assistant Superintendent of Parks and Recreation. Additionally, other routine budget amendments between departmental expenditure accounts did occur.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

- Continued

General Fund Budgetary Highlights – Continued

General Fund revenues of \$49,186,481 on a budgetary basis exceeded final budgeted revenues of \$44,118,290 by \$5,068,191, or 11.49%. Areas where actual revenues to budgeted revenues exceeded expectations were sales tax (\$5,553,114), State AIM due to the State's release of Fiscal Year 2019-20 withheld amount (\$923,951), mortgage tax receipts (\$211,180), refuse charges (\$90,383) sale of equipment (\$49,284) and Federal transportation Section 5307 assistance (\$420,529) due to additional Federal support related to the Covid-19 CARES Act. Revenues that fell short were the sale of hydro-electricity (\$1,419,231), bus fares (\$47,152), arena concessions (\$141,741), arena fees (\$29,667), ice rink charges (\$66,074), building permits (\$19,992), and CHIPs reimbursements for labor and equipment purchases (\$43,882).

General Fund budgetary basis expenditures of \$44,362,961 were \$1,718,327 or 3.73%, lower than the final budgeted expenditures of \$46,081,288 which excludes \$573,753 of open year-end encumbrances. Actual expenditures were lower than the budgeted expenditures due mostly to personal services (\$316,214), contracted services (\$261,962), miscellaneous expenses (\$71,566), materials and supplies (\$105,262) and transfers to the Self-Funded Health Insurance Fund for the City's share of General Fund employees' health insurance premiums (\$196,628). These combined results reduced the use of \$681,043 in appropriated fund balance and reserves that was budgeted in the 2020-21 General Fund original adopted budget to a surplus of \$4,823,520.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2021, amounts to \$138,475,692. 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	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Land	\$ 2,849,200	\$ 2,621,285	\$ -	\$ -	\$ 2,849,200	\$ 2,621,285
Construction in Progress	1,258,177	5,813,731	8,856,686	7,164,650	10,114,863	12,978,381
Land Improvements	2,707,487	2,922,992	-	-	2,707,487	2,922,992
Building and Improvements	30,855,032	28,374,721	14,833,553	15,309,627	45,688,585	43,684,348
Infrastructure	43,934,322	43,924,421	22,091,147	22,562,035	66,025,469	66,486,456
Machinery and Equipment	3,045,495	3,287,095	4,669,564	4,857,121	7,715,059	8,144,216
Vehicles	2,831,992	2,785,015	543,037	314,648	3,375,029	3,099,663
Total Capital Assets	<u>\$ 87,481,705</u>	<u>\$ 89,729,260</u>	<u>\$ 50,993,987</u>	<u>\$ 50,208,081</u>	<u>\$ 138,475,692</u>	<u>\$ 139,937,341</u>

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

- Utilized \$441,131 of NYS Department of Transportation Consolidated Local Street and Highway Improvement Program (CHIPs) funding for streets such as Thompson Boulevard (\$242,349), Indiana Avenue South (\$39,399), Gale Street (\$33,623), Pleasant Street North (\$52,384), Main Street West (\$35,367), and Meadow Street South (\$30,656).
- Completion of the rehabilitation of the north span of the Mill Street bridge at a cost of \$1,335,959.
- Completion of the rehabilitation of the north span of the Pearl Street bridge at a cost of \$868,310.
- Completed the Thompson Park pool and bathhouse project at a cost of \$3,134,248.
- Resurfaced the hydro-electric facility canal spillway at a cost of \$491,175.
- Installed a new trash and safety rack at the hydro-electric facility at a cost of \$35,594.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION -

Continued

Capital Assets – Continued

- Purchased a Central Garage service truck with crane (\$91,218), sewer cleaner/vacuum truck (\$414,272) and refurbished Fire Engine 3 (\$153,517).
- Repointed the Water Pump House building at a cost of \$236,181.
- Continued with the construction of the sludge modification project for the wastewater treatment plant. The project is being segmented into Phases 1a and 1b. Phase 1a achieves a significant carbon footprint reduction through the elimination of the use of fuel oil as an auxiliary fuel, as well as a reduction in electrical consumption and enables the discontinuance of sewage sludge incineration. Phase 1b enables biogas conditioning and beneficial reuse, which will enable a further reduction of the plant's electrical demand. The project is estimated to cost \$9,850,000. The City was awarded a grant from the New York State Energy and Research Authority in the amount of \$585,646. The City has also been awarded a New York State Environmental Facilities Corporation grant of the lesser of 25% of the project cost or \$2,301,715. Additionally, the City has qualified for a zero percent loan for the project balance through the New York State Environmental Facilities Corporation. Construction in progress at fiscal year-end was \$8,237,226.
- Started the Water soda ash dry chemical system project at an estimated cost of \$575,000. Construction in progress at year-end was \$357,849.
- Started the construction of 2,700 linear feet of sidewalks in the 300 - 500 blocks of Tilden Street at an estimated cost of \$250,000. Construction in progress at year-end was \$129,265.
- Started the replacement of 1,200 linear feet of water main piping on Tilden Street at an estimated cost of \$400,000. Construction in progress at year-end was \$211,597.
- Continued to design the estimated \$7,100,000 project to rehabilitate the Court Street bridge and resurface Massey Street and Coffeen Street. Construction in progress at year-end was \$565,190.

Additional information on the City's capital assets can be found in the notes to the audited basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION -
Continued**Long-Term Debt**

At the end of the current fiscal year, the City had total bonded debt outstanding of \$29,005,000. 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 Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
General Obligation Bonds	\$ 20,092,562	\$ 19,606,104	\$ 8,912,438	\$ 10,423,896	\$ 29,005,000	\$ 30,030,000
Total	<u>\$ 20,092,562</u>	<u>\$ 19,606,104</u>	<u>\$ 8,912,438</u>	<u>\$ 10,423,896</u>	<u>\$ 29,005,000</u>	<u>\$ 30,030,000</u>

The New York State Constitution restricts the City's level of indebtedness to an amount no greater than 7% of the average full valuation of taxable real property for the most recent five years. Water debt, sewer debt, self-sustaining debt, and refunded debt are excluded from the debt limit calculation. Accordingly, as of June 30, 2021, the City's NYS constitutional debt limit was \$81,360,443 with total net indebtedness of \$16,454,159 after statutory exclusions, thus exhausting 20.22% of the City's debt limit.

The City issued \$1,640,000 in serial bonds dated September 30, 2020 maturing February 15, 2026 at interest rates ranging from 3.00% to 5.00% (priced to yield 0.3809%) to refund \$1,750,000 of outstanding serial bonds issued in 2008, 2010 and 2011 which generated \$95,572 of net present value savings.

The City issued \$2,800,000 in serial bonds dated May 18, 2021, maturing May 15, 2031 at an interest rate of 5.00% (priced to yield 0.9027%) to provide financing for various capital projects. The bonds are reflected in the capital projects fund and enterprise funds. The bonds are backed by the full faith and credit of the City of Watertown.

Additional information on the City's capital debt can be found in the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS
AND RATES**

The City's elected and appointed officials considered many factors when adopting the fiscal year 2021-2022 budget, most importantly how the COVID-19 pandemic was affecting the state and local economy.

The City of Watertown is the county seat of Jefferson County. The unemployment rates in June 2021 were 5.9% for Watertown, 5.1% for Jefferson County, 7.2% for New York State, and 5.9% for the United States. The unemployment rates in June 2020 were 13.6% for Watertown, 10.7% for Jefferson County, 14.8% for New York State, and 11.0% for the United States. The unemployment rates in June 2019 were 4.7% for Watertown, 4.3% for Jefferson County, 3.7% for New York State, and 3.6% for the United States.

Budget factors considered during the preparation of the FY 2021-2022 budget focused on balancing the continued unknown impacts of the COVID-19 pandemic on the national, state and local economies primarily on sales tax revenue and State AIM funding while also maintaining adequate staffing levels to be both functionally and financially sustainable in the short-term and long-term. Sales tax did not drop in Fiscal Year 2020-2021 as was projected so the amount budgeted was increased by \$3,274,000. This budget started to address the looming expiration of the National Grid hydro-electric contract in 2030 by transferring \$400,000 into the Contingency and Tax Stabilization Reserve Fund. The City has an agreement with National Grid for the purchase of the City's excess hydro-electricity that increases the rate paid per kilowatt by 4.33% per year of the agreement until expiration on December 31, 2030.

Like most local governments, the City's 2021-2022 budget will experience upward NYS Retirement System contribution rates for the cost of employees' retirement benefits. The budgeted contribution rate to the Employees' Retirement System will range from 10.2% to 22.0% of salaries, up slightly from a range of 9.8% to 20.2% in the previous year. The budgeted contribution rate for the Police and Fire Retirement System will range from 19.3% to 29.7% of salaries, up from 16.1% to 26.2% of salaries in the previous year. The NYS Retirement System does utilize smoothing techniques to avoid sharp increases or decreases due to large market fluctuations.

Due to positive trends in health claim costs in FY 2020-2021, the self-insurance fund premiums were kept at the previous fiscal year's rates. The City did not override the NYS Property tax cap, and decreased the property tax levy slightly by \$6,850 or 0.07% to maintain the same property tax rate as the previous fiscal year. The City saw a decrease of \$973,255, or 0.09%, in taxable assessed value.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS
AND RATES - Continued**

The City's FY 2021-2022 General Fund operating costs increased by \$4,635,826, or 11.06%, to \$46,539,384, as positions and other spending were brought back to a pre-pandemic level. The Transfer to the Capital Projects Fund increased by \$874,200 as the prior year had been cut drastically due to the pandemic uncertainties. The City appropriated \$1,200,000 of fund balance, an increase of \$765,000 over FY 2020-2021. Positions brought back included four Police officers and the addition of a second School Resource Officer.

Appropriations for the Water Fund increased by \$213,571 or 3.87%, while revenues decreased \$131,142 or 2.45%. The decrease in revenues was primarily due to a decrease of \$126,000 in water rents from inside of the City customers and a decrease of \$185,707 in water rents from outside of the City customers. The Water Fund was able to appropriate \$517,825 of fund balance to avoid any water rate increases. The Sewer Fund appropriations increased by \$420,700 or 6.07% due to an increase in the Transfer to the Capital Projects Fund of \$200,500 to fund all of its capital projects with current resources and avoid debt. Revenues increased \$80,000 or 3.46% from inside the City customers, revenues from sewer charges for sludge and leachate haulers increased \$143,000 or 9.70% due to a new agreement with the Development Authority of the North Country and revenues from other governments decreased by \$47,000 or 2.10%. The Sewer Fund also was able to maintain the sewer rates through the appropriation of \$525,000 of fund balance.

The City will receive \$22,265,728 in funding from the American Rescue Plan Act of 2021. At the time of the budget development the rules regarding the use of the funding were still being developed but it was clear that replacing water and sewer infrastructure would be considered allowable uses. Accordingly, the budget funded Water Fund capital projects such as the repointing of the Water Plant maintenance and administration building (\$80,000), coagulation basin pumping station generator (\$530,000) and Thompson Park reservoir relining (\$500,000).

REQUESTS FOR INFORMATION

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

AUDITED BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2021

	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	\$ 21,929,235	\$ 9,919,478	\$ 31,848,713	\$ 183,899
Restricted Cash and Cash Equivalents	14,424,189	21,292	14,445,481	118,037
Certificates of Deposit	-	-	-	59,823
Receivables (Net of Allowance for Uncollectibles)				
Accounts	2,209,374	1,928,821	4,138,195	2,267
Taxes	370,580	-	370,580	-
Due from Other Governments	3,224,795	540,677	3,765,472	-
State and Federal Aid Receivables	1,671,033	36,636	1,707,669	-
Prepaid Expenses	64,274	-	64,274	-
Internal Balances	(266,692)	266,692	-	-
	<u>43,626,788</u>	<u>12,713,596</u>	<u>56,340,384</u>	<u>364,026</u>
Capital Assets				
Non-Depreciable	4,107,377	8,856,686	12,964,063	14,516
Depreciable, Net	83,374,328	42,137,301	125,511,629	48,819
Total Capital Assets	<u>87,481,705</u>	<u>50,993,987</u>	<u>138,475,692</u>	<u>63,335</u>
TOTAL ASSETS	<u>\$ 131,108,493</u>	<u>\$ 63,707,583</u>	<u>\$ 194,816,076</u>	<u>\$ 427,361</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Bond Refunding	\$ 42,084	\$ -	\$ 42,084	\$ -
Deferred Outflows of Resources, Pensions	20,195,740	2,130,483	22,326,223	-
Deferred Outflows of Resources, OPEB	17,041,076	2,309,202	19,350,278	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 37,278,900</u>	<u>\$ 4,439,685</u>	<u>\$ 41,718,585</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ 790,955	\$ 595,105	\$ 1,386,060	\$ 42,665
Accrued Interest Payable	119,503	55,225	174,728	-
Accrued Liabilities	2,936,956	115,968	3,052,924	-
Current Debt Obligations Due Within One Year, Net of Unamortized Premium	2,357,508	1,308,965	3,666,473	-
Compensated Absences Due Within One Year	3,527	-	3,527	-
Other Liabilities	59,245	18,503	77,748	-
Bond Anticipation Note	-	7,026,223	7,026,223	-
Due to Other Governments	195,199	192	195,391	-
Due to Retirement System	1,536,158	90,795	1,626,953	-
Unearned Revenue	13,044,274	15,979	13,060,253	-
Other Post Employment Benefits Payable	108,665,412	15,349,562	124,014,974	-
Other Long-Term Liabilities	1,149,223	114,824	1,264,047	-
Net Pension Liability - Proportionate Share	5,263,151	10,314	5,273,465	-
Workers Compensation Liability	1,484,294	902,001	2,386,295	-
Serial Bonds Due and Payable After One Year, Net of Unamortized Premium	18,984,672	7,808,845	26,793,517	-
TOTAL LIABILITIES	<u>\$ 156,590,077</u>	<u>\$ 33,412,501</u>	<u>\$ 190,002,578</u>	<u>\$ 42,665</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources, Unavailable Property Tax Revenues	\$ 309,741	\$ -	\$ 309,741	\$ -
Deferred Inflows of Resources, Pensions	23,277,709	3,077,877	26,355,586	-
Deferred Inflows of Resources, OPEB	27,779,096	2,947,655	30,726,751	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 51,366,546</u>	<u>\$ 6,025,532</u>	<u>\$ 57,392,078</u>	<u>\$ -</u>
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	\$ 66,199,609	\$ 35,525,688	\$ 101,725,297	\$ -
Restricted for:				
Capital Reserve	10,292	-	10,292	-
Workers' Compensation Reserve	238,617	-	238,617	-
Insurance Reserve - General	755,940	-	755,940	-
Economic Development and Assistance	5,033	-	5,033	-
Debt Service	269,178	-	269,178	-
Capital Projects	1,473,466	-	1,473,466	-
Library	-	-	-	148,290
Unrestricted (Deficit)	<u>(108,521,365)</u>	<u>(6,816,453)</u>	<u>(115,337,818)</u>	<u>236,406</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (39,569,230)</u>	<u>\$ 28,709,235</u>	<u>\$ (10,859,995)</u>	<u>\$ 384,696</u>

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities								
General Government Support								
General Government Support	\$ 12,661,988	\$ 3,362,712	\$ 56,195	\$ -	\$ (9,243,081)	\$ -	\$ (9,243,081)	\$ -
Hydroelectric Production	654,542	2,967,769	-	-	2,313,227	-	2,313,227	-
Public Safety								
Fire	8,963,150	-	-	-	(8,963,150)	-	(8,963,150)	-
Police	7,719,518	94,094	180,123	-	(7,445,301)	-	(7,445,301)	-
Other Public Safety	364,862	109,606	-	-	(255,256)	-	(255,256)	-
Public Works	7,029,175	74,570	245,178	960,941	(5,748,486)	-	(5,748,486)	-
Transportation								
Bus	1,176,537	96,666	486,647	-	(593,224)	-	(593,224)	-
Economic Opportunity and Development								
Other Economic Assistance	13,282	-	-	-	(13,282)	-	(13,282)	-
Empire Zone	2,556	-	-	-	(2,556)	-	(2,556)	-
Culture and Recreation								
Library	1,018,037	8,171	63,879	102,181	(843,806)	-	(843,806)	-
Other Culture and Recreation	2,302,282	255,124	-	879	(2,046,279)	-	(2,046,279)	-
Home and Community Services								
Refuse and Recycle	847,012	1,006,383	-	-	159,371	-	159,371	-
Other Home and Community Services	1,297,830	5,475	981,083	57,000	(254,272)	-	(254,272)	-
Interest on Debt	679,892	-	-	-	(679,892)	-	(679,892)	-
Total Governmental Activities	<u>44,730,663</u>	<u>7,980,570</u>	<u>2,013,105</u>	<u>1,121,001</u>	<u>(33,615,987)</u>	<u>-</u>	<u>(33,615,987)</u>	<u>-</u>
Business-Type Activities								
Water	4,637,313	5,391,063	-	211,597	-	965,347	965,347	-
Sewer	5,746,322	6,682,872	-	-	-	936,550	936,550	-
Total Business-Type Activities	<u>10,383,635</u>	<u>12,073,935</u>	<u>-</u>	<u>211,597</u>	<u>-</u>	<u>1,901,897</u>	<u>1,901,897</u>	<u>-</u>
Total Primary Government	<u>\$ 55,114,298</u>	<u>\$ 20,054,505</u>	<u>\$ 2,013,105</u>	<u>\$ 1,332,598</u>	<u>(33,615,987)</u>	<u>1,901,897</u>	<u>(31,714,090)</u>	<u>-</u>
Component Unit								
The Trustees of the R.P. Flower Memorial Library	\$ 139,837	\$ -	\$ 94,488	\$ -	-	-	-	(45,349)
Total Component Unit	<u>\$ 139,837</u>	<u>\$ -</u>	<u>\$ 94,488</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,349)</u>
Net (Expense) Revenue and Changes in Net Position Brought Forward					<u>(33,615,987)</u>	<u>1,901,897</u>	<u>(31,714,090)</u>	<u>(45,349)</u>
GENERAL REVENUES								
Property Taxes					9,784,103	-	9,784,103	75,000
Sales Taxes					22,201,114	-	22,201,114	-
Utilities Gross Receipts Tax					285,654	-	285,654	-
Franchise Tax					355,345	-	355,345	-
Hotel Occupancy Tax					133,745	-	133,745	-
Mortgage Tax					461,180	-	461,180	-
Grants and Entitlements Not Restricted to Specific Programs					5,627,159	-	5,627,159	-
Investment Earnings					24,495	66,622	91,117	474
Total General Revenues					<u>38,872,795</u>	<u>66,622</u>	<u>38,939,417</u>	<u>75,474</u>
Transfers					30,000	(30,000)	-	-
Change in Net Position					5,286,808	1,938,519	7,225,327	30,125
Total Net Position - Beginning of Year					<u>(44,856,038)</u>	<u>26,770,716</u>	<u>(18,085,322)</u>	<u>354,571</u>
Total Net Position - End of Year					<u>\$ (39,569,230)</u>	<u>\$ 28,709,235</u>	<u>\$ (10,859,995)</u>	<u>\$ 384,696</u>

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General	Capital Projects	Non Major Funds	Total Governmental Funds
ASSETS				
Unrestricted Cash and Cash Equivalents	\$ 21,534,658	\$ 388,657	\$ 5,920	\$ 21,929,235
Restricted Cash and Cash Equivalents	12,997,155	1,400,360	26,674	14,424,189
Receivables (Net of Allowance for Uncollectibles)				
Accounts	247,895	-	1,961,479	2,209,374
Taxes	370,580	-	-	370,580
Due from Other Governments	3,224,795	-	-	3,224,795
State and Federal Aid Receivables	1,213,903	382,670	74,460	1,671,033
Prepaid Expenses	64,274	-	-	64,274
Due from Other Funds	567,724	446,357	225,755	1,239,836
TOTAL ASSETS	\$ 40,220,984	\$ 2,618,044	\$ 2,294,288	\$ 45,133,316
LIABILITIES				
Accounts Payable	\$ 617,044	\$ 120,343	\$ 53,568	\$ 790,955
Accrued Liabilities	2,916,580	-	20,376	2,936,956
Compensated Absences	3,527	-	-	3,527
Other Liabilities	59,245	-	-	59,245
Due to Other Funds	897,188	491,671	117,669	1,506,528
Due to Other Governments	186,129	-	9,070	195,199
Due to Retirement System	1,513,837	-	22,321	1,536,158
Unearned Revenue	11,077,309	-	1,966,965	13,044,274
Total Liabilities	17,270,859	612,014	2,189,969	20,072,842
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Tax Revenues	309,741	-	-	309,741
Total Deferred Inflows of Resources	309,741	-	-	309,741
FUND BALANCES				
Nonspendable				
Prepaid Expenses	64,274	-	-	64,274
Restricted				
Capital Reserve - General	10,292	-	-	10,292
Workers Compensation Reserve	238,617	-	-	238,617
Insurance Reserve - General	755,940	-	-	755,940
Debt Service Reserve	265,334	-	3,844	269,178
Economic Development and Assistance Reserve	-	-	5,033	5,033
Capital Projects	-	1,473,466	-	1,473,466
Assigned				
Self-Funded Health Insurance Plan	2,995,705	-	-	2,995,705
General Government Support	26,946	-	-	26,946
Fire	169,189	-	-	169,189
Police	272,966	-	-	272,966
Other Public Safety	954	-	-	954
Public Works	76,800	-	-	76,800
Bus	8,202	-	-	8,202
Other Culture and Recreation	2,928	-	-	2,928
Hydroelectric Production	3,714	-	-	3,714
Library	-	-	37,340	37,340
Refuse and Recycle	5,309	-	-	5,309
Other Home and Community Services	6,745	-	-	6,745
Capital Projects	-	532,564	-	532,564
Subsequent Year's Expenditures	1,200,000	-	58,102	1,258,102
Unassigned	16,536,469	-	-	16,536,469
Total Fund Balances	22,640,384	2,006,030	104,319	24,750,733
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 40,220,984	\$ 2,618,044	\$ 2,294,288	\$ 45,133,316

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

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

June 30, 2021

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS \$ 24,750,733

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:

Cost of Capital Assets	\$ 181,920,732	
Accumulated Depreciation	<u>(94,439,027)</u>	87,481,705

Deferred outflows of resources that are not available to pay for current-period expenditures and, therefore, are not reported in the governmental fund statements consist of:

Deferred Charge on Bond Refunding	42,084	
Deferred Outflows of Resources, Pensions	20,195,740	
Deferred Outflows of Resources, OPEB	<u>17,041,076</u>	37,278,900

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 governmental funds. Long-term liabilities at year-end consist of:

Bonds Payable	(20,092,562)	
Accrued Interest on Bonds Payable	(119,503)	
Premium on Bond Issue	(1,231,618)	
Compensated Absences	(1,113,223)	
Workers Compensation Liability	(1,484,294)	
Landfill Post-Closure Liability	(54,000)	
Net Pension Liability - Proportionate Share	(5,263,151)	
Other Postemployment Benefits Payable	<u>(108,665,412)</u>	(138,023,763)

Deferred inflows of resources that are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:

Deferred Inflows of Resources, Pensions	(23,277,709)	
Deferred Inflows of Resources, OPEB	<u>(27,779,096)</u>	<u>(51,056,805)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ (39,569,230)

CITY OF WATERTOWN, NEW YORK

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

Year Ended June 30, 2021

	General	Capital Projects	Non Major Funds	Total Governmental Funds
REVENUES				
Real Property Taxes	\$ 9,481,984	\$ -	\$ -	\$ 9,481,984
Real Property Tax Items	302,119	-	-	302,119
Nonproperty Taxes	22,975,858	-	-	22,975,858
Departmental Income	4,570,340	-	-	4,570,340
Intergovernmental Charges	146,945	-	-	146,945
Use of Money and Property	80,222	1,172	7	81,401
Licenses and Permits	122,000	-	-	122,000
Fines and Forfeitures	63,608	-	1,471	65,079
Sale of Property and Compensation for Loss	313,727	-	-	313,727
Miscellaneous Local Sources	1,496,110	57,939	71,804	1,625,853
Interfund Revenue	1,216,110	-	-	1,216,110
State Sources	6,692,334	648,906	-	7,341,240
Federal Sources	1,529,200	414,156	937,474	2,880,830
Total Revenues	<u>48,990,557</u>	<u>1,122,173</u>	<u>1,010,756</u>	<u>51,123,486</u>
EXPENDITURES				
General Government Support	4,804,538	-	-	4,804,538
Public Safety	17,321,808	17,637	-	17,339,445
Transportation	4,549,815	1,857,076	-	6,406,891
Economic Assistance and Opportunity	13,282	-	2,555	15,837
Culture and Recreation	1,665,719	693,957	786,152	3,145,828
Home and Community Services	1,307,951	351,599	806,274	2,465,824
Employee Benefits	9,946,605	-	362,793	10,309,398
Debt Service	3,015,648	-	165,007	3,180,655
Total Expenditures	<u>42,625,366</u>	<u>2,920,269</u>	<u>2,122,781</u>	<u>47,668,416</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,365,191</u>	<u>(1,798,096)</u>	<u>(1,112,025)</u>	<u>3,455,070</u>
OTHER FINANCING SOURCES AND (USES)				
Proceeds from Serial Bond Issuance	-	2,800,000	-	2,800,000
BANs Redeemed from Appropriations	-	254,500	-	254,500
Proceeds from Bond Refunding	-	-	1,225,000	1,225,000
Payment to Escrow Agent	-	-	(1,326,744)	(1,326,744)
Bond Refunding Professional Fees	-	-	(52,002)	(52,002)
Interfund Transfers In	195,924	1,209,517	1,252,723	2,658,164
Interfund Transfers Out	(1,737,595)	(149,858)	(740,711)	(2,628,164)
Premium on Debt Issuances	-	-	757,534	757,534
Total Other Financing Sources (Uses)	<u>(1,541,671)</u>	<u>4,114,159</u>	<u>1,115,800</u>	<u>3,688,288</u>
Net Change in Fund Balances	<u>4,823,520</u>	<u>2,316,063</u>	<u>3,775</u>	<u>7,143,358</u>
Fund Balances (Deficits), Beginning of Year	<u>17,816,864</u>	<u>(310,033)</u>	<u>100,544</u>	<u>17,607,375</u>
Fund Balances, End of Year	<u><u>\$ 22,640,384</u></u>	<u><u>\$ 2,006,030</u></u>	<u><u>\$ 104,319</u></u>	<u><u>\$ 24,750,733</u></u>

See notes to audited basic financial statements.

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

Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 7,143,358

Amounts reported for governmental activities in the Statement of Activities are different because:

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 and loss on disposal exceeded the capital outlays in the period.

Capital Outlays	\$ 2,998,019	
Depreciation Expense	(5,206,377)	
Loss on Disposal	<u>(39,197)</u>	(2,247,555)

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

2,230,542

Payment to the escrow agent relating to debt refunding is an expenditure in the governmental funds, however, the amount reduced the deferred charge on refunding included in deferred outflows on the Statement of Net Position and the initial amount does not affect the Statement of Activities

101,744

Governmental funds report revenues only when they are considered "available", whereas the Statement of Activities report revenues when earned. Long-term revenue differences relating to 20% withholding of state aid/grant revenue is reported as revenue in the Statement of Activities and a deferred inflow in the governmental funds, and therefore not reported as revenue in the governmental funds.

(932,496)

Governmental funds report bond proceeds as a source of funding. However, bond proceeds are not revenues in the Statement of Activities, but long-term liabilities in the Statement of Net Position

(2,800,000)

Decrease in proportionate share of net pension liability and related deferred outflows/inflows reported in Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.

Employees' Retirement System	432,933	
Police and Fire Retirement System	<u>234,374</u>	667,307

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

Year Ended June 30, 2021

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

(757,534)

Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The following items resulted in a net decrease in interest expense being reported in the Statement of Activities.

Change in Accrued Interest Payable	(13,139)	
Amortization of Bond Premium	40,873	
Amortization of Deferred Charge on Bond Refunding	(8,166)	19,568

In the Statement of Activities, certain operating expenses - compensated absences (vacation 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.

2,286,420

Long-term portions of accrued claims and judgments, and landfill monitoring liability are included in the outstanding liability in the Statement of Net Position. Accordingly, the net change in the long-term portion is reported as a reduction to that liability rather than an expense in the Statement of Activities.

(424,546)

Change in Net Position of Governmental Activities

\$ 5,286,808

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2021

	Business - Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
ASSETS			
CURRENT ASSETS			
Unrestricted Cash and Cash Equivalents	\$ 3,743,630	\$ 6,175,848	\$ 9,919,478
Accounts Receivable,			
Net of Allowance for Uncollectible Accounts	978,323	950,498	1,928,821
Due from Governmental Funds	268,276	59,369	327,645
Due from Other Governments	167,669	373,008	540,677
State and Federal Aid Receivables	36,636	-	36,636
Total Current Assets	<u>5,194,534</u>	<u>7,558,723</u>	<u>12,753,257</u>
NON-CURRENT ASSETS			
Restricted Cash and Cash Equivalents	21,292	-	21,292
Capital Assets, Net of Accumulated Depreciation	19,773,810	31,220,177	50,993,987
Total Non-Current Assets	<u>19,795,102</u>	<u>31,220,177</u>	<u>51,015,279</u>
TOTAL ASSETS	<u>\$ 24,989,636</u>	<u>\$ 38,778,900</u>	<u>\$ 63,768,536</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources, Pensions	\$ 1,127,743	\$ 1,002,740	\$ 2,130,483
Deferred Outflows of Resources, OPEB	1,230,083	1,079,119	2,309,202
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,357,826</u>	<u>\$ 2,081,859</u>	<u>\$ 4,439,685</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 362,868	\$ 232,237	\$ 595,105
Accrued Interest Payable	20,391	34,834	55,225
Accrued Liabilities	66,905	49,063	115,968
Due to Retirement System	47,990	42,805	90,795
Due to Governmental Funds	38,763	22,190	60,953
Due to Other Governments	192	-	192
Other Liabilities	18,503	-	18,503
Unearned Revenue	11,193	4,786	15,979
Bond Anticipation Note	-	7,026,223	7,026,223
Current Portion of Long-Term Liabilities, Net of Unamortized Premium	579,108	729,857	1,308,965
Total Current Liabilities	<u>1,145,913</u>	<u>8,141,995</u>	<u>9,287,908</u>
LONG-TERM LIABILITIES			
Workers Compensation Liability	181,946	720,055	902,001
Compensated Absences	61,991	52,833	114,824
Net Pension Liability	5,460	4,854	10,314
Other Postemployment Benefits Liability	8,877,862	6,471,700	15,349,562
Serial Bonds Payable, Net of Unamortized Premium	2,978,918	4,829,927	7,808,845
Total Long-Term Liabilities	<u>12,106,177</u>	<u>12,079,369</u>	<u>24,185,546</u>
TOTAL LIABILITIES	<u>\$ 13,252,090</u>	<u>\$ 20,221,364</u>	<u>\$ 33,473,454</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources, Pensions	\$ 1,629,341	\$ 1,448,536	\$ 3,077,877
Deferred Inflows of Resources, OPEB	679,114	2,268,541	2,947,655
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 2,308,455</u>	<u>\$ 3,717,077</u>	<u>\$ 6,025,532</u>
NET POSITION			
Net Investment in Capital Assets	\$ 15,878,810	\$ 19,646,878	\$ 35,525,688
Unrestricted	(4,091,893)	(2,724,560)	(6,816,453)
TOTAL NET POSITION	<u>\$ 11,786,917</u>	<u>\$ 16,922,318</u>	<u>\$ 28,709,235</u>

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

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

Year Ended June 30, 2021

	Business - Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 3,984,830	\$ 4,265,276	\$ 8,250,106
Intergovernmental Charges	1,227,561	1,929,088	3,156,649
Other Operating Revenue	178,672	488,508	667,180
Total Operating Revenues	5,391,063	6,682,872	12,073,935
OPERATING EXPENSES			
Salaries, Wages and Employee Benefits	2,095,528	2,113,884	4,209,412
Contractual Services	1,769,962	2,551,358	4,321,320
Depreciation	644,185	886,553	1,530,738
Total Operating Expenses	4,509,675	5,551,795	10,061,470
Income from Operations	881,388	1,131,077	2,012,465
NON-OPERATING REVENUES (EXPENSES)			
Interest Revenue	33,975	32,647	66,622
Interest Expense	(127,638)	(179,014)	(306,652)
Loss on Disposal of Fixed Assets	-	(15,513)	(15,513)
Total Non-Operating Revenue (Expenses)	(93,663)	(161,880)	(255,543)
Income Before Contributions and Transfers	787,725	969,197	1,756,922
Capital Contributions	211,597	-	211,597
Transfers Out	(15,000)	(15,000)	(30,000)
Change in Net Position	984,322	954,197	1,938,519
Net Position, Beginning of Year	10,802,595	15,968,121	26,770,716
Net Position, End of Year	\$ 11,786,917	\$ 16,922,318	\$ 28,709,235

See notes to audited basic financial statements.

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2021

	Business - Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Cash Flows from Operating Activities			
Cash Received from Providing Services	\$ 4,833,816	\$ 6,014,557	\$ 10,848,373
Cash Payments for Contractual Expense	(1,803,908)	(2,547,648)	(4,351,556)
Cash Payments for Personal Services and Benefits	(2,209,904)	(2,028,114)	(4,238,018)
Other Operating Revenue	192,306	488,508	680,814
Net Cash Provided by Operating Activities	1,012,310	1,927,303	2,939,613
Cash Flows from Non-Capital Financing Activities			
Transfers to Other Funds	(15,000)	(15,000)	(30,000)
Cash Flows from Capital and Related Financing Activities			
Proceeds of (Reduction on) Capital Debt	(8,000)	2,045,122	2,037,122
Premium Received on Bond Refunding	30,433	24,005	54,438
Principal Paid on Capital Debt	(732,558)	(775,401)	(1,507,959)
Interest Paid on Capital Debt	(140,410)	(182,979)	(323,389)
Purchase of Capital Assets	(445,658)	(2,592,290)	(3,037,948)
Capital Grants	211,597	-	211,597
Net Cash Used In Capital and Related Financing Activities	(1,084,596)	(1,481,543)	(2,566,139)
Cash Flows from Investing Activities			
Interest Income	3,541	4,841	8,382
Net Cash Provided By Investing Activities	3,541	4,841	8,382
Net Increase (Decrease) in Cash and Cash Equivalents	(83,745)	435,601	351,856
Cash and Cash Equivalents, Beginning of Year	3,848,667	5,740,247	9,588,914
Cash and Cash Equivalents, End of Year	\$ 3,764,922	\$ 6,175,848	\$ 9,940,770
Reconciliation of Income from Operations to Net			
Cash Provided By Operating Activities			
Income from Operations	\$ 881,388	\$ 1,131,077	\$ 2,012,465
Depreciation	644,185	886,553	1,530,738
Change in Operating Assets			
Accounts Receivable	(83,050)	(48,264)	(131,314)
Due from Governmental Funds	(242,950)	(4,151)	(247,101)
Due from Other Governments	(52,363)	(127,142)	(179,505)
State and Federal Aid Receivables	13,634	-	13,634
Prepaid Expenses	-	-	-
Deferred Outflow of Resources, Pensions	(292,713)	(233,761)	(526,474)
Deferred Outflow of Resources, OPEB	167,857	229,006	396,863
Change in Operating Liabilities			
Accounts Payable	(24,819)	(7,985)	(32,804)
Accrued Liabilities	24,403	11,930	36,333
Due to Retirement System	4,574	5,054	9,628
Due to Governmental Funds	(9,177)	11,445	2,268
Due to Other Governments	52	-	52
Other Liabilities	(213)	-	(213)
Workers Compensation Liability	(24,306)	322,386	298,080
Compensated Absences	(7,284)	722	(6,562)
Net Pension Liability	(1,323,615)	(1,222,836)	(2,546,451)
Other Postemployment Benefits Liability	(352,132)	(2,168,632)	(2,520,764)
Deferred Inflows of Resources, Pensions	1,580,050	1,403,005	2,983,055
Deferred Inflows of Resources, OPEB	108,789	1,738,896	1,847,685
Net Cash Provided By Operating Activities	\$ 1,012,310	\$ 1,927,303	\$ 2,939,613
Reconciliation of Total Cash and Cash Equivalents			
Current Assets - Unrestricted Cash and Cash Equivalents	\$ 3,743,630	\$ 6,175,848	\$ 9,919,478
Non-Current Assets - Restricted Cash and Cash Equivalents	21,292	-	21,292
Total Cash and Cash Equivalents	\$ 3,764,922	\$ 6,175,848	\$ 9,940,770

See notes to audited basic financial statements.

CITY OF WATERTOWN, NEW YORK

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2021

	Custodial Funds
	<hr/>
ASSETS	
Cash and Cash Equivalents	<hr/> \$ 30,415
TOTAL ASSETS	<hr/> \$ 30,415 <hr/>
NET POSITION	
Held in Trust for Scholarships	<hr/> \$ 30,415
TOTAL NET POSITION	<hr/> \$ 30,415 <hr/>

See notes to audited basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2021

	Custodial Funds
ADDITIONS	
Interest Revenue	\$ 94
Total Additions	94
DEDUCTIONS	
Other	879
Total Deductions	879
Change in Net Position	(785)
Net Position, Beginning of Year	31,200
Net Position, End of Year	\$ 30,415

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

The financial reporting entity consists of:

1. The primary government which is the City of Watertown.
2. Organizations for which the primary government is financially accountable.
3. Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statement No. 14 and No. 34*.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Reporting Entity - Continued

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

Watertown Empire Zone

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

The Trustees of Roswell P. Flower Memorial Library

The Trustees of the Roswell P. Flower Memorial Library, a nonprofit organization, was formed May 1, 1901 to care for and maintain the library as a free public library for the City of Watertown. The City Council appoints the Organization's governing body and significantly influences the activities of the Organization. The decision to include a potential component unit in the City's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Trustees of the Roswell P. Flower Memorial Library is included as a discretely presented component unit. Copies of their financial statements may be obtained at 229 Washington Street, Watertown, New York 13601.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

New Accounting Standards

The City has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the City implemented the following new statement issued by GASB:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 90, *Majority Equity Interests – and amendment of GASB Statements No. 14 and No. 61*
- Statement No. 93, *Replacement of Interbank Offered Rates*, except for GASB No. 93 paragraphs 13-14 effective for the year ending June 30, 2022

Future New Accounting Standards

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

- Statement No. 87, *Leases* effective for the year ending June 30, 2022
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* effective for the year ending June 30, 2022
- Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023
- Statement No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022
- Statement No. 93, *Replacement of Interbank Offered Rates*, paragraphs 13-14 effective for the year ending June 30, 2022
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective for the year ending June 30, 2022
- Statement No. 98, *The Annual Comprehensive Financial Report*, effective for the year ending June 30, 2022

The City will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation

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.

Government-Wide Financial Statements

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation - Continued

Fund Financial Statements

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

1. Governmental Funds

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

General Fund - The General Fund is the general operating fund of the City and is always classified as a major fund. 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:

Community Development Fund - To account for the use of federal grant monies received under the Community Development Block Grant Program and any other state economic development project revenue. The Community Development Fund is considered a non major fund for reporting purposes.

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation - Continued

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

2. Proprietary Funds

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

Enterprise Funds - To account for water and sewer operations.

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

3. Fiduciary Funds

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Accounting / Measurement Focus

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

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

Modified Accrual Basis - The governmental fund financial statements are prepared using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. City revenues are generally considered available if collected within 60 days of year-end. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. Expenditures are recorded when incurred except for prepaid expenditures and inventory items, which are recognized at the time of purchase; principal and interest on indebtedness, which are not recognized as expenditures until due; and compensated absences, such as vacation, which vests or accumulates and is charged as expenditures when paid.

Property Taxes

Real property tax levies are fully accrued at the beginning of the fiscal year and are received and accounted for in the General Fund. 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 5th 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 15th, and enforces collection of unpaid City school taxes transmitted by the school district to the City in December of each year.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property Taxes - Continued

Uncollected property taxes assumed by the City as a result of the settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The amount owed to the School District for uncollected school taxes is \$179,038 and is included in "Due to other Governments". A portion of the total property taxes receivable, \$309,741, is considered unavailable and is presented as a deferred inflow of resources.

An allowance for uncollectible taxes of \$1,007,999 has been included in the General Fund accounts receivable balance at June 30, 2021. Amounts considered to be uncollectible are based on historical trends and specific knowledge related to particular parcels.

The City is permitted by the Constitution of New York State to levy property taxes up to 2% of the five-year average full-assessed valuation for general governmental services other than the payment of debt service and capital expenditures. For the year ended June 30, 2021, the City had exhausted 18.56% of its tax limit and had a constitutional margin of \$19,028,280.

Budget Policies

The budget policies are as follows:

1. Prior to April 30th of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the sources of financing.
2. Public hearings are conducted to obtain taxpayers' comments.
3. At the last regular or special meeting in May, the budget is adopted by the City Council through the adoption of various resolutions.
4. City taxes included in the budget are levied on July 5th. The collection period is July 5th through August 5th.
5. Subsequent budget re-adoptions or transfers are approved by City Council.
6. For year-end financial reporting, adjustments are made to actual results to conform to modified budget classifications and reflect year-end encumbrances.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Budget Policies - Continued

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

Estimates

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

Impact of COVID-19 Pandemic on Financial Statements

The COVID-19 pandemic remains a rapidly revolving situation. The extent of the impact of COVID-19 on the City and financial results will depend on the future developments, which are highly uncertain and cannot be predicted, including but not limited to the duration, spread, severity, and impact of the outbreak, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the City's net position is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Cash and Cash Equivalents

The City considers cash and cash equivalents to include cash on hand, time and demand deposits, and certificates of deposit with original maturities of three months or less.

Receivables

Receivables are stated net of the estimated allowance for uncollectible amounts. Amounts considered to be uncollectible are based on collection experience. Amounts due from state and federal governments represent amounts owed to the City to reimburse it for expenditures incurred pursuant to state and federal programs. Other receivables represent amounts owed to the City, which include sales tax, tax sale certificates, sewer rents, water rents, rehabilitation loans, and assessments. The allowance for uncollectible accounts receivable was \$348,798 at June 30, 2021.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets

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

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

Compensated Absences

Employees are granted the following compensated absences each year:

Sick Leave	12 days
Vacation	10 - 30 days

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Insurance and Risk Management

In accordance with New York State guidelines and GASB Statement No. 10, *Accounting and Financial Reports for Risk Financing and Related Insurance Issues*, the City self-insures for the following:

1. General Liability - The City has a self-insurance program for general liability insurance. The reserved fund balance is recorded within the General Fund.
2. Workers' Compensation - On May 10, 1920 the City became self-insured for the purposes of providing benefits under the Workers' Compensation Law of the State of New York. The City recognizes workers compensation expenditures when paid. Annual estimates are appropriated from the General and Enterprise funds, as determined by the City Council. An estimated liability of \$2,452,295 as of June 30, 2021 has been recorded on the Statement of Net Position representing the long-term liability of open workers' compensation cases.
3. Unemployment Insurance - The City has a self-insurance program for unemployment, but has not established a reserve for claims. Expenditures are recorded as claims are submitted. Total unemployment insurance expenditures for the year ended June 30, 2021 were \$29,011.
4. Health Care Benefits - On July 1, 1992, the City became self-insured for health care benefits for all eligible City employees and retirees. A third-party administrator selected by the City manages this self-insurance plan. A stop loss policy was also purchased to protect and insure this plan against major claims in excess of \$185,000. 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 \$1,101,399 has been recorded in the self-insurance fund for claims incurred as of June 30, 2021, but not reported based upon historical experience.

Operating Revenue and Expenses

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows and Inflows of Resources

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

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

The Balance Sheet – Governmental Funds includes a section of deferred inflows of resources. The City has two types, which arise under the modified accrual basis of accounting that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes and state aid/grant revenue.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications

Government-Wide Statements

In the Government-wide statements there are three classes of net position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvement of those assets.

Restricted Net Position – reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the City.

Fund Statements

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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Statements - Continued

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.

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

NOTE 2 – CASH AND CASH EQUIVALENTS

State statutes govern the City investment policies. In addition, the City has its own written investment policy. City monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The City Comptroller is authorized to use demand accounts, certificates of deposits, and permissible investments. Permissible investments include obligations of the U.S. Government and its agencies, repurchase agreements, and obligations of the State of New York, obligations issued by any municipality, school district or corporation other than the City of Watertown, and obligations of public authorities, public housing authorities, urban renewal agencies, and industrial development agencies where the State authorizes such investments. During the fiscal year ended June 30, 2021, the City limited its investments to demand and savings accounts and certificates of deposit.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 – CASH AND CASH EQUIVALENTS - Continued

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

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.

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

Collateral is required for demand, savings deposits, and certificates of deposit 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 - GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, directs that deposits be disclosed as to custodial risk if they are not covered by depository insurance, and the deposits are either:

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

Total financial institution (bank) balances at June 30, 2021 per the banks were \$46,781,131 These deposits are categorized as follows:

<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
\$ 687,782	\$ 46,093,349	\$ -

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 – CASH AND CASH EQUIVALENTS - Continued

As of June 30, 2021, the City had the following cash equivalents:

Certificates of Deposit - Custodial Funds	\$ 26,016
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NOTE 3 – CAPITAL ASSETS

A summary of the changes in capital assets for the year ended June 30, 2021 were as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Non-Depreciable Capital Assets:				
Land	\$ 2,621,285	\$ 227,915	\$ -	\$ 2,849,200
Construction in Progress	5,813,731	2,919,401	(7,474,955)	1,258,177
Total	<u>8,435,016</u>	<u>3,147,316</u>	<u>(7,474,955)</u>	<u>4,107,377</u>
Depreciable Capital Assets:				
Land Improvements	10,639,551	57,000	-	10,696,551
Buildings and Improvements	47,148,647	3,695,625	(11,421)	50,832,851
Infrastructure	87,840,024	2,732,873	-	90,572,897
Machinery and Equipment	14,581,988	96,576	(50,495)	14,628,069
Vehicles	11,471,196	743,584	(1,131,793)	11,082,987
Total	<u>171,681,406</u>	<u>7,325,658</u>	<u>(1,193,709)</u>	<u>177,813,355</u>
Less: Accumulated Depreciation:				
Land Improvements	7,716,559	272,505	-	7,989,064
Buildings and Improvements	18,773,926	1,208,462	(4,569)	19,977,819
Infrastructure	43,915,603	2,722,972	-	46,638,575
Machinery and Equipment	11,294,893	328,419	(40,738)	11,582,574
Vehicles	8,686,181	674,019	(1,109,205)	8,250,995
Total	<u>90,387,162</u>	<u>5,206,377</u>	<u>(1,154,512)</u>	<u>94,439,027</u>
Depreciable Capital Assets, Net	<u>81,294,244</u>	<u>2,119,281</u>	<u>(39,197)</u>	<u>83,374,328</u>
Total	<u>\$ 89,729,260</u>	<u>\$ 5,266,597</u>	<u>\$ (7,514,152)</u>	<u>\$ 87,481,705</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 3 – CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

General Government Support	\$	86,314
Hydroelectric Production		280,094
Police		145,354
Fire		224,500
Other Public Safety		3,230
Public Works		3,230,293
Bus		208,346
Library		205,617
Other Culture and Recreation		715,028
Refuse and Recycling		107,601
Total Depreciation Expense	\$	5,206,377

A summary of the changes in capital assets for the year ended June 30, 2021 were as follows:

<u>Business-Type Activities</u>	<u>Balance June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Non-Depreciable Capital Assets:				
Construction in Progress	\$ 7,164,650	\$ 2,235,480	\$ (543,444)	\$ 8,856,686
Total	<u>7,164,650</u>	<u>2,235,480</u>	<u>(543,444)</u>	<u>8,856,686</u>
Depreciable Capital Assets:				
Land Improvements	250,568	-	-	250,568
Buildings and Improvements	34,882,178	236,181	-	35,118,359
Infrastructure	31,591,389	-	-	31,591,389
Machinery and Equipment	19,490,827	91,246	(24,503)	19,557,570
Vehicles	1,184,795	312,694	(80,257)	1,417,232
Total	<u>87,399,757</u>	<u>640,121</u>	<u>(104,760)</u>	<u>87,935,118</u>
Less: Accumulated Depreciation:				
Land Improvements	250,568	-	-	250,568
Buildings and Improvements	19,572,551	712,255	-	20,284,806
Infrastructure	9,029,354	470,888	-	9,500,242
Machinery and Equipment	14,633,706	263,289	(8,989)	14,888,006
Vehicles	870,147	84,306	(80,258)	874,195
Total	<u>44,356,326</u>	<u>1,530,738</u>	<u>(89,247)</u>	<u>45,797,817</u>
Depreciable Capital Assets, Net	<u>43,043,431</u>	<u>(890,617)</u>	<u>(15,513)</u>	<u>42,137,301</u>
Total	<u>\$ 50,208,081</u>	<u>\$ 1,344,863</u>	<u>\$ (558,957)</u>	<u>\$ 50,993,987</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 3 – CAPITAL ASSETS - Continued

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

Water	\$	644,185
Sewer		886,553
		<hr/>
Total Depreciation Expense	\$	1,530,738
		<hr/>

NOTE 4 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents are as follows as of June 30, 2021:

Fund	Restriction	Amount
General	Reserve for Capital Projects	\$ 281,014
General	Reserve for Special Assessment Sidewalk Program Debt	17,916
General	Reserve for Workers' Compensation Claims	238,617
General	Reserve for General Liability Claims	760,628
General	Reserve for Debt Service	88,143
General	Reserve for Black River Trust	164,150
General	Tax Sale Surplus Bid Deposits	449,350
General	American Rescue Plan Act (ARPA) Grant Funds	10,921,209
General	Other Restricted Deposits	76,128
Capital Projects	Reserve for Capital Project Acquisitions and Construction	1,400,360
Non Major	Federal and State Community Development Grants	17,797
Non Major	Reserve for Empire Zone	5,033
Non Major	Reserve for Debt Service	3,844
Water	Reserve for Capital Project Acquisitions and Construction	21,292
		<hr/>
Total Restricted Cash and Cash Equivalents		\$ 14,445,481
		<hr/>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 5 – NOTES RECEIVABLE

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

The City participates as an Entitlement Community in the Community Development Block Grant Program administered by the U.S. Department of Housing and Urban Development (HUD). The City partially uses HUD CDBG funds to perform housing rehabilitations through its Rental Rehabilitation Program and Owner-Occupied Housing Program. Grants are subject to repayment if the owner moves or sells the property within the number of years established by the grant, prorated equally per year. Loans are repaid in monthly installments ranging from five to ten years and are subject to immediate repayment if the owner moves or sells the property. The loans are collateralized by a mortgage on the home. The grants are not collateralized.

The balance of the Small Cities, Home Consortium, and Entitlement grants subject to repayment at June 30, 2021 was \$1,493,611. The balance of the Small Cities and Program Income loans subject to repayment at June 30, 2021 was \$467,868.

CITY OF WATERTOWN, NEW YORK

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 5 – NOTES RECEIVABLE - Continued

The following table summarizes notes receivable at June 30, 2021:

Grant Source	Grant Purpose	Grant	Loan Terms	Loan Balance
NYS Rental Rehabilitation Section 17 Program -1989	Rehabilitate apartment building	\$ -	Loan is subordinate to existing mortgages, maturing 2024 and bearing interest at 6.25%. All accrued interest and principal are payable at maturity. Deferred revenue has also been recorded equivalent to the amount of the loan outstanding	\$ 71,500
CDBG Small Cities - 2005	Single purpose home ownership	\$ -	Loans not to exceed \$20,000 to be repaid at 0% interest in monthly installments over 20 - 30 years	\$ 127,403
CDBG Small Cities - 2006	Single purpose housing rehabilitations	\$ -	Over 5 years in monthly installments at a rate of \$18 per \$1,000	\$ 3,715
CDBG Small Cities - 2008	Rental rehabilitations and downtown apartments	\$ -	Over 5-10 years in monthly installments at a rate of \$18 per \$1,000	\$ 2,804
CDBG Small Cities - 2009	Rental rehabilitations and downtown apartments	\$ 843	Up to 20 years at 0% interest for downtown apartments and up to 10 years at 0% for rental rehabilitations	\$ 10,000
CDBG Small Cities -2011	Rental rehabilitations and downtown apartments	\$ 62,580	Up to 20 years at 0% interest for newly developed rental apartments and up to 10 years at 0% for rental rehabilitations	\$ 37,000
CDBG Small Cities - 2012	Rental rehabilitations and downtown apartments	\$ 67,996	Up to 20 years at 0% interest for newly developed rental apartments and up to 10 years at 0% for rental rehabilitations	\$ 23,000
CDBG Small Cities - 2013	City-wide housing rehabilitations	\$ 161,433	5 years - 20 years at 0% interest for newly developed rental apartments and 5 – 10 years at 0% for City-wide rehabilitations	N/A
CDBG Entitlement	Housing rehabilitations	\$1,179,015	5 years - 10 years at 0% interest for owner-occupied or rental rehabilitations	\$ 192,446
Program Income - CDBG Small Cities	Repair and rehabilitate the local housing stock	\$ 21,744	Loan repayments received from recipients of previous CDBG Small Cities grant awards	\$ -
	Total	<u>\$1,493,611</u>	Total	<u>\$ 467,868</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 6 – SHORT-TERM DEBT

The City issued a bond anticipation note to finance various projects reflected in the Capital Projects Fund and Enterprise Funds in the amount of \$1,972,500 on May 19, 2020, which matured on May 19, 2021. The bond anticipation note was issued at with a 1.75% interest rate and a premium of \$8,335 lowering the net interest cost to 1.3274%. The bond anticipation note is backed by the full faith and credit of the City of Watertown.

The City also continued to increase its two bond anticipation note amounts with the New York State Environmental Facilities Corporation for the wastewater treatment plant's sludge modification project and the waste water treatment plant's bar screens and grit removal equipment replacement project. Both bond anticipation notes are issued at 0% interest. Principal repayments were made in the amounts of \$3,000 and \$20,500 on the notes during the fiscal year.

Transactions in short-term debt for the year are summarized below:

	Balance			Balance
Governmental Activities	<u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2021</u>
Bond Anticipation Note	\$ 1,972,500	\$ -	\$ (1,972,500)	\$ -
	Balance			Balance
Business-Type Activities	<u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2021</u>
Bond Anticipation Note	\$ 4,985,601	\$ 2,064,122	\$ (23,500)	\$ 7,026,223

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 7 – LONG-TERM DEBT

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

During the year ended June 30, 2021, the following changes occurred in long-term obligations for governmental activities:

Governmental Activities	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
General Obligation Debt					
Serial Bonds	\$ 19,606,104	\$ 4,025,000	\$ (3,538,542)	\$ 20,092,562	\$ 2,211,041
Premium on Debt Issuance	514,957	757,534	(40,873)	1,231,618	128,467
Total	<u>\$ 20,121,061</u>	<u>\$ 4,782,534</u>	<u>\$ (3,579,415)</u>	<u>\$ 21,324,180</u>	<u>\$ 2,339,508</u>
Compensated Absences	\$ 1,018,640	\$ 94,583	\$ -	\$ 1,113,223	\$ -
Workers' Compensation	1,041,748	442,546	-	1,484,294	-
Landfill Monitoring	72,000	-	(18,000)	54,000	18,000
Total	<u>\$ 2,132,388</u>	<u>\$ 537,129</u>	<u>\$ (18,000)</u>	<u>\$ 2,651,517</u>	<u>\$ 18,000</u>

The Statement of Net Position at June 30, 2021 includes a deferred amount of \$42,084 on the advance refunding of bonds.

Changes in the net pension liability – proportionate share and the changes in the total OPEB liability are reported in Notes 9 and 10, respectively.

Payments on general obligation bonds are made by the General Fund, Library Fund, and Mandatory Reserve Fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 7 – LONG-TERM DEBT - Continued

During the year ended June 30, 2021, the following changes occurred in long-term obligations for business-type activities:

Business-Type Activities	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
General Obligation Bonds					
Serial Bonds - Water	\$ 4,208,531	\$ 232,000	\$ (972,558)	\$ 3,467,973	\$ 569,211
Serial Bonds - Sewer	6,215,365	183,000	(953,900)	5,444,465	659,747
Premium on Debt					
Issuance - Water	99,950	-	(9,897)	90,053	9,897
Premium on Debt					
Issuance - Sewer	53,430	-	(4,111)	49,319	4,110
Total	<u>\$ 10,577,276</u>	<u>\$ 415,000</u>	<u>\$ (1,940,466)</u>	<u>\$ 9,051,810</u>	<u>\$ 1,242,965</u>
Workers Compensation					
Water	\$ 206,252	\$ -	\$ (24,306)	\$ 181,946	\$ -
Sewer	463,669	322,386	-	786,055	66,000
Total	<u>\$ 669,921</u>	<u>\$ 322,386</u>	<u>\$ (24,306)</u>	<u>\$ 968,001</u>	<u>\$ 66,000</u>
Compensated Absences					
Water	\$ 69,275	\$ -	\$ (7,284)	\$ 61,991	\$ -
Sewer	52,111	722	-	52,833	-
Total	<u>\$ 121,386</u>	<u>\$ 722</u>	<u>\$ (7,284)</u>	<u>\$ 114,824</u>	<u>\$ -</u>

Changes in the net pension liability – proportionate share and the changes in the total OPEB liability are reported in Note 9 and 10 respectively.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 7 – LONG-TERM DEBT - Continued

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 10 to 30-year serial bonds with equal amounts of principal maturing each year. General obligation bonds at June 30, 2021 are as follows:

	Interest Rate	Original Amount	Paid June 30, 2021	Outstanding June 30, 2021	Maturity Date
Public Improvements	3.25-4.00%	\$ 7,345,000	\$ 975,000	\$ -	2/15/2023
Public Improvements	3.125-4.00%	2,225,000	375,000	-	12/15/2024
Public Imp. Refunding, Ser.A	2.00-4.00%	2,175,000	1,005,000	-	11/15/2025
Public Imp. Refunding, Ser.C	2.00-6.00%	3,695,000	355,000	775,000	11/15/2022
Public Improvements	2.00-3.00%	2,035,000	175,000	-	6/15/2021
Public Improvements	3.00-3.50%	1,645,000	125,000	625,000	10/15/2027
Public Imp. Refunding	1.00- 2.625%	4,485,000	345,000	105,000	11/15/2022
Public Improvements, Ser.A	1.50-2.75%	1,195,000	100,000	250,000	4/1/2024
Public Improvements, Ser.B	2.00-3.25%	5,110,000	330,000	3,000,000	4/1/2029
Public Improvements, Ser.A	3.00-3.50%	10,000,000	300,000	8,335,000	6/15/2040
Public Improvements, Ser.B	2.00-3.125%	5,810,000	375,000	3,300,000	6/15/2030
Public Improvements	2.00-3.00%	5,130,000	460,000	3,295,000	6/15/2032
Public Improvements	3.00-5.00%	5,965,749	535,000	4,890,000	9/1/2033
Public Improvements	5.00%	2,800,000	-	2,800,000	5/15/2031
Public Imp. Refunding	3.00-5.00%	1,640,000	10,000	1,630,000	2/15/2026
Total General Obligation Bonds		<u>\$ 61,255,749</u>	<u>\$ 5,465,000</u>	<u>\$ 29,005,000</u>	

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 7 – LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

Annual debt service requirements to maturity for general obligation bonds for fiscal year ending June 30, 2021 are as follows:

Governmental Activities

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,211,041	\$ 755,837	\$ 2,966,878
2023	2,264,042	663,136	2,927,178
2024	1,772,056	578,571	2,350,627
2025	1,688,056	210,787	1,898,843
2026	1,608,057	444,143	2,052,200
2027-2031	5,547,922	1,420,176	6,968,098
2032-2036	2,741,388	665,592	3,406,980
2037-2040	2,260,000	201,250	2,461,250
Totals	<u>\$ 20,092,562</u>	<u>\$ 4,939,492</u>	<u>\$ 25,032,054</u>

Business-type Activities

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,228,958	\$ 283,421	\$ 1,512,379
2023	1,190,958	242,393	1,433,351
2024	1,002,944	203,182	1,206,126
2025	976,944	172,134	1,149,078
2026	966,943	141,626	1,108,569
2027-2031	3,307,078	281,586	3,588,664
2032-2033	238,613	7,159	245,772
Totals	<u>\$ 8,912,438</u>	<u>\$ 1,331,501</u>	<u>\$ 10,243,939</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 7 – LONG-TERM DEBT - Continued**Defeased Debt**

On September 30, 2020, the City issued \$1,640,000 in general obligation refunding bonds to advance refund a portion of serial bonds from 2008, 2010, and 2011 issuances. The purpose of the refunding was to lower interest rates and provide taxpayer savings. 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 2008 and 2010 series bonds on October 30, 2020 and the 2011 series bonds on November 16, 2020. The reacquisition price exceeded the net carrying amount of the old debt by \$18,744. This amount is reported as deferred outflows of resources and amortized over the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next five years by \$69,863 and resulted in an economic gain of \$95,572.

NOTE 8 – UNEARNED REVENUE

Unearned revenue consisted of the following as of June 30, 2021:

General Fund:

Unearned Revenue from American Rescue Plan Act Grant	\$ 10,921,209
Unearned Refuse Tote Revenue and Prepaid Interest Installments on Special Assessments	156,100
	<u>\$ 11,077,309</u>

Community Development Fund:

Notes Receivable Funded from Grant Proceeds	<u>\$ 1,961,479</u>
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Library Fund:

Unearned Grant Revenue	<u>\$ 5,486</u>
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Water Fund:

Unearned Water Rents	<u>\$ 11,193</u>
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Sewer Fund:

Unearned Sewer Rents	<u>\$ 4,786</u>
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NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS

Plan Descriptions

The City of Watertown participates in the New York State and Local Employees' Retirement System (ERS) becoming a member on June 25, 1923, and the New York State and Local Police and Fire Retirement System (PFRS) becoming a member on February 1, 1932, which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. Dinapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City of Watertown also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued

ERS and PFRS Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued

ERS and PFRS Benefits Provided - Continued

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4, and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain police and fire retirement system members.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued

ERS and PFRS Benefits Provided - Continued

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after 10 years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5, and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement waived.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued**Funding Policies**

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

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

Under the authority of the NYSRSSL, the state 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 the current year and two preceding years were:

	June 30, 2021	June 30, 2020	June 30, 2019
Employer Contributions			
ERS	\$ 1,234,673	\$ 1,265,209	\$ 1,255,658
PFRS	\$ 2,720,015	\$ 2,370,618	\$ 2,305,182
Employee Contributions			
ERS	\$ 151,569	\$ 148,308	\$ 135,172
PFRS	\$ 109,784	\$ 90,119	\$ 69,566

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued

Funding Policies – Continued

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.

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

At June 30, 2021, the City of Watertown reported a liability of \$35,024 for its proportionate share of the Employees' Retirement System net pension liability and a liability of \$5,238,441 for its proportionate share of the Police and Fire Employees' Retirement System net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the City's proportionate share was 0.0351740% for the Employees' Retirement System and 0.3017055% for the Police and Fire Employees' Retirement System. The change in proportion since the last measurement date was 0.0003678% for ERS and 0.0064657% for PFRS.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued**

For the year ended June 30, 2021, the City recognized a pension benefit of \$522,803 for the Employees' Retirement System and \$234,374 for the Police and Fire Employees' Retirement System. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Employees' Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 427,740	\$ -
Changes of Assumption	6,439,812	121,457
Net Difference Between Projected and Actual Earnings on Plan Investments	-	10,060,999
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	58,383	268,740
City Contributions Subsequent to Measurement Date	322,747	-
Total	<u>\$ 7,248,682</u>	<u>\$ 10,451,196</u>
Police and Fire Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,162,382	\$ -
Changes of Assumption	12,870,283	-
Net Difference Between Projected and Actual Earnings on Plan Investments	-	15,403,329
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	202,682	501,061
City Contributions Subsequent to Measurement Date	842,194	-
Total	<u>\$ 15,077,541</u>	<u>\$ 15,904,390</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

The City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

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

	Employees' Retirement System	Police and Fire Retirement System
2022	\$ (679,759)	\$ (764,102)
2023	(278,264)	(148,516)
2024	(594,993)	(568,175)
2025	(1,972,245)	(2,748,847)
2026	-	2,560,597

Changes in Net Pension Liability – Proportionate Share

Governmental Activities	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Net Pension Liability –				
Proportionate Share	\$ 22,440,504	\$ -	\$ (17,177,353)	\$ 5,263,151
Total	<u>\$ 22,440,504</u>	<u>\$ -</u>	<u>\$ (17,177,353)</u>	<u>\$ 5,263,151</u>

Business-Type Activities	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Net Pension Liability –				
Proportionate Share				
Water	\$ 1,329,075	\$ -	\$ (1,323,615)	\$ 5,460
Sewer	1,227,690	-	(1,222,836)	4,854
Total	<u>\$ 2,556,765</u>	<u>\$ -</u>	<u>\$ (2,546,451)</u>	<u>\$ 10,314</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued

Payables to the Pension Plan

For ERS and PFRS pension plans, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contributions for the period April 1, 2021 through June 30, 2021 based on ERS and PFRS wages multiplied by the employer's rate, by tier. The accrued ERS retirement contributions as of June 30, 2021 were \$641,244 for governmental activities and \$90,795 for business-type activities. The accrued PFRS retirement contribution as of June 30, 2021 was \$894,914 for governmental activities.

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2020 valuation were as follows:

	Employees' Retirement System	Police and Fire Retirement System
Inflation Rate	2.70%	2.70%
Salary Scale	4.40%	6.20%
Interest Rate	5.90%	5.90%
Cost of Living Adjustments	1.40%	1.40%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

The actuarial assumption used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued**Actuarial Assumptions – Continued**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized in the following table:

	Long-Term Expected Real Rates of Return
Asset Type:	
Domestic Equity	4.05%
International Equity	6.30%
Private Equity	6.75%
Real Estate	4.95%
Opportunistic / Absolute Return Strategies Portfolio	4.50%
Credit	3.63%
Real Assets	5.95%
Cash	0.50%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as the City's proportionate share of the net pension liability if it were calculated using a discount rate that is 1 percentage point lower (4.90%) or 1 percentage point higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,721,350	\$ 35,024	\$ (8,898,035)
		Current Assumption (5.90%)	1% Increase (6.90%)
PFRS	1% Decrease (4.90%)		
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 22,276,802	\$ 5,238,441	\$ (8,864,919)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021, were as follows:

	Employees' Retirement System	(In Thousands) Police and Fire Retirement System	Total
Employers' Total Pension Liability	\$ 220,680,157	\$ 41,236,775	\$ 261,916,932
Fiduciary Net Position	220,580,583	39,500,500	260,081,083
Employers' Net Pension Liability	<u>\$ 99,574</u>	<u>\$ 1,736,275</u>	<u>\$ 1,835,849</u>
Ratio of Fiduciary Net Position to the Employers' Total Plan Pension Liability	99.95%	95.79%	

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 – RETIREMENT BENEFITS - Continued

Bonus Retirement Plan

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

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

The City has reported \$31,000 relating to this bonus retirement plan as part of the accrued compensated absences balance in the General Fund.

NOTE 10 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information about the OPEB Plan

Plan Description – The City’s defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the City. The plan is a single-employer defined benefit OPEB plan administered by the City and funded on a pay-as-you go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. Benefit provisions are established through negotiations between the City and the unions representing the employees and are renegotiated at the end of each of the bargaining periods.

The City administers its Health Plan (the plan) as a single-employer, self-insured benefit plan. The City provides postemployment healthcare benefits to certain employees that are eligible to retire under the New York State Retirement Systems and additional contract specific stipulations. 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. Substantially all the City’s employees may become eligible for these benefits if they reach normal retirement age while working for the City. The financial information for the City’s plan is contained solely within these basic financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 – POSTEMPLOYMENT (HEALTH INSURANCE)**BENEFITS - Continued****General Information about the OPEB Plan - Continued**

Benefits Provided - The City provides healthcare benefits to current and future retirees and their dependents through a self-funded plan administered by UMR. Benefits are dependent on which employee contract each member falls under, hire date, and years of service. The specifics of each contract are on file at the City and are available upon request.

Contributions – The contribution requirements are dependent on which employee contract each member falls under, hire date, and management level. The specifics of each contract are on file at the City and are available upon request.

The City reimburses the full Medicare Part B premium rates to retirees, spouses, and surviving spouses for all contracts, with the exclusion of the Civil Service Employees Association (Local 1000) contract. The City reimburses the civil service contracted retirees the full Medicare Part B premium rates to retirees, spouses, and surviving spouses who retire prior to July 1, 2019, and no reimbursement to members who retire on/after July 1, 2019.

Employees Covered by Benefit Terms – As of the Valuation Date, the following employees were covered by the benefit terms.

Inactive Members or Beneficiaries Currently Receiving Payments	312
Active Members	306
Total Covered Employees	618

Total OPEB Liability

The City has obtained an actuarial valuation report as of June 30, 2021 which indicates that the total liability for other postemployment benefits is \$124,014,974 which is reflected in the Statement of Net Position. The OPEB liability was measured as of September 1, 2020 and was determined by an actuarial valuation as of September 1, 2020.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 - POSTEMPLOYMENT (HEALTH INSURANCE)**BENEFITS - Continued****Total OPEB Liability – Continued**

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions

Measurement Date	09/01/20
Rate of Compensation Increase	2.00%
Inflation Rate	2.50%
Discount Rate	2.20%

Assumed Health Care Trend Rates at June 30

Health Care Cost Trend Rate Assumed for Next Fiscal Year	6.50%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.04%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2091

Additional Information

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (Years)	5.75
Method Used to Determine Actuarial Value of Assets	N/A

The discount rate was based on Bond Buyer Weekly 20-Bond GO index as of the measurement date.

Mortality rates were based on the sex-distinct RPH-2014 SOA Mortality Tables for employees and healthy annuitants, adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020.

The actuarial valuation was based upon the plan data and the actuarial valuation as of September 1, 2020 and financial data and actuarial rollforward techniques to calculate the results as of September 1, 2020 (the measurement date).

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 - POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 151,896,033
Changes for the Year:	
Service Cost	2,000,656
Interest	4,488,960
Changes in Benefit Terms	(571,209)
Difference Between Expected and Actual Experience	(29,357,000)
Changes of Assumptions or Other Inputs	1,064,006
Benefit Payments	(5,506,472)
Net Changes	(27,881,059)
Balance at June 30, 2021	\$ 124,014,974

Changes of assumptions and other inputs reflect a change in the discount rate from 2.97 percent as of September 1, 2019 to 2.20 percent as of September 1, 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.20 percent) or 1 percentage point higher (3.20 percent) than the current discount rate:

	1% Decrease 1.20%	Discount Rate 2.20%	1% Increase 3.20%
Total OPEB Liability	\$ 141,709,292	\$ 124,014,974	\$ 109,446,399

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 - POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

Changes in the Total OPEB Liability- Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (trend decreasing to 5.50%) or 1 percentage point higher (trend increasing to 7.50%) than the current healthcare cost trend rate:

	1% Decrease (6.50% decreasing to 5.50%)	Healthcare Cost Trend Rates (6.50%)	1% Increase (6.50% increasing to 7.50%)
Total OPEB Liability	\$ 109,089,201	\$ 124,014,974	\$ 142,042,566

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized total OPEB expense of \$2,297,425. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 2,764,642	\$ 24,251,435
Changes of Assumptions or Other Inputs	12,566,338	6,475,316
Employer Contributions Subsequent to the Measurement Date (Expected Employer Contribution including Implicit Subsidy)	4,019,298	-
Total	<u>\$ 19,350,278</u>	<u>\$ 30,726,751</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 - POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Continued

City benefit payments subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ending June 30	
2022	\$ (3,620,982)
2023	(3,620,982)
2024	(1,517,767)
2025	(2,945,646)
2026	(3,690,394)
Total	<u><u>\$ (15,395,771)</u></u>

NOTE 11 – FUND BALANCES

Nonspendable Fund Balances

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

Restricted Fund Balances

Restricted fund balances consist of the following:

General Fund

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 11 – FUND BALANCES - Continued

Restricted Fund Balances - Continued

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.

Capital Projects Fund

Capital Projects – Amounts restricted for current projects in process funded by debt or grants.

Other Governmental Funds

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

Other Fund Balance Disclosures

Deficit Fund Balance

No funds as of June 30, 2021 had deficit fund balances.

Excess of Expenditures over Appropriations

No funds as of June 30, 2021 had excess expenditures over appropriations.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 12 – INTERFUND TRANSACTIONS

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.

Interfund receivable and payable balances arising from these transactions as of June 30, 2021 were as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenue	Expenditures
General Fund	\$ 567,724	\$ 897,188	\$ 195,924	\$1,737,595
Capital Project Funds	446,357	491,671	1,209,517	149,858
Water Fund	268,276	38,763	-	15,000
Sewer Fund	59,369	22,190	-	15,000
Non Major Funds	225,755	117,669	1,252,723	740,711
Total	<u>\$ 1,567,481</u>	<u>\$ 1,567,481</u>	<u>\$2,658,164</u>	<u>\$2,658,164</u>

Interfund Eliminations

For financial statement purposes, the following interfund balances have been eliminated:

	General Fund	Self-funded Health Insurance Fund
Revenues	\$ -	\$ 6,117,775
Expenditures	6,117,775	-
Total	<u>\$ 6,117,775</u>	<u>\$ 6,117,775</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 13 – OPERATING LEASES

State Street Parking Lot

The City leases a parking lot located at 250-270 State Street from Washington Street Properties. The term of the original lease is for a five-year period from October 22, 2016 through October 21, 2021. The annual rent for the current fiscal year is \$3,400. The lease payment is payable in advance by September 15th of the previous year. A subsequent lease agreement was not reached.

Stone Street Parking Lot

The City leases a parking lot located on Stone Street from Jefferson County Historical Society. The lease dated September 18, 2007 is for a term of twenty years. The lease payment is payable by October 1st of each year. The annual payment made during the year end June 30, 2021 amounts to \$22,050.

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

2022	\$	22,050
2023		22,950
2024		22,950
2025		22,950
2026		22,950
Thereafter		22,950
Total	\$	<u>136,800</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 13 – OPERATING LEASES - Continued**Fairgrounds Property Lease**

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

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

2022	\$	27,735
2023		27,735
2024		28,775
2025		29,815
2026		29,815
Thereafter		234,794
Total	\$	<u>378,669</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, 2021 were \$151,669. The final debt service payment on the initial construction was made in the fiscal year ended June 30, 2014.

Equipment Leases

The City is the lessor of certain office equipment. The lease dated August 16, 2018 is for a term of five years. Minimum future rentals on the lease as of June 30th are as follows:

2022	\$	1,387
2023		1,387
2024		116
Total	\$	<u>2,890</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 14 – TAX ABATEMENTS

The City receives revenue through numerous Payment in Lieu of Taxes (PILOT) agreements with various local businesses and housing developments. The PILOT agreements were granted by either the Jefferson County Industrial Agency or by the City itself. During the year ended June 30, 2021, the City collected approximately \$124,000 of PILOT payments.

Owner Name	Start Date	End Date	% Abated	Assessed Value	(A) Abated Total	(B) Tax Rate	(A) * (B) Appr. Taxes Foregone
JCIDA - WICLDC	2017	2025	100.00%	\$ 1,374,000	\$ 1,374,000	8.9450	\$ 12,290
JCIDA - Roth Industries	2006	2032	100.00%	2,722,400	2,722,400	8.9450	24,352
JCIDA - Woolworth							
Watertown LLC	2015	2029	100.00%	2,708,800	2,708,800	8.9450	24,230
JCIDA - New York Airbrake	2017	2032	100.00%	960,000	960,000	8.9450	8,587
JCIDA - Current Applications	2016	2030	100.00%	435,700	435,700	8.9450	3,897
JCIDA - Rail Spur	2006	None	100.00%	60,000	60,000	8.9450	537
JCIDA - Stream	2004	2019	100.00%	4,488,600	4,488,600	8.9450	40,151
Watertown Housing Authority	Various	None	99.66%	19,901,300	19,833,636	8.9450	177,412
HKBBE Apartments	2017	2058	100.00%	11,258,300	11,258,300	8.9450	100,705
Creekwood Housing Development Fund Company Inc	2013	2022	93.83%	3,024,200	2,837,607	8.9450	25,382
Creekwood II Housing Development Fund Company Inc	2014	2023	96.11%	5,809,800	5,583,799	8.9450	49,947
Creekwood Housing Development Fund Company Inc	2013	2022	91.61%	2,188,300	2,004,702	8.9450	17,932
Curtis Apartments Assoc	1979	2019	100.00%	2,121,300	2,121,300	8.9450	18,975
BFS Housing Development	2018	2020	99.13%	4,930,050	4,887,159	8.9450	43,716
							<u>\$ 548,113</u>

The Jefferson County Industrial Agency (JCIDA) also has the authority to exempt sales tax and mortgage recording taxes which could lower City tax revenues. For the fiscal year ended June 30, 2020, there were no mortgage recording tax abatement agreements entered into by the Jefferson County Industrial Agency that reduced these City tax revenues. The JCIDA issued a New York State and Jefferson County sales tax exemption starting February 19, 2019 and expiring December 31, 2020 estimated at \$65,280.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Litigation

The City has been named in several claims arising out of the conduct of its business, including claims for property damage, personnel practices, personal injury, false arrest, and disputes over union 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, 2021, 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 \$755,940 as of June 30, 2021 for un-funded general liability claims.

Grant Programs

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

Environmental Concerns

On April 27, 2007, the City acquired several parcels of property from Black Clawson known as Sewall's Island. On December 26, 2006, the City received a grant under the Environmental Restoration Program (ERP) from the New York State Department of Conservation for the investigation of the Sewall's Island project site. The ERP grant provided \$705,540 towards the investigation phase of the project. The City's local share to the ERP grant was funded from a U.S. Environmental Protection Agency Brownfields Pilot Program grant. The City Council has spent \$900,545 for a professional services contract with Lu Engineers to prepare the investigation phase of the Environmental Restoration Program. As of June 30, 2021, 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, 2021, the City is not aware of any significant environmental problems that should be disclosed in the financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 15 – COMMITMENTS AND CONTINGENCIES - Continued

Landfill Closure

State and federal laws and regulations required the City to close its landfill site in 1993. Although the closure has been completed, the City must continue to perform certain maintenance and monitoring functions at the site for thirty years after closure. The costs incurred during the closure were expensed as incurred. The post-closure monitoring occurs three times a year at an estimated annual expenditure of \$18,000. At June 30, 2021, an estimated \$54,000 in post-closure care cost will be incurred over the remaining 5-year period. This liability is recorded as long-term debt in the Statement of Net Position and is amortized in the General Fund at approximately \$18,000 each year. The current landfill-monitoring contract expired in 2000. The estimated total liability was computed assuming future contracts monitoring costs would be comparable.

Black River Fund

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 15 – COMMITMENTS AND CONTINGENCIES - Continued

Black River Fund - Continued

Under the terms of the agreement, within sixty (60) days of the City's acceptance of a new FERC license, the City agreed to contribute \$30,000 to cover the first three (3) years of the license's forty (40) year term. The City started to contribute \$10,000 annually beginning in the fiscal year ending June 30, 2003, for a total agreed contribution of \$400,000. The City has increased its annual contribution in accordance with the agreement and for the year ended June 30, 2021, contributed \$17,330. The balance in the fund as of June 30, 2021 was \$164,150.

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

Electrical Distribution System Agreement

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

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

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

Metropolitan Planning Organization

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE 15 – COMMITMENTS AND CONTINGENCIES - Continued

Metropolitan Planning Organization – Continued

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

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

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

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2021 the City implemented GASB Statement No. 84, *Fiduciary Activities*. The adoption of the accounting principle changed the reporting of the agency funds from a fiduciary fund to governmental activity funds. Also, private purpose trust funds are now reported as custodial funds. The change in accounting principle did not require a restatement of net position or fund balance.

NOTE 17 – SUBSEQUENT EVENTS

The City has evaluated events and transactions that occurred between June 30, 2021 and January 13, 2022, which is the date the financial statements were available to be issued, and has determined that there are no additional adjustments and/or disclosures necessary.

CITY OF WATERTOWN, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST FOUR FISCAL YEARS

Ended June 30, 2021

Total OPEB Liability	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Service Cost	\$ 2,000,656	\$ 1,673,568	\$ 1,611,408	\$ 1,961,321
Interest	4,488,960	5,242,827	4,577,420	4,050,342
Changes of Benefit Terms	(571,209)	(1,274,882)	(1,135,737)	-
Differences Between Expected and Actual Experience	(29,357,000)	-	5,942,389	-
Changes of Assumptions or Other Inputs	1,064,006	18,162,379	(4,216,123)	(13,496,504)
Benefit Payments	<u>(5,506,472)</u>	<u>(5,257,801)</u>	<u>(4,457,706)</u>	<u>(4,286,372)</u>
Net Change in Total OPEB Liability	(27,881,059)	18,546,091	2,321,651	(11,771,213)
Total OPEB Liability - Beginning	<u>151,896,033</u>	<u>133,349,942</u>	<u>131,028,291</u>	<u>142,799,504</u>
Total OPEB Liability - Ending	<u><u>\$ 124,014,974</u></u>	<u><u>\$ 151,896,033</u></u>	<u><u>\$ 133,349,942</u></u>	<u><u>\$ 131,028,291</u></u>
Covered Payroll	\$ 20,080,856	\$ 21,008,381	\$ 20,028,068	\$ 19,575,482
Total OPEB as a Percentage of Covered Payroll	617.58%	723.03%	665.82%	669.35%

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

See paragraph on supplementary schedules included in independent auditor's report.

CITY OF WATERTOWN, NEW YORK

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2021

	Original	Final		Variance With
	Budget	Budget	Actual	Final Budget
				Favorable
				(Unfavorable)
Resources (Inflows)				
Real Property Taxes	\$ 9,776,517	\$ 9,776,517	\$ 9,481,984	\$ (294,533)
Real Property Tax Items	322,500	322,500	302,119	(20,381)
Non-Property Taxes	17,453,000	17,453,000	22,975,858	5,522,858
Departmental Income	6,253,030	6,254,530	4,570,340	(1,684,190)
Intergovernmental Charges	149,915	149,915	146,945	(2,970)
Use of Money and Property	123,300	123,300	80,222	(43,078)
Licenses and Permits	117,350	117,350	122,000	4,650
Fines and Forfeitures	100,000	100,000	63,608	(36,392)
Sale of Property and Compensation for Loss	187,000	187,000	313,727	126,727
Miscellaneous Local Sources	1,562,173	1,563,352	1,496,110	(67,242)
Interfund Revenue	1,213,853	1,151,751	1,216,110	64,359
State Source	5,765,240	5,765,240	6,692,334	927,094
Federal Sources	1,115,400	1,115,400	1,529,200	413,800
Transfers from Other Funds	38,435	38,435	195,924	157,489
Amounts Available for Appropriation	44,177,713	44,118,290	49,186,481	5,068,191
				Year-End
				Encumbrances
Charges to Appropriations (Outflows)				
General Government Support	6,354,034	5,083,114	4,804,538	\$ 32,103
Public Safety	16,722,497	18,028,411	17,321,808	443,109
Transportation	5,171,359	4,958,286	4,549,815	74,960
Economic Assistance and Development	63,000	13,300	13,282	-
Culture and Recreation	1,683,873	1,846,496	1,665,719	2,928
Home and Community Services	1,485,591	1,421,854	1,307,951	14,712
Employee Benefits	10,118,505	9,952,907	9,946,605	5,941
Debt Service	2,986,280	3,015,780	3,015,648	-
Transfers to Other Funds	1,479,523	1,761,140	1,737,595	-
Total Charges to Appropriations	46,064,662	46,081,288	44,362,961	\$ 573,753
Excess (Deficiency) of Resources Over				
Charges to Appropriations	(1,886,949)	(1,962,998)	4,823,520	6,786,518
Appropriation of Prior Year Fund Balance/ Reserves	1,886,949	1,962,998	-	(1,962,998)
Excess of Resources Over				
Charges to Appropriations	\$ -	\$ -	4,823,520	\$ 4,823,520
Fund Balance, Beginning of Year			17,816,864	
Fund Balance, End of Year			\$ 22,640,384	

See paragraph on supplementary schedules included in independent auditor's report.

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – NYSLRS PENSION PLAN
LAST SEVEN FISCAL YEARS**

Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Employees' Retirement System (ERS)							
City's Proportion of the Net Pension Liability	0.0351740%	0.0348062%	0.0341289%	0.0343930%	0.0345264%	0.0341549%	0.3534050%
City's Proportionate Share of the Net Pension Liability	\$ 35,024	\$ 9,216,889	\$ 2,418,135	\$ 1,110,015	\$ 3,244,181	\$ 5,481,964	\$ 1,193,889
City's Covered Payroll	\$ 8,842,076	\$ 9,135,087	\$ 9,150,789	\$ 9,130,292	\$ 8,906,648	\$ 8,685,504	\$ 8,549,403
City's Proportionate Share of the Net Pension Liability As a Percentage of its Covered Payroll	<u>0.40%</u>	<u>100.90%</u>	<u>26.43%</u>	<u>12.16%</u>	<u>36.42%</u>	<u>63.12%</u>	<u>13.96%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Police and Fire Retirement System (PFRS)							
City's Proportion of the Net Pension Liability	0.3017055%	0.2952398%	0.2846016%	0.2907128%	0.2951272%	0.3194832%	0.3048112%
City's Proportionate Share of the Net Pension Liability	\$ 5,238,441	\$ 15,780,380	\$ 4,772,949	\$ 2,938,400	\$ 6,116,959	\$ 9,459,217	\$ 839,022
City's Covered Payroll	\$ 11,029,401	\$ 11,176,009	\$ 10,891,734	\$ 10,604,741	\$ 10,390,767	\$ 9,983,832	\$ 9,556,238
City's Proportionate Share of the Net Pension Liability As a Percentage of its Covered Payroll	<u>47.50%</u>	<u>141.20%</u>	<u>43.82%</u>	<u>27.71%</u>	<u>58.87%</u>	<u>94.75%</u>	<u>8.78%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.79%	84.86%	95.09%	96.93%	93.50%	97.90%	99.00%

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

SCHEDULE OF THE CITY'S CONTRIBUTIONS – NYSLRS PENSION PLAN**LAST SEVEN FISCAL YEARS**

Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Employees' Retirement System (ERS)							
Contractually Required Contribution	\$ 1,234,673	\$ 1,265,209	\$ 1,255,658	\$ 1,268,232	\$ 1,305,395	\$ 1,343,922	\$ 1,657,173
Contributions in Relation to the Contractually Required Contribution	<u>1,234,673</u>	<u>1,265,209</u>	<u>1,255,658</u>	<u>1,268,232</u>	<u>1,305,395</u>	<u>1,343,922</u>	<u>1,657,173</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 8,842,076	\$ 9,135,087	\$ 9,150,789	\$ 9,130,292	\$ 8,906,648	\$ 8,685,504	\$ 8,549,403
Contributions as a Percentage of Covered Payroll	13.96%	13.85%	13.72%	13.89%	14.66%	15.47%	19.38%
Police and Fire Retirement System (PFRS)							
Contractually Required Contribution	\$ 2,720,015	\$ 2,370,618	\$ 2,305,182	\$ 2,354,924	\$ 2,276,464	\$ 2,136,795	\$ 2,494,595
Contributions in Relation to the Contractually Required Contribution	<u>2,720,015</u>	<u>2,370,618</u>	<u>2,305,182</u>	<u>2,354,924</u>	<u>2,276,464</u>	<u>2,136,795</u>	<u>2,494,595</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 11,029,401	\$ 11,176,009	\$ 10,891,734	\$ 10,604,741	\$ 10,390,767	\$ 9,983,832	\$ 9,556,238
Contributions as a Percentage of Covered Payroll	24.66%	21.21%	21.16%	22.21%	21.91%	21.40%	26.10%

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

FEDERAL AWARDS PROGRAM INFORMATION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WATERTOWN, NEW YORK**, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Watertown, New York's basic financial statements, and have issued our report thereon dated January 13, 2022.

Internal Control Over Financial Reporting

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

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

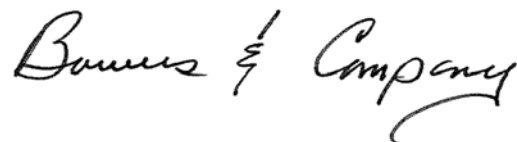
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

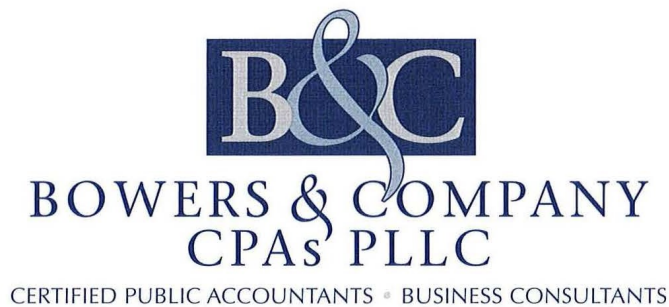
As part of obtaining reasonable assurance about whether the City of Watertown, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in dark ink and is positioned to the right of the date.

Watertown, New York
January 13, 2022



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Watertown, New York's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Watertown, New York's major federal programs for the year ended June 30, 2021. The City of Watertown, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, City of Watertown, New York, complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Banner & Company

Watertown, New York
January 13, 2022

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CITY OF WATERTOWN, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing & Urban Development				
Direct Award:				
Community Development Block Grant / Entitlement Grant	14.218	B-15-MC-36-0121	\$ 104,336	\$ 104,336
Community Development Block Grant / Entitlement Grant	14.218	B-17-MC-36-0121	52,658	52,658
Community Development Block Grant / Entitlement Grant	14.218	B-18-MC-36-0121	61,114	57,180
Community Development Block Grant / Entitlement Grant	14.218	B-19-MC-36-0121	433,064	228,878
COVID-19: Community Development Block Grant / Entitlement Grant	14.218	B-20-MW-36-0121	230,199	21,487
COVID-19: Community Development Block Grant / Entitlement Grant	14.218	B-20-MW-36-0121	41,228	24,275
Total Community Development Block Grant / Entitlement Grant Cluster			<u>922,599</u>	<u>488,814</u>
Passed Through New York State Homes & Community Renewal:				
Community Development Block Grant / Program Income	14.228		<u>14,875</u>	<u>9,541</u>
Total Passed Through New York State Homes & Community Renewal			<u>14,875</u>	<u>9,541</u>
Total U.S. Department of Housing & Urban Development			<u>937,474</u>	<u>498,355</u>
U.S. Department of Transportation				
Direct Award:				
COVID-19: 5307 CARES Act Operating and Preventative Maintenance	20.507		998,204	
Urbanized Area Formula Grant	20.507		<u>156,325</u>	
Total Federal Transit Cluster			<u>1,154,529</u>	
Passed Through the Office of the New York State Comptroller:				
Highway Safety Cluster				
Police Traffic Services Program	20.600	PD-00223-(040)	<u>523</u>	
Total Highway Safety Cluster / Total Passed Through the Office of the New York State Comptroller			<u>523</u>	
Passed Through New York State Department of Transportation:				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	PIN 7753.70.121; PIN 7753.70.122; PIN 7753.70.321; PIN 7753.70.NPS	63,319	
Highway Planning and Construction	20.205	PIN 7753.62.121	238,582	
Highway Planning and Construction	20.205	70PS02	66,405	
Highway Planning and Construction	20.205	PIN 7807.20.121	<u>45,792</u>	
Total Highway Planning and Construction Cluster / Total Passed Through New York State Department of Transportation			<u>414,098</u>	
Total U.S. Department of Transportation			<u>1,569,150</u>	
Subtotal to Next Page			\$ 2,506,624	\$ 498,355

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

Year Ended June 30, 2021

Subtotal from Previous Page		\$ 2,506,624	\$ 498,355
U.S. Department of Homeland Security			
Direct Awards:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	157,816	
Assistance to Firefighters Grant Program	97.044	9,437	
Total U.S. Department of Homeland Security		167,253	
U.S. Department of Justice			
Direct Awards:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12,347	4,790
Total U.S. Department of Justice		12,347	4,790
U.S. Department of Treasury			
Direct Awards:			
COVID-19: Coronavirus State Fiscal Recovery Funds	21.027	211,655	
Total U.S. Department of Treasury		211,655	
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 2,897,879	\$ 503,145

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

NOTE 1 - SUMMARY OF 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. 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 in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. The City has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

NOTE A - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of City of Watertown, New York.
2. No significant deficiencies were disclosed during the audit of the basic financial statements of 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. No significant deficiencies or material weaknesses in internal controls over major programs were disclosed during the audit of the major federal award programs of City of Watertown, New York.
5. The auditor's report on compliance for the major federal award programs of the City of Watertown, New York expresses an unmodified opinion on all major federal programs.
6. There are no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) related to the major federal programs for City of Watertown, New York.
7. The programs tested as major federal programs were:
 - Highway Planning and Construction Cluster:
 - Highway Planning and Construction 20.205
 - Federal Transit Cluster:
 - COVID-19: 5307 CARES Act Operating and Preventative Maintenance 20.507
 - Urbanized Area Formula Grant 20.507
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The City of Watertown, New York was determined to be a low-risk auditee.

NOTE B - FINANCIAL STATEMENT AUDIT FINDINGS

There were no findings to report.

NOTE C - MAJOR FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

There were no findings to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2021

NOTE A – FINANCIAL STATEMENT AUDIT FINDINGS

There were no prior year audit findings.

**NOTE B – MAJOR FEDERAL AWARD PROGRAMS FINDINGS AND
QUESTIONED COSTS**

There were no prior year audit findings.

STATE TRANSPORTATION ASSISTANCE PROGRAMS



CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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

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

Report on Compliance for State Transportation Assistance Programs

We have audited the City of Watertown, New York's compliance with the types of compliance requirements described in Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on each state transportation assistance program tested for the year ended June 30, 2021. The programs tested are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for state transportation assistance expended.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Watertown, New York's state transportation assistance program tested based on our audit of the types of compliance requirements referenced above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Part 43 of NYCRR. Those standards and Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has occurred. An audit includes examining, on a test basis, evidence about City of Watertown, New York's compliance with those requirements and performing other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state transportation assistance program tested. However, our audit does not provide a legal determination of City of Watertown, New York's compliance with those requirements.

Opinion on State Transportation Assistance Programs

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, 2021.

Report on Internal Control Over Compliance

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

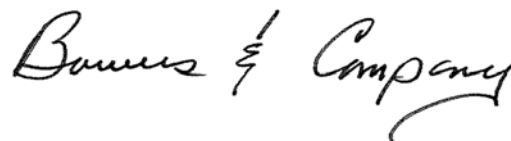
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or, detect and correct, noncompliance with a type of compliance requirement of a state transportation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

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

Report on Schedule of State Transportation Assistance Expended

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Watertown, New York as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Watertown's basic financial statements. We issued our report thereon dated January 13, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on those financial statements that collectively comprise the basic financial statements. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Part 43 of NYCRR and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state transportation assistance expended is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

A handwritten signature in black ink that reads "Banner & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Watertown, New York
January 13, 2022

CITY OF WATERTOWN, NEW YORK

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

June 30, 2021

Program Title	Ref. Number	Expenditures
Consolidated Local Street and Highway Improvement		
Program Capital - Reimbursement / CHIPS	732059	\$ 766,994
Marchiselli Match for Federal Aid Highway Projects	D035666	22,984
Bus Transit Operating Assistance		<u>259,014</u>
Total		<u><u>\$ 1,048,992</u></u>

See accompanying notes to schedule of state transportation assistance expended.

NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
June 30, 2021

NOTE A - GENERAL

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

NOTE B - BASIS OF ACCOUNTING

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

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

June 30, 2021

Summary of Auditor's Results

Internal control over state transportation assistance expended:

Material weaknesses identified	None reported
--------------------------------	---------------

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

Type of auditor's report issued on compliance for Program tested:	Unmodified
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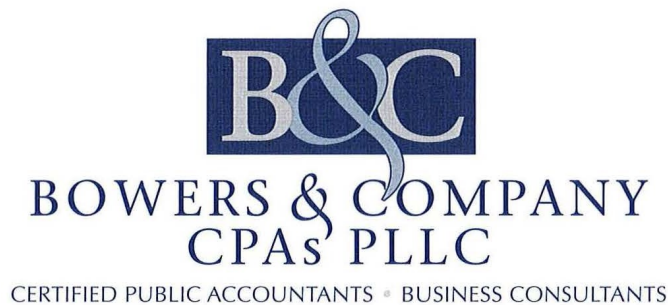
Summary of Audit Findings:	N/A
----------------------------	-----

Identification of State Transportation Assistance
Programs tested:

Consolidated Local Street and Highway Improvement Program Capital – Reimbursement/CHIPS	732059
--	--------

Compliance Findings and Questioned Costs

No matters were reported.



January 13, 2022

Senior Management, Mayor
And Members of the City Council
The City of Watertown
Watertown, NY 13601

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 for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 2, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Watertown, New York are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City of Watertown, New York changed accounting policies related to fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, in 2021. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 16 of the financial statements. We noted no transactions entered into by City of Watertown, New York during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the City of Watertown, New York's financial statements were:

Management's estimate of the depreciation of fixed assets is based on estimated useful lives. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management estimates actuarial assumptions that are used to determine pension liabilities and annual pension costs for the year in accordance with GASB Statement No. 68.

Management estimates actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75.

We have evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 13, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to City of Watertown, New York’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Watertown, New York’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis, schedule of the changes in the City’s total OPEB liability and related ratios, the budgetary comparison schedule – general fund, schedule of the City’s proportionate share of the net pension liability – NYSLRS Pension Plan, and the schedule of the City’s Contributions – NYSLRS Pension Plan which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Senior Management, Mayor
And Members of the City Council
The City of Watertown
Page 4

Restriction on Use

This information is intended solely for the use of management, the Mayor and members of the City Council of the City of Watertown, New York and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bowen & Company



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

In planning and performing our audit of the financial statements of the City of Watertown, New York for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of a certain matter that is an opportunity for strengthening internal controls and operating efficiency. The following summarizes our comment and recommendation regarding the matter. This letter does not affect our report dated January 13, 2022 on the financial statements of the City of Watertown, New York.

Update Federal Awards Internal Control Policies and Procedures (Uniform Guidance)

The City currently has effective procedural controls in place over the management of federal award Programs. Under the Office of Management and Budget (OMB) Uniform Guidance internal controls over federal awards are required to be documented in writing in the City's policies and management should evaluate and document the results of ongoing monitoring to identify internal control issues. The written internal controls should specifically address each of the applicable compliance requirements of the Federal Award Programs. The City has written financial policies and procedures for the management of federal grants. However, some Federal Award Programs (e.g. CDBG) require that policies and procedures be written to address the compliance requirements of the specific program.

Recommendation

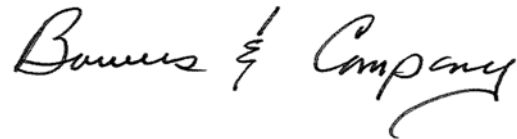
We recommend that the City continue to update their written federal award internal control policies and procedures to include other applicable provisions under the Uniform Guidance such as personnel services, time and effort reporting, and subrecipient monitoring. The City should also address compliance areas specific to the CDBG grant program.

Senior Management, Mayor, and Members of the City Council
City of Watertown, New York
January 13, 2022
Page 2

We will review the status of the comment during our next audit engagement. We have already discussed the comment and suggestion with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing recommendations.

This communication is intended solely for the information and use of City of Watertown, New York's Senior Management, Mayor and Members of the City Council, and is not intended to be, and should not be, used by anyone other than specified parties.

We wish to thank the Comptroller and staff for their support and assistance during our audit.

A handwritten signature in black ink that reads "Banner & Company". The script is cursive and fluid, with a large, sweeping flourish at the end of the word "Company".

Watertown, New York
January 13, 2022

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Agreement Between the City of Watertown and the
NYS Unified Court System

Chapter 686 of the Laws of 1996 requires the State of New York to contract with political subdivisions of the State for the cleaning of court facilities, as well as minor emergency repairs to the facilities. On January 7, 2019, the City Council approved entering into a five-year Agreement with the New York State Unified Court Systems for the period April 1, 2018 through March 31, 2023.

The period of this contract is April 1, 2021 through March 31, 2022. Attached is an Agreement which provides the City of Watertown with reimbursement under the Court Cleaning and Minor Repairs Program for services and space provided to City Court.

The proposed budget for services rendered under the terms of the contract period is \$20,600. A detailed copy of the budget request is attached for City Council review.

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

RESOLUTION

Page 1 of 1

Approving Agreement Between the City of Watertown and State of New York, Unified Court System

Council Member HICKEY, Patrick J.

Council Member OLNEY III, Clifford G.

Council Member PIERCE, Sarah V.C.

Council Member RUGGIERO, Lisa A.

Mayor SMITH, Jeffrey M.

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown is required by law to furnish and maintain adequate court facilities for use by Trial Courts of the State of New York, and

WHEREAS Chapter 686 of the Laws of 1996 was enacted to invest the State of New York with the fiscal responsibility of managing the interior cleaning of court facilities and performance of minor repairs therein, and with the ability to cover the cost thereof, and

WHEREAS Chapter 686 of the Laws of 1996 requires the State of New York to contract with political subdivisions of the State for the cleaning of court facilities, as well as minor emergency repairs thereof, and

WHEREAS the City of Watertown is responsible for furnishing and maintaining the City Court facility,

NOW THEREFORE BE IT RESOLVED that the City Manager is hereby authorized and directed to execute this Agreement and the budget incorporated as Appendix B on behalf of the City of Watertown.

Seconded by



STATE OF NEW YORK
UNIFIED COURT SYSTEM
FIFTH JUDICIAL DISTRICT
ONONDAGA COUNTY OFFICE BUILDING
600 S. STATE STREET
SYRACUSE, NEW YORK 13202-3099
(315) 671-2111
FAX: (315) 671-1175

LAWRENCE K. MARKS
Chief Administrative Judge

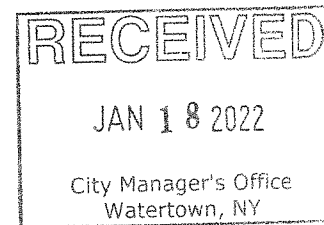
NORMAN ST. GEORGE
Deputy Chief Administrative Judge
Courts Outside New York City

JAMES P. MURPHY
Justice of Supreme Court
District Administrative Judge
Fifth Judicial District

DONALD C. DOERR, ESQ.
District Executive

January 13, 2022

Kenneth A. Mix, City Manager
City of Watertown
245 Washington Street
Watertown, NY 13601



**Re: Agreement between UCS and the City of Watertown
For Court Cleaning and Minor Repairs (Contract No. C300420)
Annual Renewal Letter and Budget (Appendix B) for SFY 2021-2022**

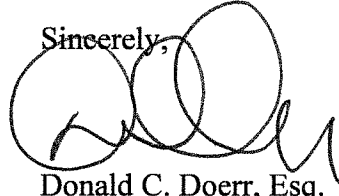
Dear Mr. Mix:

Please be advised that pursuant to Section I of the existing contract between the Unified Court System and the City of Watertown, we are hereby establishing a renewal period in the five-year term of this agreement. Said renewal period shall commence on April 1, 2021 and shall terminate on March 31, 2022. During this 2021-2022 renewal period, all terms and conditions of the above referenced Agreement shall continue to apply, except as specified below.

The proposed budget for services to be rendered pursuant to this contract in the 2021-2022 period shall be \$20,600. Pursuant to the provisions of Chapter 686 of the Laws of 1996, as amended to date, the maximum compensation for the 2021-2022 period shall be 100% of that amount. The attached revised Appendix B, detailing the proposed budget for the renewal period, shall be incorporated into the Agreement and shall replace all prior Appendix B's. The signatures below shall confirm acceptance of this renewal by the City of Watertown and by the UCS.

Accordingly, the original of this letter should be signed by an authorized representative of the City of Watertown, and the corresponding acknowledgment page should be notarized. Two sets of the signed original letter together with the related documents should be returned to this office.

Please do not hesitate to contact me if you should have any questions.

Sincerely,

Donald C. Doerr, Esq.
District Executive

Accepted for: City of Watertown

Accepted for: Unified Court System

Kenneth A. Mix
City Manager

Maureen McAlary
Director, Division of Financial Management

Dated:

Dated:

Attachments

ACKNOWLEDGMENT

STATE OF NEW YORK)
) SS:
COUNTY OF JEFFERSON)

On the ____ day of _____, 2022, personally came Kenneth A. Mix, to me known, who, being by me duly sworn, did depose and say that he/she resides in _____, that he/she is the City Manager of the City of Watertown, the municipality described in and which executed the above instrument; and that he/she is authorized to execute the above instrument on behalf of said municipality.

NOTARY PUBLIC

Unified Court System
Court Cleaning and Minor Repairs Proposed Budget Form

(Appendix B to a contract between a local government entity and the NYS Unified Court System pursuant to Chapter 686, Laws of 1996)

State Fiscal Year: 4/1/2021 - 3/31/2022

Name of County or City: City of Watertown

List Court Buildings:		Court Spaces to be Cleaned and Repaired Pursuant to this Budget		
Name and Address of Each Court Building (Including County Clerk Space)	Owned or Leased	Total	Court Related	
		Building Net Usable Square Feet	Net Usable Sq. Ft.	Aid Eligible Percentage
Municipal Building	Owned	30,072	7,663	25%
245 Washington Street				
Watertown, NY 13601				
Combined		30,072	7,663	25%

Note: Divide Court SF by Total SF for percent

Anticipated Changes in Location or Space Utilization:

Name and Address of Affected Building(s)	Nature of Changes	Target Date

1 Cleaning Costs:

1(a) Service Contracts

Budget Line #	Contractor	Type of Service	Building	Contract Amounts for Budget Period	Aid Eligible Percentage	Budget Request
1						
2						
3						
4						
5						
6						
1(a) Subtotal:						\$0

1(b) Local Payroll

	No. of Positions	Building	Annual Wages	Fringe Benefits	Total Personal Service Costs	Aid Eligible Percentage	Budget Request
7	1	Municipal Bldg	\$27,936	\$12,487	\$40,423	25%	\$10,301
8							
9							
10							
11							
12							
1(b) Subtotal:							\$10,301

1(c) Supplies and Equipment

	Type of Material	Building	Quantity/Unit	Costs	Aid Eligible Percentage	Budget Request
13	Cleaning Supplies	Municipal Building	1	\$4,342	25%	\$1,106
14						
15						
16						
17						
18						
1(c) Subtotal:						\$1,106

1(d) - Total Cleaning Costs (1a+1b+1c): **\$11,407**

2 Trash Removal and Disposal

2(a) Trash Removal

	Contractor or Agency	Building	Quantity/Unit	Costs	Aid Eligible Percentage	Budget Request
19	City Dept. Public Works	Municipal Building	1	\$3,271	25%	\$834
20						
21						
22						
23						
2(a) Total:						\$834

2(b) Trash Disposal

	Contractor or Agency	Building	Quantity/Unit	Costs	Aid Eligible Percentage	Budget Request
24					25%	\$0
25						
26						
27						
28						
2(b) Total:						\$0

2(c) - Total Trash Removal & Disposal (2a+2b): 2(c) **\$834**

3 HVAC Cleaning Costs

3(a) Duct Work Cleaning and Filter Changing By Service Contract

	Contractor	Type of Service	Building	Contract Amounts for Budget Period	Aid Eligible Percentage	Budget Request
29						
30						
31						
32						
33						
34						
3(a) Subtotal:						\$0

3(b) Duct Work Cleaning and Filter Changing by Local Payroll

	No. of Positions	Building	Annual Wages	Fringe Benefits	Total Personal Service Costs	Aid Eligible Percentage	Budget Request
35							
36							
37							
38							
39							
40							
3(b) Subtotal:							\$0

3(c) Filter Changing - Filters Only

	Type of Material	Building	Quantity/Unit	Costs	Aid Eligible Percentage	Budget Request
41	Filters	Municipal Building	1	\$339	25%	\$86
42						
43						
44						
45						
46						
					3(c) Subtotal:	\$86

3(d) Total HVAC Ductwork Cleaning & Filter Changing Costs (3a+3b+3c): 3(d) **\$86**

4 GRAND TOTAL - ALL "CLEANING COSTS": Grand Total Boxes 1d + 2c + 3d: 4 **\$12,327**

- 5 Proposed "Tenant" Work Use the following codes:
- a - Flooring and Carpeting
 - b - Painting
 - c - Interior Ceilings
 - d - Bathrooms
 - e - Fixtures
 - f - Minor Renovation
 - g - Other (Identify)

Work to be Performed:

	Code	Describe Work	Building	Wages	Fringe	Supplies	Total Costs	Aid Eligible Percentage	Budget Request
47									
48									
49									
50									
51									
52									
53									
54									
55									
56									
57									
Total (5):									\$0

6 **TOTAL - 100% REIMBURSIBLE EXPENSES:**
(Cleaning Costs & Tenant Work)

Total (4+5) 6: **\$12,327**

7 **Building and Property Maintenance:**

7(a) Service Contracts

Use Codes A-G:

a - Pest Control

e - Security & Alarm Systems

b - Elevators

f - Property Maintenance

c - HVAC

g - Other (Identify)

d - Telephone Wiring

	Code	Contractor	Type Work Performed	Building	Contract Amounts for Budget Period	Aid Eligible Percentage	Budget Request
58	b	Elevatitt	Elevator maintenance	Municipal Building	\$3,000	25%	\$764
59	c	Hyde Stone	Mech/HVAC maint.	Municipal Building	\$8,900	25%	\$2,268
60	e	Stat Communication	Alarm system	Municipal Building	\$330	25%	\$84
61	c	Seimens	Boiler maintenance	Municipal Building	\$9,560	25%	\$2,436
62	f	Kraft Power	Generator maintenance	Municipal Building	\$650	25%	\$166
63	f	Avaya	Telephone maintenance	Municipal Building	\$15,652	25%	\$3,988
64	f	City Public Works	Snow maintenance	Municipal Building	\$9,979	25%	\$2,543
65							
66							
67							
68							
7(a) Subtotal:							\$12,250

7(b) Local Payroll

	No. of Positions	Building	Annual Wages	Fringes	Total Costs	Aid Eligible Percentage	Budget Request
69	1	Municipal Building	\$28,987	\$7,386	\$36,373	25%	\$9,269
70							
71							
72							
73							
74							
75							
76							
7(b) Subtotal:							\$9,269

7(c) Supplies and Equipment

	Type of Material	Building	Quantity/Unit	Costs	Aid Eligible Percentage	Budget Request
77	Bldg & grounds equipment, repairs, n	Municipal Building	1	\$15,024	25%	\$3,828
78	Tractor and accessories	Municipal Building	1	\$15,000	25%	\$3,822
79						
80						
81						
7(c) Subtotal:						\$7,651

7 (d) Total - Building and Property Maintenance Costs (7a+7b+7c) 7(d): **\$29,169**

8 Total - Building and Property Maintenance Costs: 8 **\$29,169**

9 Total Cost Reimbursable @ 25% = (Box 8 x 25%) 9 **\$7,292**

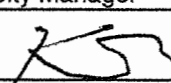
10 Total Proposed Direct Costs (Item 6 + Item 9): 10 **\$19,619**

11 Overhead Costs (Item 10 x .05): 11 **\$981**

12 Total Proposed Contract Amount (Item 10 + Item 11): 12 **\$20,600**

13 Local Government Certification:

I hereby certify that the cost estimates contained herein were developed using the best available information and that the proposed budget amounts are just, true and correct to the best of my knowledge.

Name:	Kenneth A. Mix
Title:	City Manager
Signature:	
Date:	1/12/22

County or City:	Watertown
Address:	245 Washington Street
	Watertown, NY 13601
Phone:	315-785-7754

ENDNOTES:

Use budget line numbers for reference and include remarks or explanations below.

Line No. Explanation:

Res No. 2

February 2, 2022

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, City Manager

Subject: Tilden Street Water Main Project, Change Order No. 1

At the April 19, 2021 meeting, City Council approved the bid for the Tilden Street Water Main Project to Edge Civil Corporation in the amount of \$363,582.

Edge Civil Corporation has now submitted Change Order No. 1 in the amount of \$44,994.28 less to close out the project, bringing the final construction cost to \$318,587.62. During construction, the new alignment of the water main allowed most of the curbing to remain in place for a significant savings.

A resolution approving this change order has been prepared for City Council consideration.

RESOLUTION

Page 1 of 1

Approving Change Order No. 1
for the Tilden Street Water Main Project,
Edge Civil Corporation

Council Member HICKEY, Patrick J.

Council Member OLNEY III, Clifford G.

Council Member PIERCE, Sarah V.C.

Council Member RUGGIERO, Lisa A.

Mayor SMITH, Jeffrey M.

Total

YEA	NAY

Introduced by

WHEREAS at its April 19, 2021, meeting, the City Council approved a bid from Edge Civil Corporation in the amount of \$363,582 for the Tilden Street Water Main Project, and

WHEREAS during construction, the new alignment of the water main allowed most of the curbing to remain in place for a significant savings, and

WHEREAS Edge Civil Corporation has submitted Change Order No. 1 in the amount of \$44,994.38 less,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves Change Order No. 1 from Edge Civil Corporation in the amount of \$44,994.38 less, a copy of which is attached and made part of this Resolution, bringing the total contract amount to \$318,587.62 to close out the project, and

BE IT FURTHER RESOLVED that City Manager Kenneth A. Mix is hereby authorized and directed to execute Change Order No. 1 on behalf of the City of Watertown.

Seconded by

Change Order

No. 1

Date of Issuance: December 21, 2021

Effective Date: December 21, 2021

Project: <u>Tilden St. Water Main Project</u>	Owner: <u>City of Watertown</u>	Owner's Contract No.: _____
Contract: <u>Tilden St. Water Main Project</u>		Date of Contract: <u>April 19, 2021</u>
Contractor: <u>Civil Edge Corporation</u>		Engineer's Project No.: _____

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

Description: Final quantity adjustment.

Attachments: (List documents supporting change):

See Payment Application #3

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ \$363,582.00

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

\$ N/A

Contract Price prior to this Change Order:

\$ \$363,582.00

Decrease of this Change Order:

\$ (\$44,994.38)

Contract Price incorporating this Change Order:

\$ \$318,587.62

CHANGE IN CONTRACT TIMES:

Original Contract Times: ☐ Working days ☐ Calendar days

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

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

Substantial completion (days): _____

Ready for final payment (days): _____

Contract Times prior to this Change Order:

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

[Increase] [Decrease] of this Change Order:

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

Contract Times with all approved Change Orders:

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

RECOMMENDED:

By: [Signature]
Engineer (Authorized Signature)

Date: 12/21/21

ACCEPTED:

By: _____
Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: _____
Contractor (Authorized Signature)

Date: _____

Approved by Funding Agency (if applicable): _____

Date: _____

APPLICATION AND CERTIFICATION FOR PAYMENT

ALA G702 FORMAT

PAGE 1 OF

TO OWNER: City of Watertown
245 Washington St
Watertown, NY 13601

PROJECT: Tilden Street Water Main Project

APPLICATION NO:

App 3

Distribution to:

0 APPLICATION DATE: 12/21/2021

0 PERIOD TO: 12/31/2021

☒ OWNER

0 PROJECT NUMBER: 0

☐ ARCHITECT

0 CONTRACT DATE: 04/19/21

☐ CONTRACTOR☐ OTHER

FROM CONTRACTOR:

Edge Civil Corporation
2723A Co Rt 26
Parish, NY 13131

VIA ARCHITECT:

CONTRACT FOR: Site/Civil

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet(s) and Change Order Sheet are attached.

1. ORIGINAL CONTRACT SUM.....\$ 363,582.00
2. Net change by Change Orders.....\$ -44,994.38
3. CONTRACT SUM TO DATE (Line 1+2).....\$ 318,587.62
4. TOTAL COMPLETED & STORED TO DATE:.....\$ 318,587.62
(Column G on attached sheets)
5. RETAINAGE:
 - a. 5.0% %OF COMPLETED Work \$ 0.00
(Total Cols D+E on attached Shts)
 - b. 5.0% %OF STORED MATERIAL \$ 0.00
(Total Cols D+E on attached Shts)
6. TOTAL EARNED LESS RETAINAGE.....\$ 318,587.62
(Line 4 less Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT.....\$ 302,658.24
(Line 6 from Prior Certificate)
8. CURRENT PAYMENT DUE.....\$ 15,929.38
9. BALANCE TO FINISH, INCLUDING RETAINAGE.....\$ 0.00
(Line 3 less Line 6)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in		
previous months by Owner	\$0.00	\$0.00
Total approved this month	\$0.00	\$44,994.38
TOTALS	\$0.00	\$44,994.38
NET CHANGES by Change Order	-\$44,994.38	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Edge Civil Corporation

signed by:

Ed Banach

Date: 12-21-2021

State of New York County of Oswego
Subscribed and sworn to before me this 21st day of December 2021
Notary Public: Brandy D. Diller
My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED.....\$ 15,929.38

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Attached Sheets that are changed to conform with the amount certified.)

ARCHITECT:

By:

Date:

This Certification is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

BRANDY D WHEELER
NOTARY PUBLIC STATE OF NEW YORK
OSWEGO COUNTY
LIC. #01WH6203666
COMM. EXP. 04/13/2025

JAN 05 2022

CONTINUATION SHEET

AIA DOCUMENT G703 FORMAT

PAGE 2 OF

Sheet 1, AIA Document G702 Format; APPLICATION AND CERTIFICATION FOR PAYMENT
containing Contractor's signed certification is attached.

APPLICATION NO: App 3
APPLICATION DATE: 12/21/2021
PERIOD TO: 12/31/2021

ARCHITECT PROJECT NO: 0

A ITEM NO.	B DESCRIPTION OF THE WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATIONS (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)		
1	Contractor Quality Control	\$10,800.00	\$10,800.00	\$0.00	\$0.00	\$10,800.00	100.0%	\$0.00	\$0.00
2	Stakeout Engineering	\$3,000.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00	100.0%	\$0.00	\$0.00
3	Misc Work & Mobilization	\$57,000.00	\$57,000.00	\$0.00	\$0.00	\$57,000.00	100.0%	\$0.00	\$0.00
4	Maintenance & Protect of Traffic	\$20,000.00	\$20,000.00	\$0.00	\$0.00	\$20,000.00	100.0%	\$0.00	\$0.00
5	Dust Control & SWPPP	\$2,000.00	\$400.00	\$0.00	\$0.00	\$400.00	20.0%	\$1,600.00	\$0.00
6	Unclassified Excavation	\$720.00	\$912.02	(\$0.02)	\$0.00	\$912.00	126.7%	(\$192.00)	\$0.00
7	Select Granular Fill	\$3,800.00	\$1,520.00	\$0.00	\$0.00	\$1,520.00	40.0%	\$2,280.00	\$0.00
8	6" Reinforced Concrete Sidewalk	\$4,970.00	\$1,346.87	(\$0.07)	\$0.00	\$1,346.80	27.1%	\$3,623.20	\$0.00
9	Detectable Warning Strip	\$1,512.00	\$792.44	\$0.01	\$0.00	\$792.45	52.4%	\$719.55	\$0.00
10	City Monument Replacement	\$5,400.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$5,400.00	\$0.00
11	Topsoil	\$384.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$384.00	\$0.00
12	Seeding & Site Restoration	\$146.00	\$72.01	(\$0.01)	\$0.00	\$72.00	49.3%	\$74.00	\$0.00
13	CLSM	\$675.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$675.00	\$0.00
14	8" SDR 35 Storm Sewer	\$2,695.00	\$2,695.00	\$0.00	\$0.00	\$2,695.00	100.0%	\$0.00	\$0.00
15	4' Dia Concrete Storm Manhole	\$980.00	\$980.00	\$0.00	\$0.00	\$980.00	100.0%	\$0.00	\$0.00
16	Storm Manhole Frames & Covers	\$1,326.00	\$1,326.00	\$0.00	\$0.00	\$1,326.00	100.0%	\$0.00	\$0.00
17	Water Main Anchoring	\$4,600.00	\$5,899.96	\$0.04	\$0.00	\$5,900.00	128.3%	(\$1,300.00)	\$0.00
18	4" Ductile Iron Water Main	\$2,080.00	\$1,959.98	\$0.02	\$0.00	\$1,960.00	94.2%	\$120.00	\$0.00
19	6" Ductile Iron Water Main	\$4,100.00	\$3,458.35	(\$0.02)	\$0.00	\$3,458.33	84.3%	\$641.67	\$0.00
20	8" Ductile Iron Water Main	\$2,000.00	\$1,558.00	\$0.00	\$0.00	\$1,558.00	77.9%	\$442.00	\$0.00
21	10" Ductile Iron Water Main	\$104,500.00	\$104,500.00	\$0.00	\$0.00	\$104,500.00	100.0%	\$0.00	\$0.00
22	4" Gate Valve, Box & Cover	\$2,600.00	\$2,600.00	\$0.00	\$0.00	\$2,600.00	100.0%	\$0.00	\$0.00
23	6" Gate Valve Box & Cover	\$3,400.00	\$3,400.00	\$0.00	\$0.00	\$3,400.00	100.0%	\$0.00	\$0.00
SHEET TOTALS		\$238,688.00	\$224,220.63	(\$0.05)	\$0.00	\$224,220.58	\$17.00	\$14,467.42	\$0.00

CONTINUATION SHEET

AIA DOCUMENT G703 FORMAT

PAGE 3 OF

Sheet 1, AIA Document G702 Format; APPLICATION AND CERTIFICATION FOR PAYMENT
containing Contractor's signed certification is attached.

APPLICATION NO: App 3
APPLICATION DATE: 12/21/2021
PERIOD TO: 12/31/2021

ARCHITECT PROJECT NO: 0

A ITEM NO.	B DESCRIPTION OF THE WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATIONS (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)		
24	8" Gate Valve Box & Cover	\$5,400.00	\$5,400.00	\$0.00	\$0.00	\$5,400.00	100.0%	\$0.00	\$0.00
25	10" Gate Valve Box & Cover	\$8,280.00	\$8,280.00	\$0.00	\$0.00	\$8,280.00	100.0%	\$0.00	\$0.00
26	10"x10" Tapping Sleeve & Valve	\$10,000.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	100.0%	\$0.00	\$0.00
27	6" Fire Hydrant	\$9,800.00	\$9,800.00	\$0.00	\$0.00	\$9,800.00	100.0%	\$0.00	\$0.00
28	1" Service Tap Connection	\$3,600.00	\$2,700.00	\$0.00	\$0.00	\$2,700.00	75.0%	\$900.00	\$0.00
29	1" Curb Stop & Box	\$5,400.00	\$4,050.00	\$0.00	\$0.00	\$4,050.00	75.0%	\$1,350.00	\$0.00
30	1" Type K Copper Service Line	\$4,725.00	\$4,252.50	\$0.00	\$0.00	\$4,252.50	90.0%	\$472.50	\$0.00
31	Testing & Sterilization Water Mn	\$3,000.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00	100.0%	\$0.00	\$0.00
32	Pavement Planning	\$1,015.00	\$1,300.01	(\$0.01)	\$0.00	\$1,300.00	128.1%	(\$285.00)	\$0.00
33	Concrete Curbing	\$9,000.00	\$726.30	(\$0.30)	\$0.00	\$726.00	8.1%	\$8,274.00	\$0.00
34	Tack Coat	\$220.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$220.00	\$0.00
35	Asphalt Concrete Binder Type 3	\$33,800.00	\$25,400.70	\$1,012.70	\$0.00	\$26,413.40	78.1%	\$7,386.60	\$0.00
36	Asphalt Concrete Top Type 6	\$11,454.00	\$13,321.00	\$0.14	\$0.00	\$13,321.14	116.3%	(\$1,867.14)	\$0.00
37	Asphalt Pavement Cuts	\$9,200.00	\$5,124.40	(\$0.40)	\$0.00	\$5,124.00	55.7%	\$4,076.00	\$0.00
38	Field Change Payment	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$10,000.00	\$0.00
39	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
40	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
41	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
42	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
43	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
44	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
45	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
46	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
SHEET TOTALS		\$124,894.00	\$93,354.91	\$1,012.13	\$0.00	\$94,367.04	\$11.26	\$30,526.96	\$0.00

CHANGE ORDER SHEET

ALA DOCUMENT G703 FORMAT

Page

of

Sheet 1, AIA Document G702 Format, APPLICATION AND CERTIFICATION FOR PAYMENT

APPLICATION NO:

App 3

containing Contractor's signed certification is attached.

APPLICATION DATE:

12/21/2021

PERIOD TO:

12/31/2021

ARCHITECT PROJECT NO: 0

A	B	C	D	E	F	G		H	I
ITEM NO.	DESCRIPTION OF THE WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATIONS (D + E)	THIS PERIOD					
1	Over/Under Change Order	(\$44,994.38)	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	(\$44,994.38)	\$0.00
2	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
3	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
4	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
5	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
6	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
7	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
8	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
9	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
10	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
11	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
12	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
13	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
14	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
15	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
16	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
17	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
18	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
19	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
20	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
21	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
22	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
23	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
	SHEET TOTALS	(\$44,994.38)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$44,994.38)	\$0.00

Res No. 3

February 2, 2022

To: The Honorable Mayor and City Council

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

Subject: Approving Change Order No. 2 for the CDBG Tilden Street-300 Block-Sidewalk Repair Project, Upstate Construction Services, Inc.

At the August 16, 2021, meeting, the City Council accepted a bid from Upstate Construction Services, Inc. in the amount of \$79,399.00 for the CDBG Tilden Street-300 Block-Sidewalk Repair Project. The project consists of sidewalk reconstruction on both sides of the 300 Block of Tilden Street from Hancock Street to Lillian Street. As Council members may recall, the low bid for the project was under the approved budget mount of \$101,580.

At the December 6, 2021 meeting, City Council approved Change Order No. 1 in the amount of \$3,360.34 to allow for additional labor and materials required for the retaining wall to be constructed higher and with fewer steps than originally proposed.

Upstate Construction Services, Inc. has now submitted Change Order No. 2 in the amount of \$947.55 less to close out the project. The decrease occurred after final quantities for various construction items were calculated.

A Resolution for Council consideration is attached.

RESOLUTION

Page 1 of 1

Approving Change Order No. 2
for the CDBG Tilden Street-300
Block-Sidewalk Repair Project, Upstate
Construction Services, Inc.

Council Member HICKEY, Patrick J.

Council Member OLNEY III, Clifford G.

Council Member PIERCE, Sarah V.C.

Council Member RUGGIERO, Lisa A.

Mayor SMITH, Jeffrey M.

Total

YEA	NAY

Introduced by

WHEREAS at its August 16, 2021, meeting, the City Council of the City of Watertown approved a bid from Upstate Construction Services, Inc. in the amount of \$79,399 for the CDBG Tilden Street-300 Block-Sidewalk Repair Project, and

WHEREAS at its December 6, 2021 meeting, the City Council of the City of Watertown approved Change Order No. 1 in the amount of \$3,360.34 to cover the additional labor and materials, and

WHEREAS Upstate Construction Services, Inc. has now submitted Change Order No. 2 in the amount of \$947.55 less to close out the project,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown approves Change Order No. 2 from Upstate Construction Services, Inc. in the amount of \$947.55 less, a copy of which is attached and made part of this Resolution, bringing the total contract amount to \$81,811.79, and

BE IT FURTHER RESOLVED that City Manager, Kenneth A. Mix is hereby authorized and directed to execute Change Order No. 2 on behalf of the City of Watertown.

Seconded by

Change Order

No. 2

Date of Issuance: December 21, 2021

Effective Date: December 21, 2021

Project: Tilden St. (300 Block) CDBG Sidewalk Replacement Project

Owner: City of Watertown

Owner's Contract No.: (315) 785-7740

Contract: CDBG Tilden St - 300 Block Sidewalk Replacement Project

Date of Contract: August 20, 2021

Contractor: Upstate Construction Services, Inc.

Engineer's Project No.: 2021-25

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

Description: The purpose of this change order is for additional work through the project.

Attachments: (List documents supporting change):

Material workup sheet comparing estimated quantities and as-built quantities.

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 79,399.00

[Increase] from previously approved Change Orders
No. 1 to No. _____:

\$ 3,360.34

Contract Price prior to this Change Order:

\$ 82,759.34

[Decrease] of this Change Order:

(\$ 947.55)

Contract Price incorporating this Change Order:

\$ 81,811.79

CHANGE IN CONTRACT TIMES:

Original Contract Times: ☐ Working days ☐ Calendar days

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

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

Substantial completion (days): _____

Ready for final payment (days): _____

Contract Times prior to this Change Order:

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

[Increase] [Decrease] of this Change Order:

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

Contract Times with all approved Change Orders:

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

RECOMMENDED:

By: Jeff Hammond
Engineer (Authorized Signature)

Date: 02/01/2022

Approved by Funding Agency (if applicable): _____

ACCEPTED:

By: _____
Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: _____
Contractor (Authorized Signature)

Date: _____

Date: _____

Res No. 4

February 2, 2022

To: The Honorable Mayor and City Council

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

Subject: Approving Change Order No. 2 for the CDBG Grant Street Sidewalk Repair Project, Upstate Construction Services, Inc

At the July 6, 2021 meeting, the City Council accepted a bid from Upstate Construction Services, Inc. in the amount of \$251,290.25 for the CDBG Grant Street Sidewalk Repair Project. The project consists of sidewalk reconstruction on both sides of Grant Street from Main Street East to Henry Street. As Council members may recall, the low bid for the project was under the approved budget mount of \$350,000.

At the October 4, 2021 meeting, City Council approved Change Order No. 1 in the amount of \$20,252.25 for additional work as retaining walls were determined to be needed in several locations to hold back the soil and account for the grade difference.

Upstate Construction Services, Inc. has submitted Change Order No. 2 in the amount of \$28,126 less to close out the project. The decrease occurred after final quantities for various construction items were calculated.

A Resolution for Council consideration is attached.

RESOLUTION

Page 1 of 1

Approving Change Order No. 2
for the CDBG Grant Street
Sidewalk Repair Project, Upstate
Construction Services, Inc.

Council Member HICKEY, Patrick J.

Council Member OLNEY III, Clifford G.

Council Member PIERCE, Sarah V.C.

Council Member RUGGIERO, Lisa A.

Mayor SMITH, Jeffrey M.

Total

YEA	NAY

Introduced by

WHEREAS at its July 6, 2021, meeting, the City Council approved a bid from Upstate Construction Services, Inc. in the amount of \$251,290.25 for the CDBG Grant Street Sidewalk Repair Project, and

WHEREAS at its October 4, 2021 meeting, the City Council approved Change Order No. 1 in amount of \$20,262.25 for additional work for retaining walls that was not in the original scope of the project but are needed to finish the construction, and

WHEREAS Upstate Construction Services, Inc. has now submitted Change Order No. 2 in the amount of \$28,126 less to close out the project,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown approves Change Order No. 2 from Upstate Construction Services, Inc. in the amount of \$28,126 less, a copy of which is attached and made part of this Resolution, bringing the total contract amount to \$243,516.50, and

BE IT FURTHER RESOLVED that City Manager Kenneth A. Mix is hereby authorized and directed to execute Change Order No. 2 on behalf of the City of Watertown.

Seconded by

Change Order

No. 2

Date of Issuance: December 22, 2021

Effective Date: December 22, 2021

Project: **Grant St. CDBG Sidewalk Replacement Project**

Owner: **City of Watertown**

Owner's Contract No.: **(315) 785-7740**

Contract: **Grant St. CDBG Sidewalk Replacement Project**

Date of Contract: **July 9th, 2021**

Contractor: **Upstate Construction Services, Inc.**

Engineer's Project No.: **2021-11**

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

Description: **This Change Order is for correction to cost, based on the measured materials of the finish work on Grant St.**

Attachments: (List documents supporting change):

A material comparison sheet that compares the estimated material takeoff to the actual material used in finished project. As a result of the comparison, there will be a (\$28,126.00) deduct for this change order.

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 251,380.25

[Increase] from previously approved Change Orders
No. 1:

\$ 20,262.25

Contract Price prior to this Change Order:

\$ 271,642.50

[Decrease] of this Change Order:

(\$28,126.00)

Contract Price incorporating this Change Order:

\$ 243,516.50

CHANGE IN CONTRACT TIMES:

Original Contract Times: ☐ Working days ☐ Calendar days

Substantial completion (days or date):

Ready for final payment (days or date):

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

Substantial completion (days):

Ready for final payment (days):

Contract Times prior to this Change Order:

Substantial completion (days or date):

Ready for final payment (days or date):

[Increase] [Decrease] of this Change Order:

Substantial completion (days or date):

Ready for final payment (days or date):

Contract Times with all approved Change Orders:

Substantial completion (days or date):

Ready for final payment (days or date):

RECOMMENDED:

By: *Jeffrey C. Harmon*
Engineer (Authorized Signature)

Date: 02/01/2022

ACCEPTED:

By: _____
Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: _____
Contractor (Authorized Signature)

Date: _____

Approved by Funding Agency (if applicable): _____

Date: _____

Res No. 5

February 3, 2022

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, City Manager

Subject: Directing Staff to Conduct a Phase II ESA and Restore the Parking Area and Former Cart Storage Areas in Thompson Park to Lawn

Council Member Cliff Olney requested the attached resolution. It directs staff to conduct a Phase II Environmental Site Assessment, remediate any environmental contamination found, and restore the parking area and former golf cart storage areas in Thompson Park adjacent to the Watertown Golf Club to lawn.

RESOLUTION

Page 1 of 1

Directing Staff to Conduct a Phase II
ESA and Restore the Parking Area and
Former Cart Storage Areas in
Thompson Park to Lawn

Council Member HICKEY, Patrick J.

Council Member OLNEY III, Clifford G.

Council Member PIERCE, Sarah V.C.

Council Member RUGGIERO, Lisa A.

Mayor SMITH, Jeffrey M.

Total

YEA	NAY

Introduced by

WHEREAS it is the desire of City Council to restore the parking area and former golf cart storage areas adjacent to the Watertown Golf Club in John C. Thompson Park to lawn, and

WHEREAS the Council wants to be assured that there has been no environmental contamination at the parking area and former golf cart storage sites,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby directs staff to cause a Phase II Environmental Site Assessment to be completed for the parking and former golf cart storage areas adjacent to the Watertown Golf Club in John C. Thompson Park, and

BE IT FURTHER RESOLVED that staff is directed to cause the remediation of any environmental contamination that may be found, and

BE IT FURTHER RESOLVED that staff is directed to cause the restoration of the parking and former golf cart storage areas to lawn as soon as practical in the Spring.

Seconded by

Ord No. 1

February 2, 2022

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, City Manager

Subject: Amending Section 216-2 of the City Code to Delete a Designated Parking Area in John C. Thompson Park

The attached ordinance was prepared at the request of Council Member Clifford G. Olney III.

Section 216-2 of the City Code lists the designated parking areas within Thompson Park. This ordinance amends that section by deleting the parking area “Along both sides of the gravel drive connected to the Watertown Golf Club’s westerly parking lot, with parking perpendicular to the drive.”

A copy of Section 216-2 and an aerial photograph are attached.

ORDINANCE

Page 1 of 1

Amending Section 216-2 of the City Code to Delete a Designated Parking Area in John C. Thompson Park

Council Member HICKEY, Patrick J.

Council Member OLNEY III, Clifford G.

Council Member PIERCE, Sarah V. C.

Council Member RUGGIERO, Lisa A.

Mayor SMITH, Jeffrey M.

Total

YEA	NAY

Introduced by

WHEREAS Section 216-2 of the City Code lists the designated parking areas within Thompson Park, and

WHEREAS as the City Council has determined that it is no longer in the public interest to have a designated parking area along the gravel drive connected to the Watertown Golf Club's westerly parking lot,

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Watertown, NY that it hereby amends Section 216-2 of the City Code by deleting the following from the list of designated parking areas in Paragraph D: "Along both sides of the gravel drive connected to the Watertown Golf Club's westerly parking lot, with parking perpendicular to the drive," 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

City of Watertown, NY
Wednesday, February 2, 2022

Chapter 216. Parks, Playgrounds and Recreational Areas

Article I. General Provisions

§ 216-2. Driving and parking of vehicles.

- A. No person shall operate any motor vehicle, as defined in New York State Vehicle and Traffic Law § 125, as the same may be amended from time to time, within any park, playground, or recreational area, other than on asphalt or stone drives, unless authorized by the City Manager.
- B. No person shall operate any limited-use vehicle, snowmobile or all-terrain vehicle, as defined in New York State Vehicle and Traffic Law § 121-c, 2221 or 2281, as the same may be amended from time to time, within any park, playground or recreational area.
- C. No person shall park any motor vehicle any place within a park, playground or recreational area other than in a parking lot or designated parking area, unless authorized by the City Manager.
- D. Designated parking areas in Thompson Park are:
[Amended 8-3-2020]

North side of North Tower Drive

South side of South Tower Drive

East side of East Tower Drive from the southern edge of South Tower Drive to the northern edge of North Tower Drive

West side of West Tower Drive from the southern edge of South Tower Drive to the rock monument in front of the flagpole

East side of West Tower Drive from North Tower Drive to Oak Walk

South side of West Entrance Drive from the Watertown Golf Club Entrance to the sand trap

South side of West Entrance Drive from East Tower Drive to the parking lot

Along the overlook wall on West Entrance Drive

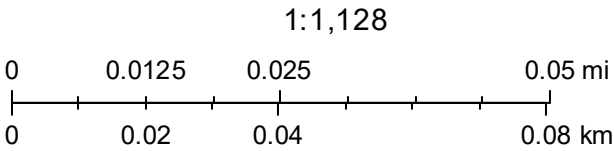
Along both sides of the gravel drive connected to the Watertown Golf Club's westerly parking lot, with parking perpendicular to the drive

ArcGIS Web Map



2/2/2022, 9:25:50 AM

- ROADS
- Parcels**
- Parcels
 - City Boundary
 - Black River



February 1, 2022

To: Honorable Mayor and City Council

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

Subject: Community Development Block Grant (CDBG) 2022 Annual Action Plan
Public Hearing

Planning Staff is beginning the process of developing the City's 2022 Annual Action Plan for the CDBG Program. One of the requirements in developing the plan is to hold a public hearing to obtain input from citizens, involved agencies and interested persons regarding the development of funding priorities and projects that will be included in the plan.

In addition to the public hearing, we will be contacting constituency groups and organizations that are identified in our Citizen Participation Plan and will discuss the plan at an upcoming City Council meeting.

In order to remain on schedule for submitting the final plan to HUD by the May 15, 2022 deadline, I would request that the City Council schedule a public hearing for the CDBG 2022 Annual Action Plan for 7:15 p.m. on Monday, March 7, 2022.

February 1, 2022

To: Honorable Mayor and City Council

From: Michael J. DeMarco, Planner

Subject: Tree Watertown Annual Report and Tree City USA Application

On behalf of Tree Watertown, the City's street tree advisory board, please find the enclosed annual letter to Council.

In addition to Tree Watertown's letter, the City's 2021 Tree City USA Application is enclosed, which details all tree related activities performed by Tree Watertown, contracted entities, volunteers and other community partners, and the City, during the 2021 calendar year. If approved by the National Arbor Day Foundation, Watertown will be designated a Tree City USA for the 22nd consecutive year.



Tree Watertown

1145 Boyd Street, Watertown, New York 13601

Phone – (315) 785-6850

February 1, 2022

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

Dear Council Members:

Attached for your review is ***Tree Watertown's 2021 Annual Committee Letter*** and the City's 2021 Tree City USA Application, which outlines the activities of both Tree Watertown and the City's urban forestry program efforts from December 2020 through December 2021. As the City's Street Tree Advisory Board, Tree Watertown conducted or was involved with numerous educational efforts throughout the year including our annual Arbor Day celebration, improvements within the City's Downtown Arboretum, Emerald Ash Borer outreach, as well as a socially distant and successful fall tree planting project in Alex T. Duffy Fairgrounds. We look forward to continuing and enhancing our public education efforts in 2022.

Thank you for your continued support of Tree Watertown and the City's urban forest. If you have any questions regarding the efforts of Tree Watertown in 2021, please let me know.

Sincerely,

William Christopherson
Landscape Architect
Chairman, Tree Watertown

cc: Kenneth A. Mix, City Manager
Michael A. Lumbis, Planning and Community Development Director
Michael J. DeMarco, Planner



Tree Watertown 2021 Annual Report





Tree Watertown 2021 Annual Report

Chairperson's Letter

Dear Tree Watertown Members:

Herein you will find Tree Watertown's Annual Report for 2021. As you will see, this past year included many new tree plantings at various sites in Watertown. This was made possible by your dedication as volunteers for Tree Watertown, and once again, we couldn't have accomplished so much without our many partners. We can all be very proud that the City of Watertown will apply again to the National Arbor Day Foundation to be designated as a Tree City USA for the 22nd consecutive year.

Some of our important partners who have worked with Tree Watertown this year to accomplish new shade tree plantings in the city include the Watertown Noon Rotary Club, faculty, students, and families of Watertown City School District and Immaculate Heart Central High School, NYS Department of Environmental Conservation, and The Northern New York Community Foundation, Inc.

We are thankful for the continued support and partnership of the City of Watertown, and we are grateful for the many years of support of our Tree Watertown projects by Mayor Jeffrey M. Smith. We look forward to working with the Watertown City Council on tree related initiatives in the coming year. The Department of Public Works and valued contractors once again provided much needed assistance in planting new trees throughout the city and in Thompson Park, especially as we continue to deal with increased tree loss due to the Emerald Ash Borer.

This report, prepared with the help of Michael J. DeMarco, City Planner, describes some of the programing, events, and meetings that were conducted by Tree Watertown through the course of 2021.

On a blustery April 30, Arbor Day 2021 was celebrated with a tree planting ceremony at Academy Street Playground, where we planted a Norway spruce to commemorate the rich history of the former Academy Street School, now playground, and the neighborhood both entities have served so well. In addition, a swamp white oak tree was planted to honor the late David Honan of Keyes Avenue for his years of service and volunteerism in his neighborhood and community. We followed that event the next morning by assisting the Watertown Noon Rotary with their annual spring planting, which included 49 new shade trees on the City's neighborhood of Davidson Street, Gale Street, Lynde Street W, and Thompson Street. We were fortunate to have City summer intern Josh Caldwell on hand to water and maintain all of our tree plantings throughout the city.

On a drizzling October 30, Tree Watertown was assisted by faculty and students of Watertown High School and Immaculate Heart Central High School, in addition to various community organization to plant 50 new shade trees at the Jefferson County Fairgrounds.



Tree Watertown 2021 Annual Report

The following pages detail all of our different projects for 2021. Again, much appreciation goes to the volunteer board members of our Tree Watertown committee, and we all can look forward to new and exciting projects for Tree Watertown in the coming year.

Sincerely,

William W. Christopherson
2021 Chairman, Tree Watertown

cc: City Council Members
Kenneth A. Mix, City Manager



Tree Watertown 2021 Annual Report

Tree Watertown Activities - December 2020 through November 2021

- December 10, 2020: The 2020 Tree Watertown Annual Meeting was held. The meeting agenda included election of officers for 2021, a review of activities and the annual financial report for 2020.
- January 14, 2021: Ten Tree Watertown members attended. The 2020 Tree City USA Application was submitted to the National Arbor Day Foundation by the City of Watertown for the 21st consecutive year. Tree Watertown assisted with the completion of the City's application. Mike DeMarco noted that the City applied for a \$50,000 tree maintenance grant. Emily Sheridan presented information on Emerald Ash Borer (EAB) and passed out pamphlets from the NYS DEC. Mike DeMarco congratulated Herb Frost, of Arbor Care who was awarded the Distinguished Arborist Award by the International Society of Arboriculture's NYS Chapter, NYS Arborists.
- February 11, 2021: Ten members attended. Mike Lumbis reported the Tree Watertown bank balance at \$759.49. Mike DeMarco acknowledged Greg Skellington and John Payton for conducting a bark peeling training session for City DPW. Tree planting for Spring 2021 was discussed. Membership renewal for New York State Urban Forestry Council was approved. Shawn VanBrocklin discussed partnership proposal with Car Freshener Corporation.
- March 11, 2021: Twelve Tree Watertown members attended. Mike DeMarco will present a talk on the Watertown Downtown Arboretum on Thursday, March 18. Mike D. announced March 26 online seminar for EAB. Arbor Day ceremony scheduled for Friday April 30, 2021. Tree to be planted at the Academy Street School site at the Academy St. Playground.
- April 08, 2021: Twelve Tree Watertown members attended. Members discussed the upcoming tree planting projects including, the Annual Spring Volunteer Tree Planting Project (50 trees), City DPW Planting Project (81 trees), Contracted Planting Project (10 trees), and the Annual Arbor Day ceremony (2 trees). EAB outreach efforts continue within our greater community thanks to the efforts of City staff, WWNY TV7 and Watertown Daily Times coverage, Tree Watertown, Cornell Cooperative Extension of Jefferson County, SLELO-PRISM, NYS DEC among others.
- On a blustery April 30, the 2021 annual Arbor Day observance took place with a tree planting ceremony at Academy Street Playground. A Norway spruce was planted to commemorate the rich history of the former Academy Street School, now playground, and the neighborhood that both have served so well. In addition, a swamp white oak tree was planted to honor the late David Honan of Keyes Avenue for his years of service and volunteerism in his neighborhood and community.



Tree Watertown 2021 Annual Report

- A snowy and cold May 1, Tree Watertown assisted Watertown Noon Rotary with their annual spring planting, which included 49 new shade trees in the Sacred Heart neighborhood with trees planted at Sacred Heart church and Missionaries Property, in addition to street trees planted along Davidson Street, Gale Street, Lynde Street W, and Thompson Street, and Thompson Street Playground.
- May 13, 2021: Ten Tree Watertown members attended. Tree Watertown account balance increased to \$864.49. Greg Skellington spoke on National Grid's expected pruning efforts along 11 linear miles of powerlines throughout the City. Work at the Jefferson County Historical Society has damage to the root systems of trees on public and private property. Tree Watertown member are recommending soil remediation and soil decompaction work adjacent to the affected trees.
- June 10, 2021: Nine Tree Watertown members attended. Tree Watertown account balance \$864.49. Mike Lumbis reported a seasonal employee has been hired for summer tree maintenance. The goal will be to reach approximately 75 trees for watering rotation per day. The group discussed an ongoing tree damage situation occurring at the Historical Society restoration project. It was resolved that a letter would be sent to the Historical Society, and the general contractor would be contacted to arrange mitigating tree protection measures. Vice Chairperson Mitzi DeGennaro conducted the meeting and discussed forming a group to assess Downtown Arboretum sign replacement needs.
- August 12, 2021: Eight Tree Watertown members attended the meeting. The meeting was conducted by Vice chairperson Mitzi DeGennaro. The continuing need for Tree Watertown members to help spread the word on the EAB infestation to the community was discussed. The infestation is growing in the city. Downtown Arboretum signage replacement needs were reported on by Mitzi DeGennaro. A motion to schedule November 6, 2021, for the fall tree planting project was approved by the committee.
- September 9, 2021: Nine Tree Watertown members attended the meeting. The meeting was conducted by Chairperson Bill Christopherson. Group discussed the ongoing growing infestation of EAB in the city. Approx. 90 Ash trees are growing in maintained areas of Thompson Park: 20 ash trees are expected to be removed in 2021, 17 Ash trees were treated in Spring of 2020 and are expected to be treated again in 2022. 200 Ash trees have been identified on city property as having potential for treatment with Triage insecticide. Mike Lumbis discussed the American Rescue Plan Act award to the City of Watertown, and that the grant will include \$50,000 for tree plantings and assorted tree maintenance and storm water maintenance projects. Fall tree planting project date moved to October 30.
- October 14, 2021: Ten Tree Watertown members attended. Mike DeMarco discussed EAB management. The retirement of Glen Roberts was discussed. Final plans were discussed for the October 30 fall tree planting project at the Jefferson County Fairgrounds.



Tree Watertown 2021 Annual Report

- On a drizzling October 30, Tree Watertown was assisted by faculty and students of Watertown High School and Immaculate Heart Central High School, in addition to various community organization to plant 50 new shade trees at the Jefferson County Fairgrounds.
- November 4, 2021: Ten Tree Watertown members attended. Mykel Myrick Downtown Art Committee guest attendee. Mykel Myrick discussed public art opportunities in the downtown Watertown area, and ways Tree Watertown could partner with artwork initiatives. A nominating committee for Tree Watertown Annual Meeting elections was formed. Mike DeMarco reviewed the October 30 fall tree planting project and 30 trees that were planted, with over 55 citizen volunteers despite cold and rain. Tree Watertown Annual Meeting scheduled for Dec. 9, 2021.



Tree Watertown 2021 Annual Report

Tree Watertown Officers 2020-2021

- Bill Christopherson, Chairman
- Mitzi DeGennaro, Vice-Chairman
- Michael Lumbis, Treasurer
- Geoffrey Urda, Secretary

Members 2020-2021

- Jennifer Akins, Watertown City School District
- Eleanor Allen, Citizen Volunteer
- Warren Allen, Citizen Volunteer
- Sylvia Buduson, Citizen Volunteer
- Mike DeMarco, Watertown City Planner
- Emily Fell, Citizen Volunteer
- Jackie Gagnon, Citizen Volunteer
- Michael Giocondo, NYS Department of Environmental Conservation
- Sue Gwise, Cornell Cooperative Extension of Jefferson County
- Christina Lawrence, Watertown City School District
- Leo LeMay, Citizen Volunteer
- Maureen O'Donnell, Citizen Volunteer
- Kennedy Quigg, Citizen Volunteer
- Kelly Reinhardt, Citizen Volunteer
- Glen Roberts, Citizen Volunteer
- Robert Smith, SLELO-PRISM
- Samuel Thomas, Citizen Volunteer
- Shawn VanBrocklin, Citizen Volunteer
- Jennifer Voss, Watertown Senior Planner
- T. Urling Walker, Citizen Volunteer
- Dr. Jason White, Citizen Volunteer
- Alex Woodruff, Citizen Volunteer



2021 Meeting Dates

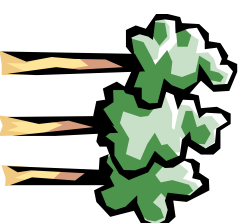
- January 14, 2021
- February 11, 2021
- March 11, 2021
- April 8, 2021
- May 13, 2021
- June 10, 2021
- August 12, 2021
- September 9, 2021
- October 14, 2021
- November 4, 2021
- December 9, 2021

**CITY OF WATERTOWN, NEW YORK
TREE CITY USA APPLICATION FOR
RECERTIFICATION - 2021
COMMUNITY FORESTRY PROGRAM
ARBOR DAY NARRATIVE**



PREPARED BY:

**THE CITY OF WATERTOWN PLANNING AND COMMUNITY DEVELOPMENT
DEPARTMENT AND TREE WATERTOWN**



**City of Watertown, New York
Tree City USA Application for Recertification - 2021
Community Forestry Program Arbor Day Narrative**

On Friday, April 30, 2021, Tree Watertown held its 24th Annual Arbor Day Observance at the former site of the Academy Street Elementary School, now Academy Street Playground. Due to rainy conditions, the ceremonial tree planting was conducted prior to all attendees relocated to the covered outdoor entrance of Watertown City Hall, located in the City's Downtown Arboretum, along the 200 block of Washington Street in the City of Watertown.

A Norway spruce (*Picea abies*) tree was planted at the site to commemorate the rich history of the families of the immediate neighborhood of which the school served so well. Additionally, a second tree, swamp white oak (*Quercus bicolor*) was planted to honor the memory David Honan, a neighborhood resident that served the community and regularly brought his grandchildren to Academy Street Playground. This year's Arbor Day tree was purchased by funding made possible by funding through the Environmental Protection Agency's American Rescue Plan Act. All Season's Nursery and Landscaping provided the balled and burlapped Norway spruce and prepared the planting site for volunteers. Chestnut Ridge Nursery provided the swamp white oak, and the City's Department of Public Works prepared the site for volunteers. William Christopherson, Chairperson for the City's Street tree advisory board, Tree Watertown, addressed those gathered, including City Council members, City staff, New York State Department of Environmental Conservation staff, local media, members of the Honan Family, Tree Watertown, and interested citizens.

Watertown City Mayor, Jeffrey M. Smith, lead the tree planting with the reading of the 2021 Arbor Day proclamation and proclaimed April 30, 2021, as Arbor Day in the City of Watertown.



Photo 1. The City of Watertown proudly ushered in Arbor Day 2021 with the flying of this year's flag, representing 21 consecutive years as a Tree City USA. (2000-2020)



Photo 2. Watertown City Mayor, Jeffrey M. Smith, addresses a small gathering that included Watertown City Council members, City staff, New York State Department of Environmental Conservation staff, members of the Honan Family, Tree Watertown, and other interested citizens.



Photo 3. Tree Watertown founding member, Samuel S. Thomas (left), and Jessica Kriesick (daughter of David Honan) (right) address a small gathering that included Watertown City Council members, City staff, New York State Department of Environmental Conservation staff, members of Tree Watertown. Following a brief addressing of those gathered, Mayor Smith read the 2021 Arbor Day Proclamation and proclaimed November 6, 2021, as Arbor Day in the City of Watertown.



Photo 4. Tree Watertown founding member, Samuel S Thomas, and other citizen volunteers, assist in the planting a Norway spruce at Academy Street Playground.



Photo 5. Event attendees assist in the ceremonial planting of a swamp white oak at Academy Street Playground, in honor of neighborhood resident David Honan.

**CITY OF WATERTOWN, NEW YORK
TREE CITY USA APPLICATION FOR
RECERTIFICATION - 2021
COMMUNITY FORESTRY PROGRAM NARRATIVE**



PREPARED BY:

THE CITY OF WATERTOWN PLANNING OFFICE
AND TREE WATERTOWN



City of Watertown, New York

Tree City USA Application for Recertification - 2021

Community Forestry Program Narrative

Program Overview. The City of Watertown's Community Forestry Program involves annual planting, pruning and removal of City-owned street and park trees. The Community Forestry Program is administered from the City's Planning and Community Development Department, where Mr. Michael J. DeMarco, Planner, an ISA Certified Arborist (NY-5840A), serves as the urban forestry coordinator with support from long time urban forestry coordinator, and now director of Planning and Community Development, Mr. Michael A. Lumbis. Mr. DeMarco develops the annual tree planting program, applies for, and administers grants, oversees tree maintenance and removal, integrates tree planting and other landscaping into proposed City projects. Both Mr. DeMarco and Mr. Lumbis serve as City representatives on the City's Street Tree Advisory Board, Tree Watertown.

The City also employs a tree trimmer, who, along with the City Department of Public Works (DPW) Buildings and Grounds Crew, is responsible for planting, maintaining and (if necessary) removing trees. The attached work order reports provide the job-cost breakdown for several tree-related projects including planting, pruning and removal that occurred during the last year.

A program budget is included with the application and details the costs associated with each of the items described in this report. For the year 2021, the City of Watertown's Community Forestry Program had a budget of **\$203,385.73**. The program is funded from several sources within the City budget, offset by various grants, volunteer hours and other sources as detailed in the budget narrative.

Community Forestry Projects.

From January to mid-March, the City continued its *Small Tree Pruning Program*, which is aimed at training recently planted trees for proper growth. Eliminating defects in young trees will help to establish longer lived, healthier, more resilient trees, that require less maintenance as they mature. During the winter of 2021, DPW Buildings and Grounds staff pruned approximately **1,500** young and smaller maturing trees in the targeted area of the City's eastside neighborhoods, playgrounds, and parks, including the City's largest park, Thompson Park.

On October 8, 2019, the Emerald Ash Borer (EAB) was discovered in the City of Watertown. At the conclusion of the 2018 city-wide tree inventory and tree management plan project, the City owned ash tree population totaled 435 trees. The City's tree management



Photo 1: DPW Buildings and Grounds staff prune a young London plane in Watertown's Olmsted designed park, Thompson Park.

plan addresses issues such as invasive species management and has assists staff in building an ash tree management strategy in the wake of EAB, which will allow for a healthier, safer, and more sustainable urban forest long-term. This strategy includes the targeted removal and replacement of ash trees with a general condition rating determined to be less than good, in addition to the chemical injection treatment of select specimen ash trees with a condition rating of good or better condition. The City plans to treat over **50** ash trees in the spring of 2022, of which any of these trees were previously treated in the spring of 2022. Funding for the upcoming treatment has been made possible through Round 15 of the New York State Department of Environmental Conservation's Urban and Community Forestry Grant Program.

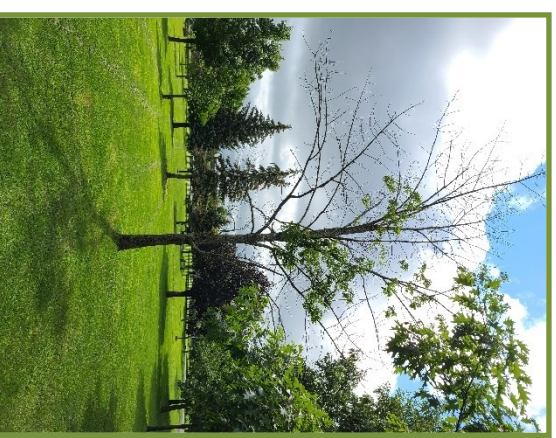


Photo 2. An ash tree at Thompson Park exhibiting signs of advanced EAB infestation: Crown dieback, d-shaped exit holes, epicormic sprouting & woodpecker damage.

Although it is unfortunate, and will have immediate, and in some cases lasting impacts on many of our neighborhoods, the strategic and preventative removal of ash trees is an important aspect of a strong ash tree management strategy. In 2021, staff utilized the City's asset management software, Cartegraph, to conduct the strategic removal of **48** ash trees from our streets and parks. If adequate space allows, each location will receive a replacement tree as part of the annual spring tree planting program. Since the discovery of EAB in Watertown, 116 of 435 inventoried ash have been removed, bringing the total number of existing ash trees to 319. Proactive removal and replacement of ash trees is important to not only help slow the spread of EAB throughout the city, and to minimize future risk associated with the pest, but also ensures future canopy in affected areas. Removal sites will be assessed for the ability to support replanting as part of the City's annual spring tree planting program. The immediate impact of ash tree removals will be felt especially at the neighborhood level with some streets possessing a higher percentage of ash than others. Although the removal of ash when still relatively healthy may be unsettling to some, removal and replacement of healthy ash trees is the nationally recommend management strategy for ash that are not expected to receive chemical injection treatment to protect them from EAB. Once ash trees become infested with EAB, they can become brittle and potentially hazardous within a few years of infestation.



Photo 3. City DPW Buildings and Grounds perform a preventative remove of an ash tree infested with EAB on Academy Street.

In mid-April, National Grid, in coordination with City Planning and City Parks Departments, dispatched multiple crews of arborists to Thompson Street Playground to provide a volunteer day of service in honor of Arbor Day 2021. Grid's crews pruned dead, broken, and other potentially hazardous limbs and branches from many of the large, older trees growing at the site of the upcoming spring 2021 volunteer tree planting project. This work is a follow up to the day of service that Grid provided in 2019, and 2020, in which crews pruned large trees at Thompson Park between the 10th Mountain Division Monument and the Pinnacle Outlook.



Photo 4. National Grid contractors, Nelson's Tree Service, celebrate Arbor Day 2020 by pruning trees in Thompson Park as part of a volunteer day of service

In late April, Arborcare Tree Service dispatched a crew of arborists to Bicentennial Park to provide a volunteer day of service. Arborcare's crew pruned dead, broken and other potentially hazardous limbs and branches from many of the large, older, declining black cherry trees adjacent to the paved walking trail at this park.



Photo 5. Arborcare Tree Service celebrates Arbor Day 2021 by pruning trees at Bicentennial Park as part of a volunteer day of service

We appreciate both National Grid and Arborcare Tree Service, for providing such valuable work, at no cost. The risk mitigation projects have helped to maximize the safety of all who visit the Bicentennial Park and Thompson Street Playground.

On Friday, April 30, 2021, Tree Watertown held its 24th Annual Arbor Day Observance at the former site of the Academy Street Elementary School, now Academy Street Playground. Due to rainy conditions, the ceremonial tree planting was conducted prior to all attendees relocated to the covered outdoor entrance of Watertown City Hall, located in the City's Downtown Arboretum, along the 200 block of Washington Street in the City of Watertown.

1 Norway spruce (*Picea abies*) tree was planted at the site to commemorate the rich history of the families of the immediate neighborhood of which the school served so well. Additionally, **1** swamp white oak (*Quercus bicolor*) was planted to honor the memory David Honan, a neighborhood resident that served the community and regularly brought his grandchildren to Academy Street



Photo 6. Watertown City Mayor, Jeffrey M. Smith, reads the 2021 Arbor Day Proclamation to a small gathering at City Hall.

Playground. This year's Arbor Day tree was purchased with funding made possible by funding through the Environmental Protection Agency's American Rescue Plan Act. All Season's Nursery and Landscaping provided the balled and burlapped Norway spruce and prepared the planting site for volunteers. Chestnut Ridge Nursery provided the swamp white oak, and the City's Department of Public Works prepared the site for volunteers. William Christopherson, Chairperson for the City's Street tree advisory board, Tree Watertown, addressed those gathered, including City Council members, City staff, New York State Department of Environmental Conservation staff, local media, members of the Honan Family, Tree Watertown, and interested citizens. Watertown City Mayor, Jeffrey M. Smith, lead the tree planting with the reading of the 2021 Arbor Day proclamation and proclaimed April 30, 2021, as Arbor Day in the City of Watertown.



Photo 7. Volunteers take turns planting a swamp white oak at Arbor Day 2021.

On Saturday, May 1, 2021, Tree Watertown, and the City of Watertown assisted the Watertown Noon Rotary Club with their *Annual Fall Tree Planting Project*. This project took place in the City's Northside neighborhood adjacent to, and at the Thompson Street Playground, in a collaborative effort between the City of Watertown, Watertown Noon Rotary Club, Missionaries of the Sacred Heart, and Disable Persons Action Organization (DPAO). Trees were planted on the grounds of those previously listed, including street trees. The project featured the planting of **47** trees, consisting of 25 different species. Volunteers included Watertown City Council members, Tree Watertown members, City staff, Watertown Noon Rotary Club members, Friends of Thompson Park, SLELO-PRISM staff, students and staff from Watertown City Schools and Immaculate Heart Central High Schools and other interested citizens.



Photo 8. Rotary volunteers pose next to a newly planted sugar maple.

In late April and June, tree contractors planted a total of **8** balled and burlapped (B&B) trees, replacing trees that recently were removed from tree pits. **2** containerized trees were also planted by contractors in other locations. This project helped to diversify species composition, promote future habitat for urban wildlife in our downtown and other heavy vehicle traffic areas, while providing future shade and esthetic beauty for residents and visitors.

It is unfortunate, but occasionally trees in the City are damaged or killed due to vandalism or other unauthorized instances of tree removal. Whenever



Photo 9. Contractors plant a Regal Prince Oak in a tree pit along Public Square.

possible, the City seeks restitution through insurance companies to pay for the replacement costs of damaged trees. During the fall of 2020, a 2-3 inch diameter London planetree, growing in a traffic median along Factory Street, was destroyed by a trucking company who was contracted by the City to remove debris from the site of a blight elimination project. Once contacted by City Planning staff and provided with the City's tree ordinance detailing unauthorized removal or damage to City tree assets, the contracted entity agreed to work with the City to hire a tree planting contractor, of our choosing, to ensure the replacement of the previous tree at the cost of the trucking company. During the early summer of 2021, contractors planted **1**, 2-inch diameter crimson spire oak tree in the traffic median along Factory Street as a replacement for a London planetree that was destroyed by the contractor.

On a positive note, staff was able to save a 3" DBH hackberry tree that was struck by a car. The skilled staff on the City's DPW Buildings and Grounds crew replanted the tree with extreme care to ensure its survival.

On the Fall of 2021, landscape contractors planted **1** B&B, "Autumn Gold" Ginkgo biloba tree at a property owned by Watertown Housing Authority, as the finishing touches of the Community Development Block Grant (CDBG) funded, *Bus Shelter Installation and Replacement Project*.

Since 1997 (less 2020 for COVID related budget issues), DPW Buildings and Grounds crew has completed the *Annual DPW Spring Bare-Root Tree Planting Project*. This year, the DPW tree planting project occurred between April 26 and April 30. The project focused on several streets including Academy Street, Franklin Street, Ward Street, Cosgrove Street, to name a few, and other individual locations throughout the City including the Public Square, Watertown High School, and White Water Park where two trees were planted in memory recent deceased members of City staff. In 2021, our DPW's spring tree planting efforts resulted in **83** new trees being planted.

Each year the City submits a grant application to local utility company National Grid, through their *10,000 Trees and Growing Grant Program*. The program reimburses the City \$50 for every tree planted in accordance with National Grid's approved species list for planting under primary power lines. Twenty-nine underwire trees planted in 2021 and if approved, the City will receive for a reimbursement of \$1,450 under this program. This reimbursement grant offsets the overall cost of our tree program in the City.

On October 27, contractors planted **29** trees, consisting of 9 species, as part of Watertown *Ash Tree Maintenance Strategy*. The trees were planted are strategic replacements for ash trees recently removed. The replacement



Photo 10. Contractors plant a bald cypress (*Taxodium distichum*) tree as a replacement for a recently remove ash tree

trees will receive 20 gallons water each week during the summer of 2022 to assist in their establishment, and pruned once every three years as part of the City's Young Tree Pruning Program, until they reach approximately 9" DBH, and all significant defects have been eliminated from their canopy.

On Saturday October 30, Tree Watertown completed its Annual Fall Tree Planting Project, this year at the Jefferson County Fairgrounds. The project featured the planting of **50** trees, consisting of 17 species, at various locations throughout the Fairgrounds including, Bicentennial Park, along the Fairgrounds Trail, various green spaces, along sidewalks, and entrance drives. The project was a joint effort between Tree Watertown and the City of Watertown Department of Public Works. DPW staff prepped the planting locations for volunteers by pre-digging the planting holes and back filling with topsoil, in addition to storing mulch nearby and organizing tools and other supplies. Volunteers included Tree Watertown members, City staff, Watertown Noon Rotary Club members, Friends of Thompson Park members, SLELO-PRISM staff, students and staff from Watertown High School and Immaculate Heart Central High School, and other interested Citizens. This project was made possible by the Environmental Protection Agency's American Rescue Plan Act (ARPA) funding.



Photo 11. Students of Watertown High School proudly stand next to a newly planted London planetree.

Tree Watertown members also provide area residents with educational information concerning tree identification, site selection requirements, and other urban forestry information over the course of the year.

The City's 2021 tree planting projects consisting of spring and fall contracted tree planting efforts, the annual Arbor Day ceremony, DPW's spring tree planting project, and the annual spring and fall volunteer tree planting projects, which resulted in the planting of **222** new trees.

During 2021, the City of Watertown continued its Summer Tree Watering and Maintenance Program by employing a college student to water and care for recently planted trees. Typically, this program is a 12-week position lasting from June through late August. The employee is responsible for providing 20 gallons of water per tree each week, to all trees planted in the spring and summer of 2021, in addition to providing supplemental watering for trees planted in other recent years on a less intensive



Photo 12. Summer Urban Forestry Assistant, Josh Caldwell, waters a Dawn redwood tree at the Church of The Nazarene in Watertown

rotational basis. As part of the program, the employee also mulches trees as times allows.

Annually, the City conducts risk assessments on potentially hazardous trees. Inspections are conducted for both City-owned street and park trees, and privately-owned trees that have the potential to impact the City's right-of-way. Inspections of privately-owned trees occur after the City receives complaints regarding the condition of trees either from the general public or from City staff. The City also conducts inspections for recently planted trees that show signs of decline, disease or insect problems.

With an updated tree inventory and management plan completed in 2018, City Staff has gained valuable insight, not only into the overall health and condition of the City's street and park tree population, but also their species and size class distribution, maintenance needs, as well as the economic, aesthetic, and environmental benefits associated with the City's urban tree population.

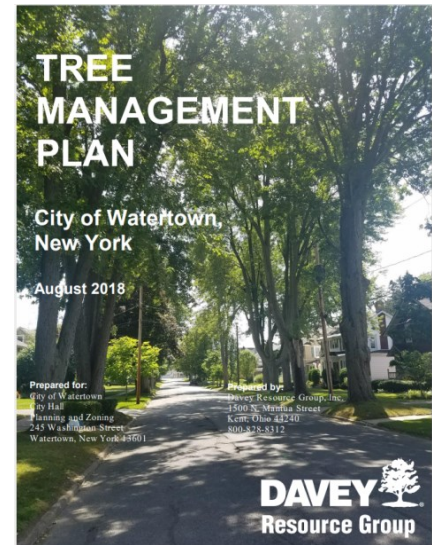


Photo 13. The City of Watertown's Tree Management Plan cover page

As a result of routine tree inspections and insights provided by inventory data, the City performs necessary Tree Removals and Pruning throughout the year. Costs for the various operations are detailed in the budget narrative section of the application. In 2021, the City removed a total of **79** trees consisting of preventative ash tree removals and other various removals based on risk and priority. As mentioned in a previous section of this narrative, **48** ash trees were preventatively removed to control the spread of the Emerald Ash Borer and to help minimize future risks associated with the destructive pest. In addition to ash tree removals, **31** trees of various species and sizes were removed. If adequate space allows, all trees removed in 2021 are expected to be replaced with a site appropriate species over the next couple of planting seasons. In addition to the annual Young Tree Pruning Program, of which approximately 1,500 trees were pruned, DPW also pruned dozens other priority trees of various sizes to address concerns regarding potentially hazardous deadwood, clearance for street signage, as well as vehicular and pedestrian clearance as needed.

In the analysis phase of the recent inventory project, the consultant used the i-Tree software suite to calculate the annual benefits associated with the collected inventory data. i-Tree is a peer-reviewed software suite designed by the USDA Forest Service that calculates monetarily, the economic, environmental and social benefits associated with urban trees. Based on the data collected in Phases I & II of the inventory project, the consultant found the City's urban tree population to have an approximate annual benefit of **\$715,343**.

In summary, 2021 was an extremely successful year for the urban forestry program in Watertown as **222 trees** were planted in the City from the combined efforts of Tree Watertown, the Northern New York Community Foundation, SLELO-PRISM, the New York State Urban Forestry Council, NYS Department of Environmental Conservation, the Watertown Noon Rotary Club, National Grid, Watertown City School District, Immaculate Heart Central Schools, citizen volunteers, contracted entities and the City of Watertown. We look for 2022 to be even better as we continue our efforts to reforest the City.



February 1, 2022

To: The Honorable Mayor and City Council

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

Subject: Revitalization and Redevelopment Design Plan for Sewall's Island and Factory Square - New York Upstate Chapter of the American Planning Association 2021 Professional Awards

The Planning Department was recently notified that the Revitalization and Redevelopment Design Plan for Sewall's Island and Factory Square received an award for Best Planning Practices from the New York Upstate Chapter of the American Planning Association (APA).

The plan was completed in October 2020 with the assistance of MKSK Studios and adopted by City Council in November 2020. The purpose of the plan was to create a vision for the area and capitalize on community assets and recreation opportunities, guide redevelopment and help attract new investments and businesses, as well as identify transformational projects in this area of downtown Watertown.

The plan can be found here: <https://tinyurl.com/3em6c4sx>

The award can be found here: <https://tinyurl.com/2p8s49pj>

February 1, 2022

To: The Honorable Mayor and City Council

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

Subject: Downtown Revitalization Initiative (DRI) Streetscape Project Update

As part of the \$10 million Downtown Revitalization Initiative (DRI) award from New York State, the City of Watertown received \$1,500,000 for a Downtown Streetscape Project and \$100,000 for enhancements to the Governor Roswell P. Flower Monument. Over the last several months, Barton & Loguidice has been working with Planning and Engineering Staff to finalize designs for the project's focus areas: Court Street (including Lachenauer Plaza), the 200 blocks of Coffeen and Franklin Streets and the intersection of Washington and Stone Streets surrounding the Roswell P. Flower Monument.

At the October 12, 2021, City Council Work Session, Keith Ewald, AICP, RLA, of Barton & Loguidice presented an overview of the project and explained the conceptual designs. This followed extensive stakeholder outreach in July and September, where Barton & Loguidice, in conjunction with Planning Staff, held a series of focus groups to solicit input from key stakeholders, such as property owners and business owners in each of the focus areas and held a public open house to obtain input from the community.

The most prominent concerns that resulted from the conceptual plans included the loss of on-street parking on Court Street that would have resulted from a change to parallel parking and whether the proposed improvements would provide sufficient protection to the Governor Flower Monument.

After the outreach concluded, Barton & Loguidice began working on the final design plans and recently submitted a 75 percent complete set for review. The final design drawings have addressed many of the concerns that were received. Most notably, a change to reverse angled parking on Court Street will preserve a greater number of on-street spaces while creating safer vehicular movements, particularly when leaving a parking space. The final drawings also include 13 crash-rated bollards surrounding the monument.

In addition to the design drawings, Barton & Loguidice also submitted cost estimates. Due to several factors, the most significant of which being a substantial increase in the cost of concrete in the four years since the original cost estimates were developed during the DRI planning process, the estimated construction costs exceed the available grant budget. The current construction budget is \$1,645,000 (a figure that includes a separate \$250,000 grant from National Grid). Barton & Loguidice's estimated construction cost is \$3,208,000.

The estimated budget shortfall therefore would be approximately \$1,563,000. There are three options for how to proceed with the project:

1. Make up the difference using alternative funding source(s), such as American Rescue Plan Act (ARPA) funding or include the project in the City's Capital Budget, so that the City can implement the entire project in the 2022 construction season.
2. Look for potential grant funding sources and phase the different project segments over two or more construction seasons. Grant funding could be applied for through the New York State Consolidated Funding Application program. Grant applications will not be available until July, will require a local match, will not be announced until very late in the year, will delay a portion of the construction at least another year and are not a guaranteed source of funding.
3. Remove select segments from the scope of the DRI-funded project, subject to approval by the State, to reduce the estimated construction cost to its original budget of \$1,645,000. This is not a preferred or recommended option as it would significantly alter the scope of the originally approved DRI project.

To lend full context to the decision, the cost estimates by project segment break down as follows:

- Court Street (without Lachenauer Plaza): \$1,632,000
- Lachenauer Plaza: \$600,000
- Coffeen Street: \$315,000
- Franklin Street: \$337,000
- Governor Flower Monument area: \$324,000

The original project timeline calls for finishing design work and putting the construction work out to bid by the end of February and awarding a construction contract in March. Construction would commence in the spring, with all physical work occurring in one construction season with a Fall 2022 completion date.

In order for Barton & Loguidice to finalize the construction drawings and specifications in time for the City to have the project out to bid in time for the 2022 construction season, the City will need to inform Barton & Loguidice of its chosen path forward as soon as possible.

During the DRI planning process, members of the public identified streetscape improvements as a priority and expressed support for this project at workshops, open houses, and focus groups. This outreach was extensive as over 200 people participated in the 12 focus groups held over two days in November 2017. Over 100 members of the public attended the Community Open House on February 7, 2018, where attendees had the opportunity to indicate their preferences for which projects the Local Planning Committee (LPC) should support.

The LPC, which included representatives from key public, private, non-profit, and institutional stakeholder groups and organizations, gave its formal support to the streetscape project when it voted to approve the final slate of projects, with this one included, at its meeting on March 1, 2018.

February 1, 2022

To: The Honorable Mayor and City Council

From: The Complete Streets Committee (Geoffrey Urda, Planner; Michael Delaney, City Engineer; Patrick Keenan, Superintendent of Public Works; Charles Donoghue, Police Chief; Matthew Roy, Human Resources Manager)

Subject: Complete Streets Annual Progress Report – Calendar Year 2021

On January 17, 2017, the City Council adopted a Complete Streets Policy for the City of Watertown. Section 8 of the policy, titled “Reporting,” requires the Complete Streets Committee to prepare a written annual progress report that measures the success of the policy and present it to City Council. In accordance with this requirement, the Complete Streets Committee is submitting the following report summarizing the fifth year of the enacted policy.

The policy identifies various performance measures that the report should include but does not limit the report to only those measures. A data summary of the required performance measures is on the second page of this report.

In its fifth year, the Complete Streets Committee reviewed eight (8) upcoming transportation projects. The projects reviewed included Massey Street, Coleman Avenue, Leray Street, VanDuzee Street, Haley Street, Brett Street, Keyes Avenue, and Seward Street, which is a full reconstruction that the City has retained BCA Architects and Engineers to design, with the Committee’s recommendations as input.

Among the improvements that will result from these reviews will be:

- New pedestrian signals at three intersections on Massey Street
- New crosswalk across Coleman Avenue at the intersection with Arsenal Street
- New crosswalk across Haley Street at the intersection with Washington Street
- New crosswalks across Keyes Avenue at the intersections with Washington Street and Franklin Street
- New Crosswalk across Ten Eyck Street at the intersection with Washington Street (as part of the Keyes Avenue project)
- New bicycle sharrows on Leray Street
- New and improved sidewalks on Seward Street
- New sidewalks along VanDuzee Street north of the bridge over the Black River and wider sidewalks across the bridge
- Any substandard curb ramps will be also brought into ADA compliance as a part of all projects.

While no other major Complete Streets improvements were recommended for any of the above projects, the Committee vetted each of them for opportunities to improve safety for all users.

Below are various data from the policy's prescribed performance measures for physical improvements implemented in Calendar Year 2021:

- Linear Feet of new or repaired pedestrian accommodation: 7,140
- Number of new or repaired curb ramps along City streets: 67
- Number of crosswalk and intersection improvements: 1 new crosswalk, 75 repainted
- Number of transit facilities installed or improved: 1 substandard bus shelter replaced, 45 bus stop signs installed
- Total miles of new bike lanes: 0
- Net gain in street trees: 100
- Number of traffic-calming features installed: 2
- School district walker data: 2,478 of an estimated 3,798 K-12 students are eligible for bus transportation to/from school. The remaining 1,311 are designated as walkers. Data is unavailable at this time as to how many of the students designated as walkers actually walk or ride their bicycle to school as opposed to receiving a ride to school from their parents.
- A list of approved exceptions to this policy: 0

A detailed breakdown by type of improvement and location is attached as an appendix.

During 2021, in addition to its above-required tasks, the Complete Streets Committee also spent significant time developing recommended standard cross-sections for various classifications of City streets (e.g. arterial, collector, local) to provide context-sensitive guidance and direction for vetting future projects. The Committee presented these design guidelines to City Council at the August 9, 2021 Work Session for Council feedback, and after several revisions, presented a final version of the design guidelines to the Council at its December 20, 2021, meeting, at which time the Council adopted a resolution formally adopting the guidelines.

Appendix A: City of Watertown

Complete Streets Performance Measures



- 1) Linear feet (LF) of new or repaired pedestrian accommodation
 - CDBG program – Grant Street and Tilden Street (4,335 LF)
 - Sidewalk Permits (2,051 LF)
 - 426 LF of Walk Replaced (Street Reconstruction or Capital Projects)
 - Other (240 LF of sidewalk replaced due to tree damage, 88 LF misc.)
- 2) Number of new or repaired curb ramps installed along City streets
 - Community Development Block Grant (CDBG) Ramps (10)
 - Ramps installed as part of CDBG Sidewalk projects (23) Grant & Tilden
 - Consolidated Local Street and Highway Improvement Program (CHIPS) Ramps (34)
- 3) Number of crosswalk and intersection improvements
 - 1 new crosswalk
 - 1 at Washington/Haley Street
 - In addition: 75 crosswalks repainted
- 4) Number of transit facilities installed or improved
 - Grove Street (1)
 - Replaced dilapidated bus shelter in front of Skyline Towers
 - Bus Stop signs installed at 45 locations around the City.
- 5) Total miles of new bike lanes
 - None for Calendar Year 2021
- 6) Number of street trees planted
 - 148 street trees planted
 - 26 street trees removed (not including Ash Trees)
 - 22 Ash Trees removed from street locations due to the Emerald Ash Borer
 - Net gain of 100 street trees
- 7) Number of traffic calming features installed
 - North Pleasant Street narrowed to disincentivize traffic speeding
 - A narrowed street creates a sense of constriction, encouraging reduced speed
 - Formalized mid-block crossing on Washington Street by Samaritan Medical Center (SMC)
 - The crosswalk at this location provides improved pedestrian access to the hospital.
- 8) School District Walker Data
 - Estimated 3,798 Total K-12 students
 - Of that 1,311 are ineligible for transportation to/from school (“walkers”)
 - The other 2,478 are eligible (“busers”)

- Watertown High School (Grades 9-12)
- 694 eligible
- 310 walkers

- Case (Grades 7-8)
- 431 eligible
- 169 walkers

- Wiley (Grades 5-6)
- 520 eligible
- 76 walkers

- Overall, the Grades 5-12 campus has 2,200 total students, of which 1,645 are eligible for the bus.

- Knickerbocker
- 134 eligible
- 212 walkers

- North
- 315 eligible
- 133 walkers

- Ohio
- 84 eligible
- 227 walkers

- Sherman
- 187 eligible
- 133 walkers

- Starbuck
- 113 eligible
- 51 walkers

- As an additional data point, the City School District has 26 transportable students to Special Education classes at BOCES and eight (8) students that receive transportation to a Special Education program at Indian River

9) List of approved exceptions

- None

Appendix B: Performance Measures from Year to Year

Metric	2017	2018	2019	2020	2021
Liner feet (LF) of new or repaired pedestrian accommodation	3,650	9,146	14,186	4,179	7,140
Number of new or repaired curb ramps installed along city streets	31	55	46	80	67
Number of crosswalk and intersection improvements	6	13	2	4	1
Number of transit facilities installed or improved	0	2	2	1	1 (45 new bus stop signs)
Total miles of new bike lanes	1.25 miles	0	0.5 miles	0	0
Number of street trees planted	122	Net gain of 99 (146 planted, 47 removed)	Net gain of 80 (100 planted, 20 removed)	Net loss of 23 (84 planted, 107 removed)	Net gain of 100 (148 planted, 48 removed)
Number of traffic-calming features installed	7	2	6	1	2
School District walker data	2,374 eligible for bus 1,503 designated as walkers	2,515 eligible for bus 1,406 designated as walkers	2,490 eligible for bus 1,432 designated as walkers	2,558 eligible for bus 1,314 designated as walkers	2,478 eligible for bus 1,311 designated as walkers
Approved exceptions	0	1	0	0	0