

**CITY OF WATERTOWN, NEW YORK
AGENDA**

This shall serve as notice that the next regularly scheduled meeting of the City Council will be held on **Tuesday, January 22, 2013**, at 7:00 p.m. in the City Council Chambers, 245 Washington Street, Watertown, New York.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF MINUTES

COMMUNICATIONS

PRESENTATION

Independent Auditors' Report for the Fiscal Year Ending June 30, 2012
Liz Bush, CPA, Bowers & Company CPAs PLLC

PRIVILEGE OF THE FLOOR

RESOLUTIONS

- Resolution No. 1 - Approving Salary Structure, and Annual Pay Increase for Watertown Housing Authority Employees
- Resolution No. 2 - Approving Change Order No. 1 to Agreement for Replacement of Multi-media Filters at the Water Treatment Plant, Anthrafilter Filter Media
- Resolution No. 3 - Approving Agreement with New York State Housing Trust Fund Corporation for a 2012 Small Cities Community Development Block Grant
- Resolution No. 4 - Readopting Fiscal Year 2012-13 Sewer Fund Budget
- Resolution No. 5 - Authorizing Sale of Real Property, Known as 753 Rear Main Street West to Knowlton West Main Storage, LLC, 213 Factory Street, Watertown, New York 13601
- Resolution No. 6 - Authorizing Sale of Real Property, Known as 729 Morrison Street to Micha R.M. Resch, 29684 Fox Corners Row, Chaumont, New York 13622

- Resolution No. 7 - Approving Change Order No. 2 to Agreement, Hyde-Stone Mechanical Contractors, Inc.
- Resolution No. 8 - Readopting Fiscal Year 2012-13 General and Library Fund Budgets
- Resolution No. 9 - Approving Franchise Agreement, 1000 Islands Privateers, LLC
- Resolution No. 10 - Approving Lease Agreement, Watertown Rams, Inc.
- Resolution No. 11 - Approving Lease Agreement, The Greater Watertown Red and Black, Inc.
- Resolution No. 12 - Authorizing Professional Services Agreement for Constructability of the Factory Street Reconstruction Project, PIN 775315, Barton & Loguidice
- Resolution No. 13 - Approving Amendment No. 1 to the Agreement for Professional Services with Lu Engineers for Professional Assistance Related to the Environmental Remediation of the Former Ogilvie Foods Site

ORDINANCES

- Ordinance No. 1 - An Ordinance Amending the Ordinance Dated September 6, 2011, as Amended November 21, 2011, Authorizing the Issuance of \$650,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Design for the Factory Street Reconstruction, to Increase the Estimated Maximum Cost Thereof and the Amount of Bonds Authorized to \$700,000
- Ordinance No. 2 - An Ordinance Authorizing the Issuance of \$640,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$240,000 Estimated Maximum Costs of the Environmental Clean-up Project and the \$400,000 Estimated Maximum Cost of the Debris Removal Project at the Ogilvie Site, in and for Said City

- Ordinance No. 3 - An Ordinance Amending the Ordinance Dated February 21, 2012, Authorizing the Issuance of \$460,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay Part of the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant, to Increase the Estimated Maximum Cost Thereof to \$750,000
- Ordinance No. 4 - Changing the Approved Zoning Classification of 6.55 Acres of Land, East of Cannoneer Loop and South of Rand Drive, from Residence A to Residence C
- Ordinance No. 5 - Amending City Municipal Code § A320-4, Schedule of Fees
- Ordinance No. 6 - An Ordinance Repealing Chapter 148 of the Code of the City of Watertown

LOCAL LAW

PUBLIC HEARING

OLD BUSINESS

- Laid Over Under the Rules - An Ordinance Authorizing the Issuance of \$200,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Construction or Reconstruction of Sidewalks in Special Assessment District No. 9 Within the City
- Laid Over Under the Rules - Ordinance Amending City Municipal Code §293, Vehicles and Traffic – Western Boulevard
- Tabled – Ordinance Amending the Code of the City of Watertown, §310-34, Accessory Uses in Residence Districts

STAFF REPORTS

1. Jefferson County Comprehensive Economic Development Strategy
2. Sales Tax Revenue – December 2012
3. January 9, 2013 Letter from Stephen Bradley
4. January 10, 2013 Letter from Habitat for Humanity

NEW BUSINESS

EXECUTIVE SESSION

1. To discuss the employment history of a particular individual.
2. Collective Bargaining Agreement

WORK SESSION

ADJOURNMENT

**NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING IS MONDAY,
FEBRUARY 4, 2013.**

January 15, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Fiscal Year 2011-12 Audit Report

Attached for your review is a copy of the independent audit report for the fiscal year ended June 30, 2012 as prepared by Bowers & Company CPAs PLLC.

CITY OF WATERTOWN,
NEW YORK

FINANCIAL STATEMENTS

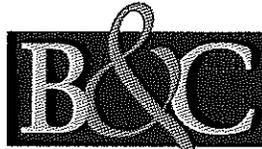
June 30, 2012

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BOWERS & COMPANY
CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS * BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WATERTOWN, NEW YORK**, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Watertown, New York's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012, on our consideration of the City of Watertown, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-17), budgetary comparison information (page 68) and the supplementary schedule of the funding progress of the post employment healthcare benefit plan (page 71) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Watertown, New York's financial statements. The accompanying schedule of expenditures of federal awards, required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis as and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bowers & Company

Watertown, New York
December 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

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, 2012. This discussion and analysis is designed to (a) assist the reader in focusing on the significant financial issues, (b) provide an overview of the financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the approved budget, and (e) identify individual fund issues or concerns. Since management's discussion and analysis is designed to focus on the current year's activities, resulting changes, and known facts, readers are encouraged to consider the information presented here in conjunction with the financial statements that follow.

FINANCIAL HIGHLIGHTS

- The assets of the City of Watertown exceeded its liabilities at June 30, 2012 by \$94,942,658. Of this amount unrestricted net assets of \$9,600,814 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$1,602,009 in fiscal year 2011-12, with an increase of \$142,068 in governmental activities and an increase of \$1,459,941 in business-type activities.
- At the close of the current fiscal year, the City of Watertown's governmental funds reported combined ending fund balances of \$15,607,900.
- General Fund revenues of \$39,007,333 on a budgetary basis exceeded budgeted revenues by \$881,698 or 2.31% while budgetary basis expenditures finished \$1,314,915 lower than budgeted expenditures. These results reduced the need to use the full \$2,575,513 in appropriated fund balance budgeted for in the 2011-12 General Fund budget.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,385,425 or 21.02% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

Government-Wide Financial Statements

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

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

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

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

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

Fund Financial Statements

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

Governmental Funds

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2012, the City's assets exceeded liabilities by \$94,942,658 compared to \$93,340,649 at June 30, 2011. By far the largest portion of the City's net assets (86.96%) 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

An additional \$2,782,262 or 2.93% of the net assets represents resources that are subject to external restrictions on how they may be used. Currently, the amount of restricted net assets represents the net assets of the Watertown Empire Zone, Alex T. Duffy Fairgrounds Stadium Repair Reserve Fund, Capital Reserve Fund, Tourism Fund, Community Development Fund, Capital Projects Fund, Workers Compensation Fund, Insurance Liability Fund and Debt Service Fund. The unrestricted net assets, \$9,600,814 compared to \$10,013,015 last year, may be used to meet the government's ongoing obligations to citizens and creditors.

City of Watertown's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	6/30/12	6/30/11	6/30/12	6/30/11	6/30/12	6/30/11
Current and other assets	\$21,728,609	\$22,024,304	\$5,755,133	\$5,384,256	\$27,483,742	\$27,408,560
Capital Assets	71,979,446	73,325,057	33,927,819	34,033,792	105,907,265	107,358,849
Total Assets	\$93,708,055	\$95,349,361	\$39,682,952	\$39,418,048	\$133,391,007	\$134,767,409
Long-term liabilities outstanding	\$21,011,859	\$25,173,683	\$7,481,113	\$9,421,489	\$28,492,972	\$34,595,172
Other liabilities	8,522,876	6,144,426	1,432,501	687,162	9,955,377	6,831,588
Total liabilities	\$29,534,735	\$31,318,109	\$8,913,614	\$10,108,651	\$38,448,349	\$41,426,760
Net Assets:						
Invested in Capital Assets, net of related debt	\$55,046,244	\$53,716,212	\$27,513,338	\$26,499,239	\$82,559,582	\$80,215,451
Restricted	2,551,679	2,682,223	230,583	429,960	2,782,262	3,112,183
Unrestricted	6,575,397	7,632,817	3,025,417	2,380,198	9,600,814	10,013,015
Total Net Assets	\$64,173,320	\$64,031,252	\$30,769,338	\$29,309,397	\$94,942,658	\$93,340,649

As of June 30, 2012, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate categories- governmental and business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

The following table provides a summary of the City's operations for the year ended June 30, 2012.

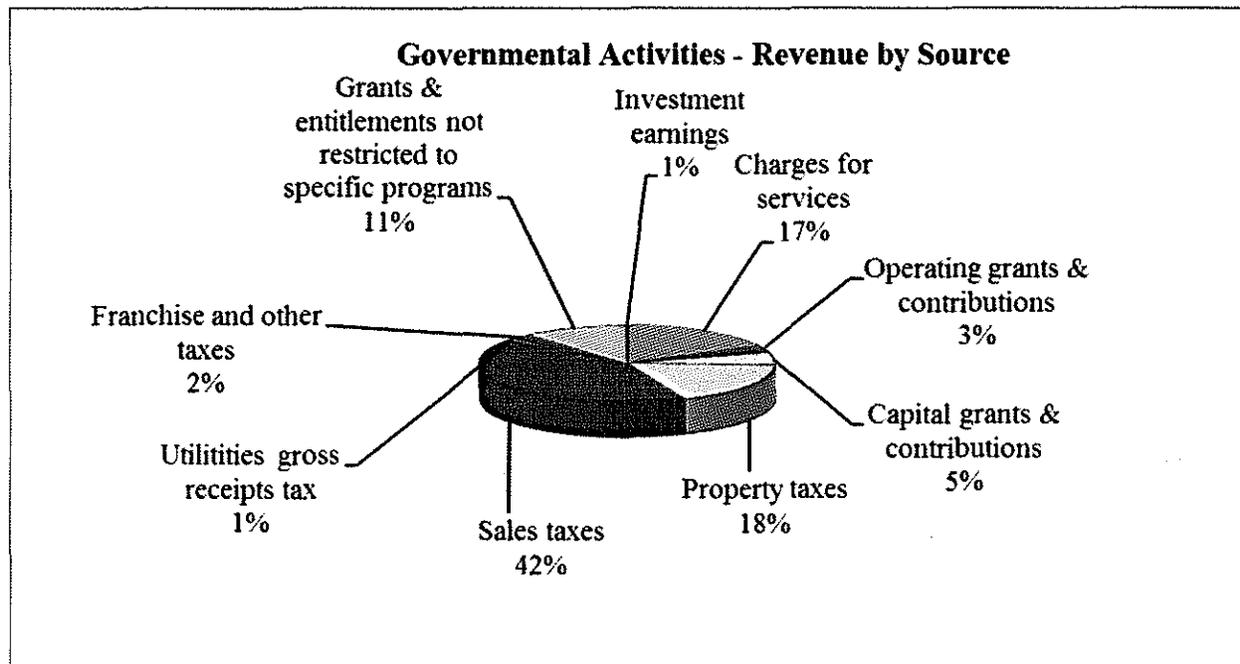
City of Watertown's Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	6/30/12	6/30/11	6/30/12	6/30/11	6/30/12	6/30/11
Revenues:						
Program Revenues:						
Charges for services	\$7,120,316	\$7,533,763	\$10,119,094	\$9,646,362	\$17,239,410	\$17,180,125
Operating grants and contributions	1,186,708	1,887,283	-	1,011	1,186,708	1,888,294
Capital grants and contributions	2,209,424	1,313,844	104,187	170,981	2,313,611	1,484,825
General revenues:						
Property taxes	7,589,639	7,359,032	-	-	7,589,639	7,359,032
Sales tax	17,215,058	16,007,070	-	-	17,215,058	16,007,070
Utilities gross receipts tax	351,716	407,527	-	-	351,716	407,527
Franchise tax	429,250	431,049	-	-	429,250	431,049
Mortgage tax	307,384	351,984	-	-	307,384	351,984
Hotel occupancy tax	221,947	208,453	-	-	221,947	208,453
Grants and Entitlements not restricted to specific programs	4,703,208	4,799,192	-	-	4,703,208	4,799,192
Investment earnings	58,787	173,059	10,826	29,435	69,613	202,494
Total revenues	\$41,393,437	\$40,472,256	\$10,234,107	\$9,847,789	\$51,627,544	\$50,320,045
Expenses:						
General government support	\$12,440,712	\$13,265,889	-	-	\$12,440,712	\$13,265,889
Hydroelectric production	592,900	425,599	-	-	592,900	425,599
Fire	8,347,846	7,572,164	-	-	8,347,846	7,572,164
Police	7,430,795	6,632,214	-	-	7,430,795	6,632,214
Other Public Safety	336,295	389,832	-	-	336,295	389,832
Public Works	6,357,799	6,319,007	-	-	6,357,799	6,319,007
Bus	841,388	874,730	-	-	841,388	874,730
Watertown Empire Zone	8,228	12,178	-	-	8,228	12,178
Other Economic Assistance	118,984	94,554	-	-	118,984	94,554
Library	935,944	920,139	-	-	935,944	920,139
Other Culture and Recreation	1,596,795	1,510,076	-	-	1,596,795	1,510,076
Refuse and Recycling	1,056,053	858,188	-	-	1,056,053	858,188
Other Home and Community Serv.	489,438	1,034,757	-	-	489,438	1,034,757
Interest on Debt Service	728,192	942,942	-	-	728,192	942,942
Water	-	-	4,436,105	4,372,484	4,436,105	4,372,484
Sewer	-	-	4,308,061	4,447,044	4,308,061	4,447,044
Total Expenses	\$41,281,369	\$40,852,269	\$8,744,166	\$8,819,528	\$50,025,535	\$49,671,797
Excess of Revenues over Expenses	112,068	(380,013)	1,489,941	1,028,261	1,602,009	648,248
Transfers	30,000	15,000	(30,000)	(15,000)	-	-
Change in Net Assets	142,068	(365,013)	1,459,941	1,013,261	1,602,009	648,248
Net Assets - Beginning	64,031,252	64,396,265	29,309,397	28,296,136	93,340,649	92,692,401
Net Assets - Ending	\$64,173,320	\$64,031,252	\$30,769,338	\$29,309,397	\$94,942,658	\$93,340,649

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

Governmental activities. Governmental activities increased the City's net assets by a total \$142,068 compared to last year's decrease of (\$365,013). Key elements of the year are as follows:

- Sales tax revenue totaled \$17,215,058 which was an increase of \$1,207,988 or 7.55% over last year's total of \$16,007,070. Sales tax revenue represented 41.59% of the governmental activities' revenue in FY 11/12 compared to 39.55% in FY 10/11.
- Due to the fiscal condition of New York State, the City's State Aid revenue was cut \$95,984 or 2.00% to \$4,703,208 compared to \$4,799,192 last year.
- The City received \$1,822,409 in Federal and State Aid for various capital projects which is an increase of \$732,714 from the amount received last year for Federal and State grants for capital projects. Some of the major projects include the police and fire inter-operability project (\$805,369), the Consolidated Local Street and Highway Improvement Program for various streets (\$326,890), the J.B. Wise parking lot rehabilitation (\$347,592), Sewall's Island environmental rehabilitation (\$140,193) and the Factory Street reconstruction project (\$237,887).



MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

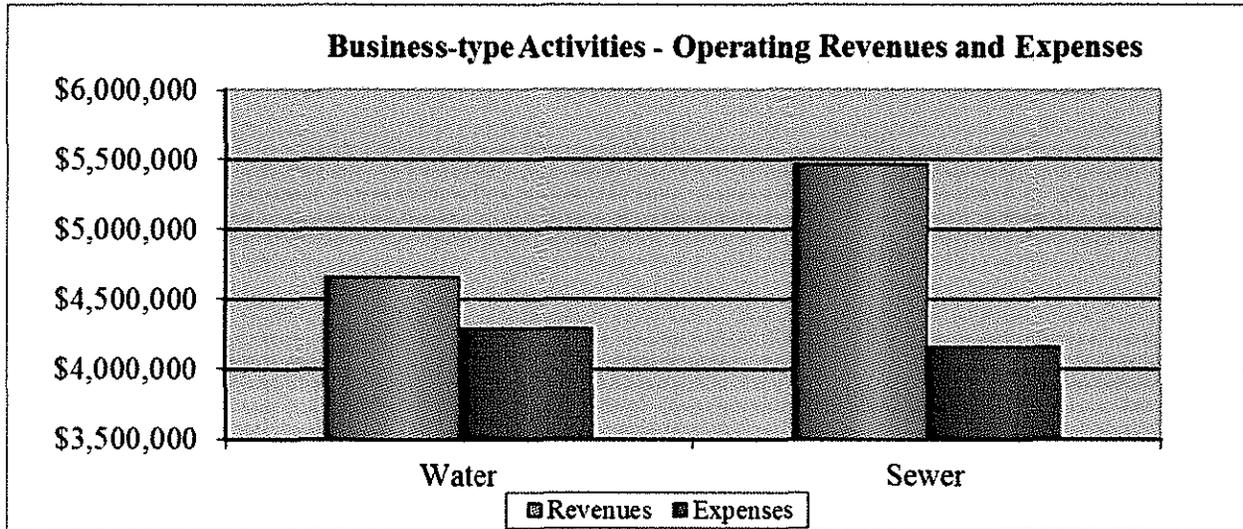
Business-type activities. Business-type activities increased the City's net assets by \$1,459,941 compared to \$1,013,261 last year. Key elements for this year are as follows:

- Water operating revenues increased by \$110,149 or 2.42% to \$4,656,803 while operating expenses increased by \$89,803 or 2.14% to \$4,290,542.
- The City entered into a new twenty year contract with the Development Authority of the North Country to produce and deliver treated fresh water to Fort Drum as well as other outside water districts connected to the Development Authority of the North Country's water distribution line. In the current fiscal year the revenue derived from this agreement was \$631,739 or an increase of \$85,413 or 15.63% over last year's total of \$546,326. Water revenues from this agreement accounted for 13.57% of the total water revenues compared to 12.02% last year.
- Total revenues from water sales to outside of the City customers such as the Development Authority of the North Country and Town of Watertown districts was \$1,152,949 or an increase of \$61,804 or 5.66% over last year's total of \$1,091,145. Water revenues to outside of the City customers represented 24.76% of the water operating revenues compared to 24.00% last year.
- Sewer operating revenues increased by \$361,572 or 7.09% to \$5,462,291 and operating expenses decreased by \$119,639 or 2.80% to \$4,159,020. Revenues related to the City's tanker hauled waste program increased \$338,338 with the leachate revenue from the Development Authority of the North Country increasing \$71,281 or 68.93% and the revenue from the Seneca Meadows landfill increasing \$238,092 or 71.77%. Transfers to the Sewer Fund capital projects decreased by \$87,987 to \$782,915 as the Sewer Fund continues to be able to afford paying more of its capital projects on a pay-as-you-go method and avoid the issuance of debt.
- The City also has a contract with the Development Authority of the North Country to provide wastewater treatment services to Fort Drum as well as other outside sewer districts. In the current fiscal year the revenue derived from this agreement was \$721,894 or an increase of \$60,242 or 9.10% over last year's total of \$661,652 due primarily to the Sewer Fund's \$250,000 capital fund transfer to begin the design of a disinfection system for which the Development Authority of the North Country contributes towards based on the agreement. Sewer revenues from this agreement accounted for 13.22% of the total sewer revenues compared to 12.97% last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

- Total sewer revenues from outside of the City customers such as the Development Authority of the North Country and Town of Watertown districts was \$1,597,626 or an increase of \$193,262 or 13.76% over last year's total of \$1,404,364. Sewer revenues to outside of the City customers represented 29.25% of the sewer operating revenues compared to 27.53% last year.



Financial Analysis of the Government's Funds

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

At June 30, 2012 the City's governmental funds reported combined ending fund balances of \$15,607,900, a decrease of \$433,295 or 2.70% in comparison with the prior year. Approximately 54% or \$8,385,425 represents the unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is 1) *non-spendable* to indicate that it is not available for new spending because it must be maintained intact for inventories (\$2,863) and prepaid expenditures (\$32,053), and 2) *restricted* to indicate limitations on its use imposed by grants, debt or legislation (\$2,551,679).

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,385,425, while the total General Fund balance equaled \$13,308,140 compared to \$14,133,689 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 21.02% of total General Fund expenditures and other financing uses compared to 24.32% last year, while total fund balance represents 33.36% of that same amount compared to 36.14% last year.

During the current fiscal year, the fund balance of the City's General Fund decreased by (\$887,723) compared to last year's decrease of (\$517,268).

Capital projects fund. The capital projects fund accounts for the construction and acquisition of the capital assets of the City. At the end of the current fiscal year, the fund balance was \$1,741,003 compared to \$1,205,221 in the previous year. Within the current year the amount of \$1,227,890 is considered restricted due to debt financing and \$513,113 is considered assigned due to the funding being from operating fund transfers.

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

Unrestricted net assets at the end of the fiscal year of the Water Fund were \$922,441 compared to \$893,733 in the prior fiscal year. The water fund had an increase in net assets in the amount of \$254,096 compared to an increase of \$277,586 in the previous year.

Unrestricted net assets at the end of the fiscal year of the Sewer Fund were \$2,102,976 compared to \$1,486,465 in the prior year. The Sewer Fund had an increase in net assets in the amount of \$1,205,845 compared to an increase of \$735,675 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

General Fund Budgetary Highlights

The General Fund budget was re-adopted numerous times during the fiscal year which resulted in a total increase in appropriations by \$557,919 to provide funding for the annual Symphony Syracuse concert in Thompson Park (\$25,240), to increase the transfers to the Capital Projects Fund for the J.B. Wise parking lot reconstruction project (\$45,150), the Municipal Building and Library HVAC upgrades (\$279,000) and the Marble Street Park improvements (\$32,600), to provide funding for the purchase of a Department of Public Work's pick-up truck (\$38,000), to provide funding in support of the Parks and Recreation Department organizational structure modification (\$56,073), to provide funding for the purchase of a replacement police car (\$23,856), to reflect expenditures from the Alex T. Duffy Stadium Repair Reserve Fund (\$53,000) and to increase the funding to the Jefferson County Historical Society (\$5,000). As part of the budget re-adoptions revenues were increased by \$49,096 of which \$25,240 was a donation to pay for the symphony concert and \$23,856 was an increase to insurance proceeds due to a police car accident. Appropriated fund balance was increased \$508,823. Other budget amendments between departmental expenditure accounts also did occur.

General Fund revenues of \$39,007,333 on a budgetary basis exceeded final budgeted revenues of \$38,125,635 by \$881,698 or 2.31% while budgetary basis expenditures of \$39,895,056 were \$1,314,915 or 3.19% lower than the final budgeted expenditures of \$41,209,971. The excess of actual revenues over budgeted revenues is primarily due to the increases over budget of sales tax revenue (\$750,058) and insurance recoveries on large self-insurance claims (\$434,428), real property tax reserves (\$59,198) and sales of real property (\$44,470). Revenues that did not meet budgetary expectations were the sale of surplus hydro-electric power (\$440,897), and mortgage recording tax revenue (\$67,616). Actual expenditures were lower than the budgeted expenditures due mostly to health insurance claim costs (\$496,094), planning department projects that did not occur as planned such as brown-field projects (\$56,000), increase in the liability for compensated absences (\$34,273) and year-end encumbrances (\$441,417) which included police cars (\$126,113), Fairground Stadium projects for flooring and masonry repairs (\$44,395), and the dog control agreement with Jefferson County (\$85,382). These combined results negated the use of \$2,575,513 in appropriated fund balance that was budgeted in the 2011-12 General Fund original adopted budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

Capital Assets and Debt Administration

The City's investment in capital assets, net of related debt, for its governmental and business-type activities as of June 30, 2012, amounts to \$82,559,582. 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	
	6/30/12	6/30/11	6/30/12	6/30/11	6/30/12	6/30/11
Land	\$2,601,285	\$2,599,900	\$ -	\$ -	\$2,601,285	\$2,599,900
Construction in Progress	3,835,880	2,481,261	281,986	736,393	4,117,866	3,217,654
Land Improvements	2,186,393	2,250,655	4,852	7,966	2,191,245	2,258,621
Building and Improvements	18,767,777	19,243,276	12,866,970	13,407,644	31,634,747	32,650,920
Infrastructure	40,099,734	41,771,288	18,162,946	17,082,737	58,262,680	58,854,025
Machinery and Equipment	2,520,334	2,828,708	2,269,053	2,545,760	4,789,387	5,374,468
Vehicles	1,968,043	2,149,969	342,012	253,292	2,310,055	2,403,261
Total Net Assets	\$71,979,446	\$73,325,057	\$33,927,819	\$34,033,792	\$105,907,265	\$107,358,849

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

- Completed reconstruction of the inner courtyard at the Department of Public Works complex on Newell Street at a cost of \$124,231.
- Continued reconstructing J.B. Wise parking lot which includes a partially covered pedestrian walkway, new vehicle drives, lighting, landscaping, water main replacement, and the construction and separation of a storm and sanitary sewer. Components of the project included the water main replacement at a cost of \$164,393 and the sanitary sewer main at a cost of \$258,835. Construction in progress totals \$2,254,823.
- Vehicle and equipment purchases in the amount of \$447,749 for a dump truck (\$125,910) and a snow plow (\$225,933) for the Department of Public Works as well as a dump truck (\$95,906) for the Water Department.
- Completed the Greensview / Ives Hill sanitary sewer reconstruction at a cost of \$357,272.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

- Completed the relining of approximately 2,800 linear feet of the Western Outfall Trunk Sewer from Wealtha Avenue to the Wastewater diversion structure at a cost of \$558,685.
- Continued environmental investigations and interim remedial measures on Sewall's Island. Construction in progress at year-end totaled \$ 863,737.
- Began design of the Factory Street reconstruction project which is estimated to cost over \$9,000,000 and include the reconstruction of 2,600 linear feet of street as well as the replacement of the sidewalks, curbs, water main and sanitary sewer. Construction in progress at year-end was \$250,659.
- Began design of a disinfection system for both treatment outfalls at the wastewater treatment plant. The system is mandated in the renewed State Pollutant Discharge Elimination System (SPDES) permit provided by the New York State Department of Environmental Conservation. The construction estimate included in the Fiscal Year 2012-13 Capital Budget was \$2,700,000. Construction in progress at fiscal year-end was \$116,089.

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$24,200,000. This entire amount is backed by the full faith and credit of the City of Watertown. Following is a comparative statement of outstanding debt:

City of Watertown's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	6/30/12	6/30/11	6/30/12	6/30/11	6/30/12	6/30/11
General obligation bonds	\$17,091,962	\$19,750,078	\$7,108,038	\$8,429,922	\$24,200,000	\$28,180,000
Other loans	-	44,289	-	1,836	-	46,125
	<u>\$17,091,962</u>	<u>\$19,794,367</u>	<u>\$7,108,038</u>	<u>\$8,431,758</u>	<u>\$24,200,000</u>	<u>\$28,226,125</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, 2012, the City's debt limit was \$72,310,428 with total net indebtedness of \$11,406,824, thus exhausting 15.77% of the City's debt limit.

The City did not issue any debt in Fiscal Year 2011-12.

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, 2012

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when adopting the fiscal year 2012-13 budget, most importantly the state and local economy.

The City of Watertown is the county seat of Jefferson County. The unemployment rates in June 2012 were 9.5% for the City of Watertown, 9.5% for Jefferson County, 9.1% for New York State and 8.2% for the United States. The unemployment rates in June 2011 were 8.9% for the City of Watertown, 8.9% for Jefferson County, 8.1% for New York State and 9.1% for the United States.

Budget factors considered during the preparation of the FY 2012-13 budget included the national and state economies, low interest rates, high unemployment and escalating NYS Retirement System contribution rates. With the continued uncertainties overseas, as has been the case since 2001, it was difficult to predict how many of the 19,978 soldiers of the 10th Mountain Division at Fort Drum would be deployed and for how long they would be gone fighting the War on Terrorism. With the continued decrease in the value of the American dollar and the proximity of the City to Canada sales tax revenue has continued to stabilize our economy and is projected to increase \$1,395,000 from the FY 2011-12 budgeted level.

Like most local governments, the City's 2012-13 budget was impacted by the escalating high costs for retirement benefits. The contribution to the Employees' Retirement System will range from 15.1% to 25.4% of salaries, up from a range of 12.7% to 21.5% in the previous year. The contribution rate for the Police and Fire Retirement System will range from 20.1% to 25.1% of salaries, up from 20.0% to 20.9% of salaries in the previous year. Due to the dramatic drop in the stock market from April 2008 to April 2009 the State Pension Fund lost approximately 40% of its value. Accordingly retirement rates are likely to continue to increase over the next few years to as much as 33% of payroll for Police and Fire employees and 23% of payroll for all other employees. Due to the better than expected claims history over the last few years the self-insurance fund appropriated \$310,000 of fund balance to minimize the premium rate increase to 5.8%.

The City saw an increase of \$10,581,203 or 1.05% in taxable assessed value. The residential tax burden has decreased slightly to 60.71% from 60.85% last year. The average assessment for a single-family home in Watertown increased slightly to \$106,292 from \$105,855 in FY 2011-12.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2012

The City's FY 2012-13 General Fund operating costs increased by \$4,089,715 or 10.76% to \$42,112,872. The reason for the increase was due to the appropriation of a \$3,100,000 transfer to the Capital Reserve Fund. The transfer was funded by a change in the payment cycle of the New York State Aid payments to the City which provided a one-time infusion of additional State Aid in FY 2012-13 that will be used for upcoming capital projects identified in the City's five-year capital plan. The City appropriated \$1,581,027 of fund balance, an increase of \$84,804 over FY 2011-12. The sales tax revenue budget was increased to \$17,860,000 which represented an increase of \$1,395,000 or 8.5% over the sales tax budget for FY 2011-12. The State Aid revenue budget was increased by \$3,100,000 from the FY 2011-12 budget to account for the one-time payment cycle change. The base level of State Aid was kept at the Fiscal Year 2011-12 level of \$4,703,208. The increase in the real property tax levy of \$73,002 or 1.00% and the increase in taxable assessed values resulted in a 0.10% decrease to the property tax rate. Fiscal year 2012-13 was the first year under the New York State Property tax cap that essentially limits the growth in the real property tax levy to two percent or the rate of inflation, whichever is less, with some exceptions. Local communities have the ability to override the tax cap.

Appropriations for the Water Fund decreased by \$192,007 or 3.95%. The Water Fund appropriated \$43,376 of fund balance of which \$28,738 was from the debt reserve fund to pay for the Ten Eyck Street reconstruction debt service. The Sewer Fund appropriations increased \$297,798 or 5.92% due mostly to the increase in funds transferred to capital projects (\$365,000). The Sewer Fund appropriated \$509,889 of fund balance of which \$39,509 was from the debt reserve fund to pay for the Ten Eyck Street reconstruction debt service. The water and sewer rates were not modified.

Requests for Information

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

AUDITED FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	The Trustees of the Roswell P. Flower Memorial Library
ASSETS				
Unrestricted Cash and Cash Equivalents	\$ 12,299,771	\$ 3,086,350	\$ 15,386,121	\$ 143,872
Restricted Cash and Cash Equivalents	2,342,203	999,392	3,341,595	201,825
Receivables (Net of Allowance for Uncollectibles)				
Accounts	2,380,251	1,370,957	3,751,208	-
Taxes	397,774	-	397,774	-
Due from Other Governments	2,292,292	215,073	2,507,365	-
State and Federal Aid Receivables	1,877,002	185,061	2,062,063	-
Inventory	2,863	-	2,863	-
Prepaid Expenses	32,053	-	32,053	330
Internal Balances	104,400	(101,700)	2,700	-
	<u>21,728,609</u>	<u>5,755,133</u>	<u>27,483,742</u>	<u>346,027</u>
Capital Assets				
Non-Depreciable	6,437,165	281,986	6,719,151	14,516
Depreciable, Net	<u>65,542,281</u>	<u>33,645,833</u>	<u>99,188,114</u>	<u>48,383</u>
Total Capital Assets	<u>71,979,446</u>	<u>33,927,819</u>	<u>105,907,265</u>	<u>62,899</u>
TOTAL ASSETS	<u>\$ 93,708,055</u>	<u>\$ 39,682,952</u>	<u>\$ 133,391,007</u>	<u>\$ 408,926</u>
LIABILITIES				
Accounts Payable	\$ 1,489,232	\$ 161,134	\$ 1,650,366	\$ 7,095
Accrued Interest Payable	135,911	65,136	201,047	-
Accrued Liabilities	869,928	110,296	980,224	-
Retainage Payable	102,369	20,162	122,531	-
Current Debt Obligations Due Within One Year	2,266,256	851,744	3,118,000	-
Compensated Absences	631,100	102,229	733,329	-
Workers Compensation Liability	537,407	156,918	694,325	-
Accrued Post Employment Benefits	5,361,969	1,076,416	6,438,385	-
Other Liabilities	7,475	11,999	19,474	-
Due to Other Governments	47,031	190	47,221	-
Due to Retirement System	940,290	109,611	1,049,901	-
Deferred Revenue	2,033,284	-	2,033,284	-
Other Long-Term Debt	397,537	-	397,537	-
Serial Bonds	14,873,706	6,256,294	21,130,000	-
Less: Deferred Amount on Advance Refunding	<u>(158,760)</u>	<u>(8,515)</u>	<u>(167,275)</u>	<u>-</u>
Total Liabilities	<u>29,534,735</u>	<u>8,913,614</u>	<u>38,448,349</u>	<u>7,095</u>
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	55,046,244	27,513,338	82,559,582	-
Restricted for				
Capital Reserves	67,270	-	67,270	-
Workers Compensation Reserve	316,736	-	316,736	-
Insurance Reserve - General	238,262	-	238,262	-
Tourism Reserve	20,168	-	20,168	-
Economic Development and Assistance	241,396	-	241,396	-
Community Development	80,049	-	80,049	-
Capital Projects	1,227,890	117,093	1,344,983	-
Debt Service	359,908	113,490	473,398	-
Library	-	-	-	205,003
Unrestricted	<u>6,575,397</u>	<u>3,025,417</u>	<u>9,600,814</u>	<u>196,828</u>
Total Net Assets	<u>64,173,320</u>	<u>30,769,338</u>	<u>94,942,658</u>	<u>401,831</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 93,708,055</u>	<u>\$ 39,682,952</u>	<u>\$ 133,391,007</u>	<u>\$ 408,926</u>

See notes to financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Unrestricted Cash and Cash Equivalents	\$ 11,971,696	\$ -	\$ 328,075	\$ 12,299,771
Restricted Cash and Cash Equivalents	105,110	2,145,322	91,771	2,342,203
Receivables (Net of Allowance for Uncollectibles)				
Accounts	816,545	34,094	1,529,612	2,380,251
Taxes	396,331	1,443	-	397,774
Due from Other Governments	2,158,449	107,251	26,592	2,292,292
State and Federal Aid Receivables	241,772	1,635,230	-	1,877,002
Inventory	2,863	-	-	2,863
Prepaid Expenses	32,053	-	-	32,053
Due from Other Funds	1,680,223	-	200,000	1,880,223
TOTAL ASSETS	\$ 17,405,042	\$ 3,923,340	\$ 2,176,050	\$ 23,504,432
LIABILITIES				
Accounts Payable	\$ 1,127,210	\$ 355,531	\$ 6,491	\$ 1,489,232
Accrued Liabilities	745,608	102,792	21,528	869,928
Retainage Payable	-	102,369	-	102,369
Compensated Absences	612,729	-	18,371	631,100
Other Liabilities	7,475	-	-	7,475
Due to Other Funds	207,896	1,561,705	6,222	1,775,823
Due to Other Governments	45,588	1,443	-	47,031
Due to Retirement System	916,488	-	23,802	940,290
Deferred Revenue	433,908	58,497	1,540,879	2,033,284
Total Liabilities	4,096,902	2,182,337	1,617,293	7,896,532
Nonspendable				
Inventory	2,863	-	-	2,863
Prepaid Expenses	32,053	-	-	32,053
Restricted for				
Capital Reserve - Fairgrounds	67,270	-	-	67,270
Workers Compensation Reserve	316,736	-	-	316,736
Insurance Reserve - General	238,262	-	-	238,262
Tourism Reserve	20,168	-	-	20,168
Debt Service Reserve	302,145	-	57,763	359,908
Community Development Reserve	-	-	80,049	80,049
Economic Development Reserve	-	-	241,396	241,396
Capital Projects	-	1,227,890	-	1,227,890
Assigned to				
Self-Funded Health Insurance Plan	1,920,774	-	-	1,920,774
General Government Support	54,059	-	-	54,059
Fire	7,539	-	-	7,539
Police	145,417	-	-	145,417
Other Public Safety	87,556	-	-	87,556
Public Works	52,019	-	-	52,019
Bus	16,809	-	-	16,809
Other Economic Assistance	4,375	-	-	4,375
Other Culture and Recreation	67,059	-	-	67,059
Refuse and Recycle	6,584	-	-	6,584
Library	-	-	12,692	12,692
Capital Projects	-	513,113	-	513,113
Subsequent Year's Expenditures	1,581,027	-	166,857	1,747,884
Unassigned	8,385,425	-	-	8,385,425
Total Fund Balances	13,308,140	1,741,003	558,757	15,607,900
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,405,042	\$ 3,923,340	\$ 2,176,050	\$ 23,504,432

See notes to financial statements.

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

Year Ended June 30, 2012

TOTAL GOVERNMENTAL FUND BALANCES **\$ 15,607,900**

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

The Cost of Capital Assets is	133,200,440
Accumulated Depreciation is	<u>61,220,994</u>
	<u>71,979,446</u>

Deferred Assets for Refunded Bonds 158,760

Long-term liabilities, including serial bonds and other Long-term debt, are not due and payable in the current period and therefore not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds Payable	(17,091,962)
Accrued Interest on Bonds Payable	(135,911)
Compensated Absences	(229,537)
Workers Compensation Liability	(537,407)
Landfill Post-Closure Liability	(216,000)
Accrued Post-Employment Benefits	<u>(5,361,969)</u>
	<u>(23,572,786)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 64,173,320**

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

Year Ended June 30, 2012

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real Property Taxes	\$ 7,307,193	\$ -	\$ -	\$ 7,307,193
Real Property Tax Items	292,558	-	-	292,558
Nonproperty Taxes	18,217,972	-	-	18,217,972
Departmental Income	4,321,479	-	-	4,321,479
Intergovernmental Charges	160,387	-	-	160,387
Use of Money and Property	103,682	12,839	5,115	121,636
Licenses and Permits	105,309	-	-	105,309
Fines and Forfeitures	131,737	-	18,624	150,361
Sale of Property and Compensation for Loss	560,378	-	-	560,378
Miscellaneous Local Sources	743,454	365,903	83,207	1,192,564
Interfund Revenue	993,026	-	-	993,026
State Sources	5,368,524	886,145	-	6,254,669
Federal Sources	523,068	936,264	437,856	1,897,188
	<u>38,828,767</u>	<u>2,201,151</u>	<u>544,802</u>	<u>41,574,720</u>
Total Revenues				
EXPENDITURES				
General Government Support	5,231,571	98,034	-	5,329,605
Public Safety	14,383,533	1,008,426	-	15,391,959
Transportation	3,868,349	2,261,644	-	6,129,993
Economic Assistance and Opportunity	118,984	-	8,228	127,212
Culture and Recreation	1,270,304	268,323	655,836	2,194,463
Home and Community Services	1,218,839	124,228	453,498	1,796,565
Employee Benefits	7,319,167	-	319,808	7,638,975
Debt Service	3,303,601	-	125,642	3,429,243
	<u>36,714,348</u>	<u>3,760,655</u>	<u>1,563,012</u>	<u>42,038,015</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>2,114,419</u>	<u>(1,559,504)</u>	<u>(1,018,210)</u>	<u>(463,295)</u>
OTHER FINANCING SOURCES AND (USES)				
Interfund Transfers In	178,566	2,191,547	1,499,677	3,869,790
Interfund Transfers Out	<u>(3,180,708)</u>	<u>(34,087)</u>	<u>(624,995)</u>	<u>(3,839,790)</u>
	<u>(3,002,142)</u>	<u>2,157,460</u>	<u>874,682</u>	<u>30,000</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(887,723)	597,956	(143,528)	(433,295)
Fund Balances - Beginning of Year	<u>14,133,689</u>	<u>1,205,221</u>	<u>702,285</u>	<u>16,041,195</u>
Fund Equity Transfer	<u>62,174</u>	<u>(62,174)</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 13,308,140</u>	<u>\$ 1,741,003</u>	<u>\$ 558,757</u>	<u>\$ 15,607,900</u>

See notes to financial statements.

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

Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds		\$ (433,295)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded the capital outlays in the period.</p>		
	Capital Outlays	\$ 2,566,399
	Depreciation Expense	3,887,220
		(1,320,821)
<p>Governmental funds report bond principal as an expenditure. However, in the Statement of Net Assets, the principal payments reduce the liability and do not result in an expense in the Statement of Activities.</p>		
		2,702,405
<p>Loss on Disposal of Assets</p>		
		(24,790)
<p>Bond premiums/discounts and issuance costs associated with long-term bonds are recognized as expenditures and other financing sources/uses in the governmental funds at the time the debt issued. However, those items are capitalized on the Statement of Net Assets and amortized over the life of the bonds on the Statement of Activities since they do not require the use of current financial resources.</p>		
<p>Amortization of Advanced Refunding Issuance Costs</p>		
		(26,762)
<p>Interest expenditures are reported when paid in the governmental funds, however, the total amount of interest incurred for the period is accrued and recognized in the government-wide financial statements. The net change in accrued interest is recognized as interest expense in the Statement of Activities.</p>		
		25,408
<p>In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick pay), special early termination benefits (early retirement) and OPEB costs - are measured by the amounts earned during the current period. In the governmental funds, however, expenditures for these items are measured by the amount of current financial resources used.</p>		
		(625,459)
<p>Long-term portions of accrued claims and judgments, and landfill monitoring liability are included in the outstanding liability in the Statement of Net Assets. Accordingly, the net change in the long-term portion is reported as a reduction to that liability rather than an expense in the Statement of Activities.</p>		
		(154,618)
<p>Change in Net Assets of Governmental Activities</p>		
		\$ 142,068

See notes to financial statements.

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

Year Ended June 30, 2012

	Business - Type Activities Enterprise Funds		
	Water	Sewer	Total
ASSETS			
CURRENT ASSETS			
Unrestricted Cash and Cash Equivalents	\$ 1,252,259	\$ 1,834,091	\$ 3,086,350
Accounts Receivable, Net of Allowance for Uncollectible Accounts	686,823	684,134	1,370,957
Due from Governmental Funds	11,387	30,957	42,344
Due from Other Governments	-	215,073	215,073
State and Federal Aid Receivables	68,130	116,931	185,061
Total Current Assets	<u>2,018,599</u>	<u>2,881,186</u>	<u>4,899,785</u>
NON-CURRENT ASSETS			
Restricted Cash and Cash Equivalents	186,889	812,503	999,392
Capital Assets, Net of Accumulated Depreciation	17,900,906	16,026,913	33,927,819
Total Non-Current Assets	<u>18,087,795</u>	<u>16,839,416</u>	<u>34,927,211</u>
TOTAL ASSETS	<u>\$ 20,106,394</u>	<u>\$ 19,720,602</u>	<u>\$ 39,826,996</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 59,581	\$ 101,553	\$ 161,134
Accrued Interest Payable	30,273	34,863	65,136
Retainage Payable	8,115	12,047	20,162
Accrued Liabilities	51,182	59,114	110,296
Compensated Absences	53,144	49,085	102,229
Due to Retirement System	61,276	48,335	109,611
Due to Governmental Funds	69,309	74,735	144,044
Due to Other Governments	190	-	190
Other Liabilities	11,999	-	11,999
Current Portion of Long-term Liabilities	400,450	451,294	851,744
Total Current Liabilities	<u>745,519</u>	<u>831,026</u>	<u>1,576,545</u>
LONG-TERM LIABILITIES			
Workers Compensation Liability	122,184	34,734	156,918
Other Post Employment Benefits Liability	640,620	435,796	1,076,416
Serial Bonds Payable	3,074,070	3,182,224	6,256,294
Less: Deferred Amount on Refunding	(7,782)	(733)	(8,515)
Total Long-Term Liabilities	<u>3,829,092</u>	<u>3,652,021</u>	<u>7,481,113</u>
Total Liabilities	<u>4,574,611</u>	<u>4,483,047</u>	<u>9,057,658</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	14,444,704	13,068,634	27,513,338
Restricted for Maintenance	117,093	-	117,093
Restricted for Debt	47,545	65,945	113,490
Unrestricted	922,441	2,102,976	3,025,417
Total Net Assets	<u>15,531,783</u>	<u>15,237,555</u>	<u>30,769,338</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,106,394</u>	<u>\$ 19,720,602</u>	<u>\$ 39,826,996</u>

See notes to financial statements.

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

Year Ended June 30, 2012

	Business - Type Activities Enterprise funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 3,496,034	\$ 3,860,929	\$ 7,356,963
Intergovernmental Charges	1,152,949	1,597,626	2,750,575
Other Operating Revenue	7,820	3,736	11,556
Total Operating Revenues	<u>4,656,803</u>	<u>5,462,291</u>	<u>10,119,094</u>
OPERATING EXPENSES			
Salaries, Wages and Employee Benefits	2,152,984	1,718,965	3,871,949
Contractual Services	1,466,348	1,760,890	3,227,238
Depreciation	666,164	679,165	1,345,329
Loss on Disposal of Fixed Asset	5,046	-	5,046
Total Operating Expenses	<u>4,290,542</u>	<u>4,159,020</u>	<u>8,449,562</u>
Income from Operations	<u>366,261</u>	<u>1,303,271</u>	<u>1,669,532</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Revenue	3,923	6,903	10,826
Interest Expense	(145,563)	(149,041)	(294,604)
Total Non-Operating Revenue (Expenses)	<u>(141,640)</u>	<u>(142,138)</u>	<u>(283,778)</u>
Income Before Contributions and Transfers	224,621	1,161,133	1,385,754
Capital Contributions	44,475	59,712	104,187
Transfers Out	(15,000)	(15,000)	(30,000)
Change in Net Assets	254,096	1,205,845	1,459,941
Net Assets - Beginning of Year	<u>15,277,687</u>	<u>14,031,710</u>	<u>29,309,397</u>
Net Assets - End of Year	<u>\$ 15,531,783</u>	<u>\$ 15,237,555</u>	<u>\$ 30,769,338</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2012

	Business - Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Cash Flows from Operating Activities			
Cash Received from Providing Services	\$ 4,755,672	\$ 5,303,439	\$ 10,059,111
Cash Payments for Contractual Expense	(1,461,556)	(1,818,809)	(3,280,365)
Cash Payments for Personal Services and Benefits	(1,980,489)	(1,611,637)	(3,592,126)
Other Operating Revenue	12,309	3,737	16,046
Net Cash Provided by Operating Activities	<u>1,325,936</u>	<u>1,876,730</u>	<u>3,202,666</u>
Cash Flows from Non-Capital Financing Activities			
Transfers to Other Funds	(15,000)	(15,000)	(30,000)
Cash Flows from Capital and Related Financing Activities			
Principal Paid on Capital Debt	(829,583)	(494,137)	(1,323,720)
Interest Paid on Capital Debt	(146,533)	(152,714)	(299,247)
Capital Grants	57,878	59,712	117,590
Net Cash (Used) by Capital and Related Financing Activities	<u>(918,238)</u>	<u>(587,139)</u>	<u>(1,505,377)</u>
Cash Flows from Investing Activities			
Purchase of Capital Assets	(263,763)	(1,067,399)	(1,331,162)
Interest Income	3,924	6,902	10,826
Net Cash (Used) by Investing Activities	<u>(259,839)</u>	<u>(1,060,497)</u>	<u>(1,320,336)</u>
Net Increase in Cash and Cash Equivalents	132,859	214,094	346,953
Cash and Cash Equivalents, Beginning of Year	\$ 1,306,289	\$ 2,432,500	\$ 3,738,789
Cash and Cash Equivalents, End of Year	<u>\$ 1,439,148</u>	<u>\$ 2,646,594</u>	<u>\$ 4,085,742</u>
Reconciliation of Income from Operations to Net			
Income from Operations	\$ 366,261	\$ 1,303,271	\$ 1,669,532
Depreciation	666,164	679,165	1,345,329
Loss on Disposal of Fixed Asset	5,046	-	5,046
Change in Assets			
Accounts Receivable	46,581	(67,450)	(20,869)
Due from Other Governments	61,487	(85,847)	(24,360)
Due from Other Funds	(1,677)	(1,817)	(3,494)
Due from Federal and State Governments	4,489	-	4,489
Prepaid Expenses	4,906	3,850	8,756
Change in Liabilities			
Accounts Payable	(1,616)	(57,618)	(59,234)
Accrued Liabilities	(5,869)	20,910	15,041
Compensated Absences	7,783	8,635	16,418
Due to Retirement System	12,071	9,719	21,790
Due to Other Governments	(804)	-	(804)
Other Liabilities	(12,850)	(24,119)	(36,969)
OPEB Liability	171,362	92,182	263,544
Customer Deposits and Overpayments	298	-	298
Due to Other Funds	2,304	(4,151)	(1,847)
Net Cash Provided by Operating Activities	<u>\$ 1,325,936</u>	<u>\$ 1,876,730</u>	<u>\$ 3,202,666</u>
Reconciliation of Total Cash and Cash Equivalents			
Current Assets - Unrestricted Cash and Cash Equivalents	\$ 1,252,259	\$ 1,834,091	\$ 3,086,350
Non-Current Assets - Restricted Cash and Cash Equivalents	186,889	812,503	999,392
Total Cash and Cash Equivalents	<u>\$ 1,439,148</u>	<u>\$ 2,646,594</u>	<u>\$ 4,085,742</u>

See notes to financial statements.

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

Year Ended June 30, 2012

	Private Purpose Trusts	Agency Funds	Total
ASSETS			
Cash and Cash Equivalents	\$ 45,768	\$ 109,364	\$ 155,132
TOTAL ASSETS	\$ 45,768	\$ 109,364	\$ 155,132
LIABILITIES			
Due to Governmental Funds	\$ -	\$ 2,700	\$ 2,700
Deposits Held and Due to Others	-	78,291	78,291
Cafeteria Plan	-	20,885	20,885
Other Accrued Liabilities	-	7,488	7,488
Total Liabilities	-	109,364	109,364
NET ASSETS			
Held in Trust for Other Purposes	15,942	-	15,942
Held in Trust for Scholarships	29,826	-	29,826
Total Net Assets	45,768	-	45,768
TOTAL LIABILITIES AND NET ASSETS	\$ 45,768	\$ 109,364	\$ 155,132

See notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

Year Ended June 30, 2012

	<u>Private Purpose Trusts</u>
ADDITIONS	
Interest Revenue	\$ 132
Total Additions	<u>132</u>
DEDUCTIONS	
Scholarships Awarded	<u>75</u>
Total Deductions	<u>75</u>
Change in Net Assets	57
Net Assets - Beginning of Year	<u>45,711</u>
Net Assets - End of Year	<u><u>\$ 45,768</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Financial Reporting Entity

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

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

The financial reporting entity consists of:

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Financial Reporting Entity - Continued

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

Watertown Empire Zone

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

The Trustees of Roswell P. Flower Memorial Library

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provides additional guidance to determine whether certain organizations for which the City is not financially accountable should be reported as component units based on the nature and significance of their relationship with the City. The decision to include a potential component unit in the City's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Trustees of the Roswell P. Flower Memorial Library is included as a discretely presented component unit.

Government-Wide and Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Government-Wide and Fund Financial Statements - Continued

Government-Wide Statements

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Government-Wide and Fund Financial Statements - Continued

Fund Financial Statements

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

1. Governmental Funds

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Government-Wide and Fund Financial Statements - Continued

Fund Financial Statements

2. Proprietary Funds

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

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

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

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

3. Fiduciary Funds

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Basis of Accounting / Measurement Focus

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

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

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

Property Taxes

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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 \$2,512 and is included in "Due to other Governments". A portion of the receivable \$366,221 is considered available and is included in liabilities as deferred revenues.

An allowance for uncollectible taxes of \$571,125 has been included in the General Fund accounts receivable balance at June 30, 2012.

Budget Policies

The budget policies are as follows:

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Budget Policies - Continued

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

Cash and Cash Equivalents

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

Receivables

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

Investments

Investments are stated at fair value.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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 Assets since it is anticipated that none of the liability will be liquidated with expendable available financial resources. Vacation time vests and may be accumulated from year-to year up to 10 days for management, civil service employees association members, police and electrical workers and 5 days for all other employees. The liability will be liquidated with expendable available financial resources; therefore, it is accounted for in the respective governmental fund type. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Insurance and Risk Management

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

1. General Liability - The City has a self-insurance program for general liability insurance. The reserved fund balance is recorded within the General Fund.
2. Workers' Compensation - On May 10, 1920 the City became self-insured for the purposes of providing benefits under the Workers Compensation Law of the State of New York. The City recognizes workers compensation expenditures when paid. Annual estimates are appropriated from the General and Enterprise funds, as determined by the City Council. An estimated liability of \$694,325 as of June 30, 2012 has been recorded on the Statement of Net Assets 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, 2012 were \$3,704.
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 \$100,000. The City has calculated a monthly premium equivalent based upon historical experience and projected costs that are billed to the respective funds on a monthly basis. An estimated liability of \$419,693 has been recorded in the self-insurance fund for claims incurred as of June 30, 2012 but not reported based upon historical experience.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Fund Balance

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES –

Continued

Fund Balance - Continued

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

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

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

NOTE 2 – CASH AND INVESTMENTS

State statutes govern the City investment policies. In addition, the City has its own written investment policy. City monies must be deposited in FDIC insured commercial banks or trust companies located within the state. The City Comptroller is authorized to use demand accounts, certificates of deposits and permissible investments. Permissible investments include obligations of the U.S. Government and its agencies, repurchase agreements, and obligations of the State of New York, obligations issued by any municipality, school district or corporation other than the City of Watertown and obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the State authorizes such investments. During the fiscal year ended June 30, 2012, the City limited its investments to demand and savings accounts and certificates of deposit.

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 2 – CASH AND INVESTMENTS - Continued

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

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

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

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

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

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

Total financial institution (bank) balances at June 30, 2012 per the banks were \$19,434,057. These deposits are categorized as follows:

	(a)		(b)		(c)
\$	1,063,007	\$	18,371,050	\$	-

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 2 – CASH AND INVESTMENTS - Continued

As of June 30, 2012, the City had the following investments:

Certificates of Deposit-Trust & Agency Funds	\$ 25,939
State and Local Government Series Securities	<u>57,629</u>
 Total	 <u>\$ 83,568</u>

NOTE 3 – CAPITAL ASSETS

A summary of the changes in capital assets for the fiscal year ended June 30, 2012 follows:

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Governmental Activities				
Non-Depreciable Capital Assets				
Land	\$ 2,599,900	\$ 1,385	\$ -	\$ 2,601,285
Construction in Progress	2,481,261	3,487,483	(2,132,864)	3,835,880
Total	<u>5,081,161</u>	<u>3,488,868</u>	<u>(2,132,864)</u>	<u>6,437,165</u>
Depreciable Capital Assets				
Land Improvements	7,953,883	124,230	-	8,078,113
Buildings and Improvements	30,523,949	222,753	-	30,746,702
Infrastructure	66,346,741	298,828	-	66,645,569
Machinery and Equipment	11,275,556	159,015	-	11,434,571
Vehicles	9,684,123	405,569	(231,372)	9,858,320
Total	<u>125,784,252</u>	<u>1,210,395</u>	<u>(231,372)</u>	<u>126,763,275</u>
Less: Accumulated Depreciation				
Land Improvements	5,703,228	188,492	-	5,891,720
Buildings and Improvements	11,280,673	698,252	-	11,978,925
Infrastructure	24,575,453	1,970,382	-	26,545,835
Machinery and Equipment	8,446,848	467,389	-	8,914,237
Vehicles	7,534,154	562,705	(206,582)	7,890,277
Total	<u>57,540,356</u>	<u>3,887,220</u>	<u>(206,582)</u>	<u>61,220,994</u>
Depreciable Capital Assets, Net	<u>68,243,896</u>	<u>(2,676,825)</u>	<u>(24,790)</u>	<u>65,542,281</u>
 Total	 <u>\$ 73,325,057</u>	 <u>\$ 812,043</u>	 <u>\$ (2,157,654)</u>	 <u>\$ 71,979,446</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 3 – CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

General Government Support	\$ 114,301
Hydroelectric Production	257,357
Police	119,205
Fire	384,803
Public Works	2,398,374
Bus	89,718
Library	120,070
Other Culture and Recreation	331,910
Refuse and recycling	71,482
Total	\$ 3,887,220

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Business-Type Activities				
Non-Depreciable Capital Assets				
Construction in Progress	\$ 736,393	\$ 1,151,932	\$ (1,606,339)	\$ 281,986
Total	<u>736,393</u>	<u>1,151,932</u>	<u>(1,606,339)</u>	<u>281,986</u>
Depreciable Capital Assets				
Land Improvements	250,568	-	-	250,568
Buildings and Improvements	27,358,675	-	-	27,358,675
Infrastructure	22,581,581	1,426,438	-	24,008,019
Machinery and Equipment	15,592,115	125,421	(21,623)	15,695,913
Vehicles	922,635	146,950	(14,842)	1,054,743
Total	<u>66,705,574</u>	<u>1,698,809</u>	<u>(36,465)</u>	<u>68,367,918</u>
Less: Accumulated Depreciation				
Land Improvements	242,602	3,114	-	245,716
Buildings and Improvements	13,951,031	540,674	-	14,491,705
Infrastructure	5,498,844	346,229	-	5,845,073
Machinery and Equipment	13,046,355	397,082	(16,577)	13,426,860
Vehicles	669,343	58,230	(14,842)	712,731
Total	<u>33,408,175</u>	<u>1,345,329</u>	<u>(31,419)</u>	<u>34,722,085</u>
Depreciable Capital Assets, Net	<u>33,297,399</u>	<u>353,480</u>	<u>(5,046)</u>	<u>33,645,833</u>
Total	\$ 34,033,792	\$ 1,505,412	\$ (1,611,385)	\$ 33,927,819

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 3 – CAPITAL ASSETS - Continued

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

Water	\$	666,164
Sewer		679,165
Total	\$	1,345,329

NOTE 4 – RESTRICTIONS ON ASSETS

Restricted Cash, Cash Equivalents and Investments

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

Fund	Restricted Balance	Restriction
General - Cash	\$ 67,270	Reserve for Duffy Fairgrounds Stadium repairs
General - Cash	\$ -	Reserve for capital projects
General - Cash	\$ 37,840	Reserve for special assessment sidewalk program debt
Special Revenue - Cash	\$ 91,771	Federal and State community development grants
Capital - Cash	\$ 2,145,322	Reserve for capital project acquisitions and construction
Water - Cash	\$ 117,093	Reserve for coagulation basin maintenance
Water - Cash	\$ 22,251	Reserve for capital project acquisitions and construction
Water - Cash	\$ 47,545	Excess debt proceeds reserved for debt service
Sewer - Cash	\$ 746,558	Reserve for capital project acquisitions and construction
Sewer - Cash	\$ 65,945	Excess debt proceeds reserved for debt service

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 5 – NOTES RECEIVABLE

To assist in the rehabilitation of homes of low and moderate-income persons, the City was awarded various grants for its "Housing Improvement Program". The purpose of this program is to improve living conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation and other necessary repairs will also be encouraged whenever assistance is provided under this program. Under the grant terms, eligible homeowners receive a grant and/or loan not to exceed \$20,000 using Community Redevelopment Block Grant funds. Grants are subject to repayment if the owner moves or sells the property within 5 years, prorated at 20% per year. Loans are repaid in monthly installments over a 5-year period and are subject to immediate repayment if the owner moves or sells the property. The loans are collateralized by a mortgage on the home. The grants are not collateralized. The balance of the total loans outstanding at June 30, 2012 was \$45,952. The balance of the grants subject to repayment at June 30, 2012 was \$1,017,504.

The City was awarded \$400,000 through a Fiscal Year 2005 Small Cities Community Development Block Grant to support a City-wide home ownership program that combines CDBG and North Country HOME Consortium funds to allow Neighbors of Watertown to purchase existing homes and rehabilitate those properties before selling them to qualified low or moderate income buyers who have completed a home ownership counseling program and secured appropriate bank mortgage financing. Under the grant terms, eighteen eligible homebuyers received a loan not exceeding \$20,000 to be repaid to the City at zero percent interest in monthly installments over twenty years. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. The balance of these loans outstanding at June 30, 2012 was \$299,697.

Additionally, the City issued a loan to a limited partnership using Community Development Block Grant Funds for rehabilitation to an apartment building. This loan is subordinate to existing mortgages, maturing 2024 and bearing interest at 6.25%. All accrued interest and principal are payable at maturity. The balance of this loan at June 30, 2012 was \$71,500. Deferred revenue has also been recorded equivalent to the amount of the loan outstanding.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 5 – NOTES RECEIVABLE - Continued

The City was awarded \$400,000 through a Fiscal Year 2008 Small Cities Community Development Block Grant to support a City-wide rental rehabilitation program to expand and preserve the supply of affordable housing in Watertown by promoting rehabilitation of existing substandard apartments throughout the City. Under the grant terms, eligible property owners would receive CDBG financing of eligible improvements up to a maximum of \$20,000. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program. The balance of the financing will be repaid over 5 years in monthly installments at a rate of \$18 per \$1,000. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. Grant expenditures for the fiscal year ending June 30, 2012 were \$24,404.

The City was awarded \$400,000 through a Fiscal Year 2009 Small Cities Community Development Block Grant to support a rental rehabilitation program to expand and preserve the supply of affordable housing in Watertown by promoting rehabilitation of existing substandard apartments or the creation of new apartments on the upper floors of commercial buildings in downtown Watertown. Under the grant terms, eligible property owners would receive CDBG funds in the form of direct grants to cover up to 75% of the cost of eligible improvements up to a maximum of \$15,000 per unit and the property owners will contribute cash to cover the balance of the cost. These funds will be available throughout the City but preference will be given to projects located in the downtown area. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program. The balance of the financing will be repaid in monthly installments over a term of up to 20 years at zero percent interest for downtown apartments and loans up to ten years at zero percent for City-wide rental rehabilitations. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. Grant expenditures for the fiscal year ending June 30, 2012 were \$221,905. The balance of the total loans outstanding at June 30, 2012 was \$100,317.

The City was awarded a North-Country HOME Consortium Fiscal Year 2009 and 2010 grant in the amount of \$244,887 to assist approximately twelve income eligible homeowners' repair their homes. The purpose of this program is to improve neighborhood conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation, and other necessary repairs will be encouraged to eliminate those problems where they adversely affect the property or the surrounding neighborhood whenever assistance is provided under this program. Grants of \$79,630 were awarded during the current year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 5 – NOTES RECEIVABLE - Continued

The City was awarded a North Country HOME Consortium Fiscal Year 2011 grant in the amount of \$121,824 to assist approximately five income eligible home-owners repair their homes. The purpose of this program is to improve neighborhood conditions in Watertown by promoting repair and rehabilitation of the local housing stock. The primary objective is to eliminate conditions that might become hazardous to the health or safety of local residents. Energy conservation improvements, historic preservation and other necessary repairs will be encouraged to eliminate those problems where they adversely affect the property or the surrounding neighborhood whenever assistance is provided under this program. Grants of \$93,907 were awarded during the current year.

The City was awarded \$400,000 through a Fiscal Year 2011 Small Cities Community Development Block Grant to support a program to rehabilitate existing substandard apartments throughout the City and create new apartments on the upper floors of commercial buildings in the downtown area. Under the grant terms, eligible property owners would receive CDBG funds in the form of direct grants to cover up to 75% of the cost of eligible improvements up to a maximum of \$15,000 per unit and the property owners will contribute cash to cover the balance of the cost. These funds will be available throughout the City but preference will be given to projects located in the downtown area. Fifty percent of the financing will be provided as a grant which will not be repaid as long as the property owner complies with all of the requirements of the program. The balance of the financing will be repaid in monthly installments over a term of up to 20 years at zero percent interest for downtown apartments and loans up to ten years at zero percent for City-wide rental rehabilitations. Loans are subject to repayment if the owner moves or sells the property before the end of the mortgage. Grant expenditures for the fiscal year ending June 30, 2012 were \$15,148. There were no loans issued as of June 30, 2012 for this grant.

NOTE 6 – SHORT-TERM DEBT

The City did not issue or retire any short-term debt during the fiscal year and had none outstanding at June 30, 2012.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 7 – LONG-TERM DEBT

During the year ended June 30, 2012, the following changes occurred in long-term obligations:

Governmental Activities

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
General Obligation Bonds	\$ 19,750,078	\$ -	\$ (2,658,116)	\$ 17,091,962	\$ 2,218,256
Compensated Absences	280,915	-	(51,378)	229,537	30,000
Landfill Monitoring	234,000	-	(18,000)	216,000	18,000
NYPA Loan Payable	44,289	-	(44,289)	-	-
Total	\$ 20,309,282	\$ -	\$ (2,771,783)	\$ 17,537,499	\$ 2,266,256

The Statement of Net Assets at June 30, 2012 includes a deferred amount of \$158,760 on the advance refunding of bonds.

Business-Type Activities

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
General Obligation Bonds:					
Water	\$ 4,304,103	\$ -	\$ (829,583)	\$ 3,474,520	\$ 400,450
Sewer	4,125,819	-	(492,301)	3,633,518	451,294
NYPA Loan Payable	1,836	-	(1,836)	-	-
Total	\$ 8,431,758	\$ -	\$ (1,323,720)	\$ 7,108,038	\$ 851,744

The Statement of Net Assets at June 30, 2012 includes a deferred amount of \$8,515 on the advance refunding of bonds.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 7 – LONG-TERM DEBT - Continued

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20 to 30 year serial bonds with equal amounts of principal maturing each year. General obligation bonds at June 30, 2012 are as follows:

	Interest Rate	Original Amount	Paid June 30, 2012	Outstanding June 30, 2012	Maturity Date
Sanitary and Storm Sewers	9.60%	\$ 2,330,000	\$ 75,000	\$ 325,000	12/2017
Public Improvements	6.30-6.375%	10,518,000	400,000	-	10/2011
Public Improvements	5.50-5.70%	3,599,000	150,000	-	10/2011
Public Improvements	5.25-5.60%	3,060,000	25,000	-	10/2011
Public Improvements	5.125-5.50%	6,105,000	20,000	20,000	6/2020
Public Improvements	4.00-5.00%	2,310,000	15,000	60,000	5/2021
Public Improvements	2.50-4.00%	2,155,000	165,000	-	3/2012
Public Improvements	2.75-4.25%	8,145,000	575,000	3,475,000	1/2024
Public Improvements	4.00-4.375%	5,700,000	400,000	3,300,000	11/2020
Public Improvements	4.625-7.5%	250,000	25,000	100,000	11/2015
Public Improvements	3.25-4.00%	7,345,000	625,000	4,525,000	2/2023
Public Improvements	2.50-3.25%	3,220,000	325,000	2,275,000	9/2018
Public Improvements	3.125-4.00%	2,225,000	225,000	1,800,000	12/2024
Public Imp. Refunding, Ser.A	2.00-4.00%	2,175,000	115,000	2,060,000	11/2025
Public Imp. Refunding, Ser.B	2.00-3.75%	1,635,000	345,000	1,025,000	5/2020
Public Imp. Refunding, Ser.C	2.00-6.00%	3,695,000	235,000	3,460,000	11/2022
Public Improvements	2.00-3.00%	2,035,000	260,000	1,775,000	6/2021
Total Serial Bonds			\$ 3,980,000	\$ 24,200,000	

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 7 – LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

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

Governmental Activities

	Principal	Interest	Total
2013	\$ 2,218,256	\$ 626,856	\$ 2,845,112
2014	2,057,988	555,144	2,613,132
2015	1,974,702	486,889	2,461,591
2016	1,819,702	418,429	2,238,131
2017	1,652,931	354,440	2,007,371
2018 - 2022	5,919,383	920,768	6,840,151
2023 - 2026	<u>1,449,000</u>	<u>87,900</u>	<u>1,536,900</u>
Totals	<u>\$ 17,091,962</u>	<u>\$ 3,450,426</u>	<u>\$ 20,542,388</u>

Business-type Activities

	Principal	Interest	Total
2013	\$ 851,744	\$ 255,289	\$ 1,107,033
2014	842,012	225,225	1,067,237
2015	825,298	195,642	1,020,940
2016	820,298	165,559	985,857
2017	802,069	135,150	937,219
2018 - 2022	2,720,617	289,281	3,009,898
2023 - 2027	<u>246,000</u>	<u>11,675</u>	<u>257,675</u>
Totals	<u>\$ 7,108,038</u>	<u>\$ 1,277,821</u>	<u>\$ 8,385,859</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 7 – LONG-TERM DEBT - Continued

Airport Debt

The City transferred ownership of the Watertown International Airport to Jefferson County on March 1, 2006. In accordance with the transfer agreement, Jefferson County provided the City with the necessary funds to retire all outstanding general obligation bonds as they mature. The City invested \$301,168 in State and Local Government Series securities with the proceeds received from Jefferson County in various amounts and at various interest rates, which will produce the funds necessary to meet the principal and interest obligations of the outstanding airport debt. The outstanding principal balance of airport debt at June 30, 2012 was \$ 56,558.

Advance Refunding

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 7 – LONG-TERM DEBT - Continued

Advance Refunding - Continued

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

NYPA Loan Payable

On June 1, 2002 New York Power Authority issued a loan in the amount of \$459,702 to the City of Watertown for 120 monthly payments at a variable interest rate which matured on May 1, 2012. The interest rates in effect for this fiscal year ranged from 0.51% at the start of the fiscal year to 0.88% at maturity.

NOTE 8 – DEFERRED REVENUE

General Fund	
Deferred Property Tax Revenue and Prepaid Interest	
Installments on Special Assessments	<u>\$ 433,908</u>
Capital Projects Fund	
Deferred State Aid and Other Miscellaneous Sources	<u>\$ 58,497</u>
Special Revenue Fund	
Notes receivable Funded from Grant Proceeds	<u>\$ 1,540,879</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 9 – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

Beginning in the fiscal year ended June 30, 2011, the Federal government made on-behalf of payments for the Early Retiree Reinsurance Program, which reimburses the City up to 80% of annual claims between \$15,000 and \$90,000 per person. The amount included in the gross expenditures for the Early Retiree Reinsurance Program for the current fiscal year was \$34,974. This temporary program, authorized under Section 1102 of the Patient Protection and Affordable Care Act of 2010, Public Law 111-148, ends January 1, 2014. Total amounts received to date from the program are \$335,926.

NOTE 10 – RETIREMENT BENEFITS

Plan Description

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

Funding Policy

The systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 10 – RETIREMENT BENEFITS- Continued

Funding Policy - Continued

The City of Watertown is required to contribute at an actuarially determined rate. The required contributions for New York State's current year ended March 31, 2012 and two preceding years were:

	FYE 6/30/12	FYE 6/30/11	FYE 6/30/10
Employer Contributions			
ERS	\$ 1,232,403	\$ 921,798	\$ 618,718
PFRS	\$ 1,936,189	\$ 1,367,396	\$ 1,127,720
Employee Contributions			
ERS	\$ 90,324	\$ 86,370	\$ 84,691
PFRS	\$ 1,136	\$ -	\$ -

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

Bonus Retirement Plan

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

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

The City has reported \$26,000 relating to this bonus retirement plan as part of the accrued compensated absences balance in the General Fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 11 – POST EMPLOYMENT BENEFITS

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

Plan Description

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

Funding Policy

The contribution requirements of the members and the City are established by the City's collective bargaining agreements with its various unions. The required contribution rate of the City and the members varies depending on the applicable agreement covering the retiree and retiree's date of hire. Contribution rates for retirees range from 0% to 25% of the monthly premium cost. The City currently pays for postemployment healthcare benefits on a pay-as-you-go basis. For the year ended June 30, 2012, the City contributed approximately \$6,355,488 to the plan for its share of the health insurance premiums while plan members receiving benefits contributed \$539,642.

Annual OPEB Cost and Net Obligation

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 11-- POST EMPLOYMENT BENEFITS- Continued

Annual OPEB Cost and Net Obligation - Continued

	Governmental Activities	Business-type Activities - Water Fund	Business-type Activities - Sewer Fund	Total
Annual Required Contribution (ARC)	\$ 4,192,474	\$ 292,962	\$ 238,391	\$ 4,723,827
Interest on Net OPEB Obligation	210,830	21,117	15,463	247,410
Adjustment to ARC	<u>(193,878)</u>	<u>(19,419)</u>	<u>(14,220)</u>	<u>(227,517)</u>
Annual OPEB Cost	4,209,426	294,660	239,634	4,743,720
Contributions Made	<u>(3,532,590)</u>	<u>(123,298)</u>	<u>(147,452)</u>	<u>(3,803,340)</u>
Change in Net OPEB Obligation	676,836	171,362	92,182	940,380
Net OPEB Obligation - Beginning of Year	<u>4,685,133</u>	<u>469,258</u>	<u>343,614</u>	<u>5,498,005</u>
Net OPEB Obligation - End of Year	<u>\$ 5,361,969</u>	<u>\$ 640,620</u>	<u>\$ 435,796</u>	<u>\$ 6,438,385</u>

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

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Governmental Activities	\$ 4,209,426	74.60%	\$ 5,361,969
Business-type Activities - Water Fund	\$ 294,660	35.04%	\$ 640,620
Business-type Activities - Sewer Fund	\$ 239,634	55.60%	\$ 435,796

Funded Status and Funding Progress

As of September 1, 2011, the most recent actuarial interim valuation date, the City's actuarial accrued liability for benefits was \$98,650,932 and there were no plan assets. The covered payroll (annual payroll budget of active employees eligible to be covered by the plan) was \$18,022,256 and the ratio of unfunded actuarial accrued liability to covered payroll was 547.38%.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 11 – POST EMPLOYMENT BENEFITS - Continued

Funded Status and Funding Progress - Continued

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

Actuarial Methods and Assumptions

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

In the September 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The plan's unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payrolls on an open basis. The actuarial assumptions include 4.5% investment rate of return and an inflation rate of 3.0%. The annual healthcare cost trend rate was 8.5% for the current fiscal year and decreasing to 8.0% for the following year and continuing to decrease 0.5% per fiscal year until the fiscal year ending June 30, 2018 and beyond where it was kept at 5.0%.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 12 – FUND BALANCES

Non-spendable Fund Balances

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

Restricted Fund Balances

Restricted fund balances consist of the following:

General Fund

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

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

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

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

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

Other Governmental Funds

Mandatory Reserve for Indebtedness - Pursuant to Section 165.00 of the Local Finance Law of the State of New York, the proceeds, which will not be used for the specific purpose of the borrowing, plus any interest earned or capital gain realized on these proceeds must be used only for payment of principal and/or interest from which these proceeds were derived. The total amount reserved for principal and interest at June 30, 2012 was \$359,908.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 12 – FUND BALANCES - Continued

Restricted Fund Balances - Continued

Proprietary Funds

Mandatory Reserve for Indebtedness - Pursuant to Section 165.00 of the Local Finance Law of the State of New York, the proceeds, which will not be used for the specific purpose of the borrowing, plus any interest earned or capital gain realized on these proceeds must be used only for payment of principal and/or interest from which these proceeds were derived. The total amount reserved for principal and interest in the water fund at June 30, 2012 was \$47,545. The total amount reserved for principal and interest in the sewer fund at June 30, 2012 was \$65,945.

Other Fund Balance Disclosures

Deficit Fund Balance

There were no funds with a deficit fund balance at June 30, 2012.

Excess of Expenditures over Appropriations

The General Fund's transfers to other funds for the fiscal year ended June 30, 2012 as presented in the Budgetary Comparison Schedule – General Fund exceeded appropriations by \$4,281 due to higher than anticipated claim costs of the City's self-funded health insurance plan.

NOTE 13 – INTERFUND TRANSACTIONS

Operating Transfers

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 13 – INTERFUND TRANSACTIONS - Continued

Operating Transfers- Continued

Inter-fund receivable and payable balances arising from these transactions as of June 30, 2012 were as follows:

	Inter-fund Receivable	Inter-fund Payable
General Fund	\$ 1,680,223	\$ 207,896
Water Fund	11,387	69,309
Sewer Fund	30,957	74,735
Library Fund	200,000	6,222
Capital Project Funds	-	1,561,705
Trust & Agency Fund	-	2,700
	<u>\$ 1,922,567</u>	<u>\$ 1,922,567</u>
Total	<u>\$ 1,922,567</u>	<u>\$ 1,922,567</u>

Inter-fund Eliminations

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

	General Fund	Self-funded Health Insurance Fund
Revenues	\$ -	\$ 5,488,609
Expenditures	5,488,609	-
	<u>\$ 5,488,609</u>	<u>\$ 5,488,609</u>
Total	<u>\$ 5,488,609</u>	<u>\$ 5,488,609</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 14 – OPERATING LEASES

State Street Parking Lot

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

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

2013	\$	2,600
2014		2,700
2015		2,800
2016		<u>2,900</u>
 Total	 \$	 <u>11,000</u>

Fairgrounds Property Lease

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

Minimum future rentals on the lease in the aggregate and for each of the next five years as of June 30, are as follows:

2013	\$	24,000
2014		24,900
2015		25,800
2016		25,800
2017		25,800
Thereafter		<u>512,507</u>
 Total	 \$	 <u>638,807</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 14 – OPERATING LEASES - Continued

Public Safety Building Lease

The City has entered into an amended Inter-municipal Agreement with the County of Jefferson, New York, for the joint operation and maintenance of a County/City Public Safety Building. Minimum annual lease payments are calculated on a pro rata basis of square footage utilized by the City and consist of the costs incurred for debt service, operation and maintenance expenses. These lease payments are offset by a percentage of the costs incurred by the City for the construction of the facility. Furthermore, the City is liable for a portion of the debt regardless of the City continuing the lease or not. Total rental expenditures for the year ended June 30, 2012 were \$366,008.

Estimated minimum future rental payments under the non-cancelable operating lease for each of the next three fiscal years and in the aggregate as of June 30, are as follows:

2013		\$	177,481
2014			167,518
2015			<u>157,555</u>
 Total		 \$	 <u>502,554</u>

Equipment Lease

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

2013		\$	2,596
2014			<u>433</u>
 Total		 \$	 <u>3,029</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 14 – OPERATING LEASES - Continued

Equipment Lease - Continued

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

2013	\$ 4,059
2014	<u>4,059</u>
 Total	 <u>\$ 8,118</u>

Vehicle Leases

The City is the lessor of certain police vehicles. The lease dated June 1, 2010 is for a term of three years. Minimum future rentals on the lease in the aggregate and for the next fiscal year as of June 30, are as follows:

2013	\$ <u>15,122</u>
 Total	 <u>\$ 15,122</u>

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 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, 2012, 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 \$238,262 as of June 30, 2012 for un-funded general liability claims.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 15 – COMMITMENTS AND CONTINGENCIES -

Continued

Grant Programs

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

Environmental Concerns

On April 27, 2007, the City acquired several parcels of property from Black Clawson known as Sewall's Island. On December 26, 2006, the City received a grant under the Environmental Restoration Program (ERP) from the New York State Department of Conservation for the investigation of the Sewall's Island project site. The ERP grant will provide \$705,540 towards the investigation phase of the project. The City's local share to the ERP grant will be funded from a U.S. Environmental Protection Agency Brownfields Pilot Program grant. The City Council has entered into a professional services contract for \$900,545 of which \$880,014 has been spent to date with Lu Engineers to prepare the investigation phase of the Environmental Restoration Program. As of June 30, 2012, 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, 2012, the City is not aware of any significant environmental problems that should be disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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, 2012, an estimated \$216,000 in post-closure care cost will be incurred over the remaining 12-year period. This liability is recorded as long-term debt in the Statement of Net Assets and is amortized in the General Fund at approximately \$18,000 each year.

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

Black River Fund

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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 balance in the fund as of June 30, 2012 was \$37,817.

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. Niagara Mohawk was to operate the existing municipal hydro plant at no cost to the City beginning January 1, 1991 and extending until removal of the plant from service for reconstruction.
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 Niagara Mohawk for a term not exceeding forty years.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 15 – COMMITMENTS AND CONTINGENCIES -

Continued

Watertown International Airport / Jefferson County Sales Tax Agreement

On May 3, 2004, the City agreed to a revised sales tax distribution with Jefferson County. Effective on September 1, 2004, Jefferson County increased the county's sales tax from 3.00% to 3.75%. Under the prior agreement, the City received 28% of the County sales tax collections. The City agreed to forego receiving distributions on the additional revenue for the first five quarters that the new tax rate is in effect, thus reducing its overall collection percentage of total sales tax collections to 22.4%. During the first five quarters, Jefferson County will retain all funds collected in excess of the original 3.00%. After the first five quarters, the City's overall collection percentage increases to 23.0% effective on December 1, 2005, to 23.5% effective December 1, 2006, and to 24.0% effective December 1, 2007.

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

On May 1, 2007 the Jefferson County Board of Legislators agreed to eliminate the 2% tax on residential energy sources and services effective September 1, 2007 and to absorb the full cost of providing emergency dispatch services to the City over a two year period beginning with a 50% reduction in charges in 2008 and a full reduction in 2009 and thereafter. The County agreed to these changes to gain the bipartisan support for the introduction of a bill in the State Legislature that extended the County's authorization to impose the additional three quarters of one percent (3/4%) rate of sales tax through November 30, 2009.

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

By resolution adopted January 24, 1990, the City Council approved a twenty year agreement, effective with the commencement of regular treated water deliveries, between the City and the Development Authority of the North Country (DANC), in order to produce and deliver treated fresh water to Fort Drum and future outside water districts. The Development Authority of the North Country and United States Army executed an agreement on January 16, 1990 for water services to Fort Drum and surrounding communities. On May 16, 1991, the City began delivering water to the Authority. Under a separate agreement, the City granted DANC the right to sell City water from the Fort Drum line to municipalities and water districts in Jefferson County. On November 7, 2011 City Council approved a new twenty year agreement for water services which combined the two agreements.

SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Resources (Inflows)				
Real Property Taxes	\$ 7,249,113	\$ 7,249,113	\$ 7,307,193	\$ 58,080
Real Property Tax Items	261,000	261,000	292,558	31,558
Non-Property Taxes	17,535,000	17,535,000	18,217,972	682,972
Departmental Income	4,569,350	4,569,350	4,321,479	(247,871)
Intergovernmental Charges	140,225	140,225	160,387	20,162
Use of Money and Property	145,910	145,910	103,682	(42,228)
Licenses and Permits	68,100	68,100	105,309	37,209
Fines and Forfeitures	120,000	120,000	131,737	11,737
Sale of Property and Compensation for Loss	278,100	301,956	560,378	258,422
Miscellaneous Local Sources	709,521	734,761	743,454	8,693
Interfund Revenue	968,443	926,124	993,026	66,902
State Source	5,556,410	5,556,410	5,368,524	(187,886)
Federal Sources	410,786	410,786	523,068	112,282
Transfers from Other Funds	106,900	106,900	178,566	71,666
Amounts Available for Appropriation	38,118,858	38,125,635	39,007,333	881,698
Charges to Appropriations (Outflows)				
General Government Support	5,652,249	5,385,721	5,231,571	154,150
Public Safety	14,361,253	14,710,109	14,383,533	326,576
Transportation	4,225,740	3,998,274	3,868,349	129,925
Economic Assistance and Development	128,600	133,600	118,984	14,616
Culture and Recreation	1,239,589	1,399,699	1,270,304	129,395
Home and Community Services	1,302,322	1,246,000	1,218,839	27,161
Employee Benefits	7,805,084	7,856,484	7,319,167	537,317
Debt Service	3,309,857	3,303,657	3,303,601	56
Transfers to Other Funds	2,669,677	3,176,427	3,180,708	(4,281)
Total Charges to Appropriations	40,694,371	41,209,971	39,895,056	1,314,915
Excess (Deficiency) of Resources Over Charges to Appropriations	(2,575,513)	(3,084,336)	(887,723)	2,196,613
Appropriation of Prior Year Fund Balance	2,575,513	3,084,336	-	(3,084,336)
Excess / (Deficiency) of Resources Over Charge to Appropriations	\$ -	\$ -	(887,723)	\$ (887,723)
Fund Balance, Beginning of Year			14,133,689	
Fund Equity Transfer			62,174	
Fund Balance, End of Year			\$ 13,308,140	

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2012

Federal Grantor/Program Title	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
US Department of Housing & Urban Development		
Community Development Block Grant / State's Loan	14.228	\$ 255,557
HOME Investment Partnerships Program	14.239	<u>197,941</u>
Total Department of Housing & Urban Development		453,498
US Department of Transportation		
Passed Through New York State:		
State and Community Highway Safety	20.600	8,131
Federal Transit Administration - Formula Grants for Other than Urbanized Areas	20.509	<u>132,959</u>
Total Department of Transportation		141,090
US Department of Homeland Security		
Homeland Security Grant Program	97.067	<u>33,718</u>
US Department of Commerce		
Passed Through New York State:		
Public Safety Interoperable Communications Grant	11.555	<u>805,369</u>
US Department of Energy		
Energy Efficiency and Conservation Block Grant Program	81.128	<u>49,761</u>
US Department of Justice		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15,229
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government	16.804	43,837
Bulletproof Vest Partnership Program	16.607	<u>5,560</u>
Total Department of Justice		64,626
TOTAL FEDERAL ASSISTANCE		<u><u>\$ 1,548,062</u></u>

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2012

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

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

NOTE 2 - COMMUNITY DEVELOPMENT BLOCK GRANT LOANS

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

CFDA #	Balance at July 1, 2011	Issuance	Forgiveness	Balance at June 30, 2012
14.228	\$ 878,201	\$ 418,038	\$ 278,735	\$ 1,017,504

NOTE 3 - SUBRECIPIENTS

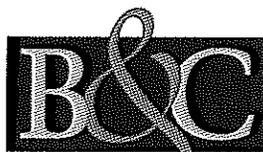
No amounts were provided to subrecipients.

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

Year Ended June 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/1/2008	\$ -	\$106,599,921	\$106,599,921	0%	\$ 15,321,802	695.74%
9/1/2009	-	106,324,770	106,324,770	0%	17,021,035	624.67%
9/1/2010	-	112,726,495	112,726,495	0%	17,329,092	650.50%
9/1/2011	-	98,650,932	98,650,932	0%	18,022,256	547.38%

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



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CERTIFIED PUBLIC ACCOUNTANTS * BUSINESS CONSULTANTS

**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 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, 2012, which collectively comprise City of Watertown, New York's basic financial statement and have issued our report thereon dated December 27, 2012. We did not audit the financial statements of Trustees of the Roswell P. Flower Memorial Library, which represents 100 percent of the City's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trustees of the Roswell P. Flower Memorial Library, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of City of Watertown, New York is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Watertown, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Watertown's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Watertown, New York's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

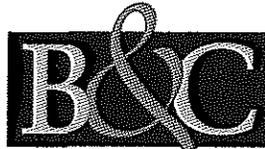
As part of obtaining reasonable assurance about whether the City of Watertown, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

Bowers & Company

Watertown, New York
December 27, 2012



**BOWERS & COMPANY
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CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR-A-133**

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

Compliance

We have audited the City of Watertown, New York's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Watertown, New York's management. Our responsibility is to express an opinion on City of Watertown, New York's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Watertown, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination of City of Watertown, New York's compliance with those requirements.

In our opinion, City of Watertown, New York complied, in all material respects, with the compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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Internal Control Over Compliance

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

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

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

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

Bowers & Company

Watertown, New York
December 27, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2012

NOTE A - SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of City of Watertown, New York
2. There were no significant deficiencies disclosed during the audit of the financial statements of the City of Watertown, New York.
3. No instances of noncompliance material to the financial statements of the City of Watertown, New York, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. There were no significant deficiencies in internal control disclosed during the audit of the major federal award programs of the City of Watertown, New York.
5. The auditor's report on compliance for the major federal award programs for the City of Watertown, New York expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major federal program included – Public Safety Interoperable Communications Grant - CFDA #11.555.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City of Watertown, New York was determined to be a low-risk auditee.

NOTE B - FINANCIAL STATEMENT AUDIT FINDINGS

There were no findings to report.

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

There were no findings to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2012

There were no prior year audit findings.



**BOWERS & COMPANY
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CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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

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

Compliance

We have audited the City of Watertown, New York's compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended June 30, 2012. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each program tested is the responsibility of City of Watertown, New York's management. Our responsibility is to express an opinion on City of Watertown, New York's compliance based on our audit.

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

In our opinion, City of Watertown, New York complied in all material respects with the requirements referred to above that are applicable to each of its state transportation assistance programs tested for the year ended June 30, 2012.

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Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

Schedule of State Transportation Assistance Expended

We have audited the financial statements of City of Watertown, New York as of and for the year ended June 30, 2012, and have issued our report thereon dated December 27, 2012. Our audit was conducted for the purpose of forming an opinion on City of Watertown, New York's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Bowers & Company

Watertown, New York
December 27, 2012

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

June 30, 2012

Program Title	Ref. Number	Expenditures
Consolidated Local Street and Highway Improvement Program Capital - Reimbursement / CHIPS	732059	\$ 336,326
Formula Grants for Other Than Urbanized Area - DPW Maintenance Facility	C003695	<u>270</u>
Total		<u>\$ 336,596</u>

See accompanying notes to schedule of state transportation assistance expended.

NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

June 30, 2012

NOTE A - GENERAL

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

NOTE B - BASIS OF ACCOUNTING

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

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

June 30, 2012

Summary of Audit Results

Internal control over state transportation assistance expended:

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

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

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

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

Compliance Findings and Questioned Costs

No matters were reported.

Res No. 1

January 8, 2013

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

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

In conformity with the requirements of the New York State Housing Law and the United States Housing Act, the City Council of the City of Watertown is being asked to approve salary increases for the employees of the Watertown Housing Authority (WHA). By correspondence dated January 2, 2013, the City was notified that the Watertown Housing Authority Board adopted a resolution establishing the cost of living increase for all employees at two percent (2%) for calendar year 2013.

A resolution approving the recommended two percent (2%) cost of living increase for all employees of the Watertown Housing Authority is attached for City Council consideration. A copy of the 2013 salary schedules for the WHA is attached for your review. Mr. Robare will be present at Monday's City Council meeting should the Council have any further questions regarding the WHA's recommendations.

RESOLUTION

Page 1 of 1

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

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

YEA	NAY

Total

Introduced by

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

WHEREAS the Watertown Housing Authority has reported that based on a comparability review of salaries for their employees with prevailing local government salaries, it is the desire of the Watertown Housing Authority Board to authorize a two percent (2%) cost of living increase for all employees effective January 1, 2013, and

WHEREAS by resolution adopted on December 20, 2012, the Watertown Housing Authority Board approved a two percent (2%) cost of living increase for all employees, effective January 1, 2013, by modification to its existing Administrative and Maintenance salary structures,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the 2013 salary structure for all employees of the Watertown Housing Authority which contains a two percent (2%) cost of living increase, effective January 1, 2013, salary structures are attached and made part of this resolution and

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

Seconded by

Step System (Administration) that will become effective January 1, 2013

Watertown Housing Authority

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

2013 COLA = 2.0%

POSITION	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
MANAGEMENT EMPLOYEES								
Executive Assistant (Salary)	\$39,604	\$40,991	\$42,425	\$43,910	\$45,447	\$47,038	\$48,684	\$50,388
Executive Assistant (Hourly)	\$21.76	\$22.52	\$23.31	\$24.13	\$24.97	\$25.84	\$26.75	\$27.69
Mod. & Maint. Manager (Salary)	\$48,134	\$49,819	\$51,563	\$53,367	\$55,235	\$57,168	\$59,169	\$61,240
Mod. & Maint. Manager (Hourly)	\$26.45	\$27.37	\$28.33	\$29.32	\$30.35	\$31.41	\$32.51	\$33.65
Occ. Supervisor (Salary)	\$40,346	\$41,758	\$43,219	\$44,732	\$46,297	\$47,918	\$49,595	\$51,331
Occ. Supervisor (Hourly)	\$22.17	\$22.94	\$23.75	\$24.58	\$25.44	\$26.33	\$27.25	\$28.20
Accounting Supervisor (Salary)	\$42,426	\$43,911	\$45,448	\$47,039	\$48,685	\$50,389	\$52,152	\$53,978
Accounting Supervisor (Hourly)	\$23.31	\$24.13	\$24.97	\$25.85	\$26.75	\$27.69	\$28.66	\$29.66
NON - MANAGEMENT EMPLOYEES								
Occupancy Clerks								
Clerks (Salary)	\$24,163	\$25,009	\$25,884	\$26,790	\$27,727	\$28,698	\$29,702	\$30,742
Clerks (Hourly)	\$13.28	\$13.74	\$14.22	\$14.72	\$15.23	\$15.77	\$16.32	\$16.89
Senior Occupancy Clerks								
Senior Clerks (Salary)	\$26,729	\$27,664	\$28,633	\$29,635	\$30,672	\$31,746	\$32,857	\$34,007
Senior Clerks (Hourly)	\$14.69	\$15.20	\$15.73	\$16.28	\$16.85	\$17.44	\$18.05	\$18.68
Account Clerk								
Acct. Clerk (Salary)	\$27,470	\$28,431	\$29,426	\$30,456	\$31,522	\$32,626	\$33,767	\$34,949
Acct. Clerk (Hourly)	\$15.09	\$15.62	\$16.17	\$16.73	\$17.32	\$17.93	\$18.55	\$19.20
Senior Account Clerk								
Senior Account Clerk (Salary)	\$31,834	\$32,948	\$34,102	\$35,295	\$36,530	\$37,809	\$39,132	\$40,502
Senior Account Clerk (Hourly)	\$17.49	\$18.10	\$18.74	\$19.39	\$20.07	\$20.77	\$21.50	\$22.25
Tenant Relations Coord.								
Ten. Rel. Coord. (Salary)	\$29,162	\$30,182	\$31,239	\$32,332	\$33,464	\$34,635	\$35,847	\$37,102
Ten. Rel. Coord. (Hourly)	\$16.02	\$16.58	\$17.16	\$17.76	\$18.39	\$19.03	\$19.70	\$20.39
Modernization Aide								
Mod. Aide (Salary)	\$29,755	\$30,797	\$31,875	\$32,990	\$34,145	\$35,340	\$36,577	\$37,857
Mod. Aide (Hourly)	\$16.35	\$16.92	\$17.51	\$18.13	\$18.76	\$19.42	\$20.10	\$20.80
Information Tech. Specialist								
Info. Tech. Specialist (Salary)	\$36,803	\$38,091	\$39,424	\$40,804	\$42,232	\$43,711	\$45,240	\$46,824
Info. Tech. Specialist (Hourly)	\$20.22	\$20.93	\$21.66	\$22.42	\$23.20	\$24.02	\$24.86	\$25.73
Stock Attendant								
Stock Attendant (Salary)	\$28,989	\$30,003	\$31,054	\$32,140	\$33,265	\$34,430	\$35,635	\$36,882
Stock Attendant (Hourly)	\$13.94	\$14.42	\$14.93	\$15.45	\$15.99	\$16.55	\$17.13	\$17.73
Building Inspector								
Building Inspector (Salary)	\$38,418	\$39,763	\$41,154	\$42,595	\$44,086	\$45,629	\$47,226	\$48,878
Building Inspector (Hourly)	\$18.47	\$19.12	\$19.79	\$20.48	\$21.19	\$21.94	\$22.70	\$23.50

Step System (Maintenance) that will become effective January 1, 2013

Watertown Housing Authority

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

2013 COLA = 2.0%

POSITION	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
<u>Painters/Cleaners</u>										
Painters & Cleaners (Salary)	\$24,770	\$25,637	\$26,535	\$27,463	\$28,425	\$29,419	\$30,449	\$31,515	\$32,618	\$33,760
Painters & Cleaners (Hourly)	\$11.91	\$12.33	\$12.76	\$13.20	\$13.67	\$14.14	\$14.64	\$15.15	\$15.68	\$16.23
<u>Building Maintenance Worker</u>										
Building Maintenance (Salary)	\$27,225	\$28,178	\$29,164	\$30,185	\$31,242	\$32,335	\$33,467	\$34,638	\$35,850	\$37,105
Building Maintenance (Hourly)	\$13.09	\$13.55	\$14.02	\$14.51	\$15.02	\$15.55	\$16.09	\$16.65	\$17.24	\$17.84
<u>Crew Chief</u>										
Crew Chief (Salary)	\$34,809	\$36,027	\$37,288	\$38,593	\$39,944	\$41,342	\$42,789	\$44,286	\$45,836	\$47,441
Crew Chief (Hourly)	\$16.73	\$17.32	\$17.93	\$18.55	\$19.20	\$19.88	\$20.57	\$21.29	\$22.04	\$22.81

Watertown Housing AUTHORITY



January 2, 2013

East Hills

Maywood
Terrace

Skyline
Apartments

Hilltop
Towers

Midtown
Towers

LeRay St.
Apartments

Meadowbrook
Apartments

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

Re: Annual Salary Comparability Approval by City Council

Dear Ms. Addison:

As required by the New York State Public Housing Law and the New York State Housing Act, the City Council of the City of Watertown needs to approve any salary changes for the Watertown Housing Authority (WHA) employees based on the comparability with prevailing local government wages. Recently at its regular meeting that was held at Midtown Towers, 142 Mechanic Street, Watertown, New York on Thursday, December 20, 2012, the WHA Board of Commissioners approved a 2% cost of living adjustment effective January 1, 2013.

The WHA Board is requesting a resolution by the City Council of Watertown approving the 2% cost of living adjustment effective January 1, 2013. A copy of the WHA's Board resolution and salary structure are enclosed for your review.

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

Sincerely,

Michael Robare
Executive Director

Cc: Jeffrey Graham, City Mayor



Providing Decent, Safe and Affordable Housing

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

WATERTOWN HOUSING AUTHORITY

Administrative Office
142 Mechanic Street
Watertown, NY 13601

Resolution #2012-35

The following Resolution was moved by Nickolas Darling, seconded by Carol LaValley and unanimously carried:

BE IT RESOLVED that the Board of Commissioners of the Watertown Housing Authority hereby approve a 2% Cost of Living increase for all Watertown Housing Authority employees effective January 1st, 2013.

I hereby certify that the foregoing is a true copy and the whole of said Resolution adopted by the Watertown Housing Authority of December 20th, 2012, and that said meeting was regularly called and duly constituted.

Witness my hand and seal of the Watertown Housing Authority this 20th day of December, 2012.

S
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Michael Robare, Executive Director

Res No. 2

January 14, 2013

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Approving Change Order No. 1 to Agreement for Replacement of Multi-media Filters at the Water Treatment Plant, Anthrafilter Filter Media

On September 4, 2012, the City Council accepted a bid submitted by Anthrafilter Filter Media for replacement of five (5) multi-media filters at the Water Treatment Plant in the amount of \$312,750.41.

City Engineer Kurt W. Hauk has now submitted Change Order No. 1 to this contract. As stated in Mr. Hauk's attached report, this Change Order is required as it was discovered that there are broken underdrain tiles. The additional amount for this work is \$3,080.00, bringing the total contract price to \$315,830.41. City Council approved a \$600,000 bond ordinance to fund this project on November 7, 2011.

A resolution approving Change Order No. 1 to the contract with Anthrafilter Filter Media for replacement of five (5) multi-media filters at the Water Treatment Plant has been prepared for City Council consideration.

RESOLUTION

Page 1 of 1

Approving Change Order No. 1 to Agreement for Replacement of Multi-media Filters at the Water Treatment Plant, Anthrafilter Filter Media

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

YEA	NAY

Total

Introduced by

WHEREAS on September 4, 2012, the City Council accepted a bid submitted by Anthrafilter Filter Media for replacement of five (5) multi-media filters at the Water Treatment Plant in the amount of \$312,750.41, and

WHEREAS City Engineer Kurt W. Hauk has submitted Change Order No. 1 to that contract for consideration by the City Council, and

WHEREAS Change Order No. 1 results in an additional charge of \$3,080.00, bringing the final contract amount to \$315,830.41,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown approves Change Order No. 1 to the contract Anthrafilter Filter Media for replacement of five (5) multi-media filters at the Water Treatment Plant in the amount of \$315,830.41, a copy of which is attached and made a part of this resolution, and

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

Seconded by



CHANGE ORDER NO. 1

**CITY OF WATERTOWN
FILTER MEDIA REHABILITATION**

Owner:
City of Watertown

Contractor:
Anthrafilter, US, Inc.

Engineer:
CRA Infrastructure & Engineering, Inc.

Description of Change(s):

1. Contractor shall furnish materials and labor for the repair of the damaged underdrain tile (see attachments).

Reason for Change(s):

1. Unforeseen conditions, broken tile discovered upon media removal.

Compensation(s):

Item	Credit	Additional
1.	\$0.00	\$3,080.00
Subtotals	\$0.00	\$3,080.00
Total This Change Order		\$3,080.00

Contract Summary:

Current Contract Amount	\$312,750.41
Total this Change Order	\$3,080.00
Revised Contract Amount	\$315,830.41

Authorizations:

_____ City of Watertown	_____ Date
 _____ Anthrafilter, US, Inc.	 _____ Date
 _____ CRA Infrastructure & Engineering, Inc.	 _____ Date



CITY OF WATERTOWN
ENGINEERING DEPARTMENT
MEMORANDUM

DATE: January 11, 2013

TO: Sharon Addison, City Manager

FROM: Kurt W. Hauk, City Engineer

SUBJECT: Water Treatment Plant Filter Media Rehabilitation Change Order #1

Enclosed is Change Order #1 for the Filter Media Rehab Project in the amount of \$3,080.00. The enclosed memorandum explains the reason for the additional work. The contract price will be adjusted to \$315,830.41.

Please prepare a resolution for Council consideration.

cc: Mike Sligar, Water Superintendent
Jim Mills, Comptroller
File



CITY OF WATERTOWN
ENGINEERING DEPARTMENT
MEMORANDUM

DATE: 8 January 2013

TO: Kurt Hauk, City Engineer

FROM: Justin Wood, Civil Engineer II *JW*

SUBJECT: Water Treatment Plant Filter Media Rehabilitation – Change Order #1

Change Order #1, for the WTP Filter Media Rehabilitation Project, will increase the total contract price by \$3,080.00, from \$312,750.41 to \$315,830.41. In accordance with Article 12 of the General Conditions in the contract documents, the contract price can be changed by a Change Order or written amendment for a mutually agreed lump sum with an allowance for overhead and profit.

Anthrafilter, US, Inc. was awarded the \$312,750.41 contract on September 4, 2012 to complete the rehabilitation of five filter cells at the City of Watertown Water Treatment Plant. The project commenced on October 13, 2012 with rehabilitation of the first filter cell. Removal of media in the second filter cell began in November, and led to the discovery of a broken underdrain tile. The underdrain tiles have small circular holes in them which allow filtered water to drain down by gravity. When back wash operations are performed to clean the media, water is forced upward through the media under pressure. The broken underdrain tile, if left unrepaired, would have resulted in a loss of filter media over time, and therefore a shortened lifespan.

Before any new media could be placed in the empty filter cell, the underdrain tile had to be repaired. Anthrafilter hired a subconsultant, Koester Associates, to perform the repair by installing a steel plate, with eurothane sealant and steel anchors over the damaged tile. The repair was inspected by the City's engineering consultant, CRA Infrastructure & Engineering, Inc. and deemed acceptable.

There are three remaining filter cells, which must be rehabilitated, and there exists the possibility that more damaged underdrain tiles will be found. However, ten days after the Application for Payment has been made by the contractor, the City is obligated to make the payment. It has been almost four weeks since Change Order #1 was submitted to the City, because the contractor agreed to wait until the third filter cell was inspected for underdrain tile damage. The third filter cell is in good condition and it appears only minor grout repairs will be needed, and no additional costs are anticipated. Since the last of the three remaining filter cells will not be fully rehabilitated until mid February, and payment for this change order would be postponed until then, Change Order #1 is being presented at this time for City Council's approval.

Cc: Mike Sligar, Water Superintendent
Brian Gaffney, Chief Water Treatment Plant Operator



4992 Sweet Home Road,
Niagara Falls, N.Y. 14305
Phone: 716-285-5680
Fax: 716-285-5681
Email: swildey@anthrafilter.net
Anthracite Filter Media, Filter Sands &
Gravels, Carbon, Garnet, Ilmenite,
Filter Media Removal and Installation.

Fax

To: Conestoga-Rovers & Associates
Attention: Eric Haslam

From: Steve Wildey

Email: ehaslam@CRAworld.com

Pages: 1

Phone: 315-440-9750

Date: 11/29/2012

Eric,

Reference: Underdrain Repair – Watertown, NY

As you are aware, we have been in contact with Eric Koester of Koester Associates regarding the underdrain repair in Filter No. 1 at the Watertown Water Treatment Plant. Their forces will supply and install the materials listed below.

- 1) One 6 x 7 x ¼" Stainless Steel Plate
- 2) Three Stainless Steel Anchors
- 3) Eurothane Sealant

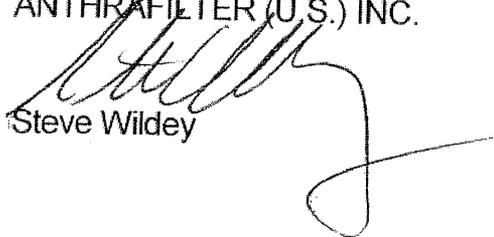
The cost for this project would be \$ 3,080.00.

Once a change order has been issued, we will proceed at once.

If you have any questions, please call.

Thank you.

Yours truly
ANTHRAFILTER (U.S.) INC.


Steve Wildey



Sales • Application • Implementation
Retrofits • Service

Supplying Equipment and Solutions for Water and Wastewater

QUOTATION

December 4, 2012

To: Steve Wildey

E-mail: swildey@anthrafilter.net
Phone: 716-285-5680

We are pleased to offer the following quotation:

Labor:	\$1946		
	Initial consultation with Leopold	(1)	\$ 95
	Shop preparation	(2)	\$190
	Local equipment procurement	(2)	\$190
	(2) Technicians on site for	(4)	\$760
	(2) Techs Travel Time	(3)	\$570
	Certified Safety equipment		\$141

Materials: \$ 128

Travel: \$ 260

Profit: \$ 466

All services will be performed by confined space trained, OSHA Certified technicians.

- Total Price: \$ 2800 includes all travel, material, labor, and expenses.
- Standard Terms and Conditions, on the attached page, are incorporated in this quotation. Except for shipping charges, which may be subject to change at date of shipment, prices quoted shall remain firm 60 days. Payment is due net 30 days after shipment. No holdbacks or credits will be allowed.

Accepted on (Insert Date): _____

Purchaser: _____

Address: _____

Accepted by KAI on date: _____

Prepared by: *Eric Koester*

Koester Associates, Inc.
3101 Seneca Turnpike
Canastota, NY 13032
(315) 697-3800 phone
(315) 697-3888 fax

Canastota | Buffalo | Rochester | Kinnelon, NJ*
3101 Seneca Turnpike | Canastota, New York 13032
Phone: 315-697-3800 | Fax: 315-697-3888
service@koesterassociates.com | www.koesterassociates.com

* TASCOC Associates, LLP is a Koester Associates, Inc Company

Knowledgeable. Caring. Loyal. Excellence. Delivered!

TERMS AND CONDITIONS

An order will constitute a contract between the Company and the Buyer when accepted in writing by the Company at its home office in Canastota, NY. A contract resulting from the acceptance of an order may be canceled or altered by the Buyer only if agreed to in writing by the Company at its home office, subject to payment of reasonable charges necessary to protect the Company from loss. Until accepted, as provided herein, an order shall constitute an offer to purchase. Neither the acceptance of any deposit made with an order nor the cashing of any check or other instrument therefore, nor the holding of such deposit by the Company shall be deemed an acceptance of an order, but if the order is not accepted, the Company will promptly refund such deposit.

The Company shall not be liable for any failure to make delivery, for late delivery, or other default by reason of any occurrence or contingency beyond the reasonable control of the Company or of any of its sources of supply or for failure to give notice of any delay. In the event of any such occurrence or contingency, the Company may extend delivery schedules or may, at its option, cancel the order in whole or in part without the liability other than to return any deposit or pre-payment should the whole order be canceled.

The Buyer will reimburse the Company for all taxes, excises and similar charges based upon or measured by the production, storage, sale, transportation or use of the products described herein.

The Company warrants that the products (except products made by the Company to drawings or specifications of the Buyer) will not in themselves infringe any United States patent, but the Company assumes no obligation in regard to patent infringement resulting from the use of the products in combination with equipment or other products not furnished by the Company. Liability under this warranty is limited to the aggregate amount (exclusive of taxes and transportation) to be paid hereunder and is conditioned upon the Buyer's giving the Company prompt written notice of any claim of patent infringement and granting the Company exclusive control of the settlement or litigation thereof.

The Company shall not be bound by any terms, conditions, or representations, which are not stated herein.

The Company shall not be obligated to perform hereunder if, at any time, Buyer's credit rating becomes impaired.

The Company shall retain a security interest in the products supplied hereunder to secure performance of Buyer's obligations and Buyers shall execute all financing statements and other instruments that the Company deems necessary to protect its security interest. If the Buyer defaults in any of its obligations hereunder or is unable to pay its debts as they mature, the Company shall have the right to repossess the products or cancel unshipped balances with or without resort to legal process.

All material is sold F.O.B. shipping point and title and risk of loss passes to Buyer on delivery to the common carrier at shipping point. Orders for replacement material must be a new purchase order.

The Buyer shall have the right to inspect the products prior to payment and acceptance and if Buyer's inspection reveals any defects in the products, Buyer shall notify the Company within thirty (30) days after receipt of the products of any claim Buyer might have concerning such defects. Buyer's failure to notify the Company within such thirty-day period shall constitute a waiver by Buyer of all claims covering such defects in the products.

The Company's acceptance of order cancellation or order reduction requests is conditioned upon receiving Buyer's written agreement to assume termination charges.

The Company reserves the right to refuse to accept any order which does not meet quantity requirements which the Company may establish for any given product or group of products.

Prices are based on quality levels commensurate with normal processing. If a different quality level is required, Buyer must specify the requirements and pay any additional costs that may be applicable.

The Company reserves the right to correct clerical or stenographic errors or omissions.

THE PRODUCT WARRANTY IS AS SUBMITTED HERewith. NO OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WILL APPLY.

The terms of this agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York.

The foregoing terms and conditions will prevail notwithstanding any variance with the terms and conditions of Buyer's order for the products.

Res No. 3

January 14, 2013

To: The Honorable Mayor and City Council

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

Subject: Approving the Agreement with New York State Housing Trust Fund Corporation for a 2012 Small Cities Community Development Block Grant

The New York State Housing Trust Fund Corporation represented by the Office of Community Renewal has awarded funding to the City of Watertown for our 2012 Small Cities Community Development Block Grant application in the amount of \$400,000.

The funds will be used to rehabilitate existing substandard apartments throughout the City and create new apartments on the upper floors of commercial buildings in the downtown area.

Attached is a copy of the Grant Agreement. The resolution prepared for City Council consideration approves the Grant Agreement and authorizes the Mayor to sign the Agreement and any other certifications or documents required to accept the Grant and administer the program.

RESOLUTION

Page 1 of 1

Approving Agreement with New York State
Housing Trust Fund Corporation for a 2012
Small Cities Community Development Block Grant

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

Total

YEA	NAY

Introduced by

WHEREAS by resolution adopted May 7, 2012 the City Council authorized an application to the Community Development Block Grant Small Cities Program to secure funding for the rehabilitation of existing substandard apartments throughout the City and the creation of new apartments on the upper floors of commercial buildings in the downtown area, and

WHEREAS the City was awarded a grant for this application in the amount of \$400,000, and

WHEREAS it is necessary to enter into a formal agreement with the New York State Housing Trust Fund Corporation represented by the Office of Community Renewal, a copy of which is attached and made part of this resolution,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown that it hereby approves the Small Cities Community Development Block Grant Agreement between the City of Watertown and the New York State Housing Trust Fund Corporation represented by the Office of Community Renewal for the 2012 Small Cities Community Development Block Grant in the amount of \$400,000, and

BE IT FURTHER RESOLVED that the Mayor Jeffrey E. Graham is hereby authorized and directed to execute the Agreement and any other certifications or documents required to accept the grant and administer the program.

Seconded by

**NEW YORK STATE
COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT**

AGREEMENT, made effective as of the 20th day of December, 2012, between the New York State Housing Trust Fund Corporation, represented by the Office of Community Renewal (collectively the "Corporation"), with offices at 38-40 State Street, Hampton Plaza, 9th Floor, Albany, New York, 12207, and the City of Watertown ("Recipient"), a unit of general local government, with offices at 245 Washington Street, Room 302A, Watertown, New York 13601.

WHEREAS, pursuant to title I of the Housing and Community Development Act of 1974, as amended ("Act"), the Corporation is authorized to administer and distribute Community Development Block Grant ("CDBG") funds to units of general local government in non-entitlement areas located in the State of New York ("State"); and

WHEREAS, the Recipient has applied to the Corporation for CDBG funds to finance the community development activities ("Project") described in the Recipient's Program Year 2012 Grant application ("Application"); and

WHEREAS, the Corporation has selected the Recipient to receive an award in the maximum amount of \$400,000 ("Grant Funds").

NOW, THEREFORE, the parties agree that the Grant Funds will be administered in accordance with the following terms and conditions:

1. **Contents of Agreement.** The following documents are incorporated by reference into this Agreement as if fully set out herein: **a)** the Recipient's approved Application and accompanying submissions, as modified by the terms of this Agreement or any subsequent amendment approved by the Corporation; **b)** the Corporation's CDBG Grant Administration Manual and its Program Guidelines (as now in effect and as may be revised from time to time); **c)** applicable Federal and State laws and regulations, as may be amended, including, but not limited to, Department of Housing and Urban Development ("HUD") regulations found at 24 CFR Part 570; **d)** Schedule A, "Special Conditions", and Schedule B, "Awarded

Budget and Projected Accomplishments", attached hereto.

2. **Recipient Performance.** a) The Recipient agrees to utilize Grant Funds only to implement the activities described in, and in accordance with the terms of: (i) the Recipient's Application, as amended by the Special Conditions attached as Schedule A; (ii) this Agreement; and (iii) all applicable State and Federal laws and regulations. This provision shall survive the termination or expiration of this Agreement. b) The period of performance for all activities (with the exception of those activities required for the close out and final audit) assisted pursuant to this Agreement shall commence on the effective date of this Agreement and shall end December 19, 2014.
3. **Grant Funds.** a) The amount of Grant Funds that the Corporation has agreed to provide the Recipient under this Agreement is expressly conditioned upon the Corporation's receipt of CDBG funds from HUD pursuant to the Act. b) The Grant Funds to be disbursed hereunder shall not exceed the amount first set forth in this Agreement, and any additional funds required to complete the Project will be the sole responsibility of the Recipient. c) The Grant Funds are based upon the cost estimates provided by the Recipient in its Application. The Corporation reserves the right to reduce the Grant Funds: (i) to conform to any revision to which the parties may agree with respect to the Recipient's Application; or (ii) if the actual costs for the approved activities are less than those budgeted for in the Recipient's Application.
4. **Disbursement of Grant Funds.** a) The Recipient is authorized to request Grant Funds only in accordance with the provisions of this Agreement and the procedures established by the Corporation. No payment by the Corporation of an improper or unauthorized request shall constitute a waiver of the Corporation's right to: (i) challenge the validity of such payment; (ii) enforce all rights and remedies set forth in this Agreement; or (iii) take corrective or remedial administrative action including, without limitation, suspension or termination of the Recipient's funding under this Agreement. b) The Recipient shall certify with each request for Grant Funds that: (i) all statements and representations previously made regarding this Agreement are correct and complete; and (ii) the funds do not duplicate reimbursement of costs and services from any other source. c) The use of Grant Funds is conditioned upon the Recipient incurring costs permitted under the terms of this Agreement or as otherwise approved by the Corporation in writing. The Recipient shall not incur costs to be charged against Grant Funds until all Environmental Conditions of 24 CFR Part 58 have been fully satisfied and the Corporation has issued the environmental clearance required thereunder, unless the activity is exempt under section 58.34 or falls under a categorical exclusion listed in section 58.35(b).
5. **Use of Grant Funds to Make Loans.** If the Recipient utilizes Grant Funds to make loans and this Agreement is terminated, or if there is a finding by the Corporation of deficient performance or inadequate management capacity by the Recipient, the

Corporation shall have the right to require that all payments due under the loan be paid directly to the Corporation, and the Corporation shall be entitled to all rights and remedies under any loan documents between the Recipient and the borrower. The following language must be inserted into every Promissory Note that evidences a loan of Grant Funds by the Recipient:

"The Lender, in consideration of the Community Development Block Grant ("CDBG") awarded to it by the New York State Housing Trust Fund Corporation ("HTFC"), assigns all of its rights and remedies under this Promissory Note to HTFC. In the event (i) the CDBG Agreement entered into between the Lender and HTFC is terminated for any reason, or (ii) HTFC, in its sole and absolute discretion, finds deficient performance or inadequate management capacity on the part of the Lender, HTFC shall have the right to notify the Debtor under this Promissory Note to make payment directly to HTFC, and to enforce any and all obligations of the Debtor under this Promissory Note or any other loan instrument executed in connection herewith. Until such time as HTFC elects to exercise such rights by mailing to Lender and Debtor written notice thereof, Lender is authorized to collect payments and enforce all rights under this Promissory Note."

6. **Subcontracts.** The Recipient shall: **a)** require any participating subrecipient, contractor, subcontractor, or agent ("Third Party") to comply with all applicable Federal, State and Local laws and regulations; **b)** adopt and perform such review and inspection procedures as are necessary to ensure compliance by a Third Party with all applicable Federal, State and Local laws and regulations; **c)** require any Third Party to indemnify the Corporation and the Recipient against any and all claims arising out of the Third Party's performance of work; **d)** remain fully obligated under this Agreement notwithstanding its designation of a Third Party to undertake all or any portion of the Project.
7. **Program Income.** The definition of "program income" and accompanying regulations regarding its usage are found at 24 CFR 570.489(e). Program income generated as a result of Program Year 2000, or later, grant supported activities must be segregated from income derived from activities funded with CDBG funds awarded by HUD prior to Program Year 2000.
8. **Records.** The Recipient shall keep and maintain complete and accurate books, records and other documents as shall be required under applicable Federal and State rules and regulations, including, but not limited to, the Corporation's Grant Administration Manual, and as may be requested by the Corporation to reflect and fully disclose all transactions relating to the receipt and expenditure of Grant Funds and administration of the Project. All such books, records and other documents shall be available for inspection, copying and audit at all reasonable times by any duly authorized representative of the State or Federal government.

9. **Reports.** The Recipient, at such times and in such form as the Corporation may require, shall furnish the Corporation with such periodic reports as it may request pertaining to the Project, the costs and obligations incurred in connection therewith, and any other matters covered by this Agreement.
10. **Performance Review.** The Corporation will conduct periodic reviews in such manner and at such times as it shall determine for the purpose, among other things, of ascertaining the quality and quantity of the Recipient's activities, as well as their conformity to the provisions of this Agreement, and the financial integrity and efficiency of the Recipient.
11. **Notice of Investigation or Default.** The Recipient shall notify the Corporation within five (5) calendar days after obtaining knowledge of: **a)** the commencement of any investigation or audit of its activities by any governmental agency; or **b)** the alleged default by the Recipient under any mortgage, deed of trust, security agreement, Loan agreement or credit instrument executed in connection with the Project.
12. **Default.** **a)** If an Event of Default as defined below shall occur, all obligations on the part of the Corporation to make any further payment of Grant Funds shall, if the Corporation so elects, terminate and the Corporation may, in its discretion, exercise any of the remedies set forth herein; provided, however, that the Corporation may make any payments after the happening of an Event of Default without thereby waiving the right to exercise such remedies, and without becoming liable to make any further payment. **b)** The following shall constitute an Event of Default hereunder: **(i)** if the Recipient fails, in the opinion of the Corporation, to comply with or perform any provision, condition or covenant contained in this Agreement, any applicable State or Federal law or regulation, or the program policies and procedures established by the Corporation; **(ii)** if at any time any presentation or warranty made by the Recipient shall be incorrect or materially misleading; **(iii)** if a lien for the performance of work or the furnishing of labor or materials is filed against the Program or any improvement financed thereunder and remains unsatisfied, undischarged or unbonded at the time of any request for disbursement or for a period of twenty (20) days after the date of filing of such lien; **(iv)** if the Recipient shall fail to comply with any of the terms of any mortgage, deed of trust, security agreement, loan agreement, credit agreement or other instrument executed in favor of any other party; **(v)** if the Recipient has failed to commence the Project in a timely fashion or has failed to complete the Project on or before the Completion Date. **c)** Upon the happening of an Event of Default, the Corporation may, in its discretion, exercise any one or more of the following remedies, either concurrently or consecutively, and the pursuit of any one of such remedies shall not preclude the Corporation from pursuing any other remedies contained herein or otherwise provided at law or in equity: **(i)** terminate this

Agreement, provided that the Recipient is given at least thirty (30) days prior written notice; **(ii)** commence a legal or equitable action to enforce performance of this Agreement; **(iii)** withhold or suspend payment of Grant Funds; **(iv)** exercise any corrective or remedial action, to include, but not be limited to, advising the Recipient to suspend, discontinue or refrain from incurring costs for any activities in question or requiring the Recipient to reimburse the Corporation for the amount of Grant Funds expended or used in an unauthorized manner or for an unauthorized purpose. **d)** In the event this Agreement is terminated by the Corporation for any reason, or upon the closeout of the Project, unless the Recipient obtains the prior written consent of the Corporation to the contrary, all unspent Grant Funds held by the Recipient shall immediately be turned over to the Corporation, and the Corporation shall have no further liability or obligation under this Agreement; provided, however, that nothing herein is intended to relieve the Corporation of its obligation to pay for services properly performed by the Recipient prior to such termination. Notwithstanding any such termination or closeout, the Recipient shall remain liable to the Corporation for any unspent Grant Funds, the expenditure or use of the Grant Funds in a manner or for a purpose not authorized by this Agreement, or damages as a result of any breach of this Agreement by the Recipient. The Corporation shall have the right, at any time prior or subsequent to any such termination or closeout, to pursue any and all available remedies, including seeking injunctive or other equitable relief, to enforce the provisions of this Agreement and to recover Grant Funds which are unspent, expended or used in an unauthorized manner or for an unauthorized purpose.

13. **Indemnification**. To the fullest extent permitted by law, the Recipient shall defend, indemnify and hold harmless the Corporation and its agents and employees from and against any and all claims, actions, damages, losses, expenses and costs of every nature and kind, including reasonable attorneys' fees, incurred by or asserted or imposed against the Corporation, as a result of or in connection with the Project. All money expended by the Corporation as a result of such claims, actions, damages, losses, expenses and costs, together with interest at a rate not to exceed the maximum interest rate permitted by law, shall be immediately and without notice due and payable by the Recipient to the Corporation.
14. **Non-Liability**. Nothing contained in this Agreement or elsewhere shall impose any liability or duty whatsoever on the State, the Corporation, or any agency or subdivision of the foregoing except as otherwise expressly stated in this Agreement.
15. **Statute of Limitations**. No action shall lie or be maintained against the State or the Corporation upon any claim based upon or arising out of this Agreement or the work performed hereunder or anything done in connection therewith, unless such action shall be commenced within one (1) year from the termination or expiration of this Agreement or six (6) months from the accrual of the cause of action, whichever is earlier.

16. **Service of Process.** In addition to the methods of service allowed by the State's Civil Practice Law & Rules, the Recipient hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon the Recipient's actual receipt of process or upon the Corporation's receipt of its return by the United States Postal Service marked "refused" or "undeliverable". The Recipient must promptly notify the Corporation, in writing, of each and every change of address to which service of process can be made. Service by the Corporation to the last known address shall be deemed sufficient. The Recipient shall have thirty (30) calendar days after service is complete in which to respond.
17. **Notices.** All notices, requests, approvals and consents of any kind made pursuant to this Agreement shall be in writing and shall be deemed to be effective as of the date it is sent by certified mail, return receipt requested. Such written communications shall be mailed to the respective party's address first set out herein or at such other address as may be provided in writing, except that notice of such change of address shall be deemed to have been given the date it is received.
18. **Severability.** Should any part, term, or provision of this Agreement be decided by a court of competent jurisdiction to be invalid, unenforceable, illegal, or in conflict with any law, the validity, legality, and enforceability of the remaining portions shall not be affected or impaired.
19. **Nonwaiver.** The Corporation's failure to insist upon the strict performance of any provision of this Agreement, or to exercise any right based upon a breach thereof or the acceptance of any performance during such breach, will not constitute a waiver of any of its rights under this Agreement.
20. **Assignment.** No right, benefit or advantage inuring to the Recipient, and no obligation imposed on the Recipient, under this Agreement may be assigned without the prior written approval of the Corporation.
21. **Successors.** This Agreement shall be binding upon the successors in office of the respective parties.
22. **Assurance of Authority.** The Recipient hereby assures and certifies that: **a)** The Recipient is duly organized and validly existing under the laws of the State, and has all the requisite power and authority to enter into this Agreement and to assume the responsibilities for compliance with all Federal and State laws and regulations. **b)** A resolution, motion, order or ordinance has been duly adopted, passed or enacted as an official act of the Recipient's governing body, authorizing the execution and delivery of this Agreement by the Recipient and authorizing and directing the person

executing this Agreement to do so for and on behalf of the Recipient, said acts being done in such manner and form as to comply with all applicable laws to make this Agreement the valid and legally binding act and agreement of the Recipient. **c)** There is no action, proceeding, or investigation now pending, nor any basis therefore, known or believed by the Recipient to exist, which **(i)** questions the validity of this Agreement, or any action taken or to be taken under it, or **(ii)** is likely to result in any material adverse changes in the authorities, properties, assets, liabilities, or conditions (financial or otherwise) of the Recipient which would materially and substantially impair the Recipient's ability to perform any of the obligations imposed upon the Recipient by this Agreement. **d)** The representations, statements, and other matters contained in the Recipient's Application were true and complete in all material respects as of the date of filing. The Recipient is aware of no event that would require any amendment to the Application that would make such representations, statements, and other matters true and complete in all material respects and not misleading in any material respect. The Recipient is aware of no event or other fact that should have been, and has not been, reported in the Application. **e)** Insofar as the capacity of the Recipient to carry out any obligation under this Agreement is concerned, **(i)** the Recipient is not in material violation of its Charter, or any mortgage, indenture, agreement, instrument, judgment, decree, order, statute, rule or regulation and **(ii)** the execution and performance of this Agreement will not result in any such violation.

23. **Photography Release.** Recipient shall require any Third Party to execute a photography release (an example of which is available in the OCR Grant Administration Manual) or a release in substantially similar form thereof.
24. **Entire Agreement.** This Agreement, including the attached schedules, constitutes the entire agreement between the parties and supersedes all prior oral and written agreements with respect to this Grant. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State.

(Remainder of this page has been intentionally left blank.)

IN WITNESS WHEREOF, this Agreement has been executed by a duly authorized representative of the parties.

New York State Housing Trust Fund Corporation

By: _____
Name: Matthew L. Nelson
Title: President
Date: _____

City of Watertown

By: _____
Name: Jeffrey Graham
Title: Mayor
Date: _____

This contract has been approved by the Corporation's Counsel as to form and its Treasurer as to fiscal sufficiency.

SCHEDULE A
SPECIAL CONDITIONS

(Not Applicable)

Schedule B

2012 Awarded Budget & Projected Accomplishments

Project Number: 1207HR75-12				
Community	C/T/V	County	Type	Awarded Amount
Watertown	City	Jefferson	Housing Rehabilitation	\$400,000

Award Budget:

Funding Source	Amount
Bank	\$265,750
CDBG	\$400,000
HOME-Federal	\$400,000
Local	\$120,000
NYS DHCR - Main Street	\$216,200
Projected Totaling Funding:	\$1,401,950

Activity Budget Detail:

Activity(ies)	Projected Use	Amount
C. of Watertown HsgRehab MU	Rehab & New Construction (MU)	\$328,000
C. of Watertown Program Delivery	Program Delivery	\$38,250
C. of Watertown Administration	Grant Administration	\$33,750
		<u>\$400,000</u>

Projected Accomplishments:

1207HR7512-01	C. of Watertown HsgRehab MU	
	Persons	
	Renter	15
	LMI Renter	15
	Units	
	Renter	11
	LMI Renter	11

Source Key:

AHC - Affordable Housing Corp, RESTORE - Residential Emergency Services to Offer Repair to Elderly, ARC - Appalachian Regional Commission Area Development Program, ANCCEP - Adirondack North Country Community Enhancement Program, DASNY - Dormitory Authority of the State of New York, EDA - US Economic Development Administration, EFC CW - Environmental Facilities Corp. ; Clean Water Act SRF, EFC DW - Environmental Facilities Corp. ; Safe Drinking Water Act SRF, FHLB - Federal Housing Loan Bank, IDA - Industrial Development Agency, LDC - Local Development Corp., NCA - Norty Country Alliance, NYBDC - New York State Business Development Corp., NYSCA - New York State Council of the Arts, , NYSERDA - New York State Energy Research and Development Authority, NYS OCFS - NYS Office of Children and Family Services, NYS OTDA - NYS Office of temporary and Disability Assistance, NYS Strategic Invest Fund, RUS - USDA Rural Development, Rural Utilities Service, Water and Wastewater Disposal Loan and Grant Program, SBTIF - Small Business Technology Investment Fund, US HHS - Department of Health and Human Services (federal)

Res No. 4

January 14, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Authorizing Re-adoption of the Fiscal Year 2012-13 Sewer Fund Budget

On January 7, 2013, City Council approved Amendment No. 2 to the professional services agreement with GHD Consulting Engineers LLC for the disinfection system improvements at the wastewater treatment plant in the amount of \$29,300. City Council approved Amendment No.1 to the agreement on August 20, 2012 in the amount of \$5,800.

Staff is recommending that the Fiscal Year 2012-13 Sewer Fund budget be re-adopted to provide funding to cover the cost of the two amendments rather than increasing the amount authorized to be borrowed for the project.

RESOLUTION

Page 1 of 1

Readopting Fiscal Year 2012-13
Sewer Fund Budget

Introduced by

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

Total

YEA	NAY

WHEREAS on May 26, 2012 the City Council passed a resolution adopting the Budget for Fiscal Year 2012-13, of which \$5,326,609 was appropriated for the Sewer Fund, and

WHEREAS on November 19, 2012 the City Council re-adopted the Sewer Fund Budget to increase appropriations by \$185,000 to pay the costs of the change order to the contract with North Country Contractors to reconstruct Clinton Street, and

WHEREAS on January 7, 2013 City Council re-adopted the Sewer Fund Budget to increase appropriations by \$37,500 to pay the costs of the purchase of water meters, and

WHEREAS on August 20, 2012 City Council approved Amendment No. 1 to the professional services agreement with GHD Consulting Engineers LLC for the disinfection system improvements at the wastewater treatment plant in the amount of \$5,800, and

WHEREAS on January 7, 2013 City Council approved Amendment No. 2 to the professional services agreement with GHD Consulting Engineers LLC for the disinfection system improvements at the wastewater treatment plant in the amount of \$29,300, and

WHEREAS City Council does not want to increase the amount authorized to be borrowed for this project to cover the cost of these two amendments, and

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown, New York that it hereby re-adopts the Fiscal Year 2012-13 Budget for the Sewer Fund in the total amount of \$5,584,209 and

BE IT FURTHER RESOLVED by the City Council of the City of Watertown that the following adjustment be included in the re-adopted Fiscal Year 2012-13 Sewer Fund Budget:

Revenues:	Appropriated Fund Balance	<u>\$ 35,100</u>
	Total	<u>\$ 35,100</u>
Expenditures:	G 9950.0900 Transfer to Capital Fund	<u>\$ 35,100</u>
	Total	<u>\$ 35,100</u>

Seconded by

Res Nos. 5 and 6

January 9, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Sale of City Property

On January 8th, the City Comptroller's Office held a public auction of City owned properties. The results of the auction are as follows:

Parcel Number	Location	Bid Amount	Bidder
01-14-201.000	753 Rear Main St. West	\$ 80,000	Knowlton West Main Storage, LLC
01-03-105.000	729 Morrison Street	\$ 4,000	Micha R.M. Resch

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

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 753 Rear Main Street West to
Knowlton West Main Storage, LLC, 213 Factory Street,
Watertown, New York 13601

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

Total

YEA	NAY

Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 753 Rear Main Street West, approximately 114' x 420' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 01-14-201.000, and

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

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

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

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$80,000 submitted by Knowlton West Main Storage, LLC for the purchase of Parcel No. 01-14-201.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

BE IT FURTHER RESOLVED that the Mayor, Jeffrey E. Graham, be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Knowlton West Main Storage, LLC upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 753 Rear Main Street West to
Knowlton West Main Storage, LLC, 213 Factory Street,
Watertown, New York 13601

Council Member BURNS, Roxanne M.

Council Member BUTLER, Joseph M. Jr.

Council Member MACALUSO, Teresa R.

Council Member SMITH, Jeffrey M.

Mayor GRAHAM, Jeffrey E.

Total

YEA	NAY

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

Seconded by

RESOLUTION

Page 1 of 2

Authorizing Sale of Real Property,
Known as 729 Morrison Street to
Micha R.M. Resch, 29684 Fox Corners Row,
Chaumont, New York 13622

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

YEA	NAY

Introduced by

WHEREAS there has heretofore been bid in by the City of Watertown at a tax sale a certain lot of land known as 729 Morrison Street, approximately 66' x 100' in size, and also known and designated on the map of the Department of Assessment and Taxation of the City of Watertown, New York as Parcel No. 01-03-105.000, and

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

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

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

NOW THEREFORE BE IT RESOLVED that pursuant to Section 23, Subdivision (b) of the General City Law, Section 247 of the Charter of the City of Watertown as amended by Local Law No. 1, 1985, adopted December 3, 1984, effective January 17, 1985, and the ordinance, Municipal Code, Chapter 16 adopted by the Council on June 6, 1977, that the offer of \$4,000.00 submitted by Micha R.M. Resch for the purchase of Parcel No. 01-03-105.000, is a fair and reasonable offer therefore and the same is hereby accepted, and

BE IT FURTHER RESOLVED that the Mayor, Jeffrey E. Graham, be and he hereby is authorized, empowered and directed to execute and deliver a Quit Claim Deed of said real property to Micha R.M. Resch upon receipt of the above mentioned sum of money in cash only by the City Comptroller, and

RESOLUTION

Page 2 of 2

Authorizing Sale of Real Property,
Known as 729 Morrison Street to
Micha R.M. Resch, 29684 Fox Corners Row,
Chaumont, New York 13622

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

Total

YEA	NAY

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

Seconded by

Res No. 7

January 15, 2013

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Approving Change Order No. 2 to Agreement,
Hyde-Stone Mechanical Contractors, Inc.

On June 4, 2012, the City Council accepted a bid submitted by Hyde-Stone Mechanical Contractors, Inc. for installation of pre-purchased HVAC equipment at the Flower Memorial Library and City Hall, per City specifications, in the amount of \$431,461. On October 1, 2012, City Council approved Change Order No. 1 in the amount of \$42,383 for additional work bringing the total to \$473,844.

City Engineer Kurt W. Hauk has now submitted Change Order No. 2 to this contract in the amount of \$37,964, which if approved, will bring the contract amount to \$511,808. As stated in Mr. Hauk's attached report, this Change Order is required to replace approximately 1000 feet of condensate piping for the 37 heat pumps being installed as part of this project. The piping is located behind the walls and the flooring where the heat pumps are located, and it was not in the scope of the bid and could not be evaluated until the existing heat pumps were removed as part of the project.

A resolution approving Change Order No. 2 to the contract with Hyde-Stone Mechanical Contractors, Inc. for installation of pre-purchased HVAC equipment at the Flower Memorial Library and City Hall, per City specifications, has been prepared for City Council consideration. Included in tonight's agenda is a resolution to readopt the General Fund and Library Fund Budgets to provide funding for this Change Order.

RESOLUTION

Page 1 of 1

Approving Change Order No. 2 to Agreement,
Hyde Stone Mechanical Contractors, Inc.

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

YEA	NAY

Total

Introduced by

WHEREAS on June 4, 2012, the City Council of the City of Watertown approved a bid submitted by Hyde-Stone Mechanical Contractors, Inc., in the amount of \$431,461 for the installation of pre-purchased HVAC equipment at the Flower Memorial Library and City Hall, per City specifications, and

WHEREAS on October 1, 2012, City Council of the City of Watertown approved Change Order No. 1 to the contract for an additional charge of \$42,383, bringing the contract amount of \$473,844, and

WHEREAS City Engineer Kurt W. Hauk has submitted the Change Order No. 2 to that contract for consideration by the City Council, and

WHEREAS Change Order No. 2 results in an additional charge of \$37,964, bringing the contract amount to \$511,808,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown approves Change Order No. 2 to the contract with Hyde-Stone Mechanical Contractors, Inc., for the installation of pre-purchased HVAC equipment at the Flower Memorial Library and City Hall, per City specifications, in the amount of \$37,964, a copy of which is attached and made a part of this resolution, and

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

Seconded by

Change Order

No. 2

Date of Issuance: January 11, 2013 Effective Date: January 22, 2013

Project: HVAC Installation City Hall & Flower Memorial Library	Owner: City of Watertown, NY	Owner's Contract No.:
Contract: HVAC Installation City Hall & Flower Memorial Library		Date of Contract:
Contractor: Hyde-Stone Mechanical Contractors		Engineer's Project No.:

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

Description: Replace all existing condensate piping to provide positive drainage for the new heat pumps.

Attachments: See Attached

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price: \$ 431,461.00

Original Contract Times: Working days Calendar days
Substantial completion (days or date): April 1, 2013
Ready for final payment (days or date): _____

Increase from previously approved Change Orders No.1 \$ 42,383

[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____:
Substantial completion (days): _____
Ready for final payment (days): _____

Contract Price prior to this Change Order: \$ 473,844.00

Contract Times prior to this Change Order:
Substantial completion (days or date): _____
Ready for final payment (days or date): _____

Increase of this Change Order: \$37,964.00

[Increase] [Decrease] of this Change Order:
Substantial completion (days or date): _____
Ready for final payment (days or date): _____

Contract Price incorporating this Change Order: \$511,808.00

Contract Times with all approved Change Orders:
Substantial completion (days or date): _____
Ready for final payment (days or date): _____

RECOMMENDED: By: _____
Engineer (Authorized Signature)

ACCEPTED: By: _____
Owner (Authorized Signature)

ACCEPTED: By: _____
Contractor (Authorized Signature)

Date: _____ Date: _____ Date: _____

Approved by Funding Agency (if applicable): _____ Date: _____



CITY OF WATERTOWN
ENGINEERING DEPARTMENT
MEMORANDUM

DATE: 15 January 2013

TO: Sharon Addison, City Manager

FROM: Kurt Hauk, City Engineer

SUBJECT: Change Order #2 to City Hall and Flower Library HVAC Contract

Enclosed is Change Order #2 for the City Hall and Flower Library HVAC Installation Project in the amount of \$37,964. The total contract amount will now be \$511,808.

The change order is required to replace approximately 1000 feet of condensate piping for the 37 heat pumps being installed as part of this project. The piping is located behind the walls and the flooring where the heat pumps are located. This work was not in the scope of the bid and could not be evaluated until the existing heat pumps were removed as part of the project.

The piping for the existing heat pumps is clogged and non functional. Not replacing this item would directly impact the functionality of the new units being installed and the proper heating and cooling of the library.

Council has previously approved Change Order #1 for \$42,383 in October 2012 for additional work in City Hall for this project. It mainly involved the removal of galvanized piping that feeds the boiler and chiller.

Please prepare a resolution for Council consideration. A copy of Change Order #2 is enclosed. The originals are on file and will be forwarded for signature upon approval.

Cc Jim Mills, Comptroller
Amy Pastuf, Purchasing Manager

22962 Murrock Circle, Watertown, New York 13601
Telephone (315) 788-1300 FAX (315) 788-9646

January 10, 2013

ATTN: Kurt Hauk
City of Watertown
Watertown, NY 14601

RE: Replace Condensate Drain Lines – Flower Library

Dear Mr. Hauk:

We are pleased to offer you the following quote for your consideration. The price includes:

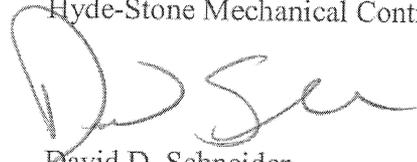
- Remove all existing condensate piping and hangers.
- Furnish and install approximately 1,000 feet of new 1-1/2" pvc to serve all new and existing heat pump, condensate needs.
- Includes sheetrock removal and repair in three locations and new core drilling to enlarge existing wall openings.

LUMP SUM PRICE.....\$37,964.00 (excluding tax)

EXCLUDES: Premium time, additional insurance and bonding.

Please feel free to give me a call if you have any questions or need further information. Thank you for the opportunity to provide you with this quote.

Sincerely,
Hyde-Stone Mechanical Contractors, Inc.



David D. Schneider
Project Manager

Res No. 8

January 16, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Authorizing Re-adoption of the FY 2012-13 General and Library Fund Budgets

Included in tonight's agenda is a resolution to approve change order No. 2 in the amount of \$37,964 with Hyde Stone for the installation the Library HVAC upgrades. As this project has been funded with current resources rather than through the issuance of debt, City Council needs to consider re-adopting the Fiscal Year 2012-13 General and Library Funds budgets to appropriate an additional \$38,000 to complete the project. A financial summary of the Library HVAC project is presented below.

FY 2011-12 Capital Budget	\$200,000
FY 2011-12 Budget re-adoption (6/4/2012)	223,000
Proposed FY 2012-13 Budget re-adoption	<u>38,000</u>
Total	<u>\$ 461,000</u>

Sack & Associates – Bid specifications	\$ 2,500
Modular Mechanical – HVAC equipment	166,125
Hyde-Stone – Equipment installation	219,658
Equipment – controls estimate	19,958
Hyde-Stone – Change order #2	37,964
Miscellaneous (Boom rental, bid publication)	395
Contingency	<u>14,400</u>
Total	<u>\$ 461,000</u>

RESOLUTION

Page 1 of 2

Readopting Fiscal Year 2012-13
General and Library Fund Budgets

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

YEA	NAY

Introduced by

WHEREAS on May 26, 2012 the City Council passed a resolution adopting the Budget for Fiscal Year 2012-13, of which \$42,112,872 was appropriated for the General Fund and \$1,519,886 was appropriated for the Library Fund, and

WHEREAS on August 6, 2012 the City Council re-adopted the General Fund Budget to increase appropriations by \$140,450 to pay the costs of the additional personnel and equipment costs of the Parks and Recreation Department, and

WHEREAS the Fiscal Year 2012-13 General Fund and Library Fund Budgets need to be re-adopted to appropriate additional funds to reflect the increased costs of the Library HVAC upgrade project approved in the Fiscal Year 2011-12 Capital Budget,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watertown, New York that it hereby re-adopts the General Fund Budget for Fiscal Year 2012-13 in the total amount of \$ 42,291,322 and

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

Revenues

A.0000.0909 Fund Balance \$ 38,000
Total \$ 38,000

Expenditures

A 9512.0900 Transfer to Library Fund \$ 38,000
Total \$ 38,000

And,

RESOLUTION

Page 2 of 2

Readopting Fiscal Year 2012-13
General and Library Fund Budgets

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

YEA	NAY

BE IT FURTHER RESOLVED by the City Council of the City of Watertown, New York that it hereby re-adopts the Library Fund Budget for Fiscal Year 2012-13 in the total amount of \$1,756,161 and

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

Revenues

L.0000.5031	Inter-fund Transfer	<u>\$ 38,000</u>
Total		<u>\$ 38,000</u>

Expenditures

L 9950.0900	Transfer to Capital Projects Fund	<u>\$ 38,000</u>
Total		<u>\$ 38,000</u>

Seconded by

Res No. 9

January 15, 2013

To: The Honorable Mayor and City Council
From: Elliott B. Nelson, Confidential Assistant to the City Manager
Subject: 1000 Island Privateers 2013-14 Franchise Agreement

Attached for Council's consideration and approval is a successor Franchise Agreement for the 1000 Island Privateers professional hockey team. As Council is aware, the current agreement is for a one-year period and expires on March 31, 2013.

There are not many substantial changes to the 2013-14 Franchise Agreement. The items of note that have changed from the previous agreement are listed below and are mostly administrative in nature. Staff will be available at the Council meeting to answer any questions regarding this successor agreement.

- The Privateers have asked for the ability to sell advertising both imbedded in the ice sheet as well as mounted on the City-owned Zamboni. Parks and Recreation Superintendent Gardener is willing to accommodate this request and the section of the agreement concerning advertising has been amended.
- The hourly rate to rent the ice sheet for practice time has increased to \$80.00 per hour. The rate charged last year was \$70.00, which is not the correct rate as listed in the City Code.
- Two contract Addendums approved during the 2012-13 season have been formally added to this agreement. The first, governing the sale of alcohol at home games, was approved by Council on September 4, 2012. The language concerning the sale of alcohol at the Arena will remain the same as last year. The second grants the Privateers access to one locker room at the Fairgrounds Grandstands for the purposes of storage, in addition to Grandstands office space included in the previous agreement. This space will be utilized by the Privateers during the term of their Franchise Agreement for the flat fee of \$2,000.00.

RESOLUTION

Page 1 of 1

Approving Franchise Agreement,
1000 Islands Privateers, LLC.

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

Total

YEA	NAY

Introduced by

WHEREAS the City of Watertown owns and operates a facility known as the Watertown Municipal Arena, a community recreational facility, and

WHEREAS the City of Watertown desires to promote recreational activities at the Watertown Municipal Arena for the valid public purpose of the benefit, recreation, entertainment, amusement, convenience and welfare of the people of the City, and

WHEREAS in pursuit of that valid public purpose, the City of Watertown desires to enter into a Franchise Agreement with the 1000 Islands Privateers, LLC, and

WHEREAS the 1000 Islands Privateers, LLC owns and operates a semi-professional hockey team, as a member and franchise of the Federal Hockey League, and

WHEREAS the 1000 Islands Privateers, LLC desires to enter into a Franchise Agreement with the City of Watertown to have its team play hockey games within the confines of the Watertown Municipal Arena,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Franchise Agreement between the City and the 1000 Islands Privateers, a copy of which is attached hereto and made part of this resolution, and

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

Seconded by

FRANCHISE AGREEMENT

THE CITY OF WATERTOWN, NEW YORK AND 1000 ISLANDS PRIVATEERS PROFESSIONAL HOCKEY TEAM, LLC

This Franchise Agreement is being made and is intended to be effective as of October 1, 2013 between THE CITY OF WATERTOWN, NEW YORK, with principal offices located at 245 Washington Street, Watertown, New York 13601 (“City”) and 1000 ISLANDS PRIVATEERS PROFESSIONAL HOCKEY TEAM, LLC (the “Privateers”), with principal offices located at P.O. Box 779, Alexandria Bay, New York 13607.

INTRODUCTION

WHEREAS, the City is a municipal corporation organized under the laws of the State of New York and, as such, owns a community recreational facility known as the Alex T. Duffy Fairgrounds (the “Fairgrounds”); and

WHEREAS, the Fairgrounds contains many venues, one of which is the Municipal Arena which is used for activities including, but not limited to, an ice rink and bleachers for skating and games; and

WHEREAS, the City desires to promote future recreational activities at its Arena for the valid public purpose of the benefit, recreation, entertainment, amusement, convenience and welfare of the people of the City; and

WHEREAS, in pursuit of that public purpose, the City desires to contract with the Privateers, an “A” level professional hockey franchise which competes in the Federal Hockey League, for use by the Privateers of the Watertown Arena as its home venue; and

WHEREAS, the parties desire to set forth an agreement by which the Privateers may enjoy a franchise for the use of the City facilities at the Watertown Ice Arena for the 2013-2014 professional hockey season in consideration of mutual covenants and agreements as stated herein, the City and the Privateers agree as follows:

AGREEMENT

Section 1 – Term of Franchise

The term of this Franchise Agreement shall be from the period from October 1, 2013 through March 31, 2014.

Section II – Franchise Facilities Use Grant

The City grants the Privateers a franchise for the use of the following facilities at the Watertown Arena:

a. The Privateers shall have exclusive access to a locker room identified on the building diagram attached as Exhibit "A" as the "home locker room." The Privateers shall be furnished with a key to the "home locker room", but not a key to the Ice Arena. The Privateers agree that the "home locker room" must be completely vacated by the Privateers two (2) hours prior to any and all scheduled high school hockey games, Minor Hockey tournaments, and figure skating shows or events. For purposes of the storage of Privateers' equipment and gear at the time of vacating for such events, all such equipment and gear will be stored in the visitor's locker room at the Grandstands, as described in Section II (h) of this Agreement. The risk of loss for Privateers' equipment and gear shall remain with the Privateers during the term of this Franchise.

b. The Privateers may locate a "pro shop" in the location identified on the building diagram attached as Exhibit "A," as "pro shop." The City will make the pro shop available to the Privateers at least two (2) hours before the start of each scheduled professional game. Only souvenirs, equipment and merchandise related to the Privateers or the Federal Hockey League may be sold at the pro shop. At the conclusion of each professional game, all items shall be removed from the pro shop by the Privateers and stored in a location exterior to the arena. The risk of loss of all merchandise, equipment or souvenirs shall remain with the Privateers during the term of this Franchise. Any merchandise, equipment or souvenirs owned by the Privateers may be stored overnight in a privately owned trailer exterior to the Arena in accordance with the fees listed in Section A320-6 A of the City Code of the City of Watertown.

c. At the time of any home Privateers game, other locker rooms shall be made available to the opposing team and to the officials two (2) hours before the start of the game. The opposing team's locker room is identified as the "away locker room" and the officials' locker room is identified as "officials" locker room" on Exhibit "A."

d. During the term of this Agreement, the Privateers will be provided a space by the City for the Privateers' skate sharpening equipment. The Privateers shall not have access to, nor use, the City-owned skate sharpener, nor shall the City have access to, nor use, the Privateers' sharpener. The Privateers' sharpening equipment shall only be used to sharpen skates of Privateers players, and not for other skaters.

e. The Privateers shall have the exclusive use of office space located at the Watertown Fairgrounds grandstands, commencing on October 1, 2013 and concluding on March 31, 2014. This space is the same space occupied by the City's baseball franchise currently known as the Watertown Wizards, Inc. Such space is identified as the office of the "general manager, office, toilet, and tickets" as shown on Exhibit "B." The Privateers shall be furnished a key for the office space. The City reserves the right to inspect the office space at reasonable times upon reasonable notice to the Privateers.

f. The Privateers shall have access to the arena press box and sound system for all Privateers home games at least one hour prior to game time. The equipment to be made available is the City's existing system consisting of: Odyssey Innovation Design single-unit sound system with microphone and scoreboard control panel.

g. The Privateers will not be provided with keys or security codes for after-hours access to the Arena.

h. In the event that the Privateers vacate their exclusive locker room as described in Section II of this Agreement, the Privateers shall have access to the 'Visitors locker Room' at the Fairgrounds grandstands, shown as room 129 in Exhibit B of this Agreement. This space will be provided for the purpose of storage for hockey and other team-owned equipment. The Privateers shall be furnished with a key for said locker room.

Section III – Other Privateers Rights and Privileges Pursuant to Franchise

In addition to grant of this franchise for use of designated City facilities, the City hereby grants an exclusive franchise to the Privateers for the following sales and concessions:

a. During home Privateers games, the Privateers shall be permitted to have the exclusive concession for the sale of beer and wine by a fully licensed New York licensee holding a catering permit for each home game. The terms of service and insurance requirements for this concession are set forth later in this Agreement.

b. The Privateers shall have the exclusive right to sell signage within the arena, including sales on boards and signs further mounted or hung on the arena's walls, imbedded in the ice surface and mounted on the City-owned zamboni. All advertising placed on boards shall be non-permanent in nature and shall adhere to the City's specifications. The City reserves the right to review and approve all advertising copy prior to its installation. All advertising must be removed at the end of the hockey season. Arena staff will be responsible for installing and removing all signage.

c. The Privateers shall be the sole professional hockey team to hold a franchise for games for the 2013-2014 season.

Section IV – Privateers' Obligations

The following constitute the Privateers' obligations in connection with the franchises granted herein:

a. Rates and Charges.

Ice time for team practices will be billed by the City at the rate of \$80.00 per hour of scheduled time. Ice time for games will be billed at \$100.00 per hour of scheduled time. Payment must be made to the City Comptroller by the 1st day of the month for that month's scheduled ice time. If full payment is not made by the Privateers by the 1st day of the month for that month's scheduled ice time or any other unpaid invoice is over 30 days outstanding, the Privateers will not be authorized use of the facility until full payment is made. An invoice will be generated by the City at the month's end for any additional ice time hours used above and beyond scheduled time by the Privateers, payable within 30 days. Privateers shall not receive credit for any unused, but scheduled, ice time.

The Privateers shall pay \$2,000.00 to the City in advance of October 1, 2012 for office space per Section II (e) and the Grandstands visitors locker room per Section II (h). This payment is for the period from October 1, 2012 through March 31, 2013.

b. Beer and Wine Sales.

The Privateers desire to provide for the sale of beer and wine at the games to be held pursuant to this Agreement, and to enter into a sub-franchise agreement with a person or entity who or which shall obtain a seasonal license for beer and wine sales for the Ice Arena limited to the term of this Agreement from October 1, 2012 through March 31, 2013.

The Privateers' sub-franchise agreement shall provide that, together with the Privateers, the sub-franchisee shall be bound by the terms of the City's "ABC Law, Rules and Guidelines," as the same may, from time to time, be amended. A copy of the City's current "ABC Law, Rules and Guidelines" is attached to this Agreement as Exhibit "D." The sub-franchisee shall also be specifically bound by the terms and conditions of any seasonal license issued by the State Liquor Authority.

The Privateers' sub-franchisee shall provide the City with a copy of any application for the seasonal license, and shall, at a minimum as part of the application, show the locations of all points of sale; indicate the manner in which control of the sale of alcoholic beverages will be maintained; contain an acknowledgement that it will discontinue the service of alcohol at any time when directed to do so by the shift supervisor of the Watertown City Police; provide proof of the sub-franchisee's liquor liability insurance coverage in the amount of \$1,000,000.00 individual/\$2,000,000.00 aggregate; and represent that the times of alcohol service must be no earlier than one-half hour prior to the commencement of any game and that all service will be discontinued at the start of the third period of any game.

The Privateers acknowledge that, as the party responsible for the sub-franchisee, it is obligated not to permit the alcoholic beverages in violation of the New York Alcoholic Beverage and Control Law, the New York Penal Law, and/or the New York General Obligations Law. If it is determined that the Privateers' sub-franchisee has sold beverages in violation of any of the applicable rules and regulations, including any term of this franchise, the Privateers' right to contract with a sub-franchisee for the sale of alcohol on the premises will be immediately revoked.

The Privateers acknowledge that the City of Watertown is not involved in the sale of alcoholic beverages, and agrees to defend and indemnify the City, including reimbursement of the City's reasonable attorneys' fees, from any and all claims, civil or criminal, arising from any claimed violations of law pertaining to, or statutory duty arising from, the sale of alcoholic beverages.

The Privateers acknowledge that "tailgating" on City Fairgrounds property is not permitted and that the Privateers shall be responsible for monitoring the parking areas

surrounding the Ice Arena to ensure compliance. No alcohol may be consumed on any City Fairgrounds property except within the Ice Arena.

c. Food Concessions.

The Privateers acknowledge that the City's concession stand will be the only source of food sold during the Privateers' games.

d. Liability Insurance.

The Privateers shall provide commercial general liability insurance, naming the City as an additional insured to the City's specifications, for the term of this franchise. The certificate of insurance must reflect that the additional insured status is in effect for the entire term of this Franchise Agreement, and further reflect that the City shall be entitled to at least 30 days' prior written notice of any cancellation of the Privateers' insurance for any reason whatsoever. Proof of Insurance shall be provided to the City before October 1, 2013.

e. Code Compliance.

The Privateers acknowledge that all activities of the franchisee are subject to the provisions of the New York State Fire Prevention and Building Code.

f. Security.

The Privateers shall provide readily identifiable security by a professional security force for each home game. Any private security firm used by the Privateers shall be registered with the NYS Department of State per N.Y. Gen. Bus. Law Section 89-G. Such professional security force shall be adequate to maintain safety and discipline among the attendees. In the event the City's Superintendent of Parks and Recreation determines, in her sole discretion, that, at any event, the Privateers' security is inadequate, the City shall have the right to require additional security be provided; or to suspend future games until the Privateers agree to provide additional security. Inadequate security may be considered a breach of this Agreement.

g. Damages.

In the event any of the locker rooms, restrooms, office space, or any other public areas are damaged by actions attributable to the Privateers, their opposing team, or the fans, the repairs to such damage shall be the responsibility of the Privateers and shall be promptly performed by the City. The Privateers shall be billed for the costs (materials and labor) associated with the damages. The invoice shall be due and payable within 30 days.

h. Cleaning After Games.

The Privateers shall provide a cleaning staff, following each home game, to clean the arena, including cleaning of all locker rooms; cleaning of all restrooms; cleaning of all areas where beer and wine sales are made; and cleaning of the bleachers. All cleaning and disposal of

trash, rubbish, etc. must be performed by the Privateers on the same night when a game is held, and to the satisfaction of the City's Superintendent of Parks and Recreation or his/her designee.

i. Trash Removal.

The parties agree that the Privateers' rental of one City-owned 96-gallon "tote" per week, for the term of this Agreement, will be sufficient to meet the Privateers' obligations to remove trash from the Arena.

j. Restroom Capacity Compliance.

The Privateers acknowledge that the ice arena as currently configured complies with all State Codes for restroom facilities and has the capacity to service a crowd of 320 people. In the event any game is anticipated to draw in excess of 320 people, the Privateers shall make arrangements to bring in as many comfort stations as necessary to accommodate the anticipated public attendance. The determination of the City Codes Enforcement Supervisor in connection with the number of comfort stations necessary to meet the necessary demand shall be binding upon the Privateers. The City's Bureau of Code Enforcement is empowered to determine the Building Code requirements and whether compliance is achieved. All portable comfort stations shall be located outdoors in an area to be designated by the City Engineer.

k. After-hours Access.

If the Privateers require after-hours/holiday access to the Arena facility, Privateers shall arrange for the same in advance and reimburse the City Comptroller for its minimum 2-hour billable employee rate.

l. Hold Harmless.

Privateers shall indemnify and hold the City harmless, including reimbursement for reasonable attorneys' fees, from any and all loss, costs or expense arising out of any liability or claim of liability for injury or damages to persons or to property sustained by any person or entity by reason of Privateers' operation, use, or occupation of the Arena, or by or resulting from any act or omission of Privateers or any of its officers, agents, employees, guests, patrons or invitees. The liability insurance in the type and amounts identified in Section IV, naming the City as an additional named insured shall be sufficient for purposes of meeting Privateers' obligations under this paragraph.

Section V – City Obligations.

The City agrees to undertake the following obligations:

a. The City shall provide the locker rooms, pro shop, skate sharpener space, office space and Grandstands visitor locker room required by this Agreement.

b. The City will undertake a good faith effort to reasonably schedule practice ice time at levels comparable to the Privateers' schedule for the 2012-2013 season.

c. Prior to the commencement of this Franchise Agreement and for the term thereof, the City shall have on hand extra glass for the rink board in the event glass breaks during practice or games. The Privateers will be billed for the costs (materials and labor) associated with any replacement, but City employees will be responsible for installing replacement glass as expeditiously as possible. The invoice is payable within 30 days.

d. The City agrees to provide a food concession for each home game, which concession will be staffed by City employees. The City will be responsible for setting the menu, pricing, etc., and all revenue from concessions will belong to the City. The concession stand will be open at least one (1) hour prior to each scheduled home game.

e. The City shall indemnify and hold the Privateers harmless, including reimbursement for reasonable attorneys' fees, from any and all loss, costs or expense arising out of any liability or claim of liability for injury or damages to persons or to property sustained by any person or entity by reason of any act or omission of the City or any of its officers, agents, employees, guests, patrons or invitees.

Section VI – Anticipated Home Games.

The Privateers will proceed to schedule between 26 and 30 home games during the 2013-2014 hockey season. Of these home games, it is anticipated that approximately 1/3 will be scheduled on a Friday night, 1/3 games will be scheduled on a Saturday night, and 1/3 will be scheduled from Sunday through Thursday.

The parties further anticipate the Privateers' participation in playoff games, which games will also likely be evenly split for scheduling purposes.

The parties to this Agreement agree to work together to schedule home games in such a fashion as to result in a minimum disruption to other groups or individuals utilizing the arena ice facility.

Section VII – Maintenance.

The City agrees that it will keep the premises, including any structural or capital repairs and improvements, in good repair during the term of this Franchise Agreement, and at its own expense. The City further agrees that it shall bear the cost of electric facilities and electric service to the premises, except as otherwise provided herein.

Section VIII – Return of Premises.

The Privateers agree to return all franchised premises to the City, upon the expiration of this Franchise Agreement, in as good condition as when the Privateers received possession of the

premises, reasonable wear and tear excepted, and excepting damage to the premises caused by others when the premises were not under the control of the Privateers.

The Privateers acknowledge that, as of the commencement of this Franchise Agreement, the Privateers have received the premises in good condition.

Section IX – Venue and Applicable Law.

a. The City and the Privateers agree that venue for any legal action arising from a claimed breach of this Franchise Agreement is in the Supreme Court, State of New York, in and for the County of Jefferson.

b. This Agreement shall be construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the City and the Privateers have caused this Franchise Agreement to be executed by authorized agents to be effective as of October 1, 2013.

THE CITY OF WATERTOWN, NEW YORK

By: _____
Sharon Addison, City Manager

1000 ISLANDS PRIVATEERS PROFESSIONAL
HOCKEY TEAM, LLC

By: _____
Nicole Kirman, Owner / President

EXHIBIT A

BLEACHER LAYOUT PLAN

WATERTOWN MUNICIPAL ARENA
BUILDING EVALUATION

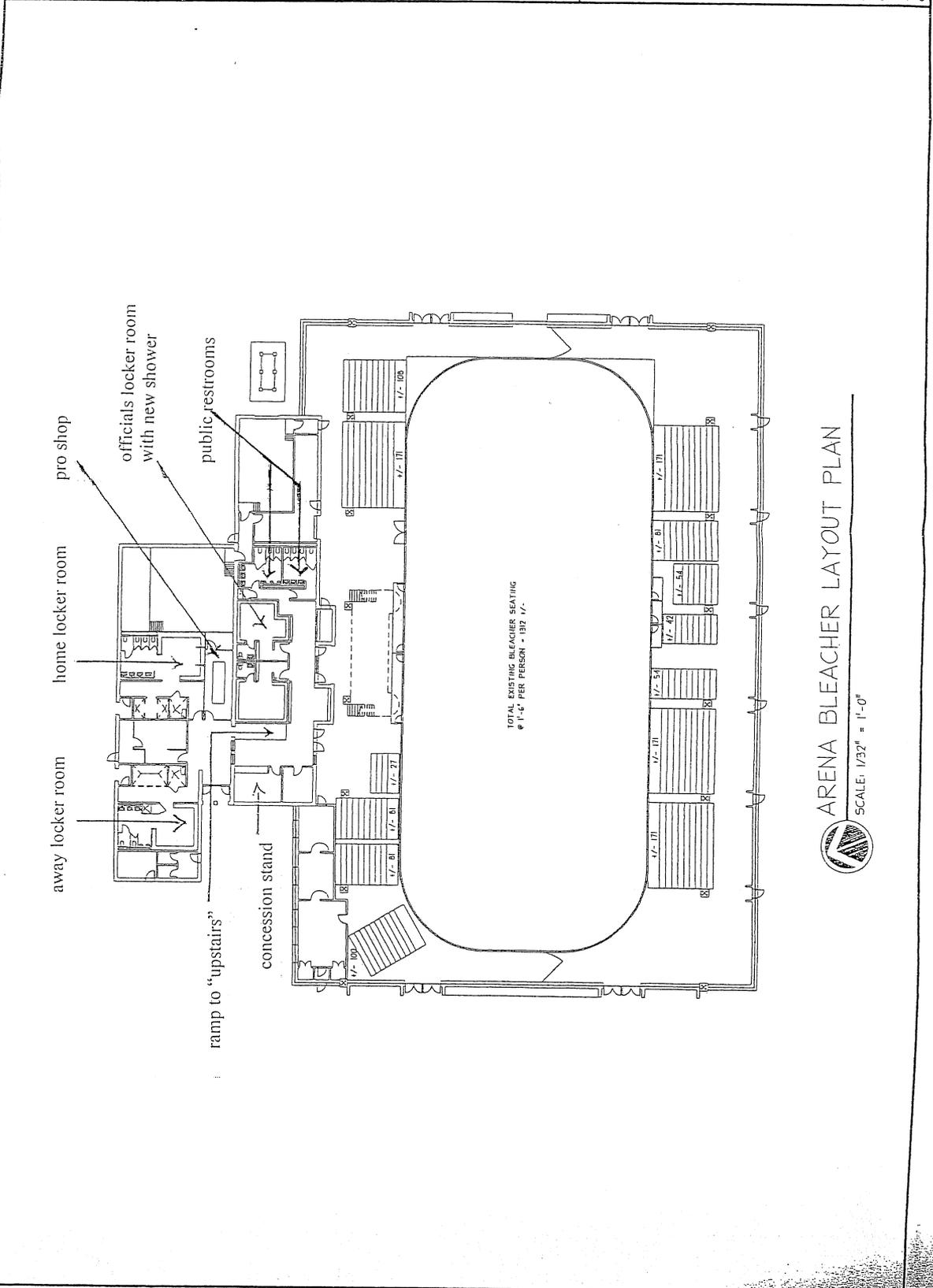
THE BERNIERI CARR GROUP

BENNERI, CARR & ASSOCIATES, P.C. • MACH ARCHITECTURE + ENGINEERING, P.C.
engineers • architects • planners • surveyors • construction managers

B.C. 2000

THE CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AT THE SITE & NOTIFY THE ENGINEER IN WRITING OF ANY DISCREPANCIES.
 Drawn By: B.N.T. Checked By: R.W.T.
 Scale: Date: 4-9-09
 File No. 2000-020
 Sheet No.

A-004



Contract Drawing Reference No.

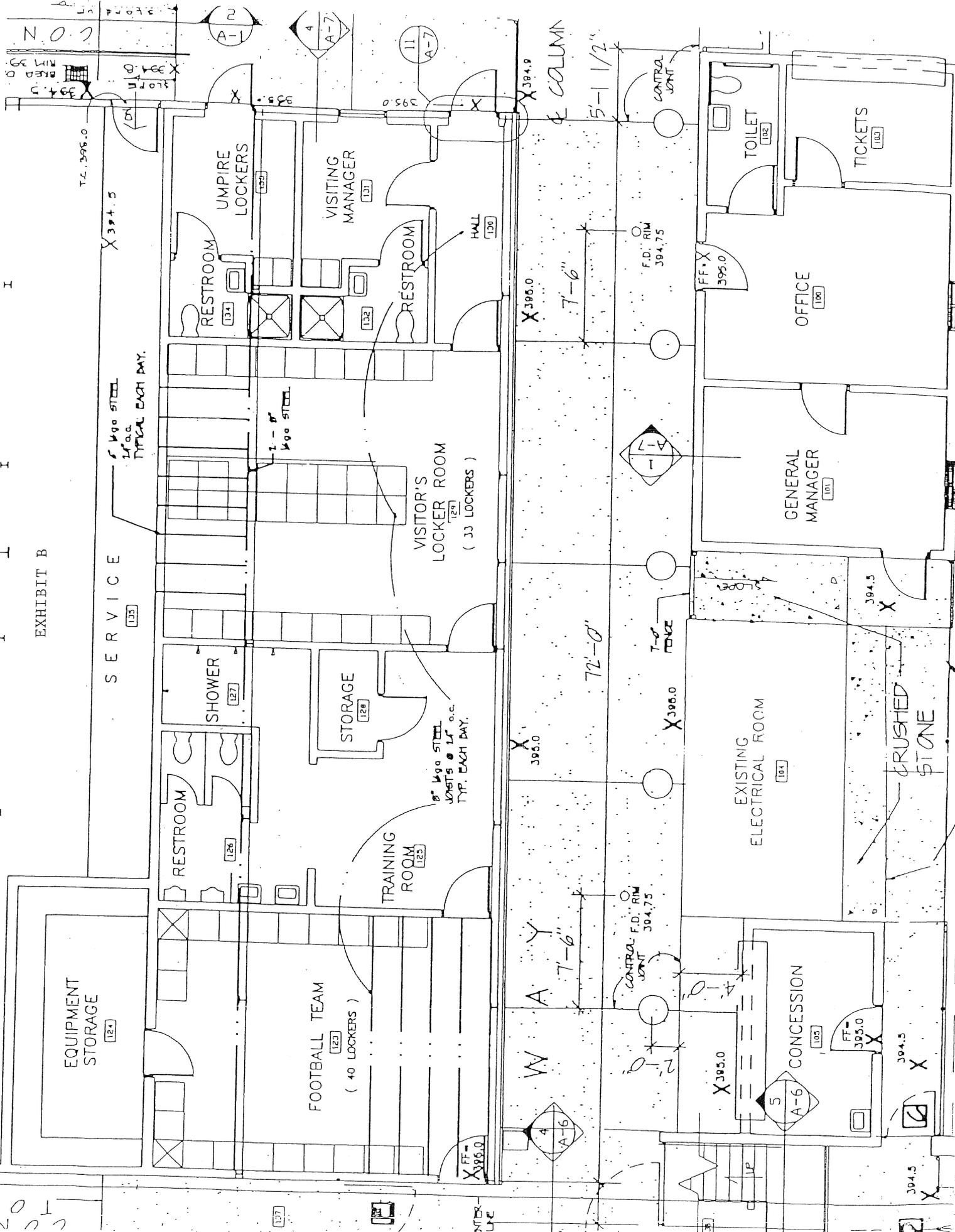
ARENA BLEACHER LAYOUT PLAN

SCALE: 1/32" = 1'-0"



EXHIBIT B

SERVICE



January 16, 2013

To: The Honorable Mayor and City Council
From: Elliott B. Nelson, Confidential Assistant to the City Manager
Subject: Watertown Rams Lease Agreement

Attached for Council's consideration and approval is a Lease Agreement for the Watertown Rams (formally known as the Wizards) for the 2013 Baseball season at the Fairgrounds Grandstands. The items of note that have changed from last year's lease agreement are detailed below. Staff from the Parks and Recreation Department and the City Manager's Office will be available to answer any questions regarding this legislation.

- The fees associated with this lease have increased. All fees associated with field usage listed in Section IV(a) have increased by \$25.00. Additionally, the price for the rental of office space has increased.
- The Rams will now be required to pay for their scheduled field usage ahead of time. Much like the agreement with the Privateers, the Rams will be required to pay by the first of each month for all events scheduled on the premises during the coming month.
- The Rams will pay a flat fee of \$3,000.00 for advertising at the ball field. Under the previous agreement, the team paid a fee for each sign installed, which was difficult for the Parks and Recreation staff to administer. Under the new agreement, the flat fee will be paid to the City on the first day the lease is in effect.
- Under the terms of the new agreement, the Rams must receive authorization from the City Manager to hold any non-Rams event at the ball field, excluding the events held at the Grandstands during Jefferson County Fair week.

January 22, 2013

RESOLUTION

Page 1 of 1

Approving Lease Agreement,
Watertown Rams, Inc.

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

YEA	NAY

Total

Introduced by

WHEREAS the City of Watertown owns a facility known as the Alex T. Duffy Fairgrounds and the Fairgrounds are a community recreational facility, and

WHEREAS the City desires to promote future recreational activities at the Fairgrounds for the valid public purpose of the benefit, recreation, entertainment, amusement, convenience and welfare of the people of the City, and

WHEREAS in pursuit of that public purpose, the City desires to contract for the use, operation, management and maintenance of the Fairgrounds baseball facilities and all baseball-related activities, and

WHEREAS Watertown Rams, Inc., owns and operates a summer collegiate baseball team, as a member and franchise of the Perfect Game Collegiate Baseball League, and

WHEREAS Watertown Rams, Inc., desires to have its team play baseball games within the confines of the Fairgrounds baseball fields and is in a unique position to contract to use, operate, manage and maintain the Fairgrounds baseball facilities, and

WHEREAS the City has undertaken a substantial capital improvement project for the Fairgrounds in furtherance of the public purpose of keeping baseball in the City for the recreation, entertainment, and welfare of the people of the City, including the economic benefit such a team can bring,

NOW THEREFORE BE IT FURTHER RESOLVED that City Manager Sharon Addison is hereby authorized and directed to execute the Lease Agreement on behalf of the City of Watertown, a copy of which is attached and made a part of this resolution.

Seconded by

LEASE AGREEMENT

THE CITY OF WATERTOWN, NEW YORK AND WATERTOWN RAMS, INC.

This Lease is being made and is intended to be effective as of May 15, 2013, between the City of Watertown, New York, with its principal offices located at 245 Washington Street, Watertown, New York 13601 (“City”) and Watertown Rams, Inc., with its principal offices located at 1030 Bronson Street, Watertown, New York, (“Baseball”).

INTRODUCTION

WHEREAS, the City is a municipal corporation organized under the laws of the State of New York and, as such, owns a facility known as the Alex T. Duffy Fairgrounds (the “Fairgrounds”) within the City of Watertown, and the Fairgrounds are a community recreational facility; and

WHEREAS, the City desires to promote future recreational activities at the Fairgrounds for the valid public purpose of the benefit, recreation, entertainment, amusement, convenience and welfare of the people of the City; and

WHEREAS, in pursuit of that public purpose, the City desires to contract for the use, operation, management and maintenance of the Fairgrounds baseball facilities and all baseball-related activities; and

WHEREAS, Baseball owns and operates a summer collegiate baseball team as a member and franchise of the Perfect Game Collegiate Baseball League (“PG Collegiate League”); and

WHEREAS, Baseball desires to have its team, the Watertown Rams (the “Team”), play baseball games within the confines of the Fairgrounds baseball field and is in a unique position to contract to use, operate, manage and maintain the Fairgrounds baseball facilities; and

WHEREAS, the City has undertaken a substantial capital improvement project for the Fairgrounds in furtherance of the public purpose of keeping baseball in the City for the recreation, entertainment and welfare of the people of the City, including the economic benefit such a team can bring.

NOW, THEREFORE, in consideration of mutual covenants and agreements as stated herein, the City and Baseball agree as follows:

AGREEMENT

Section I – Term of Lease

The term of this Lease Agreement shall be for the period, from May 15, 2013 through August 15, 2013.

Section II – Premises Leased

The City agrees to lease to Baseball the premises generally known as the Alex T. Duffy Fairgrounds baseball field and all incidents thereto, including the grandstands, concession facilities and certain locker rooms as highlighted in yellow on the attached map, all of which consisting of essentially that area bounded by the baseball field fence separating the baseball field from the remainder of the Fairgrounds, together with the immediately adjacent parking area (the “Premises”)

Section III – Non-Assignability and Non-Exclusivity

a. The City and Baseball agree that it is the purpose of this Agreement to contract for the use, operation, management and maintenance of the Premises, and that this is an agreement for the privilege of Baseball to use the Premises only for the purpose of collegiate baseball. This Lease Agreement may not be assigned by Baseball to any person or entity, and Baseball agrees that the City’s consent to any assignment may be withheld for any reason, and in its sole discretion.

b. The City agrees not to enter into a lease for the Premises with any other minor league, professional or collegiate league during the term of this lease, without the written consent of Baseball.

c. It is further understood that this Lease Agreement is non-exclusive, meaning that, at those times when the Premises are not being used for Baseball’s purposes, the City retains the right to make the Premises available for other uses to the extent that the use will not interfere with those purposes. By express understanding it will not be interference for the City to allow the playing field to be used by college, high school, little league or other local baseball teams, or to permit others to host outdoor concerts on the Premises. At such times, it shall be the City’s responsibility to maintain the Premises in good repair. Baseball agrees it will cooperate with the City in making the premise available to others. The City will notify Baseball when an event is scheduled at the Premises.

Section IV – Compensation (Rent)

a. As compensation for the use of the Premises, and during the term of this Lease, Baseball shall pay to the City fees as follow:

Day Game	\$125.00 per game
Night Game	\$150.00 per game
Double-Header	\$250.00 per occurrence
Day Practice	\$ 75.00 per practice (up to 3 hours)
Night Practice	\$100.00 per practice
Day Camp	\$ 75.00 per day

Day game means any game that ends before 6:00 p.m.

Night game means any game that begins at or extends beyond 6:00 p.m.

Doubleheaders shall be billed as two games.

Day practice means any practice that ends before 6:00 p.m.

Night practice means any practice that starts after 6:00 p.m.

b. Baseball will provide the City Department of Parks and Recreation and the City Comptroller's Office with a schedule detailing all planned field use for games, practices and camps no later than April 1st.

c. Payment must be made to the City Comptroller by the first day of the month for that month's scheduled events at the Premises. If full payment is not made by the Rams by the first day of the month for that month's scheduled events, or any other unpaid invoice is over 30 days outstanding, the Rams will not be authorized to use the Premises until full payment is made. An invoice will be generated at month's end for any additional time used above and beyond scheduled time by the Rams and must be paid within 30 days. The Rams shall not receive credit for any unused, but scheduled, filed time, unless in the event of inclement weather.

Section V – Non-Alcohol Concessions and Advertising

a. It is the purpose of this Section to provide an incentive to Baseball to operate concessions during the term of the lease for all Fairgrounds activities, for the benefit of both Baseball and the City. The City and Baseball agree that during the term of this lease, concession rights for the sale of food and non-alcoholic drinks, as well for baseball souvenir items sold on the Premises shall be exclusive to Baseball. The City shall not permit nor allow mobile units or other vendors or concessions upon the premises during events or activities being conducted by Baseball or others during the term of this lease. Prior to opening the concessions for sale of food and drink, Baseball will provide the City

with all applicable licenses, including but not limited, required NYS Department of Health.

b. All expenses incurred in providing concessions shall be at the sole expense of Baseball.

c. The City authorizes Baseball to install soda vending machines on the Premises. The City, in its sole discretion, can ask to have the vending machines removed if vandalism occurs.

d. Baseball shall be responsible for causing the concessions to be open and operated for all Watertown Wizard events. Additionally, Baseball shall be responsible for causing the concessions to be open and operated during the hours of Fair Week if an event is held in the grandstand area. In the event that non-Wizard events are held at the Leased Premises during Baseball's regular season, Baseball shall be responsible for causing the concession to be opened and operated for those events.

e. Baseball will be allowed to sell Advertising to be placed within the leased Premises. The Parks and Recreation Crew Chief must approve all advertising prior to installation. It will be the responsibility of Baseball to install and remove the Advertising, including the removal of all hardware. In the event that all signage and/or hardware is not removed by August 31st, Baseball will be responsible for reimbursing the City for the costs of removing said signage and/or hardware. A fee of \$3,000.00 shall be paid to the City Comptroller's Office no later than May 15, 2013. Signs can be up only between May 15th and August 31st.

Section VI – Sale of Alcoholic Beverages

a. Baseball will be permitted to sell alcoholic beverages pursuant to a validly issued and sustained license from the NYS Liquor Authority, as long as those sales comply in all respects with the Alcohol sales policy of the City of Watertown, and the ABC Laws, Rules and Guidelines which are incorporated in the City approval of said application.

(1) Baseball Games: At no time shall alcohol sales begin more than an hour prior to the start of the game, and all alcohol sales will cease at the end of the 7th inning stretch. If a double header is being played, sales shall end following the completion of the 5th inning of the second game.

(2) Other events: The sale of alcohol shall not be allowed more than one hour prior to the commencement of the event and shall stop at least one half hour prior to the scheduled conclusion of the event. "Other events" are limited to events taking place during the week of the Jefferson County Fair, or as approved by the City Manager.

b. Baseball acknowledges that, as the party responsible for the concessions, it is obligated not to sell alcoholic beverages in violation of the New York Alcohol Beverage and Control Law, the New York Penal Law, and/or the New York General Obligations Law. If it is determined that Baseball has sold beverages in violation of any of the applicable rules and regulations, including any term of this lease, Baseball's right to sell alcohol on the leased premises shall be immediately revoked.

c. Baseball acknowledges that the City of Watertown is not involved in the sale of alcoholic beverages, and agrees to defend and indemnify the City, including reimbursement of the City's reasonable attorney's fees, from any and all claims, civil or criminal, arising from any claimed violations of law pertaining to, or statutory duty arising from, the sale of alcoholic beverages.

Section VII – Adequacy of Leased Premises

a. Baseball represents that the Premises satisfy the requirements of the Perfect Game Collegiate Baseball League and that the City shall not be obligated to make any changes to the Premises and the office space during the term of this Lease to satisfy any requirements of Baseball or the Perfect Game Collegiate Baseball League.

b. Baseball shall certify in writing to the City that it has accepted, in good order and repair, the Premises. This certification by Baseball shall include a statement that Baseball has examined and knows the condition of the Premises and has received the same in good repair and working order. Any exceptions by Baseball to the condition of the Premises at the time of their receipt shall be provided to the City in writing.

Section VIII – Maintenance

a. The City agrees that it will keep the Premises, including any structural or capital repairs and improvements, in good repair during the term of this Lease, and at its own expense. The City further agrees that it shall bear the cost of electric facilities and electric service to the Premises.

b. Baseball agrees to provide custodial maintenance of the Premises during the term of the Lease. Baseball is responsible for cleaning the Leased Premises after every game or practice. Baseball shall keep the Premises secure and keep unauthorized persons off of the roof in the grandstand area. Baseball agrees to be further responsible for maintenance of the Premises for all non-baseball activities that Baseball permits to take place on the Premises while the facilities are in the possession of Baseball. If Baseball has the concessions open for a non-Baseball event, they will still be responsible for custodial maintenance and cleanup of the Premises. Baseball must complete all custodial and maintenance clean-up within one hour of game or event completion. A minimum charge of \$25.00 per hour will be invoiced will be invoiced to the Rams for failure to

complete clean-up within one hour of game or event completion and will be due within 30 days of receipt.

c. The City agrees that it will maintain the baseball field. Baseball acknowledges, however, that the City's employees are not responsible for the laying and removal of the main field tarp prior to, during, or after any particular baseball game. The City agrees to provide up to four bags of Turface drying agent per game. Any Turface used above and beyond four bags will be charged back to the Rams at the City's cost.

d. If all or any part of the Premises are damaged or destroyed by Baseball, or by any of its agents or employees, or by any of Baseball's patrons, or during any event for which Baseball is responsible, (for example, damage or destruction to the outfield fence), Baseball agrees that it will immediately cause repairs or, if the City repairs the damage, that it will reimburse the City for such damage or destruction.

Section IX – Parking Fees

Baseball acknowledges that the City reserves the right to assess a parking charge, per car, at each home game for the Team. This amount may increase at the City's sole discretion. The parties agree that the City shall be responsible for collecting the fee, and that all proceeds from parking shall inure to the City.

Section X – Office Space

As part of the Fairgrounds Capital Improvement Project, the City constructed office space. A portion of that office space has been requested for use by Baseball from May 15th through August 15th. The City agrees to lease a portion of the office space to Baseball for Six Hundred Dollars (\$600.00) for the term, which amount shall be paid in the same manner as detailed in Section IV c, above. In the event Baseball no longer desires to occupy the office space, Baseball may vacate the office upon thirty (30) days' written notice to the City, and the lease payment due will be prorated. This office space shall be considered part of the Premises for purposes of Section XV.

The Rams shall be permitted to rent 100 chairs, from the period of May 15, 2013 thru August 15, 2013 for the amount of \$1,500.00, to be paid to the City Comptroller's Office by May 15, 2013. The Rams will be responsible for compensating the City for any lost or damaged chairs.

Section XI – Concession Space

a. As part of the Fairgrounds Capital Improvement Project, the City constructed concession space. Baseball has requested exclusive use of the concession space during the term of this Lease. The City agrees to lease concession space highlighted in yellow

on the attached map, to Baseball for twenty eight hundred dollars (\$2,800) for the term, which amount shall be paid in the same manner as detailed in Section IV c, above.

b. In the event that a non-Wizard event requiring paid admission is held within the Leased Premises during the term of the lease that has attendance which exceeds 1,000 people, Baseball will pay the City an additional \$500 for lease of the concession space for that event. If the attendance at such an event exceeds 2,000 people, Baseball will pay the City an additional \$1,000 for lease of the concession space for that event.

Section XII – Insurance

a. Baseball agrees to name the City as an additional named insured for its liability coverage, and to provide proof of general liability insurance in the amount of \$500,000 per person and \$1,000,000 per occurrence, and property damage coverage in the amount of \$100,000. Baseball shall provide the City with copies of its declarations pages for the policy or policies during the duration of the Lease Agreement. Baseball's policies of insurance may not limit the City's coverage as an additional insured to vicarious liability issues only.

b. The City will insure the Premises to cover only the City's interest in the event of damage due to fire or other hazard. Baseball agrees that, if the Premises are materially damaged by fire or other casualty, the City is not obligated to restore the Premises, and Baseball will have no claim under this lease against the City for not restoring the Premises.

c. Baseball shall procure and maintain workers' compensation insurance and disability insurance in accordance with the laws of the State of New York. This insurance shall cover all persons who are employees of Baseball under the laws of the State of New York. Proof of said insurance shall be provided to the City of Watertown upon signing of this Agreement.

Section XIII – Hold Harmless

Baseball shall indemnify and hold the City harmless, including reimbursement for reasonable attorneys' fees, from any and all loss, costs or expense arising out of any liability or claim of liability for injury or damages to persons or to property sustained by any person or entity by reason of Baseball's operation, use, or occupation of the Premises, or by or resulting from any act or omission of Baseball or any of its officers, agents, employees, guests, patrons or invitees. The liability insurance in the type and amounts identified at Section X, naming the City as an additional named insured, shall be sufficient for purposes of meeting Baseball's obligations under this paragraph.

Section XIV – Venue and Applicable Law

a. The City and Baseball agree that the venue of any legal action arising from a claimed breach of this Lease is in the Supreme Court, State of New York, in and for the County of Jefferson.

b. This Agreement shall be construed in accordance with the laws of the State of New York.

Section XV – Right of Access

The City reserves the right to enter the Premises by its duly authorized representatives at any reasonable time which does not interfere or conflict with the conduct of the business of Baseball, for the purposes of inspecting the Premises, performing any work necessary to required on the part of the City, exhibiting the Premises, or in the performance of its police powers.

Section XVI – Return of Premises

Baseball agrees to return the Premises to the City, upon the expiration of this Lease, in as good condition as when Baseball received possession of the Premises, reasonable wear and tear excepted, and excepting damage to the Premises caused by others when the Premises were not under the control of Baseball. The City and Baseball will conduct an initial walk through of the Premises at the beginning of the lease term. Upon expiration of the lease, The City and Baseball will conduct a final walk through of the Premises

Section XVII – Desire to Renew Notice

If Baseball desires to have a lease Agreement for the following year, they must notify the City in writing by January 31st.

Section XVIII – Notice

All notices required to be given under this Lease shall be in writing and shall be deemed to have been duly given on the date mailed if sent by certified mail, return receipt requested, to:

To City: Sharon Addison, City Manager
City of Watertown
245 Washington Street
Watertown, New York 13601

To Baseball: Todd Kirkey, General Manager
Watertown Rams, Inc.
1030 Bronson Street
Watertown, New York 13601

A party may change the address to which notices are to be sent by written notice actually received by the other party.

IN WITNESS WHEREOF, the City and Baseball will have caused this Lease to be executed by authorized agents to be effective as of May 15, 2013.

THE CITY OF WATERTOWN, NEW YORK

By: _____
Sharon Addison, City Manager

WATERTOWN RAMS INC.

By: _____
Todd Kirkey, General Manager

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

On _____, 2013, before me, the undersigned, a Notary Public, in and for said State, personally appeared Sharon Addison, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me he executed the same in his capacity and that by his signature on the instrument, the individual or the person upon whose behalf the individual acted, executed the instrument.

NOTARY PUBLIC

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

On _____, 2013, before me, the undersigned, a Notary Public, in and for said State, personally appeared Todd Kirkey, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me he executed the same in his capacity and that by his signature on the instrument, the individual or the person upon whose behalf the individual acted, executed the instrument.

NOTARY PUBLIC

January 16, 2013

To: The Honorable Mayor and City Council

From: Elliott B. Nelson, Confidential Assistant to the City Manager

Subject: Red & Black Lease Agreement

Attached for City Council consideration and approval is a Lease Agreement between the City and the Red & Black football team for the 2013 and 2014 seasons. The current agreement, also for a two-season term, expires March 31 of this year. The changes to this lease agreement are listed below. City staff will be available to answer any questions regarding this legislation at the Council meeting.

- The fees associated with this lease agreement have increased. The fee for the year-round rental of storage space at the Grandstands has increased from \$300.00 to \$600.00. Additionally, the flat fee the season's practice schedule has increased by \$100.00 and the game fee has increased by \$25.00.
- The Red & Black will now be required to pay, by the first of each month, for their scheduled field time for the coming month. This provision has also been included in the agreements for the Rams and the Privateers and has been endorsed by Parks and Recreation Superintendent Gardner as a superior way for the department to conduct business.
- The provision requiring the Red & Black to pay the City 10% of concession sales has been replaced with a flat fee of \$250.00. The volume of sales at Red & Black concessions is relatively low, and Staff feel that this flat fee is an equitable arrangement.
- Similarly, the provision requiring the Red & Black to pay the City based on each advertising sign has been replaced with a flat fee of \$250.00. Again, this figure is based on the volume of advertising sales from last season and staff believe this is both equitable and easier to administer.

RESOLUTION

Page 1 of 1

Approving Lease Agreement, The
Greater Watertown Red and Black, Inc.

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

YEA	NAY

WHEREAS the City is a municipal corporation organized under the laws of the State of New York and, as such, owns a facility known as the Alex T. Duffy Fairgrounds within the City of Watertown, and the Fairgrounds are a community recreational facility, and

WHEREAS the City desires to promote future recreational activities at the Fairgrounds for the valid public purpose of the benefit, recreation, entertainment, amusement, convenience and welfare of the people of the City, and

WHEREAS in pursuit of that public purpose, the City desires to contract for the use, operations, management and maintenance of the Fairgrounds multi-purpose field and all football-related activities, and

WHEREAS the Greater Watertown Red and Black, Inc. owns and operates a football team as a member and franchise of the Empire Football League, and

WHEREAS Greater Watertown Red and Black, Inc. desires to have its team, Red and Black, play football games within the confines of the Fairgrounds,

NOW THEREFORE BE IT RESOVLED that the City Council of the City of Watertown approves the Lease Agreement between the City of Watertown and the Greater Watertown Red and Black, Inc., attached hereto and made part thereof, and

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

Seconded by

LEASE AGREEMENT

THE CITY OF WATERTOWN, NEW YORK AND GREATER WATERTOWN RED AND BLACK, INC.

This Lease is being made and is intended to be effective as of April 1, 2013, between the City of Watertown, New York, with its principal offices located at 245 Washington Street, Watertown, New York 13601 (“City”) and Greater Watertown Red and Black, Inc., with its principal offices located at 1358 Washington Street, Watertown, New York, (“Football”).

INTRODUCTION

WHEREAS, the City is a municipal corporation organized under the laws of the State of New York and, as such, owns a facility known as the Alex T. Duffy Fairgrounds (the “Fairgrounds”) within the City of Watertown, and the Fairgrounds are a community recreational facility; and

WHEREAS, the City desires to promote future recreational activities at the Fairgrounds for the valid public purpose of the benefit, recreation, entertainment, amusement, convenience and welfare of the people of the City; and

WHEREAS, in pursuit of that public purpose, the City desires to contract for the use, operation, management and maintenance of the Fairgrounds multi-purpose field and all football-related activities; and

WHEREAS, Football owns and operates a season football team as a member and franchise of the Empire Football League; and

WHEREAS Football desires to have its team, Red and Black (the “Team”), play football games within the confines of the Fairgrounds; and

WHEREAS, the City has undertaken a substantial capital improvement project for the Fairgrounds in furtherance of the public purpose of keeping football in the City for the recreation, entertainment and welfare of the people of the City, including the economic benefit such a team can bring.

NOW, THEREFORE, in consideration of mutual covenants and agreements as stated herein, the City and Football agree as follows:

AGREEMENT

Section I – Term of Lease

The initial term of this Lease shall be for a two-year period from April 1, 2013 through March 31, 2015.

Section II – Premises Leased

The City agrees to lease to Football the premises generally known as the Alex T. Duffy Fairgrounds football field and all incidents thereto, including the bleachers and scoreboard, consisting of essentially that area bounded by the multi-purpose field fence separating the field from the remainder of the Fairgrounds, together with the immediately adjacent parking areas (the “Premises”). This lease also provides for rental of the storage/locker areas highlighted in yellow on the map attached as Exhibit A to this Agreement. Restrooms and locker rooms in the Grandstand are part of the Leased Premises when Football is practicing or playing a game on leased fields owned by the City. Restrooms and additional locker rooms may be used as needed depending upon availability. The Fairgrounds multi-purpose #5 field will be made available for practice purposes. In the event this field cannot be used, one of the other nearby fields may be used.

Section III – Non-Assignability and Non-Exclusivity

a. The City and Football agree that it is the purpose of this Agreement to contract for the use, operation, management and maintenance of the Premises, and that this is an agreement for the privilege of Football to use the Premises only for the purpose of semi-pro football. This Lease Agreement may not be assigned by Football to any person or entity, and Football agrees that the City’s consent to any assignment may be withheld for any reason, and in its sole discretion.

b. The City agrees not to enter into a lease for the Premises with any other Empire Semi-Pro Football team during the term of this lease, without the written consent of Football.

c. It is further understood that this Lease Agreement is non-exclusive, meaning that, at those times when the Premises are not being used for Football’s purposes, the City retains the right to make the Premises available for other uses to the extent that the use will not interfere with those purposes. By express understanding, it will not be interference for the City to allow the playing field to be used by college, high school, youth leagues or other sporting teams. At such times, it shall be the City’s responsibility to maintain the Premises in good repair.

Section IV – Compensation (Rent)

a. As a compensation for the use of the Premises, and during the term of this Lease, Football shall pay to the City fees as follows:

Rental of Storage Space	\$600.00 per year
Day Game	\$125.00 per game
Night Game	\$175.00 per game
Practice	\$1,300.00 for the season

Day game means any game that ends before 6:00 p.m.

Night game means any game that begins at or extends beyond 6:00 p.m.

When scheduling the use of the City’s fields, the City will give games priority over practices and events.

Red and Black will provide the City Department of Parks and Recreation and the City Comptroller’s Office with a schedule detailing all planned field use for games, practices and camps no later than April 1st.

b. Payment must be made to the City Comptroller by the 1st day of the month for that month’s scheduled field time. If full payment is not made by the Red and Black by the 1st day of the month for that month’s scheduled field time or any other unpaid invoice is over 30 days outstanding, the Red and Black will not be authorized use of the facility until full payment is made. An invoice will be generated by the City at the month’s end for any additional field time used above and beyond scheduled time by the Red and Black, payable within 30 days. Red and Black shall not receive credit for any unused, but scheduled, field time unless 36 hours of notice is given to the Parks and Recreation Department or in the event of inclement weather.

Section V – Concessions and Advertising

a. The City and Football agree that for Red and Black events during the term of this Lease Agreement, concessions rights for the sale of food and non alcoholic drink as well as for football souvenir items sold on the Premises shall be exclusive to Football. The City shall not permit nor allow mobile units or other vendors or concessions upon the Premises during events or activities being conducted by Football without the written consent of Football

b. All expenses incurred in providing concessions shall be at the sole expense of Football.

c. Football shall pay the City shall pay the City \$250.00 for rights to sell concessions on the Leased Premises for the term of this lease. Full payment must be made to the City Comptroller by April 1st of each year..

d. Football will be allowed to sell Advertising to be placed upon the side line fences, ticket booths and the press box, on the Leased Premises and on the scoreboard. Mounting of advertising on City property must be approved in advance by the City. Football is not authorized to sell advertising and install signs in any other areas of the Leased Premises without the written consent of the City. It will be the responsibility of Football to install and remove the Advertising. By April 1st of each year, Football will be responsible for a flat fee of \$250 to have exclusive rights for signage.

Section VI – Adequacy of Leased Premises

a. Football represents that the premises satisfy the requirements of the Empire Football League and that the City shall not be obligated to make any change to the Premises during the term of this Lease to satisfy any requirements of Football or the Empire Football League.

b. Football shall certify in writing to the City that it has accepted, in good order and repair, the Premises. This certification by Football shall include a statement that Football has examined and knows the condition of the Premises and has received the same in good repair and working order. Any exceptions by Football to the condition of the Premises at the time of their receipt shall be provided to the City in writing.

Section VII – Maintenance

a. The City agrees that it will keep the Premises, including any structural or capital repairs and improvements, in good repair during the term of this Lease, and at its own expense. The City further agrees that it shall bear the cost of electric facilities and electric service to the Premises.

b. Football agrees to provide custodial maintenance of the Premises during the term of the Lease. Football is responsible for cleaning the Leased Premises after every game or practice. If Football has not cleaned the Leased Premises by 10:00 a.m. the day following a game or practice, the City will clean the Leased Premises and Football will reimburse the City as described below:

1 st offense	\$50 Fee, plus actual cost
2 nd offense	\$100 Fee plus, actual cost
3 rd offense	\$250 Fee plus, actual cost
After 3 offenses (each offense)	\$500 Fee plus, actual cost

If the City is compelled to do custodial maintenance, as described above, Football will pay the bill for such work performed by the City before they will be allowed to use the Leased Premises for a game or practice.

c. Football shall keep the Premises secure and keep unauthorized persons out of the grandstand area.

d. The City agrees that it will maintain the football field. Football acknowledges, however, that the City's employees are not responsible for the laying and removal of football equipment prior to, during, or after any particular football game or practice.

e. If all or any part of the Premises are damaged or destroyed by Football, or by any of its agents or employees, or by any of Football's patrons, or during any event for which Football is responsible, (for example, damage, or destruction to the goal post), Football agrees that it will immediately cause repairs or, if the City repairs the damage, that it will reimburse the City for such damage or destruction. The City reserves the right to close any non-paved or unimproved areas from parking in order to avoid damage to our fields and green areas.

Section VIII – Parking Fees

Football acknowledges that the City reserves the right to assess a one dollar (\$1.00) parking charge, per car, at each home game for the Team. This amount may increase at the City's sole discretion. The parties agree that the City shall be responsible for collecting the fee, and that all proceeds from parking shall inure to the City.

Section IX – Insurance

a. Football agrees to name the City as an additional named insured for its liability coverages, and to provide proof of general liability insurance in the amount of \$500,000/\$1,000,000 combined single limit. Football shall provide the City with copies of its declaration pages for the policy or policies during the duration of the Lease Agreement. Football's policies of insurance may not limit the City's coverage as an additional insured to vicarious liability issues only.

b. The City will insure the Premises to cover only the City's interest in the event of damage due to fire or other hazard. Football agrees that, if the Premises are materially damaged by fire or other casualty, the City is not obligated to restore the Premises, and Football will have no claim under this Lease against the City for not restoring the Premises.

c. Football shall procure and maintain Workers' Compensation insurance and disability insurance in accordance with the laws of the State of New York. This insurance shall cover all persons who are employees of Football under the laws of the

State of New York. Proof of said insurance shall be provided to the City of Watertown upon signing of this Agreement.

Section XI – Hold Harmless

Football shall indemnify and hold the City harmless, including reimbursement for reasonable attorneys' fees, from any and all loss, costs or expense arising out of any liability or claim of liability for injury or damages to persons or to property sustained by any person or entity by reason of Football's operation, use, or occupation of the Premises, or by or resulting from any act or omission of Football or any of its officers, agents, employees, guests, patrons or invitees. The liability insurance in the type and amounts identified at Section XI, naming the City as an additional named insured, shall be sufficient for purposes of meeting Football's obligations under this paragraph.

Section XII – Venue and Applicable Law

a. The City and Football agree that the venue of any legal action arising from a claimed breach of this Lease is in the Supreme Court, State of New York, in and for the County of Jefferson.

b. This Agreement shall be construed in accordance with the laws of the State of New York.

Section XIII – Right of Access

The City reserves the right to enter the Premises by its duly authorized representatives at any reasonable time which does not interfere or conflict with the conduct of business of Football, for the purposes of inspecting the Premises, performing any work necessary required on the part of the City, exhibiting the Premises, or in the performance of its police powers.

Section XIV – Return of Premises

Football agrees to return the Premises to the City, upon the expiration of this Lease, in as good condition as when Football received possession of the Premises, reasonable wear and tear excepted, and excepting damage to the Premises caused by others when the Premises were not under the control of Football. The City and Football will conduct an initial walk through of the Premises at the beginning of the Lease term. Upon expiration of the Lease, the City and Football will conduct a final walk through of the Premises.

Section XVI – Desire to Renew Notice

Football shall provide the City with a ninety (90) day written notice of its desire to discuss the option to renew this Agreement.

Section XVII – Notice

All notices required to be given under this Lease shall be in writing and shall be deemed to have been duly given on the date mailed if sent by certified mail, return receipt requested, to:

To City: Sharon Addison, City Manager
City of Watertown
245 Washington Street
Watertown, New York 13601

To Football: George Ashcraft, General Manager
Greater Watertown Red and Black, Inc.
1358 Washington Street
Watertown, New York 13601

A party may change the address to which notices are to be sent by written notice actually received by the other party.

IN WITNESS WHEREOF, the City and Football will have caused this Lease to be executed by authorized agents to be effective as of April 1, 2013.

THE CITY OF WATERTOWN, NEW YORK

By: _____
Sharon Addison, City Manager

GREATER WATERTOWN RED AND BLACK,
INC.

By: _____
George Ashcraft, General Manager

January 14, 2013

To: The Honorable Mayor and City Council

From: Sharon Addison, City Manager

Subject: Professional Services Agreement for Constructability of the
Factory Street Reconstruction Project, PIN 775315

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

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

Attached for City Council review and approval is a professional services agreement for the proposed Constructability Oversight of the Factory Street Reconstruction Project in the amount of \$39,600. As this project is a Federal pass through project, the selection of the engineering consultant for this project is a well defined process. City Engineer Kurt Hauk's report is attached and advises that the consultant selected for this project is Barton & Loguidice.

Staff is recommending that the City Council approve this Agreement for Professional Services in an amount of \$39,600. Included in the agenda package is a Bond Ordinance Amendment to cover the costs of this Agreement. Approval of this resolution is subject to the City Council approval of the Bond Ordinance Amendment.

RESOLUTION

Page 1 of 1

Authorizing Professional Services Agreement for Constructability of the Factory Street Reconstruction Project, PIN 775315, Barton & Loguidice

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

YEA	NAY

Introduced by

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

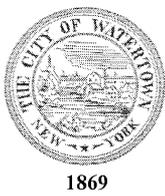
WHEREAS on April 19, 2010 and October 18, 2010, the City Council adopted resolutions authorizing the Master Federal Aid Local Agreement and the Marchiselli Agreement, respectively which provide \$752,000 and \$141,000 respectively for the costs of the Preliminary Engineering & Right-of-Way Incidentals,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

WHEREAS in support of this project, the City Engineering Department has negotiated a contract with Barton & Loguidice for Constructability Oversight of the Factory Street Reconstruction project at a cost of \$39,600,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Agreement between the City of Watertown and Barton & Loguidice, a copy of which is attached and made a part of this resolution, and

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

Seconded by



CITY OF WATERTOWN
ENGINEERING DEPARTMENT
MEMORANDUM

DATE: 2 January 2013

TO: Sharon Addison, City Manager

FROM: Kurt Hauk, City Engineer

SUBJECT: Professional Services Agreement for Constructability of the Factory Street Reconstruction Project, PIN 775315

Enclosed is a copy of the professional services agreement and backup documents for the proposed Constructability Oversight of the Factory Street Reconstruction Project in the amount of \$39,600. The consultant selected was Barton & Loguidice, which will also be performing the construction inspection and contract management of the project during the construction phase under a separate agreement.

This project is a "Pass Through" project and is being progressed under the Procedures for Locally Administered Federal Aid (LAFA) Projects. The consultant was selected from the City of Watertown Locally Driven Selection Arrangement (LDSA) shortlist. This shortlist of five firms was developed from the NYSDOT Regional List of pass through consultants.

The purpose of this agreement is to bring the constructing firm into the process earlier than is otherwise done during LAFA procedures. Because of this, the cost of this work is not reimbursable through the LAFA process. A letter from the NYSDOT is enclosed. This proposed procedure comes directly from internal discussions after the completion of State Street and Public Square on how to improve the completion of future LDSA projects and ultimately save construction dollars.

This agreement will allow the constructing firm to review and comment on the design from a constructability standpoint, oversee the relocation of any private utilities prior to construction, assist the City with developing the Construction Management Plan (CMP), and become familiar with key provisions of the project prior to the actual handoff at the pre-construction meeting.

Please prepare a resolution for Council consideration. The originals are on file and will be forwarded for signature upon approval.

Architectural/ Engineering Consultant Agreement

PIN (s) 775315 Municipal Contract No. _____

Agreement made this _____ day of _____, _____ by and between

City of Watertown

(municipal corporation)

having its principal office at 245 Washington Street, Suite 305, City Hall, in Watertown, New York 13601
(the "***Municipality***")

and

BARTON & LOGUIDICE, P.C.

with its office at 290 Elwood Davis Road, P.O. Box 3107, Syracuse, New York 13220 (the "***Consultant***")

WITNESSETH:

WHEREAS, in connection with a federal-aid project funded through the New York State Department of Transportation ("NYSDOT") identified for the purposes of this agreement as ***Factory Street Reconstruction*** (as described in detail in Attachment A annexed hereto, the "Project" the Municipality has sought to engage the services of a Consultant Engineer) to perform the scope of services described in Attachment B annexed hereto; and

WHEREAS, in accordance with required consultant selection procedures, including applicable requirements of NYSDOT and/or the Federal Highway Administration ("FHWA"), the Municipality has selected the Consultant to perform such services in accordance with the requirements of this Agreement; and

WHEREAS, Matthew J. Schooley, P.E., is authorized to enter this Agreement on behalf of the Consultant,

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1. DOCUMENTS FORMING THIS AGREEMENT

This agreement consists of the following:

- Agreement Form - this document titled "Architectural/Engineering Consultant Agreement";
- Attachment "A" - Project Description and Funding;
- Attachment "B" - Task List;
- Attachment "C" - as applicable, Staffing Rates, Hours, Reimbursables and Fee.

ARTICLE 2. SCOPE OF SERVICES/STANDARD PRACTICES AND REQUIREMENTS .

2.1 The CONSULTANT shall render all services and furnish all materials and equipment necessary to provide the Municipality with plans, estimates and other services and deliverables more specifically described in Attachment "B".

2.2 The CONSULTANT shall ascertain the applicable practices of the Municipality, NYSDOT and/or FHWA prior to beginning any of the work of this PROJECT. All work required under this Agreement shall be performed in accordance with these practices, sound engineering standards, practices and criteria, and any special requirements, more particularly described in Attachment "B".

2.3 The CONSULTANT will commence work no later than ten (10) days after receiving notice to proceed from the Municipality.

ARTICLE 3. COMPENSATION METHODS, RATES AND PAYMENT

As full compensation for Consultant's work, services and expenses hereunder the Municipality shall pay to the CONSULTANT, and the CONSULTANT agrees to accept compensation based the methods designated and described below. Payment of the compensation shall be in accordance with the Interim Payment procedures shown in the table and the final payment procedure in Article 6.

(Continued next page)

■ 3.1 Cost Plus Fixed Fee Method

ITEM	DESCRIPTION OF ITEMS WITHIN METHOD	APPLICABLE RATE/ AMOUNT OR PERCENTAGE	INTERIM PAYMENTS:
Item I	<p>■ Actual Direct Technical Salaries, regular time plus straight time portion of overtime compensation of all employees assigned to this PROJECT on a full-time basis for all or part of the term of this Agreement, plus properly allocable partial salaries of all persons working part-time on this PROJECT.</p> <p>■ The cost of Principals', Officers= and Professional Staffs= salaries (productive time) included in Direct Technical Salaries is eligible for reimbursement if their comparable time is also charged directly to all other projects in the same manner. Otherwise, Principals' salaries are only eligible as an overhead cost, subject to the current limitations, generally established therefore by the Municipality.</p> <p>■ If, within the term of this Agreement, any direct salary rates are paid in excess of the maximums shown in Attachment A, the excess amount shall be borne by the CONSULTANT WITHOUT REIMBURSEMENT either as a direct cost or as part of the overhead allowance.</p>	<p>■ Actual costs incurred in the performance of this agreement as identified in Attachment C or otherwise approved in writing by the Municipality or its representative.</p> <p>■ Not to exceed the maximum allowable hourly rates of pay described in Attachment C of this Agreement, all subject to audit.</p> <p>■ Actual overtime premium portion of Direct Technical Salaries, all subject to audit and prior approval by the Municipality.</p>	<p>■ The CONSULTANT shall be paid in monthly (fill in timeframe) progress payments based on the maximum salary rates and allowable costs incurred during the period as established in Attachment C.</p> <p>■ Bills are subject to approval of the Municipality and Municipality's Representative.</p>
Item II	<p>Actual Direct Non-Salary Project-related Costs incurred in fulfilling the terms of this Agreement; all subject to audit.</p>	<p>All reimbursement for travel, meals and lodging shall be made at actual cost paid but such reimbursement shall not exceed the per diem rates established by the NY State Comptroller. All reimbursement shall not exceed the prevailing wage rates established by the NYS Department of Labor.</p>	
Item III	<p>Items required to be purchased for this Project not otherwise encompassed in Direct Non-salary Project-related Costs, which become the property of the Municipality at the completion of the work or at the option of the Municipality.</p>	<p>Salvage value</p>	

■ 3.1 Cost Plus Fixed Fee Method

ITEM	DESCRIPTION OF ITEMS WITHIN METHOD	APPLICABLE RATE/ AMOUNT OR PERCENTAGE	INTERIM PAYMENTS:
Item IV	<p>■ Overhead Allowance based on actual allowable expenses incurred during the term of this Agreement, subject to audit. Submitted overhead amounts will be audited based upon the Federal Acquisition Regulations, sub-part 1-31.2 as modified by sub-part 1-31.105 (FAR), and applicable policies and guidelines of the Municipality, NYSDOT and FHWA.</p> <p>■ For the purpose of this Agreement, an accounting period shall be the CONSULTANT's fiscal year. An audit of the accounting records of the CONSULTANT shall be made by the Municipality for each accounting period. For monthly billing purposes, the latest available overhead percentage established by such audit shall be applied to the charges made, under Item IA of this subdivision to determine the charge to be made under this Item.</p>	<p>■ The overhead allowance shall be established as a percentage of Item IA only (Actual Direct Technical Salaries) of this ARTICLE, and shall be a CONR compliant rate initially established as <u>172</u>%, in all events not to exceed <u>172</u>%, subject to audit.</p>	
Item V	<p>■ Negotiated Lump Sum Fixed Fee.</p> <p>Payment of the Fixed Fee for the described scope of services is not subject to pre-audit and is not subject to review or modification based on cost information or unless this Agreement is formally amended or supplemented by reason of a substantial change in the scope, complexity or character of the work to be performed.</p>	<p>■ A negotiated Lump Sum Fee which in this AGREEMENT shall equal <u>\$ 4,100.00</u>.</p>	
Item VI	<p>The Maximum Amount Payable under this Agreement including Fixed Fees unless this agreement is formally amended or supplemented by reason of a substantial change in the scope, complexity or character of the work to be performed.</p>	<p>Maximum Amount Payable under this Method shall be <u>\$ 39,600.00</u>.</p>	

ARTICLE 4. INSPECTION

The duly authorized representatives of the Municipality, and on Federally aided projects, representatives of the NEW YORK STATE DEPARTMENT OF TRANSPORTATION and the FEDERAL HIGHWAY ADMINISTRATION, shall have the right at all times to inspect the work of the CONSULTANTS.

ARTICLE 5. AUDITS

5.1 Payment to the Consultant is subject to the following audit rights of the Municipality:

- A. For Cost Plus Fixed Fee Method - All costs are subject to audit, i.e. labor, direct non-salary, overhead, and fee.
- B. For Specific Hourly Rate Method - Labor hours and direct non-salary costs are subject to audit. If elements subject to audit are less than \$250,000, an audit may be waived by the Municipality.
- C. For Lump Sum Cost Plus Reimbursables Method - Only direct non-salary costs are subject to audit. If elements subject to audit are less than \$250,000, an audit may be waived by the Municipality.

5.2 In order to enable the Municipality to process the final payment properly and expeditiously, the CONSULTANT are advised that all of the following documents and submissions, as the same may be appropriate to this contract, are considered to be necessary to enable the commencement of the audit.

- 1) Records of Direct Non-Salary Costs;
- 2) Copies of any subcontracts relating to said contract;
- 3) Location where records may be examined; and
- 4) Name, address, telephone number of person to contact for production.

The application for final payment is not considered complete until receipt of these documents and information.

ARTICLE 6. FINAL PAYMENT

6.1 The Municipality will make final payment within sixty (60) calendar days after receipt of an invoice which is properly prepared and submitted, and all appropriate documents and records are received.

6.2 The acceptance by the CONSULTANT of the final payment shall operate as and shall be a release to the Municipality from all claims and liability to the CONSULTANT, its representatives and assigns for any and all things done, furnished for or relating to the services rendered by the CONSULTANT under or in connection with this Agreement or for any part thereof except as otherwise provided herein.

ARTICLE 7. EXTRA WORK

7.1 Consultant's performance of this Agreement within the compensation provided shall be continuously reviewed by the CONSULTANT. The CONSULTANT shall notify the Municipality of the results of those reviews in writing by submittal of a Cost Control Report. Such Cost Control Report shall be submitted to the Municipality on a monthly basis or such alternative interval as the Municipality directs in writing.

7.2 If the CONSULTANT is of the opinion that any work the CONSULTANT has been directed to perform is beyond the scope of the PROJECT Agreement and constitutes extra work, the CONSULTANT shall promptly notify the Municipality, in writing, of this fact prior to beginning any of the work. The Municipality shall be the sole judge as to whether or not such work is in fact beyond the scope of this Agreement and constitutes extra work. In the event that the Municipality determines that such work does constitute extra work, the Municipality shall provide extra compensation to the CONSULTANT in a fair and equitable manner. If necessary, an amendment to the PROJECT Agreement, providing the compensation and describing the work authorized, shall be prepared and issued by the Municipality. In this event, a Supplemental Agreement providing the compensation and describing the work authorized shall be issued by the Municipality (prepared by the

CONSULTANT if requested) to the CONSULTANT for execution after approvals have been obtained from necessary Municipality officials, and, if required from the Federal Highway Administration.

7.3 In the event of any claims being made or any actions being brought in connection with the PROJECT, the CONSULTANT agrees to render to the Municipality all assistance required by the Municipality. Compensation for work performed and costs incurred in connection with this requirement shall be made in a fair and equitable manner. In all cases provided for in this Agreement for the additional services above described, the Municipality's directions shall be exercised by the issuance of a separate Agreement, if necessary.

ARTICLE 8. CONSULTING LIABILITY

The CONSULTANT shall be responsible for all damage to life and property due to negligent acts, errors or omissions of the CONSULTANT, his subcontractors, agents or employees in the performance of his service under this Agreement.

Further, it is expressly understood that the CONSULTANT shall indemnify and save harmless the Municipality from claims, suits, actions, damages and costs of every name and description resulting from the negligent performance of the services of the CONSULTANT under this Agreement, and such indemnity shall not be limited by reasons of enumeration of any insurance coverage herein provided. Negligent performance of service, within the meaning of this Article, shall include, in addition to negligence founded upon tort, negligence based upon the CONSULTANT's failure to meet professional standards and resulting in obvious or patent errors in the progression of their work. Nothing in this Article or in this Agreement shall create or give to third parties any claim or right of action against the Municipality beyond such as may legally exist irrespective of this Article or this Agreement.

The CONSULTANT shall procure and maintain for the duration of the work for such project(s), Professional Liability Insurance in the amount of Two Million Dollars (\$2,000,000) per project, issued to and covering damage for liability imposed on the CONSULTANT by this Agreement or law arising out of any negligent act, error, or omission in the rendering of or failure to render professional services required by the Agreement. The CONSULTANT shall supply any certificates of insurance required by the Municipality and adhere to any additional requirements concerning insurance.

ARTICLE 9. WORKER'S COMPENSATION AND LIABILITY INSURANCE

This agreement shall be void and of no effect unless the CONSULTANT shall secure Workman's Compensation Insurance for the benefit of, and keep insured during the life of this agreement, such employees as are necessary to be insured in compliance with the provisions of the Workman's Compensation Law of the State of New York.

The CONSULTANT shall secure policies of general and automobile liability insurance, and maintain said policies in force during the life of this agreement. Said policies of insurance shall protect against liability arising from errors and omissions, general liability and automobile liability in the performance of this agreement. Automobile liability policy shall be furnished in the sum of at least \$1,000,000.00 (One Million dollars) for each occurrence and carry an excess umbrella of \$3,000,000 (Three Million dollars). Comprehensive General Liability shall be furnished with the following limits:

	<u>Each Occurrence</u>	<u>Aggregate</u>
Bodily Injury	\$1,000,000	\$2,000,000
Property Damage	\$1,000,000	\$2,000,000
\$3,000,000 Excess Umbrella		

The CONSULTANT shall furnish a certified copy of said policies to the CONSULTANT at the time of execution of this agreement.

ARTICLE 11. RECORDS RETENTION

The CONSULTANT shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (collectively called the "Records"). The Records must be kept for a minimum of six (6) years or three (3) years after final payment is received, whichever is later. The Municipality, State, Federal Highway Administration, or any authorized representatives of the Federal Government, shall have access to the Records during normal business hours at an office of THE CONSULTANT within the State of New York or, a mutually agreeable reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying.

ARTICLE 12. DAMAGES AND DELAYS

The CONSULTANT agrees that no charges or claim for damages shall be made by him for any delays or hindrances from any cause whatsoever during the progress of any portion of the services specified in this Agreement. Such delays or hindrances, if any, shall be solely compensated for by an extension of time for such reasonable period as the Municipality may decide, it being understood however, that the permitting of the CONSULTANT to proceed to complete any services or any part of them after the date of completion or after the date to which the time of completion may have been extended, shall in no way operate as a waiver on the part of the Municipality of any of its rights herein. Nothing in this ARTICLE will prevent the CONSULTANT from exercising his rights under ARTICLE 7 of this agreement.

ARTICLE 13. TERMINATION

The Municipality shall have the absolute right to terminate this Agreement, and such action shall in no event be deemed a breach of contract:

- A. for convenience of the Municipality - if a termination is brought about for the convenience of the Municipality and not as a result of unsatisfactory performance on the part of the CONSULTANT, final payment shall be made based on the basis of the CONSULTANT'S compensable work delivered or completed prior to and under any continuing directions of such termination.
- B. for cause - if the termination is brought about as a result of the Municipality's determination of unsatisfactory performance or breach of contract on the part of the CONSULTANT, the value of the work performed by the CONSULTANT prior to termination shall be established by the percent of the amount of such work satisfactorily delivered or completed by the CONSULTANT to the point of termination and acceptable to the Municipality, of the total amount of work contemplated by the PROJECT Agreement.

ARTICLE 14. DEATH OR DISABILITY OF THE CONSULTANT

(Provisions excluded/intentionally left blank)

ARTICLE 15. CODE OF ETHICS

The CONSULTANT specifically agrees that this Agreement may be canceled or terminated if any work under this Agreement is in conflict with the provisions of any applicable law establishing a Code of Ethics for Federal, State or Municipal officers and employees.

ARTICLE 16. INDEPENDENT CONTRACTOR

The CONSULTANT, in accordance with his status as an independent contractor, covenants and agrees that he will conduct himself consistent with such status, that he will neither hold himself out as, nor claim to be, an officer or employee of the Municipality by reason hereof, and that he will not, by reason hereof, make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the Municipality, including but not limited to Worker's Compensation coverage, Unemployment Insurance benefits, Social Security coverage or Retirement membership or credit.

ARTICLE 17. COVENANT AGAINST CONTINGENT FEES

The CONSULTANT warrants that he has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the Municipality shall have the right to annul this Agreement without liability, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

ARTICLE 18. TRANSFER OF AGREEMENT

The CONSULTANT specifically agrees, that he is prohibited from assigning, transferring, conveying, subletting or otherwise disposing of the Agreement or of his right, title or interest therein, or his power to execute such Agreement, to any other person, company or corporation, without the previous consent in writing of the Municipality.

If this provision is violated, the Municipality may revoke and annul the Agreement and the Municipality shall be relieved from any and all liability and obligations there under to the person, company or corporation to whom the CONSULTANT shall purport to assign, transfer, convey, sublet or otherwise dispose of the Agreement without such consent in writing of the Municipality.

ARTICLE 19. PROPRIETARY RIGHTS

The CONSULTANT agrees that if patentable discoveries or inventions should result from work described herein, all rights accruing from such discoveries or inventions shall be the sole property of the CONSULTANT. However, the CONSULTANT agrees to and does hereby grant to the United States Government and the State of New York and the Municipality a nonexclusive, nontransferable, paid-up license to make, use, and sell each subject invention throughout the world by and on behalf of the Government of the United States and states and domestic municipal governments, all in accordance with the provisions of 48 CFR 1-27. All documents, reports, studies, recommendations, plans, and/or instruments of services prepared by Consultant and provided to the City, both written and electronic, shall become the property of the City upon provisions.

ARTICLE 20. SUBCONTRACTORS/ SUBCONSULTANTS

All SUBCONTRACTORS and SUBCONSULTANTS performing work on this project shall be bound by the same required contract provisions as the CONSULTANT, including, but not limited to, the insurance coverages described at Article 9.. All agreements between the CONSULTANT and a subcontractor or other SUBCONSULTANT shall include all standard required contract provisions, and such agreements shall be subject to review by the Municipality.

ARTICLE 21. CERTIFICATION REQUIRED BY 49 CFR, PART 29

The signator to this Agreement, being duly sworn, certifies that, EXCEPT AS NOTED BELOW, its company and any person associated therewith in the capacity of owner, partner, director, officer, or major stockholder (five percent or more ownership)

- A. is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
- B. has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal agency within the past three years;
- C. does not have a proposed debarment pending; and
- D. has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three years.

ARTICLE 22. CERTIFICATION FOR FEDERAL-AID CONTRACTS

The prospective participant certifies, by signing this Agreement to the best of his or her knowledge and belief, that:

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit the standard "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and, not more than \$100,000 for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be, included in all lower tier subcontracts, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

ARTICLE 23. RESPONSIBILITY OF THE CONSULTANT

- A. The CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications and other services furnished by the CONSULTANT under this contract. The CONSULTANT shall, without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, and other services. However, the Municipality may in certain circumstances, provide compensation for such work.
- B. Neither the Municipality's review, approval or acceptance of, nor payment for, the services required under this contract shall be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract, and the CONSULTANT shall be and remain liable to the Municipality in accordance with applicable law for all damages to the Municipality caused by the CONSULTANT'S negligent performance or breach of contract of any of the services furnished under this contract.
- C. The rights and remedies of the Municipality provided for under this contract are in addition to any other rights and remedies provided by law.
- D. If the CONSULTANT is comprised of more than one legal entity, each such entity shall be jointly and severally liable hereunder.

ARTICLE 24. NON-DISCRIMINATION REQUIREMENTS

The CONSULTANT agrees to comply with all applicable Federal, State and Municipality Civil Rights and Human Rights laws with reference to equal employment opportunities and the provision of services. In accordance with Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal Statutory and constitutional non-discrimination provisions, the CONSULTANT will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, age, disability or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, CONSULTANT agrees that neither it nor its SUBCONSULTANTS shall, by reason of race, creed, color, disability, sex or national origin; (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this Agreement. CONSULTANT is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this Agreement and forfeiture of all moneys due hereunder for a second or subsequent violation.

ARTICLE 25. CERTIFICATION REQUIRED BY 40 CFR 111506.5©

If the work of the PROJECT includes the preparation of an Environmental Impact Statement (EIS), the signator to this Agreement, being duly sworn, certifies that its company and any person associated therewith in the capacity of owner, partner, director, officer, or major stockholder (five percent or more ownership) does not have any financial or other interest in the outcome of the project including:

- a. an existing contract for the PROJECT'S ROW incidental work or construction engineering; or
- b. ownership of land, options to buy land, or some business enterprise which would be financially enhanced or diminished by any of the PROJECT alternatives.

This does not preclude the CONSULTANT from being awarded a future contract covering the work describe in this Article.

ARTICLE 26. BIDDING OF DIRECT NON-SALARY ITEMS *(unless more restrictive municipal laws apply)*

For all contracts other than personal services in excess of \$5,000, the consultant shall solicit a number of quotes from qualified subcontractors so that at least three (3) quotes will be received. For all contracts other than personal services in excess of \$20,000 except printing contracts in excess of \$10,000, the consultant and subconsultants shall solicit a number of sealed bids from qualified subcontractors so that at least three (3) bids will be received. The consultant shall then enter into a subcontract with the lowest bidder or entity submitting the lowest quotation who is fully responsive to the invitation to submit a quote/bid.

ARTICLE 27. WAGE AND HOURS PROVISIONS

If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Consultant's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Consultant and its subconsultants must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law.

ARTICLE 28. INTERNATIONAL BOYCOTT PROHIBITION

In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Consultant agrees, as a material condition of the contract, that neither the Consultant nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Consultant, or any of the aforesaid affiliates of Consultant, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the Municipality and the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (See, 2 NYCRR 105.4).

ARTICLE 29. SERVICE OF PROCESS

In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), Consultant hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Consultant's actual receipt of process or upon the Municipality's receipt of the return thereof by the United State Postal Service as refused or undeliverable. Consultant must promptly notify the Municipality, in writing, of each and every change of address to which service of process can be made. Service by the Municipality to the last known address shall be sufficient. Consultant will have thirty (30) calendar days after service hereunder is complete in which to respond.

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective the day and year first above written.

Reference: Municipality Contract # _____

Municipality City of Watertown by: _____ Date: _____	Consultant BARTON & LOGUIDICE, P.C. by: _____ Date: _____
--	---

STATE OF NEW YORK

§:

COUNTY OF _____

On this _____ day of _____, 20____ before me, the subscriber, personally appeared to me known, who, being by me duly sworn, did depose and say; that he/she resides in the _____, New York; that he/she is the _____ of _____, the corporation described in and which executed the foregoing instrument; that he/she is the authorized with the execution of the matter herein provided for, and that he/she signed and acknowledged the said instrument in his/her position as a duly authorized representative of Municipality.

Notary Public, _____ County, N.Y

STATE OF NEW YORK

§:

COUNTY OF ONONDAGA

On this _____ day of _____, 20____ before me, the subscriber, personally appeared to me known, *Matthew J. Schooley*, who, being by me duly sworn, did depose and say; that he resides in the *Town of Aurelius, New York*; that he is Senior Vice President of the corporation described in and which executed the foregoing instrument; that he is the authorized with the execution of the matter herein provided for, and that he signed and acknowledged the said instrument in his/her position as a duly authorized representative of the corporation.

Notary Public, _____ County, N.Y

ATTACHMENT A

Project Description and Funding

Attachment A
Architectural/ Engineering Consultant Agreement
Project Description and Funding

PIN: 7753.15

Term of Agreement Ends: December 31, 2013

- Main Agreement Amendment to Agreement
 Supplement to Agreement

Phase of Project Consultant to work on:

- P.E./Design ROW Incidentals ROW Acquisition
 Construction, C/I, & C/S

Dates or term of Consultant Performance:

Start Date: December 1, 2012

Finish Date: December 31, 2013

PROJECT DESCRIPTION:

The City of Watertown has secured services of a separate consultant to provide engineering for the Factory Street Reconstruction project. The intent of this assignment (with Barton & Loguidice, P.C.) is to provide Constructability and Quality Assurance oversight on the design of the Factory Street Reconstruction as requested by the City of Watertown. Construction phase services will be provided by Supplemental Agreement.

Project Location:

***City of Watertown
Jefferson County***

Consultant Work Type(s): See Attachment B for more detailed Task List.

MAXIMUM AMOUNT OF FUNDS FOR ALL COMPENSATION PAYABLE UNDER THIS AGREEMENT FOR THE SCOPE OF WORK DESCRIBED IN ATTACHMENT B FOR THE PROJECT DESCRIBED IN THIS ATTACHMENT A, OTHERWISE IN ACCORDANCE WITH THE CHOSEN METHOD OF COMPENSATION AND OTHER TERMS OF THIS AGREEMENT:

\$ 39,600.00

Footnotes:

ATTACHMENT B

***Task List
or
Scope of Services***

August 2012

SCOPE OF SERVICES

(Base Task List)

Preliminary Services (Phases I-VI)

Factory Street Reconstruction

PIN 775315

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Section 7 Advertisement, Bid Opening and Award (by Supplemental Agreement)	11
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Section 1 - General

1.01 Project Description and Location

This project is known as: **Factory Street Reconstruction**

PIN: 775315

Project Description/Limits: The City of Watertown has secured the services of a separate consultant to provide engineering for the Factory Street Reconstruction project. The intent of this assignment (with Barton & Loguidice, P.C.) is to provide Constructability and Quality Assurance oversight on the design of the Factory Street Reconstruction as requested by the City of Watertown. Construction phase services will be provided by Supplemental Agreement.

Municipality: City of Watertown

County: Jefferson

1.02 Contract Administrator

The Municipality's Contract Administrator for this project is Mr. Kurt Hauk, City Engineer, and Joe Gaus, Designated Project Representative who both can be reached at (315) 785-7740.

All correspondence to the Municipality should be addressed to:

- Joe Gaus
City of Watertown
Suite 305, City Hall
245 Washington Street
Watertown, New York 13601

The Contract Administrator should receive copies of all project correspondence directed other than to the Municipality.

1.03 Project Classification

The Municipality will determine the project classification.

1.04 Categorization of Work

Project work is generally divided into the following sections:

Section 1	General
Section 2	Data Collection & Analysis (Not in Contract)
Section 3	Preliminary Design
Section 4	Environmental (Not in Contract)
Section 5	Right-of-Way (Not in Contract)
Section 6	Detailed Design (Not in Contract)
Section 7	Advertising, Bid Opening and Award (by Supplemental Agreement)
Section 8	Construction Support (by Supplemental Agreement)
Section 9	Construction Inspection (by Supplemental Agreement)

Section 10 Estimating & Technical Assumptions

When specifically authorized in writing to begin work, the Consultant will render all services and furnish all materials and equipment necessary to provide the Municipality with reports, plans, estimates, and other data specifically described in Sections the following sections.

1.05 Project Familiarization & Site Visit

The Municipality will provide the Consultant with the following information:

- Approved project initiation document (Initial Project Proposal or similar documentation) indicating project type, project location, cost estimate, schedule, and fund source(s).
- Plans for future related transportation improvements or development in the area of the project.
- Make available Available record plans including sewer, water and drainage as-builts.
- Accident records and history.
- Pavement History.
- Available project studies and reports.
- Other relevant documents pertaining to the project.

The Consultant will become familiar with the project before starting any work. This includes thorough review of all supplied project information and a site visit to become familiar with field conditions.

1.06 Meetings

The Consultant will prepare for and attend meetings as directed by the Municipality's Contract Administrator. Meetings may be held to:

- Present, discuss, and receive direction on the progress and scheduling of work in this agreement.
- Present, discuss, and receive direction on project specifics.
- Discuss and resolve comments resulting from review of project documents, advisory agency review, and coordination with other agencies.

Assume a total of (10) meetings will be held during the life of this agreement.

1.07 Project Reporting, Coordination and Management

This task shall include the overall project administration.

- 1) Project Reporting. For the duration of this agreement, the Consultant will prepare and submit to the Municipality on a monthly basis a Cost Control Report, a Progress Report, and a Project Schedule in accordance with Appendix 6-H of the NYSDOT LAFAPM. The beginning and ending dates defining the reporting period will correspond to the beginning and ending dates for billing periods, so that this reporting process can also serve to explain billing charges. (In cases where the Municipality officially suspends all work under this contract, this task will not be performed during the suspension period.)

- 2) Assist City with development of relevant portions of the PMP/CMP.

1.08 Policy and Procedures

The design of this project will be progressed in accordance with the current NYSDOT Design Procedure Manual (DPM) and appropriate sections of the Federal Aid Policy Guide (FAPG). All reviews will be performed in accordance with these documents as well as the following:

A. Compliance with documents

All work must conform to current versions of the following documents, as applicable. Where necessary, the Consultant will obtain either the full document or guidance extracted from it.

- NYSDOT Highway Design Manual
- A Policy on Geometric Design of Highways and Streets, American Association of State Highway and Transportation Officials (AASHTO)
- Highway Capacity Manual, Special Report 209, Transportation Research Board
- NYS Eminent Domain Procedure Law
- ADA Accessibility Guidelines for Buildings and Facilities
- AASHTO Model Drainage Manual & NYSDOT Model Drainage Manual
- NYSDOT Project Development Manual
- NYSDOT Scoping Procedure Manual, Appendix D (Design Traffic Forecast Policy)
- FHWA Manual of Uniform Traffic Control Devices including NYS Supplement
- NYSDOT Environmental Procedures Manual

B. Compliance with Environmental Laws, Regulations and Permits

All work must comply with the requirements of all applicable state and federal environmental laws, regulations and policy. Applicable laws, regulations and policies are specified in the NYSDOT Project Development Manual.

1.09 Specifications

The project will be designed and constructed in accordance with the current edition of the NYSDOT Standard Specifications for Construction and Materials, including all applicable revisions, and in accordance with the Municipality requirements. Special specifications, as necessary, will be written in conformance to NYSDOT guidelines.

1.10 Sub-Consultants

No Sub-Consultants proposed for this project.

1.11 Sub-Contractors

No Sub-Consultants proposed for this project.

Section 2 – Data Collection and Analysis

(Not in Contract)

Section 3 - Preliminary Design

3.06 Public Information Meeting(s) and/or Public Hearing(s)

The Consultant will attend the Public Information Meeting for this project. Materials prepared for this meeting will be provided by others.

Public Hearing(s): Assume no public hearing will be necessary for this project.

Section 4 - Environmental

(Not in Contract)

Section 5 - Right-of-Way

(Not in Contract)

Section 6 - Detailed Design

6.01 Preliminary Bridge Plans

No bridges are affected by this project.

6.02 Advance Detail Plans (ADP)

The Consultant will review the advanced detailed plans developed for this project in accordance with the NYSDOT Highway Design Manual.

6.03 Contract Documents

The Consultant will review the Plans, Specifications and Estimate developed for this project in accordance with the NYSDOT Highway Design Manual.

6.04 Cost Estimate

The Consultant will review the Final Cost Estimate developed for this project in accordance with the NYSDOT Highway Design Manual.

6.05 Utilities

The Consultant will coordinate with affected utility companies to facilitate the timely relocation of utility poles and appurtenances. All utility owners, both private and public, will be requested by the Municipality to provide locations of all their underground utilities within the project corridor. Location information received from the utility owners will be analyzed for potential conflicts with proposed construction activities. The Consultant will provide part time inspection oversight during the relocation of all underground and overhead utilities. The Municipality will be responsible for preparing any necessary agreements with utility companies. All information received from utility owners regarding their on-site facilities will be compiled and provided to the Municipality for their records.

6.06 Construction Management Plan

The Consultant will prepare a Construction Management Plan in accordance with the Locally Administered Federal Aid Procedures Manual.

Section 7 - Advertisement, Bid Opening and Award
(by Supplemental Agreement)

Section 8 - Construction Support
(by Supplemental Agreement)

Section 9 - Construction Inspection
(by Supplemental Agreement)

Section 10 - Estimating & Technical Assumptions

10.01 Estimating Assumptions (The following assumptions have been made for estimating purposes):

Section 1 Estimate 10 project meetings during the life of this agreement (not including public hearing/information meetings or specifically stated onsite studies).

Estimate 10 cost and progress reporting periods (September 2012 - June 2013) will occur during the life of this agreement.

Section 3 Estimate 2 concepts will be evaluated.

Estimate 1 design alternative will be analyzed in addition to the null alternative.

Estimate 1 Public Information Meetings, 3 community meetings and 1 Public Hearing

Estimate 1 cost estimate plus 2 updates will be required.

Section 7, 8 & 9 Bidding/Award and Construction Inspection/Administration Services are not included in this scope of work and will be added by Supplemental Agreement.

ATTACHMENT C

***Staffing Rates, Hours,
Reimbursables and Fee***

**Exhibit A, Page 1
Salary Schedule**

**BARTON & LOGUIDICE, P.C.
Factory Street Reconstruction
PIN 7753.15**

JOB TITLE	ASCE (A) OR NICET (N) GRADE		AVERAGE HOURLY RATES		MAXIMUM HOURLY RATES	OVERTIME CATEGORY
			PRESENT 2012	PROJ'D 9/12	2012	
Principal	IX	(A)	\$95.00	\$95.00	\$103.00	A
Senior Vice President	IX	(A)	\$79.00	\$79.00	\$84.00	A
Vice President	IX	(A)	\$59.83	\$59.83	\$66.00	A
Senior Associate	IX	(A)	\$61.50	\$61.50	\$63.00	A
Associate	VIII	(A)	\$54.00	\$54.00	\$56.00	A
Associate Vice President	VIII	(A)	\$48.50	\$48.50	\$48.50	A
Senior Project Manager	VII	(A)	\$52.25	\$52.25	\$55.00	B
Senior Managing Engineer	VII	(A)	\$49.03	\$49.03	\$54.00	B
Sr Managing Environmental Scientist	VII	(A)	\$45.25	\$45.25	\$45.50	B
Senior Managing Transportation Planner	VII	(A)	\$47.50	\$47.50	\$47.50	B
Senior Project Landscape Architect	VII	(A)	\$31.95	\$31.95	\$32.20	B
Managing Hydrogeologist	VI	(A)	\$44.20	\$44.20	\$44.20	B
Managing Engineer	VI	(A)	\$41.40	\$41.40	\$43.30	B
Construction Manager	VI	(A)	\$42.00	\$42.00	\$42.00	B
Project Manager	VI	(A)	\$42.77	\$42.77	\$46.00	B
Senior Land Use Planner	V	(A)	\$38.50	\$38.50	\$39.50	B
Senior Project Engineer	V	(A)	\$36.59	\$36.59	\$40.00	B
Senior Project Industrial Hygienist	V	(A)	\$35.15	\$35.15	\$36.80	B
Senior Engineer	V	(A)	\$29.10	\$29.10	\$29.10	B
Senior Associate Project Manager	V	(A)	\$37.80	\$37.80	\$37.80	B
Project Landscape Architect	IV	(A)	\$29.45	\$29.45	\$31.40	B
Project Hydrogeologist	IV	(A)	\$33.50	\$33.50	\$33.50	B
Project Industrial Hygienist	IV	(A)	\$31.00	\$31.00	\$31.00	B
Project Engineer	IV	(A)	\$30.48	\$30.48	\$32.20	B
Project Environmental Scientist	IV	(A)	\$28.60	\$28.60	\$28.60	B
Engineer III	III	(A)	\$27.31	\$27.31	\$30.00	B
Hydrogeologist III	III	(A)	\$25.50	\$25.50	\$25.50	B
Environmental Scientist III	III	(A)	\$24.07	\$24.07	\$26.70	B
Industrial Hygienist III	III	(A)	\$23.20	\$23.20	\$23.20	B
Engineer II	II	(A)	\$24.43	\$24.43	\$25.50	B
Intern Architect II	II	(A)	\$23.75	\$23.75	\$25.50	B
Industrial Hygienist II	II	(A)	\$22.00	\$22.00	\$22.00	B
Environmental Scientist II	II	(A)	\$21.40	\$21.40	\$21.40	B
Engineer I	I	(A)	\$21.63	\$21.63	\$23.00	B
Hydrogeologist I	I	(A)	\$19.90	\$19.90	\$19.90	B
Industrial Hygienist II	I	(A)	\$22.00	\$22.00	\$22.00	B
Resident Engineer	IV	(N)	\$33.42	\$33.42	\$36.50	C
Principal Engineering Technician	IV	(N)	\$30.50	\$30.50	\$31.00	C
Senior Engineering Technician	IV	(N)	\$27.83	\$27.83	\$28.00	C
Engineering Technician	IV	(N)	\$27.20	\$27.20	\$27.20	C
Senior Designer	IV	(N)	\$24.80	\$24.80	\$24.80	C
Senior GIS Analyst	III	(N)	\$31.20	\$31.20	\$31.20	C
Senior Inspector	III	(N)	\$30.00	\$30.00	\$32.00	C
Inspector	II	(N)	\$19.00	\$19.00	\$19.00	C
Designer	II	(N)	\$20.50	\$20.50	\$20.50	C
Industrial Hygienist I	II	(N)	\$15.20	\$15.20	\$15.20	C
Engineering Aide	I	(N)	\$25.50	\$25.50	\$25.50	C
Senior Group Technical Assistant	NA	(N)	\$18.85	\$18.85	\$19.90	C
Group Technical Assistant / Technical Typist	NA	(N)	\$15.40	\$15.40	\$15.50	C

NOTES:

Hourly rates shall not exceed the maximums for the year shown above.

OVERTIME POLICY

Category A - No overtime compensation

Category B - Overtime compensated at straight-time rate

Category C - Overtime compensated at straight-time rate x 1.5

Overtime applies to hours worked in excess of the normal working hours of 40 hours per week.

Exhibit A, Page 2
Staffing Table

BARTON & LOGUIDICE, P.C.
Factory Street Reconstruction
PIN 7753.15

JOB TITLE	ASCE (A) OR NICET (N) GRADE	SECTIONS								TOTAL HOURS	PROJ'D HOURLY RATE	DIRECT TECHNICAL LABOR
		1	2	3	4	5	6	7	8 & 9			
Principal	IX									0	\$95.00	\$0.00
Senior Vice President	IX									0	\$79.00	\$0.00
Vice President	IX									0	\$59.83	0.00
Senior Associate	IX									0	\$61.50	0.00
Associate	VIII	39		16			26			81	\$54.00	4,374.00
Associate Vice President	VIII									0	\$48.50	0.00
Senior Project Manager	VII									0	\$52.25	0.00
Senior Managing Engineer	VII									0	\$49.03	0.00
Sr Managing Environmental Scientist	VII									0	\$45.25	0.00
Senior Managing Transportation Planner	VII									0	\$47.50	0.00
Senior Project Landscape Architect	VII									0	\$31.95	0.00
Managing Hydrogeologist	VI									0	\$44.20	0.00
Managing Engineer	VI									0	\$41.40	0.00
Construction Manager	VI									0	\$42.00	0.00
Project Manager	VI									0	\$42.77	0.00
Senior Land Use Planner	V									0	\$38.50	0.00
Senior Project Engineer	V									0	\$36.59	0.00
Senior Project Industrial Hygienist	V									0	\$35.15	0.00
Senior Engineer	V									0	\$29.10	0.00
Senior Associate Project Manager	V									0	\$37.80	0.00
Project Landscape Architect	IV						20			20	\$29.45	589.00
Project Hydrogeologist	IV									0	\$33.50	0.00
Project Industrial Hygienist	IV									0	\$31.00	0.00
Project Engineer	IV	8					64			72	\$30.48	2,194.56
Project Environmental Scientist	IV									0	\$28.60	0.00
Engineer III	III									0	\$27.31	0.00
Hydrogeologist III	III									0	\$25.50	0.00
Environmental Scientist III	III									0	\$24.07	0.00
Industrial Hygienist III	III									0	\$23.20	0.00
Engineer II	II						40			40	\$24.43	977.20
Intern Architect II	II									0	\$23.75	0.00
Industrial Hygienist II	II									0	\$22.00	0.00
Environmental Scientist II	II									0	\$21.40	0.00
Engineer I	I									0	\$21.63	0.00
Hydrogeologist I	I									0	\$19.90	0.00
Industrial Hygienist II	I									0	\$22.00	0.00
Resident Engineer	IV									0	\$33.42	0.00
Principal Engineering Technician	IV									0	\$30.50	0.00
Senior Engineering Technician	IV									0	\$27.83	0.00
Engineering Technician	IV									0	\$27.20	0.00
Senior Designer	IV									0	\$24.80	0.00
Senior GIS Analyst	III									0	\$31.20	0.00
Senior Inspector	III			16			120			136	\$30.00	4,080.00
Inspector	II									0	\$19.00	0.00
Designer	II									0	\$20.50	0.00
Industrial Hygienist I	II									0	\$15.20	0.00
Engineering Aide	I									0	\$25.50	0.00
Senior Group Technical Assistant	NA	10					6			16	\$18.85	301.60
Group Technical Assistant / Technical Typist	NA									0	\$15.40	0.00
TOTAL		57	0	32	0	0	276	0		365		\$12,516.36

Exhibit B, Page 1
Estimate of Direct Non-Salary Cost

BARTON & LOGUIDICE, P.C.
Factory Street Reconstruction
PIN 7753.15

1. Travel, Lodging and Subsistence

Trips to City	trips	miles per					
	15	140	miles/trip	2100			
Miscellaneous							
		Total Mileage		2100	@	\$0.550	\$1,155.00

TOTAL TRAVEL, LODGING, & SUBSISTENCE \$1,155

2. Reproduction, Drawings & Report

	<u>each</u>	<u>sheets/set</u>	<u>sets</u>	<u>extension</u>	
DESIGN PHASES I - IV:					
Misc Copies	\$	0.05	1000	1	\$ 50.00
Draft DAD		0.05	0	0	\$ -
DAD - Prelim. Review		0.05	0	0	\$ -
DAD - FHWA Review		0.05	0	0	\$ -
DAD - Advisory Agency		0.05	0	0	\$ -
Pre-Final DAD		0.05	0	0	\$ -
Final DAD		0.05	0	0	\$ -

DESIGN PHASES V - VI:

Preliminary Structure Plan		0.15	0	0	\$ -
ADP (1/2 size)		0.15	0	0	\$ -
PS&E (1/2 size)		0.15	0	0	\$ -
Contract Drawings		0.15	0	0	\$ -
Contract Specifications		0.05	0	0	\$ -
Record Copy		0.10	0	0	\$ -

TOTAL DRAWING, REPORT, REPRODUCTION \$50

3. Photography & Processing - Film & Print Sets \$0

4. Mail, Postage & Shipping \$200

5. Subcontracts

Borings	\$0
Deck Cores (est.)	\$0

TOTAL DIRECT NON - SALARY COST \$1,410

Exhibit C
Summary

BARTON & LOGUIDICE, P.C.
Factory Street Reconstruction
PIN 7753.15

	<u>TOTAL</u>
Item IA, Direct Technical Salaries (estimated) subject to audit	\$12,516
Item IB, Direct Technical Salaries Premium Portion of overtime subject to audit (estimate)	\$0
Item II, Direct Non-Salary Cost (estimated) subject to audit	\$1,410
Item II Direct Non-Salary Cost (estimated) subject to audit (Sub-Contractor Cost)	\$0
Item III, Overhead (estimated) subject to audit (@172%)	\$21,528
Item IV, Fixed Fee (negotiated)	\$4,100
Item II Direct Non-Salary Cost (estimated) subject to audit (Sub-Consultant Cost)	
TOTAL ESTIMATED PROJECT COST	<hr/> \$39,554
MAXIMUM AMOUNT PAYABLE	\$39,600

January 16, 2013

To: The Honorable Mayor and City Council

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

Subject: Approving Amendment No. 1 to the Agreement for Professional Services with Lu Engineers for Professional Assistance Related to the Environmental Remediation of the Former Ogilvie Foods Site

The City Council approved the contract with Lu Engineers on December 19, 2011 to investigate and prepare bid specifications for the environmental cleanup of the Ogilvie Site. The environmental cleanup was to be followed by the removal of the building foundations to make the site ready for re-development. The environmental clean-up was in the 2010-11 Capital Budget (\$240,000, including \$200,000 EPA grant) and the removal of the foundations was in the 2011-12 Capital Budget (\$400,000).

Lu Engineers was able to get the project into the NYS Brownfield Cleanup Program, which means that NYS Department of Conservation has oversight rather than the U.S. Environmental Protection Agency for the EPA grant. Lu then proceeded with testing the soil. Upon review of the environmental testing done to date, the NYSDEC is requiring that soil beneath the concrete slabs be tested. This necessitates the removal of the concrete slabs now, rather than later.

Lu Engineers has provided a proposal for a Scope of Work to cover the necessary engineering services for the foundation removals and additional soil testing. This includes the preparation of a bid specification for the removal, updating the Remedial Work Plan with NYSDEC to reflect the new information uncovered by the removal, demolition oversight and soil testing.

With this amendment, Lu Engineer's maximum fee will increase by \$62,220 to a total not-to-exceed \$120,315. Approval of this Resolution is contingent upon the City Council approving the Ogilvie Site Bond Ordinance, which is also included in this agenda.

RESOLUTION

Page 1 of 1

Approving Amendment No. 1 to the Agreement for Professional Services with Lu Engineers for Professional Assistance Related to the Environmental Remediation of the Former Ogilvie Foods Site

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

Total

YEA	NAY

Introduced by

WHEREAS the City Council approved an Agreement with Lu Engineers for Professional Services related to the remediation of environmental contamination at the former Ogilvie Foods property on December 19, 2011, and

WHEREAS services beyond the original Scope of Work are necessary in order to comply with the requirements of the New York State Department of Environmental Conservation under the Brownfield Cleanup Program, including the development of a bid specification for foundation removal and the amendment of the Remedial Work Plan to reflect information acquired during the removal, and remedial design and oversight for any uncovered contamination, and

WHEREAS the Engineer proposes to provide these additional services as outlined in the attached Proposal for Engineering Services for a fee not to exceed \$62,220.00, and

WHEREAS Amendment Number 1 to the agreement between the City and the Engineer has been drafted, a copy of which is attached and made part of this resolution, to increase the Engineer's fee by said amount, to a total not to exceed \$120,315.00,

NOW THEREFORE BE IT RESOLVED that the City Council approves Amendment No. 1 to the Agreement for Professional Services with Lu Engineers contingent on the Bond Ordinance for the Ogilvie Site being approved by the City Council, and

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

Seconded by

AGREEMENT AMENDMENT NO. 1
Ogilvie Foods Site Environmental Remediation

The Agreement entered into on the 30th day of December, 2011 by and between the City of Watertown, a municipal corporation having its principal office located at 245 Washington Street, Watertown, New York 13601, hereinafter referred to as the “City” and Lu Engineers with its principal office at 175 Sullys Trail, Suite 202, Pittsford, New York 14534, hereinafter referred to as the “Engineer,” is hereby amended.

WITNESSETH:

WHEREAS the City requires additional services of the Engineer for the purpose of complying with the requirements of the New York State Department of Environmental Conservation as related to the Brownfield Cleanup Program, and for the related removal of existing foundations and debris from the Ogilvie site, and

WHEREAS the Engineer has provided a scope of work and a fee proposal, attached herewith and made part of this Amendment,

NOW THEREFORE, the City and the Engineer do mutually agree to amend their Agreement dated the 30th day of December, 2011 as follows:

The Engineer’s fee listed in Section 2 (page 2) of the Agreement is hereby increased by \$62,220.00 to a total amount not to exceed \$120,315.00, and the Scope of Work provided in Exhibit A of the original Agreement shall hereby include and incorporate the additional scope of work provided by the Engineer and attached herewith. Further, the Engineer agrees to maintain a separate account, and send separate invoice(s), for all costs not payable by the United States Environmental Protection Agency Brownfield Cleanup Grant—including any pre-remedial environmental testing.

City of Watertown:

_____ Date: _____
By: Sharon Addison
City Manager

Engineer:

_____ Date: _____
By:



January 2, 2013

City of Watertown
Planning & Community Development Office
245 Washington Street
Watertown, NY 13601

Attn: Andrew Nichols

**Re: Proposal for Engineering Services
Former Ogilvie Brownfield Site Slab Demolition Design and Oversight
NYSDEC Site # C623028**

Dear Mr. Nichols,

Lu Engineers is pleased to submit this revised proposal to provide engineering services to assist with completion of excavation, demolition and removal/re-use of existing foundations located at the referenced Site. This proposal has been revised from the original version submitted on December 5, 2012 in order to include services and estimated costs associated with oversight and coordination of the demolition effort. The purpose of these proposed services is to assist the City in specifying and contracting for the demolition of concrete foundations and associated excavation as part of the Pre-Remedial Design Investigation currently underway at the Site. It is understood that, as recommended by the NYSDEC, completion of this work will facilitate access to the subsurface and allow complete investigation of potentially contaminated portions of the Site requiring remedial effort.

Objective and Scope

The objectives of the work proposed herein are to provide the following:

1. Plans, specifications and Bid Review
2. Pre-Remedial Design Investigation Work Plan Addendum
3. Demolition and Contaminated Soil Investigation/Remediation

The work proposed for each task is detailed in the following sections.

1. Plans, specifications and Bid Review

Lu Engineers proposes to complete the following:

- a. Attend one (1) on-site meeting to review the intended scope of work;

- b. Provide a GPS-based GIS map of the portion of the Site where foundations are to be demolished or impacted by renovations. This map will be used as a basis for the demolition design;
- c. Prepare demolition and excavation plans and specifications suitable for public bidding;
- d. Submit 90% Design Plans and Specifications for City of Watertown review;
- e. Attend one (1) review meeting to finalize City comments;
- f. Provide a pdf file of the plans and specifications for bidding;
- g. Assist the City during the bidding process by attending one (1) pre-bid meeting and issuing any required addenda. Lu will provide a bid tabulation and make recommendation of award.

2. Pre-Remedial Design Investigation Work Plan Addendum

Lu Engineers proposes to modify the existing, approved Pre-Remedial Design Investigation Work Plan by addendum to address the NYSDEC's concerns regarding limited access to the subsurface. This Plan is intended for use as a guide for completion of the environmental oversight and related requirements before, during and after the slab demolition process. The plan modifications will ensure that the demolition contract and associated environmental sampling testing and remedial efforts will be seamlessly coordinated.

The Plan will be modified from its current state to include planned demolition, excavation, screening, sampling, laboratory analysis, transportation/disposal and backfill/restoration required as part of the slab demolition process. Once complete and reviewed by the City, the Plan (Addendum) will be submitted to NYSDEC and NYSDOH for review and comment. Comments will be incorporated as necessary and the document will be finalized for approval.

3. Demolition and Contaminated Soil Investigation/Remediation

Lu Engineers proposes to provide on-Site engineering assistance and oversight to ensure contractor adherence to the demolition and remedial requirements of the contract. The contractor will work under the direction of Lu Engineers acting as agent for the City. Lu Engineers' demolition phase services will include:

- Review of all contractor submittals
- Coordination and liaison with the City, NYSDEC and NYSDOH
- Sampling and testing of environmental media
- Community air monitoring plan implementation
- Coordination with disposal facilities for waste profiling and approval
- Documentation of all demolition, investigation and remedial activities
- GPS mapping of work progress, findings and the extent of contamination/remedial excavations

Lu Engineers will provide the City and NYSDEC with daily updates as to project progress. Lu Engineers will hold weekly coordination meetings with project stakeholders to ensure that any issues that arise during the demolition, investigation and/or remedial processes are addressed as soon as possible to avoid delays or disputes.



Assumptions

This proposal is based on the following assumptions:

- a. Available the record drawings will be used as base plans to the extent possible.
- b. The Site is free of asbestos and/or other hazardous materials other than petroleum.
- c. The site plan will be developed using a combination of GPS shots, aerial photographs and/or record drawings. No topographic survey is included within this proposal.
- d. The intent of the design includes demolishing the remaining building slabs; on and/or offsite disposal of concrete demolition debris; over-excavation to allow environmental investigation; removal and/or other handling of "shot rock" located on the Site; potential excavation, transportation and disposal of petroleum-contaminated soils, water and related materials; backfilling, compaction and rough-grading of the Site upon completion of the excavation process.
- e. The process of slab and foundation demolition, excavation and handling and concurrent investigation, removal and proper disposal of potentially contaminated soils will require a total of four weeks to complete.
- f. Asbestos abatement and/or abatement design/monitoring services are not required for this project.

Fee

A budget of **\$62,220.00** is recommended for the project. This fee includes expenses for copies, mileage, laboratory analytical and related costs. A detailed cost breakdown is provided in the attached spreadsheet. No work will be conducted beyond the proposed scope of services and/or budget without written authorization of the client. Actual project costs will be billed in accordance with the hourly rates and applicable fees outlined in the attached spreadsheet.

It is understood that the City will be using both City and USEPA funding sources to complete this project. Lu Engineers will work with the City to distinguish between allowable costs covered under the City's USEPA Brownfield Cleanup Grant, and costs to be paid directly from City funds.

Scheduling and Assumptions

It is anticipated that the project can be completed in a 60-day time period from authorization to proceed, pending the availability of subcontractors, necessary information and records.

Payment Schedule

An invoice will be sent monthly and upon completion of the project. Payment is due within 30 days of receipt.



Acceptance

Please acknowledge your acceptance of this proposal and the attached Professional Service Terms and Conditions by signing this original and returning a copy to our office. This agreement, when signed by both parties, will be considered a written contract. If you should have any questions please contact us at 585-385-7417.

Sincerely,



Gregory L. Andrus, CHMM
Investigation/Remediation Group Leader

Enclosure(s): 1 copy of Cost Breakdown (Spreadsheet)

Accepted for: _____	City of Watertown	by: _____
Signature: _____		
Name/Title: _____		
Date: _____		

	 Lu Engineers <small>Engineering • Construction • Environmental</small>
Signature (Officer):	 _____ Steven A. Campbell
Name/Title:	Environmental Division Director _____
Date:	January 2, 2013 _____



Cost Data for Engineering Services
Former Ogilvie Foods Site #C623028
Slab Demolition Design and Oversight
 Lu Engineers Proposal P12-206R

Task/ Subtask	Task Description	Hours	Labor Grade	Rate/Hour	Cost	
TASK 1	Plans, Specifications and Bid Review	18	Project Engineer	\$95.00	\$1,710.00	
		40	Scientist/Engineer	\$75.00	\$3,000.00	
		24	Technician	\$65.00	\$1,560.00	
	Subtotal Hours and Labor Task 1	82			\$6,270.00	
	Expenses				\$400.00	
	Total Task 1 Cost				\$6,670.00	
TASK 2	Pre-Remedial Design Investigation Work Plan Addendum	16	Project Engineer	\$95.00	\$1,520.00	
		36	Scientist	\$75.00	\$2,700.00	
		40	Technician	\$65.00	\$2,600.00	
	Subtotal Hours and Labor Task 2	92			\$6,820.00	
	Expenses				\$250.00	
	Total Labor and Expenses Task 2				\$7,070.00	
TASK 3	Demolition and Contaminated Soil Investigation/Remediation	48	Project Engineer	\$95.00	\$4,560.00	
		208	Scientist	\$75.00	\$15,600.00	
		180	Technician	\$65.00	\$11,700.00	
	Subtotal Hours and Labor Task 2	436			\$31,860.00	
		Laboratory Fees (estimated)				\$8,450.00
		Monitoring and GPS Equipment and Materials				\$2,250.00
	Mileage and Per Diem (\$0.555/mile and \$155/overnight)				\$5,920.00	
	Total Labor and Expenses Task 2				\$48,480.00	
	Total Estimated Project Cost (Tasks 1 and 2)				\$62,220.00	

Ord No. 1

January 14, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Bond Ordinance Amendment – Factory Street Reconstruction

Included in tonight's agenda is a resolution to approve a professional services agreement with Barton & Loguidice for the constructability oversight of the Factory Street reconstruction project in the amount of \$39,600. As the estimated cost of the project has increased, an amended bond ordinance must also be considered by City Council.

A summary of the project's current costs are as follows:

AECOM	\$ 612,000
Barton & Loguidice	39,600
Other Engineering Costs (i.e. Traffic Counts, Borings)	<u>48,400</u>
Bond Ordinance	\$ 700,000

ORDINANCE

An Ordinance Amending the Ordinance Dated September 6, 2011, as Amended November 21, 2011, Authorizing the Issuance of \$650,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Design for the Factory Street Reconstruction, to Increase the Estimated Maximum Cost Thereof and the Amount of Bonds Authorized to \$700,000

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

YEA	NAY

Total

Introduced by

At a regular meeting of the Council of the City of Watertown, Jefferson County, New York, held at the Municipal Building, in Watertown, New York, in said City, on January 22, 2013, at 7:00 o'clock P.M., Prevailing Time.

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

PRESENT:

ABSENT:

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

WHEREAS, by ordinance dated September 6, 2011, as amended November 21, 2011, the Council of the City of Watertown, Jefferson County, New York, authorized the issuance of \$650,000 bonds of said City to pay the costs of the design for the Factory Street reconstruction, in and for the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, a class of objects or purposes, at an estimated maximum cost of \$650,000, in and for the City of Watertown, Jefferson County, New York; and

WHEREAS, the Council now wishes to increase the estimated maximum cost of the aforesaid class of objects or purposes from \$650,000 to \$700,000, an increase of \$50,000 over that previously authorized;

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

ORDINANCE

An Ordinance Amending the Ordinance Dated September 6, 2011, as Amended November 21, 2011, Authorizing the Issuance of \$650,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Design for the Factory Street Reconstruction, to Increase the Estimated Maximum Cost Thereof and the Amount of Bonds Authorized to \$700,000

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

YEA	NAY

Total

Section A. The title and Sections 1 and 2 of the ordinance of this Council dated and duly adopted September 6, 2011, as amended November 21, 2011, authorizing the issuance of \$650,000 bonds to pay the costs of the design for the Factory Street reconstruction, in and for the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, a class of objects or purposes, at an estimated maximum cost of \$650,000, in and for the City of Watertown, Jefferson County, New York, is hereby amended, in part, to read as follows:

“AN ORDINANCE AUTHORIZING THE ISSUANCE OF 700,000 BONDS OF THE CITY OF WATERTOWN, JEFFERSON COUNTY, NEW YORK, TO PAY THE COSTS OF THE DESIGN FOR THE FACTORY STREET RECONSTRUCTION, IN AND FOR SAID CITY.

“

“Section 1. For the class of objects or purposes of paying the costs of the design for the Factory Street reconstruction, in and for the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, there are hereby authorized to be issued \$700,000 bonds of said City pursuant to the provisions of the Local Finance Law.

“Section 2. It is hereby determined that the estimated maximum cost of the aforesaid class of objects or purposes is \$700,000 and that the plan for the financing thereof is by the issuance of the \$700,000 bonds of said City authorized to be issued pursuant to this bond ordinance; provided, however, that the amount of bonds ultimately to be issued will be reduced by the amount of any State or Federal aid or any other revenue received by the City from other sources for such class of objects or purposes.”

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

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

ORDINANCE

YEA	NAY

An Ordinance Amending the Ordinance Dated September 6, 2011, as Amended November 21, 2011, Authorizing the Issuance of \$650,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Design for the Factory Street Reconstruction, to Increase the Estimated Maximum Cost Thereof and the Amount of Bonds Authorized to \$700,000

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

Total

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

That I have compared the annexed extract of the minutes of the meeting of the Council of said City, including the ordinance contained therein, held on January 22, 2013, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

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

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

Newspaper and/or Other News Media	Date Given
-----------------------------------	------------

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

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

Designated Location(s) of Posted Noticed	Date of Posting
--	-----------------

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

January 22, 2013

ORDINANCE

An Ordinance Amending the Ordinance Dated September 6, 2011, as Amended November 21, 2011, Authorizing the Issuance of \$650,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Design for the Factory Street Reconstruction, to Increase the Estimated Maximum Cost Thereof and the Amount of Bonds Authorized to \$700,000

Page 5 of 5

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

Total

YEA	NAY

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City on January _____, 2013.

City Clerk

(CORPORATE SEAL)

Ord No. 2

January 15, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Bond Ordinance – Ogilvie site environmental investigation and demolition debris removal

Included in the Fiscal Year 2010-11 Capital Budget was the project to clean up the petroleum contamination found on the former Ogilvie site at an estimated cost of \$240,000 of which \$200,000 was funded from a U.S. Environmental Protection Agency grant and \$40,000 from a General Fund transfer. Included in the Fiscal Year 2011-12 Capital Budget was the project to remove the former Ogilvie plant demolition debris buried on-site at an estimated cost of \$400,000 which was to be funded through the issuance of debt.

Included in tonight's agenda is a resolution to approve a professional services agreement with Lu Engineers for the former Ogilvie site demolition and design in the amount of \$62,220. On December 19, 2011 City Council approved a professional services agreement with Lu Engineers for the investigation of the environmental contamination found at the site at a cost of \$58,095.

The following bond ordinance combines both projects but does not change the original funding plan.

A summary of the project's current costs are as follows:

Lu Engineers - Investigation of environmental contamination	\$ 58,095
- Slab demolition design and oversight	<u>62,220</u>
	\$ 120,315

ORDINANCE

An Ordinance Authorizing the Issuance of \$640,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$240,000 Estimated Maximum Costs of the Environmental Clean-up Project and the \$400,000 Estimated Maximum Cost of the Debris Removal Project at the Ogilvie Site, in and for Said City

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

YEA	NAY

Total

Introduced by

At a regular meeting of the Council of the City of Watertown, Jefferson County, New York, held at the Municipal Building, in Watertown, New York, in said City, on January 22, 2013, at 7:00 o'clock P.M., Prevailing Time.

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

PRESENT:

ABSENT:

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

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

WHEREAS, it is now desired to authorize the financing of such capital projects;

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

ORDINANCE

An Ordinance Authorizing the Issuance of \$640,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$240,000 Estimated Maximum Costs of the Environmental Clean-up Project and the \$400,000 Estimated Maximum Cost of the Debris Removal Project at the Ogilvie Site, in and for Said City

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

YEA	NAY

Total

Section 1. For paying the \$240,000 estimated maximum cost of the environmental clean-up project and the \$400,000 estimated maximum cost of the debris removal project at the City-owned Ogilvie Site between North Pleasant Street and California Avenue, in and for the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, each of which is a specific object or purpose, there are hereby authorized to be issued \$640,000 bonds of said City pursuant to the provisions of the Local Finance Law, allocated to each specific object or purpose according to the aforesaid estimated maximum costs.

Section 2. It is hereby determined that the estimated maximum costs of the aforesaid specific object or purpose are \$240,000 and \$400,000, respectively, and that the plan for the financing thereof is by the issuance of the \$640,000 bonds of said City authorized to be issued pursuant to this bond ordinance, allocated to each specific object or purpose according to the aforesaid estimated maximum costs. The amount of bonds to be issued for the aforesaid environmental clean-up project shall be reduced by the amount of any appropriations of current funds to pay part of the cost of the aforesaid specific object or purpose, presently expected in the amount of \$40,000, and by any grant moneys received therefor, presently expected in the form of a grant from the United States Environmental Protection Agency in the amount of \$200,000.

Section 3. It is hereby determined that the periods of probable usefulness of the aforesaid specific objects or purposes are five years, pursuant to subdivision thirty-five of paragraph a of Section 11.00 of the Local Finance Law, in the case of the environmental clean-up project, and ten years, pursuant to subdivision twelve-a of the aforesaid paragraph a, in the case of the debris removal project.

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

Section 5. The faith and credit of said City of Watertown, Jefferson County, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such obligations as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such obligations becoming due and payable in such year.

ORDINANCE

An Ordinance Authorizing the Issuance of \$640,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$240,000 Estimated Maximum Costs of the Environmental Clean-up Project and the \$400,000 Estimated Maximum Cost of the Debris Removal Project at the Ogilvie Site, in and for Said City

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

YEA	NAY

Total

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

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

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

ORDINANCE

An Ordinance Authorizing the Issuance of \$640,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$240,000 Estimated Maximum Costs of the Environmental Clean-up Project and the \$400,000 Estimated Maximum Cost of the Debris Removal Project at the Ogilvie Site, in and for Said City

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

YEA	NAY

Total

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

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

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

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

Unanimous consent moved by Council Member

_____, seconded by Council Member
_____, with all voting "AYE".

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

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

The ordinance was thereupon declared duly adopted.

* * * * *

ORDINANCE

An Ordinance Authorizing the Issuance of \$640,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the \$240,000 Estimated Maximum Costs of the Environmental Clean-up Project and the \$400,000 Estimated Maximum Cost of the Debris Removal Project at the Ogilvie Site, in and for Said City

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

YEA	NAY

Total

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

Designated Location(s) of Posted Noticed Date of Posting

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City on January ____, 2013.

City Clerk

(CORPORATE SEAL)

FISCAL YEAR 2010-2011 CAPITAL BUDGET FACILITY IMPROVEMENTS PROPERTY REMEDIATION

PROJECT DESCRIPTION	COST
<p>Ogilvie Site Petroleum Clean-up:</p> <p>This project consists of cleaning up the petroleum contamination found on the Ogilvie Site between North Pleasant Street and California Avenue. The City has been awarded a \$200,000 grant from the U.S. Environmental Protection Agency for the project. The City took title to the property on October 7, 2009 to be eligible for the grant funds.</p> 	<p>\$240,000</p>
<p>TOTAL</p>	<p>\$240,000</p>

Funding to support the City's share of this project (\$40,000) will be through a transfer from the General Fund (A9950).

FISCAL YEAR 2011-2012
 CAPITAL BUDGET
 FACILITY IMPROVEMENTS
 PROPERTY REMEDIATION

PROJECT DESCRIPTION	COST
<p>Ogilvie Demolition Debris Cleanup</p> <p>When the Ogilvie building was demolished in 2003, much of the debris was buried on site under shot rock. To prepare the site for street and housing construction, the debris has to be hauled away. The remaining shot rock may be used on site. The grant from the U. S. Environmental Protection Agency is for the petroleum contamination cleanup, but not for taking out all the non-contaminated debris.</p> 	<p>\$400,000</p>
<p>TOTAL</p>	<p>\$400,000</p>

Funding to support this project will be through the issuance of a 5 year serial bond with projected FY 2012-13 debt service of \$96,000.

Ord No. 3

January 15, 2013

To: The Honorable Mayor and City Council

From: James E. Mills, City Comptroller

Subject: Bond Ordinance Amendment – Wastewater Treatment Plant Disinfection System

On January 7, 2013 City Council approved Amendment No. 2 to the professional services agreement with GHD Consulting Engineers LLC for the disinfection system improvements at the wastewater treatment plant in the amount of \$29,300. Earlier in tonight's agenda City Council was presented with a resolution to re-adopt the FY 2012-13 Sewer Fund Budget to increase appropriations to cover the costs of the two amendments. The following bond ordinance must still be considered by City Council as the estimated cost of the project has increased to \$750,000. However the amended bond ordinance does not increase the \$460,000 authorized to be borrowed for this project by City Council on March 5, 2012.

A summary of the project's current costs are as follows:

GHD Consulting Engineers LLC:

- Initial agreement	\$ 706,800
- Amendment No. 1	5,800
- Amendment No. 2	29,300
Bonding expenses and contingency	<u>18,100</u>
Bond Ordinance	<u>\$ 750,000</u>

ORDINANCE

YEA	NAY

An Ordinance Amending the Ordinance Dated February 21, 2012, Authorizing the Issuance of \$460,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay Part of the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant, to Increase the Estimated Maximum Cost Thereof to \$750,000

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

Introduced by

At a regular meeting of the Council of the City of Watertown, Jefferson County, New York, held at the Municipal Building, in Watertown, New York, in said City, on January 22, 2013, at 7:00 o'clock P.M., Prevailing Time.

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

PRESENT:

ABSENT:

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

WHEREAS, by ordinance dated February 21, 2012, the Council of the City of Watertown, Jefferson County, New York, authorized the issuance of \$460,000 bonds of said City to pay part of the \$710,000 estimated maximum cost of the design of a disinfection system for the City's wastewater treatment plant, in and for the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, a specific object or purpose, in and for the City of Watertown, Jefferson County, New York; and

WHEREAS, the Council now wishes to increase the estimated maximum cost of the aforesaid specific object or purpose from \$710,000 to \$750,000, an increase of \$40,000 over that previously authorized;

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

ORDINANCE

YEA	NAY

An Ordinance Amending the Ordinance Dated February 21, 2012, Authorizing the Issuance of \$460,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay Part of the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant, to Increase the Estimated Maximum Cost Thereof to \$750,000

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

Total

Section A. The title and Sections 1 and 2 of the ordinance of this Council dated and duly adopted February 21, 2012, authorizing the issuance of \$460,000 bonds to pay part of the \$710,000 estimated maximum cost of the design of a disinfection system for the City's wastewater treatment plant, in and for the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, a specific object or purpose, in and for the City of Watertown, Jefferson County, New York, are hereby amended, in part, to read as follows:

“AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$460,000 BONDS OF THE CITY OF WATERTOWN, JEFFERSON COUNTY, NEW YORK, TO PAY PART OF THE \$750,000 ESTIMATED MAXIMUM COST OF THE DESIGN OF A DISINFECTION SYSTEM AT THE CITY'S WASTEWATER TREATMENT PLANT.

“

“Section 1. To pay part of the cost of the design of a disinfection system for the City's wastewater treatment plant, in and for the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, there are hereby authorized to be issued \$460,000 bonds of said City pursuant to the provisions of the Local Finance Law.

“Section 2. It is hereby determined that the estimated maximum cost of the aforesaid specific object or purpose is \$750,000 and that the plan for the financing thereof is by the issuance of the \$460,000 bonds of said City authorized to be issued pursuant to this bond ordinance, together with the use of \$290,000 current funds of the City.”

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

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

ORDINANCE

An Ordinance Amending the Ordinance Dated February 21, 2012, Authorizing the Issuance of \$460,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay Part of the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant, to Increase the Estimated Maximum Cost Thereof to \$750,000

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

Total

YEA	NAY

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

That I have compared the annexed extract of the minutes of the meeting of the Council of said City, including the ordinance contained therein, held on January 22, 2013, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

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

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

Newspaper and/or Other News Media Date Given

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

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

Designated Location(s) of Posted Noticed Date of Posting

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

ORDINANCE

An Ordinance Amending the Ordinance Dated February 21, 2012, Authorizing the Issuance of \$460,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay Part of the \$710,000 Estimated Maximum Cost of the Design of a Disinfection System at the City's Wastewater Treatment Plant, to Increase the Estimated Maximum Cost Thereof to \$750,000

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

Total

YEA	NAY

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City on January _____, 2013.

City Clerk

(CORPORATE SEAL)

Ord No. 4

January 15, 2013

To: The Honorable Mayor and City Council

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

Subject: Changing the Approved Zoning Classification of 6.55 Acres of Land, East of Cannoneer Loop and South of Rand Drive, from Residence A to Residence C

Michael Kaskan, Deputy County Administrator, has submitted the above subject zone change request on behalf of the Jefferson County.

The Planning Board reviewed the request at its January 8, 2013 meeting and voted to recommend that City Council approve the request.

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

The attached ordinance adopts the change as requested. The Council must hold a public hearing on the ordinance before it may vote. It is recommended that a public hearing be scheduled for 7:30 pm on Monday, February 4, 2013. A SEQRA resolution will also be presented for City Council consideration at that meeting.

ORDINANCE

Page 1 of 3

Changing the Approved Zoning Classification of 6.55 Acres of Land, East of Cannoneer Loop and South of Rand Drive, from Residence A to Residence C

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

Total

YEA	NAY

Introduced by

BE IT ORDAINED where Michael Kaskan, Deputy County Administrator, on behalf of the Jefferson County, has submitted an application to change the approved zoning classification of 6.55 acres of land, east of Cannoneer Loop and south of Rand Drive, from Residence A to Residence C, and

WHEREAS the metes and bounds description intending to describe the area of the proposed change is as follows:

ALL THAT TRACT or parcel of land situate in the City of Watertown, County of Jefferson, State of New York, and further described as follows:

BEGINNING at 1-1/2 inch iron pipe found in the westerly line of the City of Watertown Tax Parcel No. 8-29-107, said point of beginning is situate the following bearings and distances from the intersection of the easterly street margin of Hycliff Drive North with the northerly street margin of Coffeen Street:

1. N 24° 44' 17" E, along the easterly margin of Hycliff Street, a distance of 73.92 feet to a point;
2. N 30° 48' 00" E, to and along the aforesaid westerly line of the City of Watertown Tax Parcel No. 8-29-107, a distance of 1307.01 feet to an angle point in said westerly line;
3. N 26° 21' 49" E, continuing along the westerly line of the City of Watertown Tax Parcel No. 8-29-107, a distance of 160.01 feet to the POINT OF BEGINNING;

THENCE FROM THE POINT OF BEGINNING N 65° 10' 11" W a distance of 659.76 feet to a point situate approximately 30 feet from the centerline of the pavement of Cannoneer Loop as located on November 27, 2012;

ORDINANCE

Page 2 of 3

Changing the Approved Zoning Classification of 6.55 Acres of Land, East of Cannoneer Loop and South of Rand Drive, from Residence A to Residence C

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

YEA	NAY

THENCE along Cannoneer Loop the following bearings and distances and approximately 30 feet from the aforementioned centerline of the pavement of Cannoneer Loop located on November 27, 2012:

1. N 25° 56' 29" E, a distance of 344.74 feet to a point;
2. A generally northeasterly direction and on a curve to the right having a radius of 424.00 feet, a distance of 129.92 feet to a point, said point being a direct tie of N 34° 43' 11" E, 129.41 feet from the last mentioned point;
3. N 43° 29' 52" E, a distance of 39.04 feet to the southwesterly limits of Rand Drive;

THENCE S 53° 59' 11" E, along the southwesterly limits of Rand Drive, a distance of 348.58 feet to a point;

THENCE in a generally southeasterly direction, along the southwesterly limits of Rand Drive, as the limits curve to the right at a radius of 463.22 feet, a distance of 343.57 feet to a point, said point is situate a direct tie of S 32° 44' 18" E, 335.75 feet from the last mentioned point in the southwesterly limits of Rand Drive;

THENCE S 26° 21' 49" W, distance of 261.58 feet to the point of beginning.

CONTAINING 6.55 acres of land more or less.

And,

WHEREAS the Planning Board of the City of Watertown considered the request at its January 8, 2013 meeting and recommended that City Council adopt the zone change as requested, and

WHEREAS a public hearing was held on the proposed zone change on February 4, after due public notice, and

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

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

ORDINANCE

Page 3 of 3

Changing the Approved Zoning Classification of 6.55 Acres of Land, East of Cannoneer Loop and South of Rand Drive, from Residence A to Residence C

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

Total

YEA	NAY

NOW THEREFORE BE IT ORDAINED that the approved zoning classification of the 6.55 acre parcel of land described above be changed from Residence A District to Residence C District, and

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

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

Seconded by



MEMORANDUM

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

TO: Planning Board Members

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

SUBJECT: Zone Change – 6.55 Acres on the JCC Campus, Res A to Res C ^{KAM}

DATE: December 27, 2012

Request: Changing the approved zoning classification of 6.55 acres of land, east of Cannoneer Loop and south of Rand Drive, from Residence A to Residence C

Applicant: Michael Kaskan on behalf of the JCC Faculty-Student Association

Owner: Jefferson County

SEQRA: Unlisted

County review: Not required

Comments: The applicant is proposing to rezone a portion of the Jefferson Community College campus from Residence A to Residence C in order to allow the construction of a Residence Hall, currently expected to have 64 suites with 290 beds.

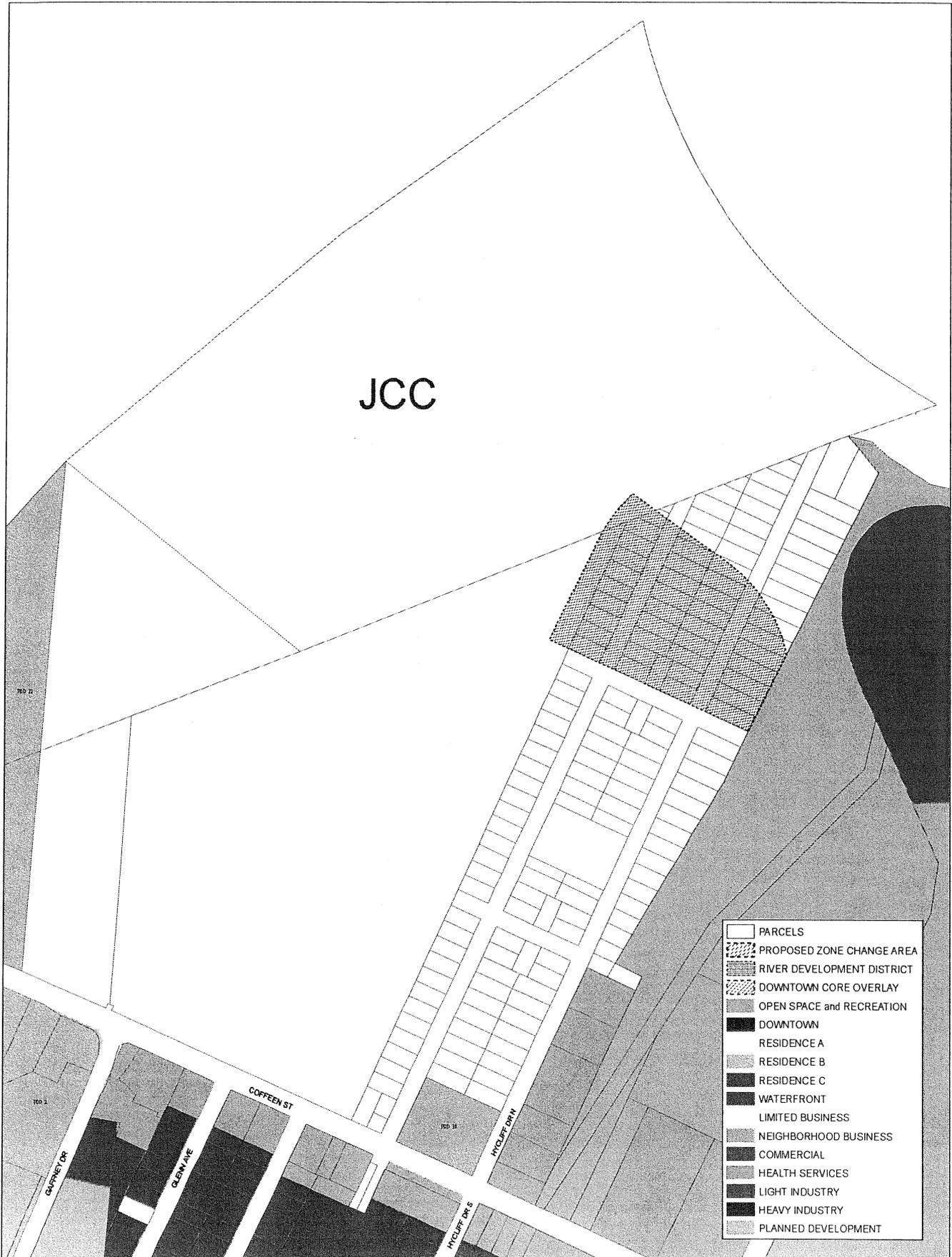
The proposed change area is not contiguous with any other Residence C lands, however spot zoning is not a concern due to the large size of the proposed change, and the fact that the uses allowed in the new district would remain harmonious with surrounding development.

The applicant does not intend to subdivide the lands in question, but will be combining parcels.

Jefferson County clearly owns the majority of the land within the change area, but the title to the paper streets (Kendall Ave North and Hycliff Drive North) is uncertain. This is not an impediment at this stage of approval—zoning can be changed irrespective of ownership. However, when the Site Plan Approval process begins ownership must be clarified, as the City Council cannot approve a site plan that extends onto land not owned by the applicant.

cc: City Council Members
Robert J. Slye, City Attorney
Justin Wood, Civil Engineer II
Michael Kaskan

PROPOSED ZONE CHANGE
 JEFFERSON COMMUNITY COLLEGE
 NOT ZONED AREAS AND RESIDENCE A to RESIDENCE C



- PARCELS
- PROPOSED ZONE CHANGE AREA
- RIVER DEVELOPMENT DISTRICT
- DOWNTOWN CORE OVERLAY
- OPEN SPACE and RECREATION
- DOWNTOWN
- RESIDENCE A
- RESIDENCE B
- RESIDENCE C
- WATERFRONT
- LIMITED BUSINESS
- NEIGHBORHOOD BUSINESS
- COMMERCIAL
- HEALTH SERVICES
- LIGHT INDUSTRY
- HEAVY INDUSTRY
- PLANNED DEVELOPMENT

0 400 800 Feet

County of Jefferson
Office of the County Administrator



Historic Courthouse
195 Arsenal Street, 2nd Floor
Watertown, NY 13601-2567
Phone: (315) 785-3075 Fax: (315) 785-5070

December 18, 2012

Hon. Jeffrey E. Graham, Mayor,
and Watertown City Council
City of Watertown
245 Washington Street, Room 302A
Watertown NY 13601



Re: Jefferson Community College Residence Hall

Dear Honorable Mayor and City Council:

The County of Jefferson petitions the City of Watertown for a proposed change of zone from Residence "A" District to a "Residence "C" District on lands owned by the County of Jefferson as described in the attachments which accompany this letter. The purpose of this change in zone is to allow for the development of the proposed JCC Residence Hall Project.

The Faculty-Student Association at JCC has proposed the development of a Residence Hall on County property adjacent to the current JCC campus. The proposed facility will consist of two (2), four (4) story housing wings interconnected by a single-story common area. The total housing units encompassed within this facility will be sixty four (64) suites totaling 290 beds.

The current zoning of the property on which the planned development is proposed is Residence "A" District. Among the uses allowed in a Residence "A" District is "any institution of higher learning, but not dormitory accommodations". Current City zoning allows dormitory use in a Residence "C" District.

The Faculty-Student Association is confident that this is a viable project, based on studies performed by outside consultants. These studies focused on the housing needs of the College, and the number of beds that the College's student population could support. Also, on-campus housing is a growing trend among community colleges. For JCC to be competitive in the community college market the College believes that on-campus housing is a necessity.

The County of Jefferson is confident that the City of Watertown understands the nature of this request. Should there be a need for any questions or updates on meeting information, I can be contacted by phone at (315) 785-3075 or by email at mikek@co.jefferson.ny.us. Also, Joseph L. Thesier, P.E. with Bernier Carr & Associates is available to answer questions of a technical nature by phone at (315) 782-8130 or by email at jthesier@thebcgroup.com.

Thank you for your assistance in this matter.

Very truly yours,

Michael E. Kaskan
Deputy County Administrator



PROJECT
LOCATION

Contract Drawing Reference No.

LOCATION MAP

Drawn By JBE	Checked By JLT
Scale NOT TO SCALE	Date 12/17/2012

Revisions:

PROPOSED
JCC RESIDENCE HALL

File No. 2010-088



BERNIER, CARR & ASSOCIATES

Sheet No.

1

Bernier, Carr & Associates, Engineers, Architects and Land Surveyors, P.C.

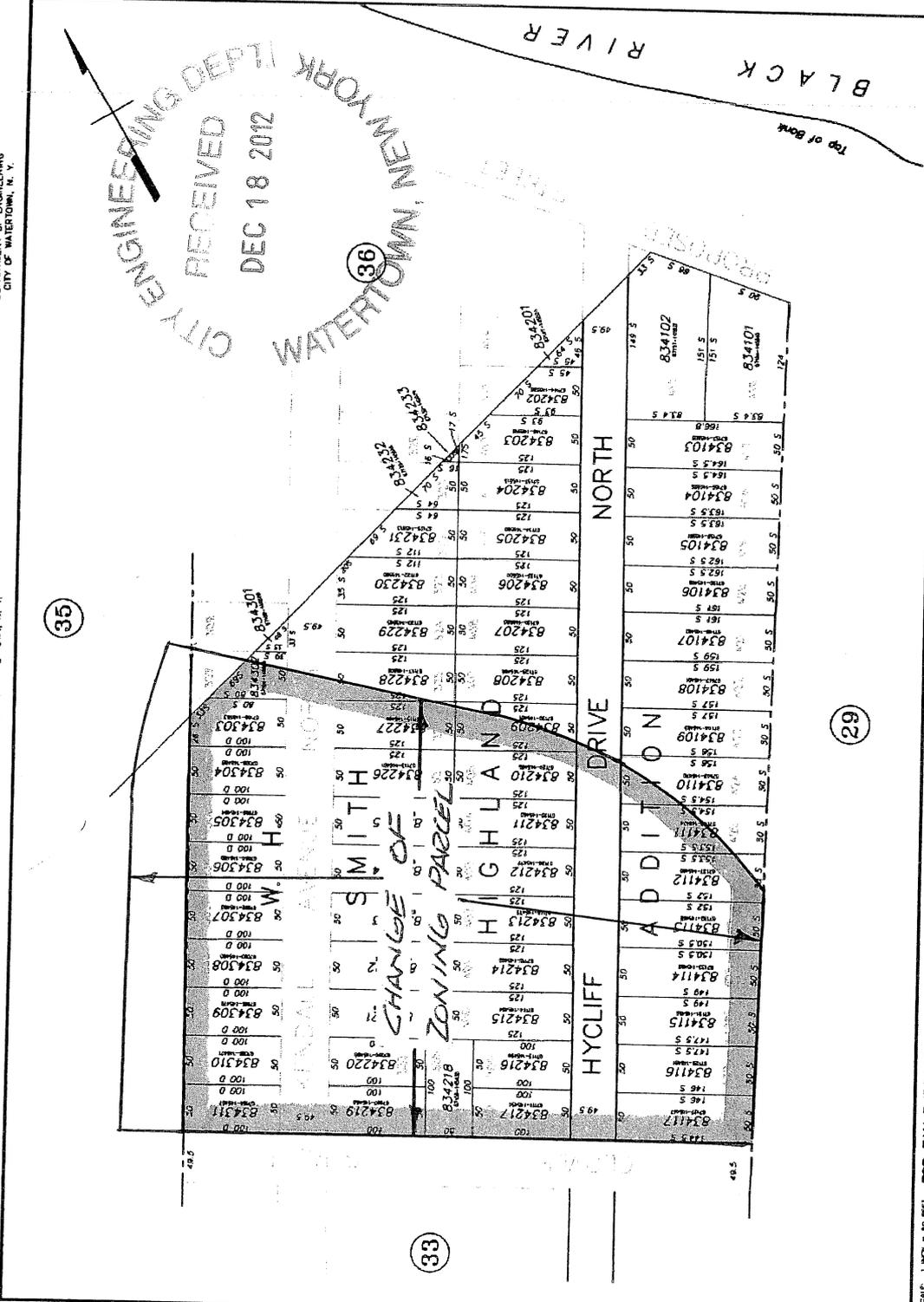
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DEPARTMENT OF ENGINEERING
CITY OF WATERTOWN, N. Y.

DEPARTMENT OF ASSESSMENT AND TAXATION
CITY OF WATERTOWN, N. Y.

RECEIVED
DEC 18 2012
CITY ENGINEERING DEPT
WATERTOWN, NEW YORK

35

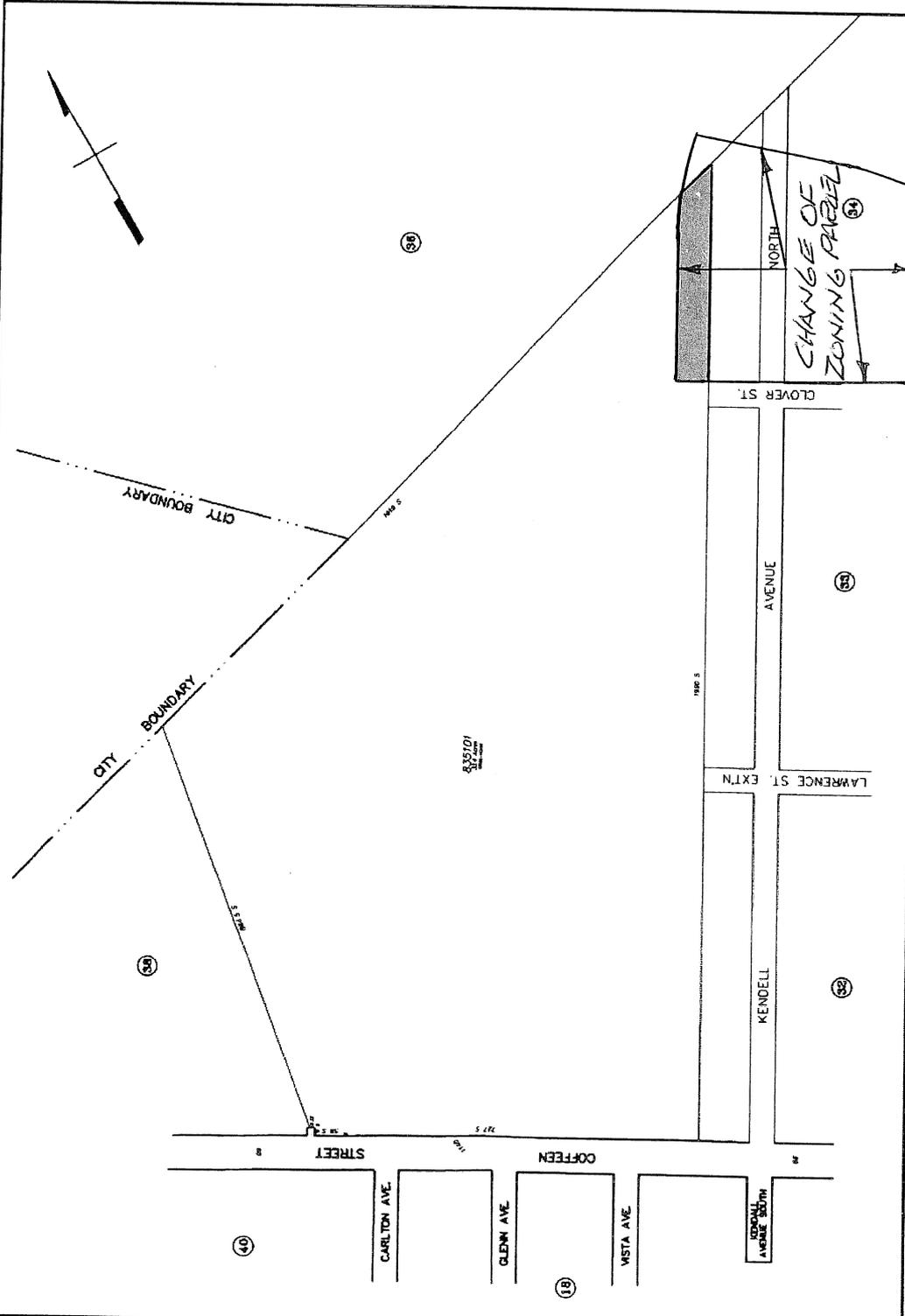


SCALE: 1 inch = 50 feet
FOR TAX PURPOSES ONLY
NOT TO BE USED FOR CONVEYANCE

REvised JANUARY 8, 2004
DISTRICT 8 MAP 34

DEPARTMENT OF ENGINEERING
CITY OF WATERTOWN, N. Y.

DEPARTMENT OF ASSESSMENT AND TAXATION
CITY OF WATERTOWN, N. Y.

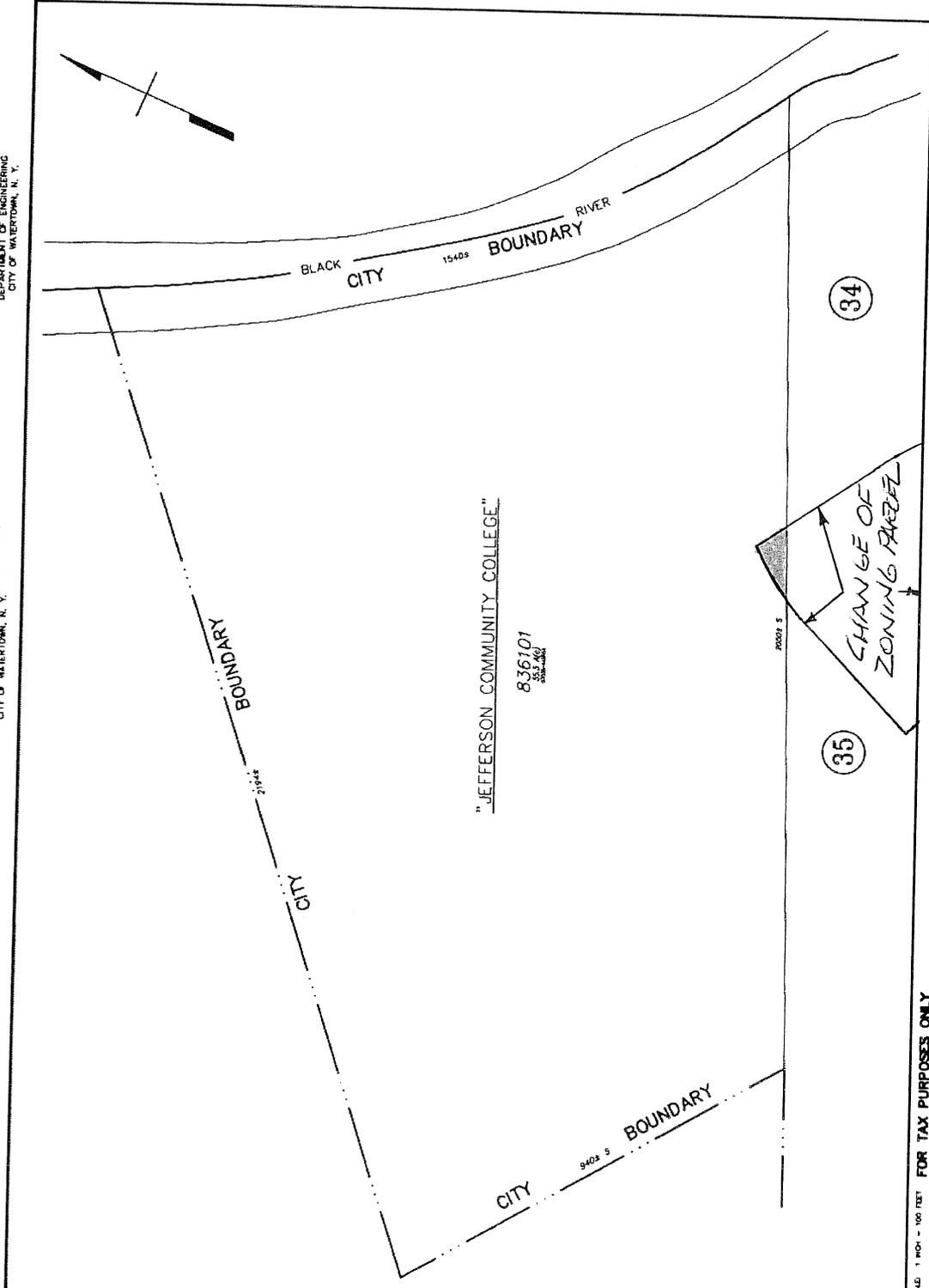


DISTRICT 8 MAP 35
REVISED JANUARY 1, 2007

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

DEPARTMENT OF ENGINEERING
CITY OF WABERTOWN, N. Y.

DEPARTMENT OF ASSESSMENT AND TAXATION
CITY OF WABERTOWN, N. Y.



DISTRICT 8 MAP 36

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

Excerpt from Planning Board 1/8/13 Meeting Minutes

ZONE CHANGE – JCC RESIDENCE HALL CANNONEER LOOP AT RAND DRIVE – VARIOUS PARCELS

The Planning Board then considered a request submitted by Michael Kaskan on behalf of the Jefferson Community College Faculty-Student Association to change the approved zoning classification of 6.55 acres of land, east of Cannoneer Loop and south of Rand Drive, from Residence A to Residence C.

Mr. Coburn noted that he would be abstaining from the discussion and the vote as his employer was representing the applicant for this project.

Joseph Thesier of Bernier-Carr was in attendance to present the project. He explained that the change was needed to allow construction of the residence hall, because dormitories are not allowed in Residence A. He noted that many parcels were involved because the land was subdivided in the late 1800's, but never developed. The County plans to recombine the lots once the titles to the paper streets are resolved.

Michael Kaskan noted that the County Attorney was working on the title right now, and it should be resolved prior to the site plan approval submittal.

Mrs. Freda asked for clarification of the location of the change area in relation to Rand Drive. Mr. Thesier explained that the northern boundary of the change area is the Rand Drive margin.

Mr. Katzman noted that the aerial photograph shows this. He also noted that there are no neighbors. He asked if JCC would be coming in for future zone changes. Mr. Nichols noted that the rest of the campus is exempt from zoning.

Mr. Katzman asked why this project was not exempt from zoning and whether the real estate would be tax exempt.

Dan Dupee of JCC explained that the entity that owns and operates the dorm will be a 501(c)(3) non-profit. The college will not own the dorm due to financing rules, but it will be tax-exempt.

Mr. Mix noted that there are many layers of jurisdiction for this project, but it was determined that the dorm will be subject to the zoning ordinance.

Mr. Katzman made a motion to recommend approval of the request submitted by Michael Kaskan on behalf of the Jefferson Community College Faculty-Student Association to change the approved zoning classification of 6.55 acres of land, east of Cannoneer Loop and south of Rand Drive, from Residence A to Residence C, as submitted on December 18, 2012.

Mrs. Gervera seconded, all voted in favor except Mr. Coburn, who abstained.

Ord. No. 5

January 16, 2013

To: The Honorable Mayor and City Council

From: Elliott B. Nelson, Confidential Assistant to the City Manager

Subject: Amending the Parks and Recreation Fee Schedule

This attached ordinance has been included in tonight's City Council agenda at the request of Parks and Recreation Superintendent Erin Gardner. The intent of this legislation is to codify the fee for two programs offered by Parks and Recreation during the winter months. First, the Slip, Slide and Skate program is a class designed for first-time skaters to learn the basics of ice-skating from an experienced instructor. This class has been available through the Parks and Recreation Department for a number of years but the fee was never added to the City Code.

Secondly, this ordinance will codify the fee for participation in a new program Superintendent Gardner and her staff members are working to implement. Broomball, a game played on the ice sheet at the Arena, has recently increased in popularity and the demand for participation in games has increased. As such, the Department is working to set up open sessions where citizens can join in "pick-up" games of broomball. The proposed fee for this activity has been included in tonight's legislation.

ORDINANCE

Page 1 of 1

Amending City Municipal Code § A320-4,
Schedule of Fees

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

Total

YEA	NAY

Introduced by

BE IT ORDAINED that Section A320-4 of the City Code of the City of Watertown is amended by adding the following paragraphs:

§ A320-4. Schedule of Fees.

A. The schedule for general admission to the City’s fairgrounds municipal arena shall established and enforced as follows:

(14) Slip, Slide and Skate: \$2.50 per person, per session.

(15) Broomball: \$4.00 per person, per session.

and,

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

Seconded by

January 16, 2013

To: The Honorable Mayor and City Council
From: Sharon Addison, City Manager
Subject: Repealing Chapter 148 of the City Code

The attached ordinance is intended to repeal the remaining provisions of City Code Chapter 148-Fire Prevention as having been effectively replaced, superseded, and/or preempted by the current: New York State Fire Code; Property Maintenance Code; and City Code Chapter 120.

ORDINANCE

An Ordinance Repealing Chapter 148 of the Code of the City of Watertown

Page 1 of 1

YEA	NAY

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

Total

Introduced by

WHEREAS Chapter 148 of the Code of the City of Watertown was adopted by the City Council on September 30, 1946 to establish the Bureau of Fire Prevention and to specify certain responsibilities to be undertaken by that Bureau for the protection and safety of members of the public, and

WHEREAS the State of New York adopted the International Codes (the “State Codes”) including, in relevant part, the Fire Code and the Property Maintenance Code, effective January 1, 2003 to replace, supersede, and/or preempt the Uniform Fire Prevention and Building Codes and any conflicting and/or less stringent local municipal codes pertaining to the same subject matter, and

WHEREAS the City Council of the City of Watertown adopted Chapter 120 of the Code of the City of Watertown on February 22, 2005 as Local Law No. 2 of 2005 to repeal all, or part, of various chapters of the Code of the City of Watertown that were replaced, superseded and/or preempted by the State Codes and to designate the Code Enforcement Supervisor and his or her deputies to administer and enforce the State Codes, including the Fire Code and the Property Maintenance Code, and

WHEREAS Chapter 120 of the Code of the City of Watertown repealed portions of the City Code Chapter 148 at that time, but left portions of the City Code Chapter 148 intact, and

WHEREAS the Fire Code and Property Maintenance Code, as presently amended, effectively replace, supersede and/or preempt the remaining provisions contained in City Code Chapter 148 such that formal legislation to repeal the balance of City Code Chapter 148 is appropriate,

NOW THEREFORE BE IT ORDAINED by the City council of the City of Watertown that Chapter 148 of the Code of the City of Watertown is hereby repealed in its entirety, and

BE IT FURHTER ORDAINED that this Ordinance shall take effect as soon as it is published once in the official newspaper of the City of Watertown, New York.

Seconded by

Laid Over Under the Rules

January 15, 2013

To: The Honorable Mayor and City Council
From: Sharon Addison, City Manager
Subject: Bond Ordinance – Sidewalk Special Assessment District #9

On January 5, 2013, the City Council approved a Resolution establishing the Sidewalk Improvement Special Assessment for District 9.

The attached Bond Ordinance was also presented for consideration that evening; however, due to a lack of unanimous consent, this Ordinance could not be considered. As the report from the prior meeting indicated, this bond ordinance will allow the City to borrow for the costs associated with those property owners that choose to enroll in the 10-year Special Assessment Program. The City's share of the costs associated with the sidewalk program is funded with a transfer from the general fund and not through the proceeds of this bond ordinance.

ORDINANCE

YEA	NAY

An Ordinance Authorizing the Issuance of \$200,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Construction or Reconstruction of Sidewalks in Special Assessment District No. 9 Within the City

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

Total

Introduced by

Council Member Jeffrey M. Smith

At a regular meeting of the Council of the City of Watertown, Jefferson County, New York, held at the Municipal Building, in Watertown, New York, in said City, January 7, 2013, at 7:00 o'clock P.M., Prevailing Time.

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

PRESENT:

ABSENT:

The following ordinance was offered by Council Member Smith, who moved its adoption, seconded by Council Member Macaluso, to wit:

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

WHEREAS, it is now desired to authorize the issuance of bonds of said City to finance costs of said class of objects or purposes; NOW, THEREFORE,

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

Section 1. For the class of objects or purposes of paying costs of the construction or reconstruction of sidewalks in Special Assessment District No. 9 within the City of Watertown, Jefferson County, New York, including incidental expenses in connection therewith, there are hereby authorized to be issued \$200,000 bonds of said City pursuant to the provisions of the Local Finance Law.

ORDINANCE

An Ordinance Authorizing the Issuance of \$200,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Construction or Reconstruction of Sidewalks in Special Assessment District No. 9 Within the City

Page 2 of 6

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

Total

YEA	NAY

Section 2. It is hereby determined that the estimated maximum cost of the aforesaid class of objects or purposes is \$200,000 and that the plan for the financing thereof is by the issuance of \$200,000 bonds of said City authorized to be issued pursuant to this bond ordinance; provided, however, that the amount of bonds ultimately to be issued will be reduced by the amount of any State or Federal aid or any other revenue received by the City from other sources for such class of objects or purposes.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid class of objects or purposes is ten years, pursuant to subdivision 24 of paragraph a of Section 11.00 of the Local Finance Law.

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

Section 5. The faith and credit of said City of Watertown, Jefferson County, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such obligations as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such obligations becoming due and payable in such year. There shall annually be levied upon property in Special Assessment District No. 9 determined to be specially benefitted by such construction or reconstruction of sidewalks a special assessment to pay such portion of the principal of and interest on such obligations, as the same become due and payable, as shall be established in proceedings under Title XII of the City Charter and, to the extent such assessments are insufficient, there shall annually be levied a tax to pay principal and interest on such obligations as the same become due and payable.

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

ORDINANCE

An Ordinance Authorizing the Issuance of \$200,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Construction or Reconstruction of Sidewalks in Special Assessment District No. 9 Within the City

Page 3 of 6

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

YEA	NAY

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

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

Section 9. This ordinance shall constitute a statement of official intent for purposes of Treasury Regulations Section 1.1340-2. Other than as specified in this ordinance, no monies are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside with respect to the permanent funding of the object or purpose described herein.

ORDINANCE

An Ordinance Authorizing the Issuance of \$200,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Construction or Reconstruction of Sidewalks in Special Assessment District No. 9 Within the City

Page 4 of 6

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

Total

YEA	NAY

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

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

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

Unanimous consent could not be obtained on January 7, 2013 since all the members were not present. Therefore, it was laid over under the rules until the next meeting.

At a regular meeting of the Council of the City of Watertown, Jefferson County, New York, held at the Municipal Building, in Watertown, New York, in said City, on January 22, 2012, at 7:00 o'clock P.M., Prevailing Time.

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

PRESENT:

ABSENT:

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

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

January 7, 2013

ORDINANCE

An Ordinance Authorizing the Issuance of \$200,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Construction or Reconstruction of Sidewalks in Special Assessment District No. 9 Within the City

Page 5 of 6

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

Total

Table with 2 columns: YEA, NAY. Rows for each council member and a total row.

The ordinance was thereupon declared duly adopted.
* * *

APPROVED BY THE MAYOR

January __, 2013.
Mayor

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

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

That I have compared the annexed extract of the minutes of the meeting of the Council of said City, including the ordinance contained therein, held on January 7, 2013, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

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

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

Newspaper and/or Other News Media Date Given

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

ORDINANCE

An Ordinance Authorizing the Issuance of \$200,000 Bonds of the City of Watertown, Jefferson County, New York, to Pay the Costs of the Construction or Reconstruction of Sidewalks in Special Assessment District No. 9 Within the City

Page 6 of 6

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

Total

YEA	NAY

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

Designated Location(s) of Posted Notices	Date of Posting
--	-----------------

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City on January _____, 2013.

City Clerk
(CORPORATE SEAL)

January 15, 2012

To: The Honorable Mayor and City Council

From: Elliott B. Nelson, Confidential Assistant to the City Manager

Subject: Codifying the Acceptance of Ownership of the Stateway Plaza Entrance Road

On January 7, 2013, the City Council approved a Resolution to accept ownership of the Stateway Plaza entrance road upon completion of construction work preformed by the New York State Department of Transportation.

The attached Ordinance was also presented for consideration that evening; however, due to a lack of unanimous consent, this Ordinance could not be considered.

Numerous provisions are now needed within the City Code to reflect the City's ownership. This Ordinance, attached for Council's consideration, will codify the following items: traffic control signals, prohibiting U-turns, prohibiting parking, and prohibiting standing (idling) within the area.

ORDINANCE

Ordinance Amending City Municipal Code §293, Vehicles and Traffic – Western Boulevard

Page 1 of 3

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

YEA	NAY

Introduced by

Council Member Jeffrey M. Smith

WHEREAS the City Council agreed on December 16, 2002 to accept ownership of the Stateway Plaza entrance road upon completion of construction work performed by the New York State Department of Transportation, and

WHEREAS the City Council desired to name the completed street Western Boulevard, and

WHEREAS The New York State Department of Transportation has completed the work and transferred ownership to the City of Watertown on July 2, 2012, and

WHEREAS the property has been dedicated for Right of Way purposes and dedicated as a City Street known as Western Boulevard,

NOW THEREFORE BE IT ORDAINED that Section 293-49 of the City Code of the City of Watertown shall be amended to include as follows:

§293-49. Schedule I: Traffic Control Signals.

Intersection

Arsenal Street and Western Boulevard

BE IT FURTHER ORDAINED that Section 293-49 of the City Code of the City of Watertown shall be amended to delete as follows:

ORDINANCE

Ordinance Amending City Municipal Code §293, Vehicles and Traffic – Western Boulevard

Page 2 of 3

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

Total

YEA	NAY

§293-49. Schedule I: Traffic Control Signals.

Intersection

Arsenal Street and Stateway Plaza
and
Arsenal Street at Arsenal Street Plaza (P&C)

BE IT FURTHER ORDAINED that Section 293-53 of the City Code of the City of Watertown shall be amended to include as follows:

§293-53. Schedule V: U-Turn Prohibitions.

<u>Name of Street</u>	<u>Location</u>
Western Boulevard	Entire length

BE IT FURTHER ORDAINED that Section 293-61 of the City Code of the City of Watertown shall be amended to include as follows:

§293-61. Schedule XIII: Parking Prohibited at All Times

<u>Name of Street</u>	<u>Side</u>	<u>Location</u>
Western Boulevard	Both	Entire Length

January 7, 2013

ORDINANCE

Ordinance Amending City Municipal Code §293, Vehicles and Traffic – Western Boulevard

Page 3 of 3

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

Total

YEA	NAY

BE IT FURTHER ORDAINED that Section 293-63 of the City Code of the City of Watertown shall be amended to include as follows:

§293-63. Schedule XV: No Standing.

<u>Name of Street</u>	<u>Side</u>	<u>Location</u>
Western Boulevard	Both	Entire Length

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

Seconded by Council Member Joseph M. Butler JR.

Tabled

January 15, 2013

To: The Honorable Mayor and City Council

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

Subject: Amending the Code of the City of Watertown, Section 310-34,
Accessory Uses in Residence Districts

On December 17, 2012, the City Council referred the attached Ordinance to the Planning Board for review and recommendation. The Planning Board adopted a motion to recommend that the City Council approve the Ordinance at its January 8, 2013 meeting. The Planning Board also recommended that the City Council consider changes to the definition of "family." Attached is a copy of the memo prepared for the Planning Board and a copy of its Minutes.

The Jefferson County Planning Board will be reviewing the Ordinance on January 29, 2013.

The City Council must hold a Public Hearing on the Ordinance before it may vote on it. It is recommended that a Public Hearing be scheduled for 7:30 p.m. on February 4, 2013. A SEQR Resolution will also be presented at that meeting for Council consideration.

ORDINANCE

Amending the Code of the City of Watertown,
§310-34, Accessory Uses in Residence Districts

Page 1 of 1

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

YEA	NAY

Introduced by

Council Member Jeffrey M. Smith

WHEREAS it has been proposed to amend the Code of the City of Watertown, New York, so that the taking of not more than four non-transient roomers is no longer listed as an allowed accessory use in Residential Districts, and

WHEREAS the City Planning Board reviewed the proposed amendment to §310-34 of the Code of the City of Watertown at its January 8, 2013 meeting and made its recommendation on adoption, and

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

WHEREAS a Public Hearing was held on the proposed Zoning Ordinance Amendment on February 4, 2013 after due Public Notice, and

WHEREAS the City Council has determined, pursuant to the State Environmental Quality Review Act that there will not be any significant environmental impacts caused by the adoption of this Ordinance, and

WHEREAS the City Council of the City of Watertown believes that it is in the best interest of the residents of the City of Watertown to make the following change to Chapter 310 of the City Code,

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Watertown, New York, that §310-34.B.(7) that reads “the taking of not more than four non-transient roomers, provided that no sign is displayed” is hereby deleted from the Code of the City of Watertown, and

BE IT FURTHER ORDAINED that this Amendment to the City Code shall take effect as soon as published once in the official newspaper of the City of Watertown, New York, or printed as the City Manager directs.

Seconded by Council Member Teresa R. Macaluso



MEMORANDUM

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

TO: Planning Board Members

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

SUBJECT: Zoning Text Amendment §310-34 – Taking of Non-Transient Roomers in Res A

DATE: December 27, 2012

Council Member Jeffrey Smith has requested that the attached ordinance be brought to Council for consideration. The Council referred it to the Planning Board for review. Once a recommendation is received from the Planning Board, the Council must hold a public hearing prior to voting on the amendment.

The amendment will be reviewed by the County Planning Board at their January 29, 2013 meeting.

The ordinance amends section 310-34.B.(7) so that “taking of not more than four non-transient roomers, provided that no sign is displayed” will no longer be an allowed accessory use in any Residential district. In practical terms, this will only affect Residence A District, because boarding houses are allowed as a principal use in the other residential districts.

cc: City Council Members
Robert Slye, City Attorney
Justin Wood, Civil Engineer II

December 12, 2012

To: The Honorable Mayor and City Council
From: Kenneth A. Mix, Planning and Community Development Coordinators
Subject: Amending Code of the City of Watertown, §310-34, Accessory Uses in Residence Districts

Council Member Jeffrey Smith requested that the attached ordinance be drafted.

§310-34.B.(7) of the Zoning Ordinance allows “the taking of not more than four non-transient roomers, provided that no sign is displayed” as an accessory use in Residence Districts. This ordinance deletes that sentence.

The ordinance will only affect Residence A Districts because boarding, lodging, rooming and tourist houses are allowed as principal uses in Residence B and C Districts. Even there it may not have a practical effect. Residence A Districts allow one-family dwellings. The zoning ordinance defines a family as: “any number of individuals living together as a single housekeeping unit. To distinguish a “family” from a club, fraternity or boardinghouse, not more than four members of a family shall be other than blood relatives.” The Code Enforcement Bureau’s ability to determine whether there are more than four non-related persons in a household is very limited.

As with all zoning amendments, this ordinance will have to be sent to the City and County Planning Boards for recommendations, a public hearing must be held, and a SEQRA determination must be made by the City Council.

Excerpt from Planning Board 1/8/13 Meeting Minutes

ZONING TEXT AMENDMENT – ROOMERS IN RESIDENCE A

The Planning Board then considered an ordinance referred by City Council which disallows “non-transient roomers” as an accessory use in Residence Districts.

Mr. Mix explained that the ordinance was requested by Councilmember Smith and would remove the section of the zoning ordinance that allows taking of not more than 4 non-transient roomers in residential districts. He explained that in practical terms this amendment will only affect Residence A districts, because boarding houses are allowed as principal uses in other districts.

Mr. Gervera asked what the definition of “non-transient” is. Mr. Mix responded that it probably refers to weekly rentals or longer.

Mrs. Freda asked what the definition of a family is. Mr. Mix responded that it is any group of people living as a single household, with no more than 4 members being other than blood relatives. The effective distinction between a “family” of four unrelated individuals and a house with four “roomers” could be that the family members do not pay rent. However, it is essentially impossible to enforce this distinction because Codes has neither the authority nor the resources to establish whether people are blood relatives or whether rent is being paid.

Debbie Cavallario of 259 Thompson Boulevard addressed the Board. She stated that she bought her house based on a specific understanding of what constitutes a family. When a house in her neighborhood is occupied by several unrelated individuals, she believes that does not fit in with the characteristics of a single family neighborhood. She explained that she had talked to Code Enforcement, and that is how the Accessory Uses section came to her attention and motivated her to contact City Council. She asked that this amendment be passed regardless of its effectiveness, because it would at least be a step in the right direction.

Mrs. Freda stated that she is surprised by the definition of family in the zoning ordinance.

Mr. Fontana noted that the proposed change would not accomplish the supposed goal. The definition of family would need to be changed.

Mr. Mix noted that changing this definition could be a constitutional quagmire. The current definition is of the type most likely to survive legal scrutiny.

Mrs. Gervera stated that she would still like to remove the accessory use clause. She does not think that renting rooms should be allowed in Residence A districts.

Mr. Davis noted that making a change like this will likely cause more problems than it solves. The rule would pit neighbor against neighbor and create conflict, while providing no actual solution to the problem.

Mr. Katzman stated that he thinks occupancy should be based on the number bedrooms in a house, regardless of blood relative status.

After further general discussion, Mr. Fontana then moved to recommend that City Council approve the ordinance deleting Section 310-34.B.(7) from the Zoning Ordinance, and also recommend that the City consider further action regarding the definition of “family” and/or its effect on rental activity in Residence A districts.

Mrs. Gervera seconded, all voted in favor except Mr. Davis, who voted nay.

January 16, 2013

To: The Honorable Mayor and City Council
From: Kenneth A. Mix, Planning and Community Development Coordinator
Subject: Jefferson County Comprehensive Economic Development Strategy

Each City Council Member received a copy of the 2012 Jefferson County Comprehensive Economic Development Strategy (CEDS) with their December 17, 2012 Agenda.

The primary purpose of the CEDS is to make projects within Jefferson County eligible for funding from the U.S. Economic Development Administration (EDA). EDA funded the infrastructure in City Center Industrial Park and building renovations at the Watertown Center for Business and Industry.

The CEDS Committee is requesting that municipalities and organizations within the County endorse the plan. The City Council endorsed the last CEDS in 2007. Staff has prepared a draft resolution should Council decide to formally approve the plan this evening.

January 15, 2013

To: The Honorable Mayor and City Council
From: James E. Mills, City Comptroller
Subject: Sales Tax Revenue – December 2012

The City has received the monthly sales tax revenue amount from Jefferson County. In comparison to December 2011, the December 2012 sales tax revenue on an actual to actual basis is down \$182,737 or 9.63%. In comparison to the original budget projection for the month of December, sales tax is down \$253,820 or 12.89%.

The year-to-date actual receipts are up \$196,949 or 2.22% while the year-to-date receipts on a budget basis are down \$135,996 or 1.47%. Year-to-date sales tax revenue is at \$9,084,164.

The attached spreadsheet shows the detail collections for this year and last year along with the budgeted amounts. Collections for the Fiscal Years' 2008-09, 2009-10, 2010-11 and 2011-12 have been included for historical perspective.

	<u>Actual 2008-09</u>	<u>Actual 2009-10</u>	<u>Actual 2010-11</u>	<u>Actual 2011-12</u>	<u>Actual 2012-13</u>	<u>Variance</u>	<u>% Inc/(Dec)to Prior Year</u>	<u>Quarterly Variance</u>	<u>% Inc/(Dec) to Prior Quarter</u>
July	\$ 1,276,583	\$ 1,054,235	\$ 1,294,030	\$ 1,359,433	\$ 1,361,364	\$ 1,931	0.14%		
August	\$ 1,268,437	\$ 1,111,868	\$ 1,250,127	\$ 1,319,714	\$ 1,357,130	\$ 37,416	2.84%		
September	\$ 1,529,231	\$ 1,805,736	\$ 1,777,374	\$ 1,886,899	\$ 2,071,785	\$ 184,886	9.80%	224,233	4.91%
October	\$ 1,103,267	\$ 1,081,394	\$ 1,147,531	\$ 1,215,879	\$ 1,304,624	\$ 88,745	7.30%		
November	\$ 1,106,240	\$ 1,056,203	\$ 1,203,035	\$ 1,207,881	\$ 1,274,589	\$ 66,708	5.52%		
December	\$ 1,413,485	\$ 1,606,018	\$ 1,681,408	\$ 1,897,409	\$ 1,714,672	\$ (182,737)	-9.63%	(27,284)	-0.63%
January	\$ 1,073,261	\$ 1,103,884	\$ 1,213,795	\$ 1,195,675	\$ -				
February	\$ 843,971	\$ 921,272	\$ 984,089	\$ 1,036,230	\$ -				
March	\$ 1,458,063	\$ 1,572,098	\$ 1,445,902	\$ 1,624,451	\$ -			-	0.00%
April	\$ 954,271	\$ 1,121,188	\$ 1,190,708	\$ 1,217,913	\$ -				
May	\$ 960,159	\$ 1,079,512	\$ 1,164,270	\$ 1,224,057	\$ -				
June	\$ 1,479,763	\$ 1,709,687	\$ 1,654,800	\$ 2,029,525	\$ -			-	0.00%
YTD	<u>\$ 14,466,732</u>	<u>\$ 15,223,095</u>	<u>16,007,070</u>	<u>\$ 17,215,066</u>	<u>\$ 9,084,164</u>	<u>\$ 196,949</u>	<u>2.22%</u>		

	<u>Original Budget 2012-13</u>			<u>Actual 2012-13</u>	<u>Variance</u>	<u>%</u>		
July			\$ 1,410,362	\$ 1,361,364	\$ (48,998)	-3.47%		
August			\$ 1,369,155	\$ 1,357,130	\$ (12,025)	-0.88%		
September			\$ 1,957,588	\$ 2,071,785	\$ 114,197	5.83%	53,174	1.12%
October			\$ 1,261,430	\$ 1,304,624	\$ 43,194	3.42%		
November			\$ 1,253,133	\$ 1,274,589	\$ 21,456	1.71%		
December			\$ 1,968,492	\$ 1,714,672	\$ (253,820)	-12.89%	(189,170)	-4.22%
January			\$ 1,240,469	\$ -				
February			\$ 1,075,050	\$ -				
March			\$ 1,685,309	\$ -			-	0.00%
April			\$ 1,263,540	\$ -				
May			\$ 1,269,914	\$ -				
June			\$ 2,105,558	\$ -			-	0.00%
YTD			<u>\$ 17,860,000</u>	<u>\$ 9,084,164</u>	<u>\$ (135,996)</u>	<u>-1.47%</u>		
Total Budget			<u>\$ 17,860,000</u>					

January 9, 2013

Watertown City Council
City Hall
Washington St.
Watertown, NY 13601



*cc: Council
City Manager*

Honorable Mayor and Council Members,

As most or all of you are aware, in the fall of 2011 I started an apartment project on the upper 3 floors of my building at 150 Court St. The projected cost of the completed project was approximately \$600,000. To complete the construction of 10 units, a laundry area and a complete sprinkler and fire alarm system for the entire building. My estimated completion date was February 2012.

This project was unique to the downtown area as it was all financed through commercial loans with no subsidies of any kind. Many of you know this project went through over 5 years of planning and design before it was started. Great care was taken in preserving the historic flavor of the building both outside and in.

Mrs. Addison and Mr. Mix took a tour of the building last week. Councilman Smith has been through a few times throughout the project; however, I would welcome the opportunity to show all of you the completed project at your earliest convenience. I may be a bit prejudiced but I think it is easily one of the nicest apartment buildings in the Downtown area.

I have been following the local media and have heard of the city's intentions to help with the \$15,000,000.00 Woolworth project downtown and I applaud your efforts to get this building back on track. I understand Council has directed the Manager to decrease the city's permit fees on this project, give the new owners the use of the empty lot on the American corner for parking, authorize the City's support of Grant funding for this project and also work on a tax abatement program for them for approximately 12 years. I can understand the reasoning behind why you feel you have to take all these steps to make this project happen. It would be shameful to lose one of our most historic properties in the Downtown area, as well as the city taxpayers having to bear the brunt of the astronomical costs involved in taking this building down when it gets beyond the point of no return.

I would like to give you a comparison of these 2 historic properties. My building's footprint is over 2/3 the size of the Woolworth Bldg. The Woolworth building was put up in the mid 1900's, my building was erected in the 1800's. (Yes, it survived the Court St. fires!) The housing offered in the Woolworth will add up to about 20,000 square feet, the housing portion of my building is about 12,000 square feet. If you look at these numbers alone you would have to agree that I have done more than my share of saving a historic landmark in the Downtown area. I also have provided quite a bit of financial stimulus to the community as the majority of money spent on this project was spent locally.

Having said all this, I am writing to all of you today because I need your help. Due to some major changes in the Electrical code in 2012 and some unforeseen, pretty major structural issues we had during the construction phase of the project, my completion costs increased over \$150,000.00. This increase in costs and length of construction time has a major effect on the financial viability of my project. I have done a great deal of work to bring this building up to modern standards so hopefully, God willing, it will be here for another 200 years. I have greatly increased its' value, as I am sure my new city assessment will show as well. My request is simple. I would only be asking for 12-year tax abatement **only on the improvements**. I would continue to pay taxes on the assessment amount with standard increases that we would have had prior to the project. The difference in property tax will barely cover the maintenance costs of the building, but it will help give me time to recoup some of my additional costs. This will not have a negative effect on the present tax roll whatsoever and with the improvements I have made it will still have a very positive effect on the tax rolls when the abatement period ends.

My heartfelt thanks to all of you for the consideration of my request and I look forward to speaking with you soon.

Respectfully yours,

Stephen Bradley
S&J Properties of Watertown, LLC
Phone-778-1473
abbeycarpetguy@verizon.net



10 January, 2013

Dear Honorable Mayor Graham and City Council Members:

On behalf of the Thousand Islands Area Habitat for Humanity (TIAHFH), our affiliate is most interested in acquiring the building lot at 123 E. Lynde Street in the city of Watertown. We know that the previous dwelling on that lot has been demolished.

At the present time, the only buildable site that TIAHFH owns is our present build at 1130 Superior Street which will be continued in the spring with a targeted completion date in the fall.

Thank you for considering TIAHFH's request for the property at 123 E. Lynde Street. We look forward to being able to construct another house in the city of Watertown.

Sincerely,



Lynn Morgan
TIAHFH Vice-President

